PROVIDENCE
Health & Services

January 31, 2022

RECEIVED
By CERTIFICATE OF NEED PROGRAM at 3:28 pm, Jan 31, 2022

CN22-32

Eric Hernandez
Certificate of Need Program
Department of Health
111 Israel Road SE
Tumwater, WA 98501

Re: Application of Providence Health & Services – Washington d/b/a Providence Hospice of Seattle to Operate a Medicare Certified and Medicaid Eligible Hospice Agency in Pierce County

Dear Mr. Hernandez:

Attached is the certificate of need application of Providence Health & Services – Washington d/b/a Providence Hospice of Seattle to operate a Medicare certified and Medicaid eligible hospice agency in Pierce County.

As required, the review and processing fee of $21,968 has been mailed separately to the Department (Check #3262845). A copy of the check is included with our application.

Please contact me at 425-525-6656 or Sarah.Cameron@providence.org if you have any questions regarding this application. Thank you for your assistance.

Sincerely,

Sarah Cameron
Chief Strategy and Planning
Providence Home and Community Care

Hospice Agency Certificate of Need
Application Packet

Contents:

Application submission must include:

- One electronic copy of your application, including any applicable attachments – no paper copy is required.
- A check or money order for the review fee of $21,968 payable to Department of Health.

Include copy of the signed cover sheet with the fee if you submit the application and fee separately. This allows us to connect your application to your fee. We also strongly encourage sending payment with a tracking number.

Mail or deliver the application and review fee to:

Mailing Address:

Department of Health
Certificate of Need Program
P O Box 47852
Olympia, Washington 98504-7852

Other Than By Mail:

Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, Washington 98501

Contact Us:
Certificate of Need Program Office 360-236-2955 or FSLCON@doh.wa.gov.

Application Instructions

The Certificate of Need Program will use the information in your application to determine if your project meets the applicable review criteria. These criteria are included in state law and rules. Revised Code of Washington (RCW) 70.38 and Washington Administrative Code (WAC) 246-310.

General Instructions:

- Include a table of contents for application sections and appendices/exhibits
- Number **all** pages consecutively
- Make the narrative information complete and to the point.
- Cite all data sources.
- Provide copies of articles, studies, etc. cited in the application.
- Place extensive supporting data in an appendix.
- **Provide a detailed listing of the assumptions you used for all of your utilization and financial projections, as well as the bases for these assumptions.**
- Under no circumstance should your application contain any patient identifying information.
- Use **non-inflated** dollars for **all** cost projections
- **Do not** include a general inflation rate for these dollar amounts.
- **Do** include current contract cost increases such as union contract staff salary increases. You must identify each contractual increase in the description of assumptions included in the application.
- **Do not** include a capital expenditure contingency.
- If any of the documents provided in the application are in draft form, a draft is only acceptable if it includes the following elements:
  a. identifies all entities associated with the agreement,
  b. outlines all roles and responsibilities of all entities,
  c. identifies all costs associated with the agreement,
  d. includes all exhibits that are referenced in the agreement, and
  e. any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

Do not skip any questions in this application. If you believe a question is not applicable to your project, explain why it is not applicable.

Answer the following questions in a manner that makes sense for your project. In some cases, a table may make more sense than a narrative. The department will follow up in screening if there are questions.

Program staff members are available to provide technical assistance (TA) at no cost to you before submitting your application. While TA isn't required, it's highly recommended and can make any required review easier. To request a TA meeting, call 360-236-2955 or email us at FSLCON@doh.wa.gov.

Certificate of Need Application
Hospice Agency

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990.

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and WAC 246-310, rules and regulations adopted by the Washington State Department of Health. I attest that the statements made in this application are correct to the best of my knowledge and belief.

Signature and Title of Responsible Officer: Sarah Cameron Chief Strategy and Planning **Email Address:** Sarah.cameron@providence.org	**Date:** 1/31/2022 **Telephone Number:** (425) 525-6656
Legal Name of Applicant Providence Health & Services-Washington d/b/a Providence Hospice of Seattle **Address of Applicant:** 2811 S. 102nd Street, Suite 250 Tukwila, WA 98168	Provide a brief project description ☐ New Agency ☒ Expansion of Existing Agency ☐ Other: _____ Estimated capital expenditure: $ 0
Identify the county proposed to be served for this project. Note: Each hospice application must be submitted for one county only. If an applicant intends to obtain a Certificate of Need to serve more than one county, then an application must submitted for each county separately. **Pierce County**	

Providence Health & Services – Washington d/b/a Providence Hospice of Seattle

Certificate of Need Application

Proposing to Operate a Medicare Certified and Medicaid Eligible Hospice Agency in Pierce County

January 2022

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Introduction and Summary

Providence Health & Services – Washington d/b/a Providence Hospice of Seattle ("Providence Hospice") requests certificate of need ("CN") approval to provide Medicare certified and Medicaid eligible hospice services to residents of Pierce County.[1]

The Sisters of Providence, whose work led to the formation of Providence Health & Services ("Providence"), have provided hospice services in the Pacific Northwest since the 1850s, including care for those who are ill or approaching the end of life. These early endeavors to offer access to health care, including hospice services, were driven by a core tenet that health is a human right. More than 160 years later, the Sisters' legacy continues to serve those in need, especially those who are poor and vulnerable.

Today, Providence Hospice continues this tradition and heritage by providing personalized, compassionate whole person care for people nearing the end of life. Our physicians, nurses, hospice aides, chaplains, social workers, community volunteers, and other team members provide highly effective and high-quality interdisciplinary care. This care ranges from pain control and comfort care to emotional, social, spiritual, and bereavement support, including support for family members, friends, and staff who provide care.

Providence Hospice operates out of its branch office in Tukwila, Washington, and is currently licensed to provide hospice services in King County. In addition, Providence operates other agencies that provide hospice services in the following Washington counties: Clark, Island, Klickitat, Lewis, Mason, Skamania, Snohomish, and Thurston. On average, Providence overall in Washington serves more than 1,100 hospice patients daily and approximately 5,500 unique patients annually. In Washington, Providence hospice agencies employ over 510 clinical and administrative staff and have approximately 251 volunteers serving our patients, their families, and the community.

Providence Hospice is a leader in the hospice field and actively participates in state and national organizations. Quality, safety, and clinical excellence have been core principles of the organization since its inception. Committed to the aims of the Medicare Conditions of Participation and compliance with all local, state, and federal regulations, Providence Hospice of Seattle has never had any license revocations.

Ultimately, Providence Hospice is pursuing a certificate of need to establish a hospice agency in Pierce County for three reasons:

[1] On October 27, 2021, the Department of Health ("the Department") issued an Evaluation approving Providence Hospice's CN application to provide hospice services in Pierce County. Pursuant to the Evaluation, the Department issued CN #1914 to Providence Hospice on October 29, 2021. Providence Hospice began providing hospice services in Pierce County in early December, 2021, and the Department subsequently confirmed that the project is complete. Four applicants who participated in the 2021 Pierce County hospice application concurrent review have appealed the Evaluation by commencing adjudicative proceedings. The adjudicative proceedings are ongoing. Accordingly, Providence Hospice is filing this application in order to preserve its rights and remedies with respect to the provision of hospice services in Pierce County.

1. Serve the unmet and growing needs of the population;
2. Provide services to underserved populations, including, but not limited to, pediatric patients, cardiac patients, end-stage renal disease patients, those experiencing housing insecurity, minorities, and veterans;
3. Promote enhanced continuity of care for patients in the planning area.

Need Is Shown for A New Hospice Agency In Pierce County

In order to determine whether there is need for new hospice agencies, the Department relies upon the Hospice Need Forecasting Method set forth in WAC 246-310-290. Utilizing the Forecasting Method, the numeric need for additional hospice agencies is calculated for each planning area using a three-year planning horizon.

According to the Department's 2021-2022 Hospice Numeric Need Methodology, there is need in Pierce County for 3 new hospice agencies in the target year of 2023. Providence Hospice intends to meet that need by operating a Medicare certified and Medicaid eligible hospice agency to serve residents in Pierce County. The hospice agency will be based in Tukwila in Providence Hospice's existing office space.

Providence Hospice Has Extensive Experience Serving Underserved Populations

Providence Hospice is committed to serving all patients who require hospice services in Pierce County. Providence Hospice has an established history and reputation of providing unique services to underserved populations in King County, and it intends to offer these same services to Pierce County residents. In serving King County residents, Providence Hospice offers services and programs that include, but are not limited to, the following:

- Pediatric hospice and palliative care services
- End-stage renal disease program
- Dual eligible population
- Homeless population
- Veterans
- Cardiac hospice
- Community-based palliative care
- Culturally appropriate care
- Grief and bereavement services

Given its experience in, and dedication to, providing unique services to specific populations who often go underserved, Providence Hospice looks forward to providing these same services to the residents of Pierce County.

The Right Care in The Right Place

It is critical in a community that sufficient hospice services are available not only to meet the need, but to ensure patients have the option to choose both where and how they will seek care, especially for those in their final months, weeks, and days of life. Providence Hospice will help address the need and ensure Pierce County residents have both access and the opportunity to obtain end-of-life care in the most appropriate setting. A new

hospice agency in Pierce County will not only improve access, but allow individuals to choose and shape their final period of life according to their goals, beliefs, and wishes.

An Integrated Care Delivery Network with Broad Support

As part of an integrated care delivery system, Providence Hospice works closely with existing Providence providers and partners in King County and the Puget Sound region, including those in Pierce County. With five hospitals and numerous external hospital relationships in the greater Seattle area, Providence serves patients from across the region, including Pierce County. At some point, many of these patients may be best served by hospice care in their Pierce County home. In addition, Providence Hospice is supported by existing hospice colleagues within Washington and Oregon who are based in Olympia, Everett, and Portland. With this depth of expertise, we are well positioned to identify and share best practices, improve quality outcomes, promote financial stewardship, increase access, and improve patient satisfaction across the care continuum.

Providence Is Committed To, And Has Deep Roots In, The Local Community

As a long-established provider, Providence Hospice has deep roots in, and is fully committed to, the local community in the Puget Sound region. Providence Hospice currently works closely with community partners, local hospitals, physicians, and other providers to ensure comprehensive post-acute care that improves access and continuity of care. Providence Hospice serves all patients requiring hospice services, with an emphasis on underserved populations, especially the poor and vulnerable.

Providence Hospice is well known in the community, especially for providing unique hospice services that are often left unfulfilled by other hospice providers. For example, Providence Hospice has robust grief support services, with other local hospice providers often referring their patients and families to Providence for bereavement services. In addition, Providence Hospice has a number of programs focused on children and teens. This includes our pediatric palliative care and hospice teams that serve infants, children, and their families. Providence Hospice participates in the Camp Erin program, which is one of the largest networks in the nation of free bereavement services designed for children and teens ages 6 through 17 who have experienced the death of someone close to them. Camp Erin provides a unique opportunity for peer bonding between children and teens who are facing similar life circumstances. Because of its programs, Providence Hospice is seen as the “go to” place in the community for these critical services.

In addition, and importantly, the Providence Mission reaches beyond the walls of care settings to touch lives in the places where relief, comfort, and care are needed. One way in which Providence lives its Mission is through providing community benefit. These investments not only support the health and well-being of our patients, but of the whole community. Through programs and donations, Providence’s community benefit connects families with preventive care to keep them healthy, fills gaps in community services, and provides opportunities that bring hope in difficult times. Providence provides significant community benefit in the form of free and discounted medical care; community health programs, grants, and donations; education and research programs; the unfunded portion

of government-sponsored medical care; and subsidized services. In 2020, Providence provided $675 million in community benefit in Washington.[2]

In addition, the Providence Hospice of Seattle Foundation was founded in late 2000. Since that time, it has provided more than $21.1 million to help the ministry provide care and programs for terminally ill patients and their families, with more than 2,000 donors annually. Major ongoing programs funded specifically by the Foundation include: children's bereavement (Safe Crossings and Camp Erin), pediatric hospice and palliative care (Stepping Stones), adult palliative care, support of low-income patients and families (Patient Special Needs), and complementary therapies (e.g. music, massage).

Finally, when the Sisters of Providence began their tradition of caring nearly 160 years ago, they greatly depended on partnering with others in the community who were committed to the same aims. Today, we collaborate with social service and government agencies, charitable foundations, community organizations, universities and other educational institutions, local providers, and many other partners to identify the greatest needs and create solutions together. In Pierce County, Providence Hospice will carry forward and further extend this long tradition of community collaboration.

[2] Please see Exhibit 2 for details about Providence Health & Services – Washington's community benefit in 2020.

Applicant Description

1. **Provide the legal name(s) and address(es) of the applicant(s).**

   Note: The term "applicant" for this purpose includes any person or individual with a ten percent or greater financial interest in the partnership or corporation or other comparable legal entity as defined in WAC 246-310-010(6).

Providence Hospice of Seattle will administer Pierce County services out of its Tukwila office. The name and addresses are provided below:

- Legal Name: Providence Health & Services – Washington d/b/a Providence Hospice of Seattle
- Licensed Address: 2811 S 102nd St, Suite 220, Tukwila, WA 98168
- Office Address: 2811 S 102nd St, Suite 250, Tukwila, WA 98168[3]

2. **Identify the legal structure of the applicant (LLC, PLLC, etc.) and provide the Unified Business Identifier (UBI).**

Providence Health & Services – Washington d/b/a Providence Hospice of Seattle is a private, non-profit organization – 501(c)(3) with a Unified Business Identifier of 313 007 977. A copy of the State of Washington Registrations and Licenses for Providence Health & Services – Washington d/b/a Providence Hospice of Seattle is provided in Exhibit 3.

3. **Provide the name, title, address, telephone number, and email address of the contact person for this application.**

The contact person for this application is provided below:

1. Name: Sarah Cameron
2. Title: Chief Strategy and Planning
3. Address: 2811 S. 102nd Street, Suite 220, Tukwila, WA 98168
4. Telephone Number: (425) 525-6656
5. Email Address: sarah.cameron@providence.org

4. **Provide the name, title, address, telephone number, and email address of the consultant authorized to speak on your behalf related to the screening of this application (if any).**

This question is not applicable. There is no consultant authorized to speak on our behalf related to screening of this application.

[3] Please note that the licensed address is 2811 S 102nd St, Suite 220, Tukwila, WA 98168, while the office location is in an adjacent suite located in the same building at 2811 S 102nd St, Suite 250, Tukwila, WA 98168.

5. **Provide an organizational chart that clearly identifies the business structure of the applicant(s).**

On July 1, 2016, Providence Health & Services and St. Joseph Health System, a California non-profit corporation, became affiliated. The new affiliation created a new "super-parent," Providence St. Joseph Health ("PSJH"), a Washington non-profit corporation. PSJH has facilities located in Alaska, Washington, Montana, Oregon, California, New Mexico, and Texas.

It is important to note that Providence Health & Services remains a viable corporation, as do any and all subsidiaries and d/b/as that fall under that corporate umbrella. The new affiliation did not change the name or corporate structure of Providence Health & Services or Providence Hospice of Seattle. For the purposes of this CN application, the Providence Health & Services legal structure is provided in Exhibit 4. In addition, an organizational chart for Providence Health & Services – Washington d/b/a Providence Hospice of Seattle is provided in Exhibit 5.

Finally, a copy of the Washington State Department of Health In Home Services Agency License for Providence Health & Services – Washington d/b/a Providence Hospice of Seattle is provided in Exhibit 6.

6. **Identify all healthcare facilities and agencies owned, operated by, or managed by the applicant or its affiliates with overlapping decision-makers. This should include all facilities in Washington State as well as out-of-state facilities. The following identifying information should be included:**
    - **Facility and Agency Name(s)**
    - **Facility and Agency Location(s)**
    - **Facility and Agency License Number(s)**
    - **Facility and Agency CMS Certification Number(s)**
    - **Facility and Agency Accreditation Status**
    - **If acquired in the last three full calendar years, list the corresponding month and year the sale became final**
    - **Type of facility or agency (home health, hospice, other)**

A list of all healthcare facilities and agencies with post-acute care services that are owned, operated by, or managed by Providence or its affiliates with overlapping decision-makers (including hospice, home health, home infusion pharmacy, durable medical equipment, PACE, skilled nursing facilities, and other residential care settings) is provided in Exhibit 7.

Project Description

1. Provide the name and address of the existing agency, if applicable.

Providence Hospice of Seattle ("Providence Hospice") is the existing agency. Its legal name and address are:

- Legal Name: Providence Health & Services – Washington d/b/a Providence Hospice of Seattle
- Licensed Address: 2811 S 102nd St, Suite 220, Tukwila, WA 98168
- Office Address: 2811 S 102nd St, Suite 250, Tukwila, WA 98168

2. If an existing Medicare and Medicaid certified hospice agency, explain if/how this proposed project will be operated in conjunction with the existing agency.

Providence Hospice is an existing Medicare certified and Medicaid eligible hospice agency, which operates out of its branch office in Tukwila, Washington; it is currently licensed to provide hospice services in King County. As part of an integrated care delivery system, Providence Hospice works closely with existing Providence providers and partners in King County and the Puget Sound region, including those in Pierce County.

The proposed certificate of need project will extend hospice services into Pierce County and will be operated as a Medicare certified and Medicaid eligible hospice agency. The proposed project will be fully integrated and supported by the existing administrative and operational infrastructure that currently supports the Providence Hospice operations in King County. Additional administrative, operational, and care teams will be added as needed to meet the unmet need for hospice services in Pierce County.

3. Provide the name and address of the proposed agency. If an address is not yet assigned, provide the county parcel number and the approximate timeline for assignment of the address.

Providence Hospice of Seattle will administer Pierce County services out of its existing Tukwila office in King County, Washington. The name and addresses are provided below:

- Name: Providence Health & Services – Washington d/b/a Providence Hospice of Seattle.
- Licensed Address: 2811 S 102nd St, Suite 220, Tukwila, WA 98168
- Office Address: 2811 S 102nd St, Suite 250, Tukwila, WA 98168

4. Provide a detailed description of the proposed project.

Providence Hospice seeks to operate a Medicare certified and Medicaid eligible hospice agency to serve residents of Pierce County, Washington. The hospice agency will be

based out of Providence Hospice's existing office in Tukwila (King County), which is adjacent to Pierce County.

Providence Hospice will provide hospice services to Pierce County residents, regardless of their ability to pay. Providence Hospice currently offers a full range of hospice and hospice-related services and programs, including specialized services such as pediatric hospice and palliative care services, cardiac hospice services, an end-stage renal disease program, the We Honor Veterans program, and grief and bereavement services. The proposed project will extend these services to Pierce County residents.

5. Confirm that this agency will be available and accessible to the entire geography of the county proposed to be served.

We confirm that the proposed agency will be available and accessible to the entirety of Pierce County. Providence Hospice commits that it will serve the entire geography of Pierce County.

6. With the understanding that the review of a Certificate of Need application typically takes at least six to nine months, provide an estimated timeline for project implementation, below:

Please see Table 1 below for the estimated timeline for project completion. The design and construction steps are not applicable, as there is no construction required for the proposed project.

Table 1. Estimated Timeline for Project Implementation

Event	Anticipated Month/Year
CN Approval	September/2022
Design Complete (if applicable)	N/A
Construction Commenced (if applicable)	N/A
Construction Completed (if applicable)	N/A
Agency Prepared for Survey	October/2022
Agency Providing Medicare and Medicaid hospice services in the proposed county.	January/2023

7. Identify the hospice services to be provided by this agency by checking all applicable boxes below. For hospice agencies, at least two of the services identified below must be provided.

Table 2. Hospice Services to Be Provided

☑ Skilled Nursing	☑ Durable Medical Equipment
☑ Home Health Aide	☑ IV Services
☑ Physical Therapy	☑ Nutritional Counseling
☑ Occupational Therapy	☑ Bereavement Counseling
☑ Speech Therapy	☑ Symptom and Pain Management
☑ Respiratory Therapy	☑ Pharmacy Services
☑ Medical Social Services	☑ Respite Care
☑ Palliative Care	☑ Spiritual Counseling
☑ Other (please describe) Please see explanation below	

Other hospice services to be provided by this agency include, but are not limited to, pediatric hospice care, pediatric palliative care, pediatric bereavement, cardiac hospice care, care to patients with end-stage renal disease, massage therapy, music therapy, and pet therapy.

8. If this application proposes expanding an existing hospice agency, provide the county(ies) already served by the applicant and identify whether Medicare and Medicaid services are provided in the existing county(ies).

Providence provides Medicare and Medicaid hospice services through four existing agencies (Providence Hospice of Seattle, Providence Hospice and Home Care of Snohomish County, Providence SoundHomeCare and Hospice, and Providence Hospice (Portland, Oregon)) in the following counties in Washington: Island, King, Klickitat, Lewis, Mason, Skamania, Snohomish, Thurston, and Clark.

Figure 1 provides a map of the current and proposed counties served by Providence Hospice of Seattle, the legal applicant for this proposed certificate of need project. Figure 2 provides a map of all counties served by Providence in Washington, as well as the proposed addition of Pierce County. The current service area for Providence Hospice naturally lends itself to providing the needed hospice services in Pierce County, bringing experience and unique capabilities to serve both populous and more remote communities.

Figure 1. Providence Hospice of Seattle Current and Proposed Counties Served in Washington

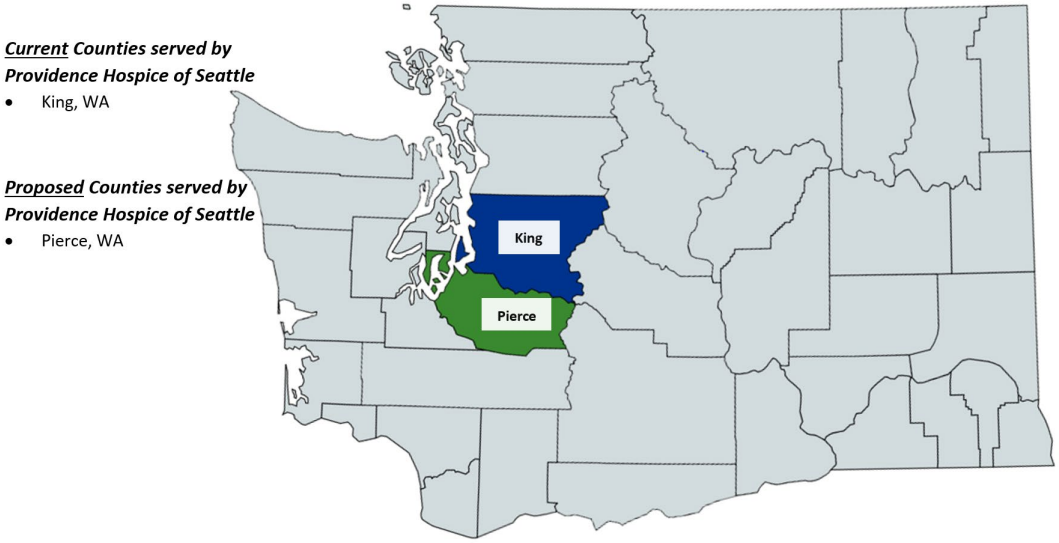
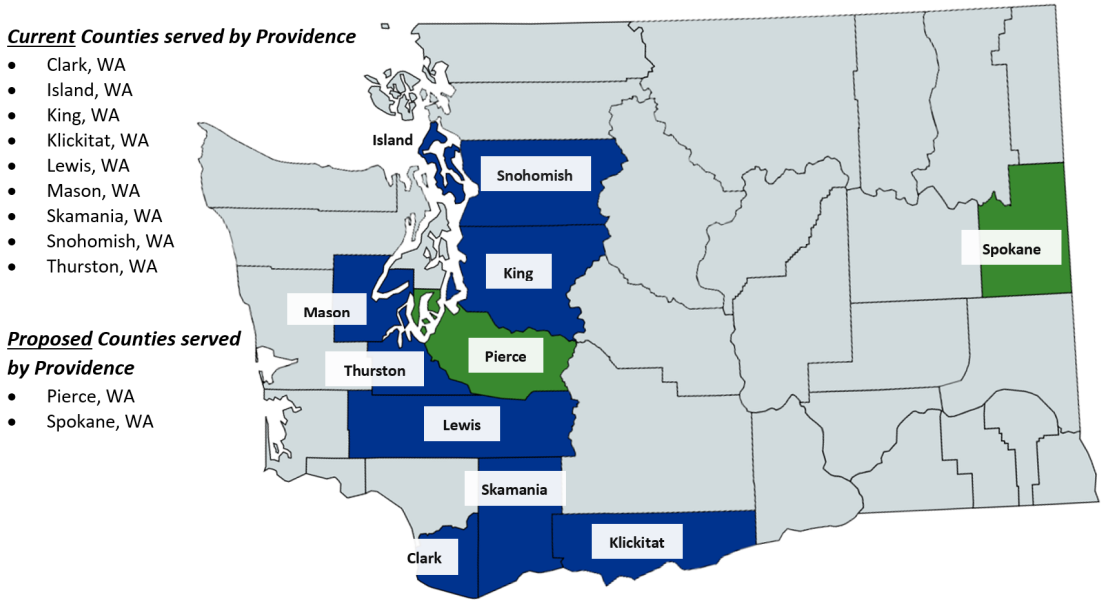


Figure 2. Providence's Current and Proposed Counties Served in Washington



9. If this application proposes expanding the service area of an existing hospice agency, clarify if the proposed services identified above are consistent with the existing services provided by the agency in other planning areas.

Yes, the services proposed for the Pierce County agency are consistent with the current services provided by Providence Hospice in King County.

10. Provide a general description of the types of patients to be served by the agency at project completion (e.g. age range, diagnoses, special populations, etc).

Providence Hospice utilizes teams of experienced, compassionate, professional health care providers who have specialized training in end-of-life care to serve seriously ill adults and children, as well as their families. Our hospice care team includes hospice physicians, advanced registered nurse practitioners, registered nurses, medical social workers, hospice aides (certified nursing assistants), chaplains, occupational / physical / speech therapists, pharmacists, grief support counselors, and volunteers. The team provides comprehensive services, ranging from pain control and comfort care to emotional, social, and spiritual support, including support for family members and caregivers.

The proposed agency will serve all patients requiring hospice services in Pierce County, with an emphasis on underserved populations, especially the poor and vulnerable. Providence Hospice intends to provide a full range of hospice services to patients of all ages and diagnoses, regardless of insurance status or ability to pay.

Furthermore, Providence Hospice is committed to caring for underserved populations in the community, including: individuals experiencing homelessness or unstable housing; infants, children, and adolescents nearing end of life; and adults living with advanced illnesses who are in need of specialized services, such as those with advanced cardiac disease, end-stage renal disease, or AIDS.

Our specialized services have continued evolving to meet the emerging needs of specific communities. For example, most recently, we have cared for COVID-positive patients in supervised living settings, as well as those in home settings. We also have partnered rapidly with skilled nursing facilities impacted by COVID-19 outbreaks to provide direct clinical care to those facing end of life, shared infection prevention practices, provided testing as appropriate to ensure the safe provision of care, and offered supportive services to facility staff to help them cope more effectively with the stress and fear associated with being a caregiver during the COVID-19 pandemic.

See below for a description of Providence Hospice's key existing programs and the type of patients who are served. Providence Hospice intends to bring the same services to Pierce County.

<u>Pediatric Hospice & Palliative Care</u>

Providence Hospice of Seattle provides pediatric hospice care, concurrent care, and palliative care to infants, children, and adolescents nearing end of life, as well as support for their families. With the concurrent care benefit, children are able to receive hospice care and continue curative treatment at the same time. Providence Hospice's pediatric interdisciplinary care teams practice a combination of active and compassionate therapies intended to comfort and support the child, as well as family members and other significant people in the child's life, through the end of life. Our caregivers' focus is always on the child's quality of life. Providence Hospice works closely with other local providers

who focus on pediatric care such as Seattle Children's Hospital and Mary Bridge Children's Hospital in Tacoma.

While pediatric hospice care may constitute a relatively low volume in terms of the annual number of patients served by any given hospice agency, these children are high need patients given their special needs and circumstances, and the needs and circumstances of their families and support groups. Providence Hospice intends to meet those unique needs in Pierce County, just as it has been doing in King County for many years.

End-Stage Renal Disease

Those with end-stage renal disease ("ESRD") rarely use hospice services due to the life prolonging nature of dialysis. However, Providence Hospice has experience working closely with the Northwest Kidney Center to support ESRD patients who may benefit from palliative care. Our partnership with Northwest Kidney Center allows patients to receive palliative care while still remaining eligible for ESRD treatment under Medicare. The challenge that ESRD patients face is that, under current Medicare guidelines, patients would have to forgo dialysis in order to qualify for the Medicare hospice benefit, thus creating a barrier to accessing both services simultaneously.

Within the Medicare reimbursement structure, people who pursue hospice care with a qualifying diagnosis of ESRD must terminate dialysis before they can access hospice benefits. This results in a median length of stay of 5 days, which is a poor utilization of hospice services. Additionally, ESRD disproportionately affects minority populations, who, in turn, experience inadequate access to compassionate in-home end-of-life care. In an effort to address these disparities, Northwest Kidney Center, a regional non-profit dialysis provider, partnered with Providence Hospice in a financial reimbursement agreement that allows patients with a qualifying diagnosis of ESRD to continue dialysis while receiving hospice care. Through this collaboration, patients gain access to appropriate hospice care for weeks to months instead of a few days, and they may avoid undesired hospitalizations at the end of life.

By partnering with Northwest Kidney Center, Providence Hospice has been able to provide much-needed services to this underserved population. As noted in a recent article regarding the Providence Hospice/Northwest Kidney Center partnership: "Only 2.3% of Medicare decedents who received hospice care in 2018 had a kidney condition as their principal diagnosis." In the article, Daniel Lam, M.D., the medical advisor for Northwest Kidney Center, states: "There are a lot of palliative care needs among the dialysis patient population. We think expanding hospice access is the right thing to do for a population that experiences such disparities in this important service."[4] Dr. Lam further elaborates on this critical partnership: "Providence Hospice was willing to partner with us on a service that ultimately benefits patients and families, and allows them to focus on what is most important — each other. Providence's track record of providing hospice services for other

[4] See article *Kidney Dialysis Palliative Care Program Bridging a Gap to Hospice* https://hospicenews.com/2021/10/11/kidney-dialysis-palliative-care-program-bridging-a-gap-to-hospice/

vulnerable populations demonstrated to us that they aligned with Northwest Kidney Centers."[5]

Given our experience and commitment in partnering to provide hospice services to those experiencing ESRD, Providence Hospice intends to partner to bring these same services to Pierce County residents. With more than 1 in 7 of U.S. adults estimated to have chronic kidney disease, Providence Hospice believes there is an imperative to expand hospice services to ESRD patients in Pierce County.[6]

Dual Eligible Beneficiaries

Dual eligible individuals — those who qualify for both Medicare and Medicaid — are an often-overlooked underserved population with respect to hospice services. CMS reports that, in 2018, there were 12.2 million individuals classified as dual eligible, who "experience high rates of chronic illness, with many having long-term care needs and social risk factors ... and 60 percent have multiple chronic conditions."[7] Of particular concern, CMS reports that 18% of dual eligibles report their health status as being "poor," compared to just 6% for other Medicare enrollees.[8]

Providence Hospice intends to develop outreach programs to underserved populations, including a focus on improving access to hospice services for dual eligible individuals. Providence Hospice will be able to leverage existing infrastructure within Providence, such as its Population Health Community Health Workers ("CHWs"). CHWs help remove barriers, bridge gaps, and assist in patient navigation in order to improve health outcomes for our vulnerable and underserved populations. Providence Hospice looks forward to meeting the hospice needs of the dual eligible beneficiaries.

Homeless Population

Another critically underserved population is community residents who are experiencing homelessness or housing insecurity. In Washington State, homelessness rose 6.2% between 2019 and 2020, with 30 out of every 10,000 persons in the State being homeless, according to a recent report from the U.S. Department of Housing and Urban Development.[9] In 2021, the Pierce County Point-In-Time ("PIT") count showed 1,005 homeless persons counted.[10]

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[5] Ibid.

[6] See Fact Sheet *Chronic Kidney Disease in United States, 2021.*
https://www.cdc.gov/kidneydisease/publications-resources/ckd-national-facts.html

[7] See Fact Sheet *People Dually Eligible for Medicare and Medicaid, CMS Fact Sheet 2020*.
https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO_Factsheet.pdf

[8] Ibid.

[9] See pp. 14, 15, *The 2020 Annual Homeless Assessment Report to Congress*
https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf

[10] See 2021 Homeless Point-Int-Time Count.
https://www.piercecountywa.gov/DocumentCenter/View/104282/PIT-Count-infographic-2021-V2

The Providence system recognizes that stable housing is a driver of health and well-being, and we have long been committed to addressing the needs of those experiencing homelessness or housing insecurity. Examples of our commitment include Providence's Supportive Housing, which includes 17 programs with a total of 804 units, the recently acquired Seattle Affordable Housing Program,[11] and community-based partnerships through our "Housing Is Health" initiative.[12] These efforts are not new to Providence, but represent a long-standing tradition of providing shelter to the aged, infirm, marginalized, and underserved members of the communities served by Providence.

Providence Hospice will continue to provide, and further expand, hospice services specific to those experiencing homelessness and housing insecurity. By partnering with local entities, we intend to provide hospice services in multiple settings, meeting the homeless where they are. There are homeless individuals who are unable to navigate hospice access and lack access to standard hospice services and services such as palliative care and grief and bereavement support. In Pierce County, we will continue our existing mission of addressing the needs of this vulnerable population.

Veterans

Providence Hospice of Seattle is proud to serve those who have served our country. Our hospice teams are dedicated, trained, and committed to providing sensitive and highly skilled care that meets the specific needs of veterans at the end of life. We utilize the National Hospice and Palliative Care Organization (NHPCO) We Honor Veterans program to guide our care. We provide pinning ceremonies that honor those who have served in the American Armed Forces. In addition, many of our volunteers are veterans themselves, offering a unique level of understanding as they work with and support our veteran patients.

Cardiac Hospice Care

Providence Hospice works collaboratively with hospice patients' cardiologists to provide specialized services to those with advanced cardiac disease. We provide services to those receiving inotrope medications and who have Left Ventricular Assist Devices ("LVAD"), allowing patients with this advanced specialty care to remain in their homes outside of the hospital setting. Providence Hospice's team approach not only helps with more effective ways to manage and cope with symptoms at home, but it also addresses depression and anxiety in this population, which has higher rates of depression.

Minority Communities

The Providence system has established programs aimed at improving access to hospice and palliative care and providing culturally competent care for minority communities, including the Latino and Asian communities, which are often underserved in terms of hospice services. Limited knowledge of hospice programs, fear of discrimination, possible costs, low-income status, lack of education, and language barriers are well-known impediments to accessing hospice services by racial and ethnic minorities.

[11] See https://www.providence.org/supportive-housing/news

[12] See https://blog.providence.org/topic-spotlight-housing-is-health

Understanding that barriers to access to hospice services exist for these underserved populations, Providence Home and Community Care has focused on providing culturally competent care and improved access to hospice and palliative care. For example, Providence partnered with Keiro[13] to develop Iyashi Care at Providence Trinity Care Hospice in Torrance, California. Iyashi Care is a culturally sensitive palliative care program for the Japanese-American and Japanese communities with the goal of improving quality of life and removing cultural barriers to hospice care.[14] In western Washington, Providence recently launched an initiative to improve access to hospice and palliative care for the Latino community with the goal of increasing access to these services to a rate that matches the representation of Latinos in King County. These efforts include building a Spanish-speaking hospice team, providing community education about hospice care, and providing culturally sensitive programming based on experience, research, and insights with respect to the Latino community. Providence expects these programs to be expanded to Black, Asian Pacific Island, and other populations.

In Pierce County, Hispanics or Latinos make up 11.4%, Asians 7.1%, and Blacks or African-Americans 7.7% of the population in the County.[15] Providence Hospice recognizes that these populations tend to access hospice services at a lower rate than the overall population.[16] Accordingly, Providence Hospice intends to implement programs to increase hospice access and use in these specific populations.

Community-based Palliative Care

Palliative care is designed for people with complicated, ongoing illnesses, from the point of diagnosis through the end of life. It brings together a special team of health care workers to relieve the pain, symptoms, and stress of serious medical conditions. Palliative care experts address the physical, psychological, social, and spiritual needs of these patients. The difference between regular hospice and community-based palliative care is that hospice serves only those who are approaching the last stages of life, while palliative care may be used for the duration of a serious illness. Providence Hospice will offer these services to the residents of Pierce County.

Grief and Bereavement Services

Providence Hospice's bereavement services are well known in the community, especially for providing unique services often left unfulfilled by other medical providers. Adult bereavement services are provided for 15 months after the death of a loved one. Services include a wide variety of educational bereavement support groups, individual counseling, and memorial events. These services are provided to anyone in the community, even if a loved one did not receive our hospice services. Other local hospice and community providers often refer patients and families to Providence for these bereavement services.

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[13] For additional details, see https://www.keiro.org/

[14] For a program overview, see https://foundation.providence.org/ca/trinitycare/about-us/our-stories/iyashi-care

[15] See Census QuickFacts, Pierce County
https://www.census.gov/quickfacts/piercecountywashington

[16] See https://americanhospice.org/learning-about-hospice/latino-families-and-hospice/

In addition, Providence Hospice's Safe Crossings Children's Grief Program provides support for children, teens, and their families who are facing or have experienced the loss of a loved one. Services include individual counseling, support groups, school groups, and memorial events. Counselors have specialized training in trauma-informed grief. These services are provided to anyone in the community, even if a loved one did not receive our hospice services. The Safe Crossings Foundation is one of the largest donors to this program.

Finally, Providence Hospice participates in a yearly camp, Camp Erin, for children and teens ages 6 through 17 who have experienced the death of someone close to them. Camp Erin provides a unique opportunity for peer bonding between children and teens who are facing similar life circumstances. We intend to make these grief and bereavement services available to Pierce County residents.

11. Provide a copy of the letter of intent that was already submitted according to WAC 246-310-080 and WAC 246-310-290(3).

A copy of the letter of intent that was submitted by Providence Hospice of Seattle on December 29, 2021 regarding the establishment of a Medicare certified and Medicaid eligible hospice agency in Pierce County is provided in Exhibit 8.

12. Confirm that the agency will be licensed and certified by Medicare and Medicaid. If this application proposes the expansion of an existing agency, provide the existing agency's license number and Medicare and Medicaid numbers.

- IHS.FS. 00000336
- Medicare #: 50-1515
- Medicaid #: 50-1515

A. Need (WAC 246-310-210)

1. **For existing agencies, using the table below, provide the hospice agency's historical utilization broken down by county for the last three full calendar years. Add additional tables as needed.**

Table 3. Providence Hospice of Seattle Utilization Data 2018-2021

KING COUNTY	Historical			
Providence Hospice of Seattle (Existing)	**2018**	**2019**	**2020**	**2021**
Total Number of Admissions ("Unduplicated Patients Served")[1]	2,774	2,912	2,788	2,957
Total Number of Patient Days	183,558	184,997	190,846	218,060
Average Daily Census ("ADC")	503	507	521	597
Average Length of Stay (Days)	66.17	63.53	68.45	73.74

Source: Providence Hospice of Seattle

[1] For the purposes of this table, Total Number of Admissions is defined as Total Number of Unduplicated Patients Served.

2. **Provide the projected utilization for the proposed agency for the first three full years of operation. For existing agencies, also provide the intervening years between historical and projected. Include all assumptions used to make these projections.**

Table 4. Providence Hospice of Seattle Utilization Forecasts 2022-2025

KING COUNTY	Actual	Forecast 2022-2025			
Providence Hospice of Seattle (without project)	**2021**	**2022**	**2023**	**2024** [3]	**2025**
Total Number of Admissions ("Unduplicated Patients Served")[1]	2,957	3,581	3,652	3,725	3,800
Total Number of Patient Days	218,060	222,421	226,869	231,406	236,034
Average Daily Census ("ADC")	597	609	622	632	647
Average Length of Stay (Days)	73.74	62.12	62.12	62.12	62.12
PIERCE COUNTY	**Actual**	**Forecast 2022-2025**			
The Project (Pierce County)	**2021**	**2022**	**2023** [2]	**2024** [3]	**2025**
Total Number of Admissions ("Unduplicated Patients Served")[1]			147	224	294
Total Number of Patient Days			9,125	13,908	18,250
Average Daily Census ("ADC")			25	38	50
Average Length of Stay (Days)			62.12	62.12	62.12
COMBINED AGENCY	**Actual**	**Forecast 2022-2025**			
Providence Hospice of Seattle (WITH project)	**2021**	**2022**	**2023** [2]	**2024** [3]	**2025**
Total Number of Admissions ("Unduplicated Patients Served")[1]	2,957	3,581	3,799	3,949	4,094
Total Number of Patient Days	218,060	222,421	235,994	245,314	254,284
Average Daily Census ("ADC")	596	609	647	670	697
Average Length of Stay (Days)	73.74	62.12	62.12	62.12	62.12

Source: Providence Hospice of Seattle

[1] For the purposes of this table, Total Number of Admissions is defined as Total Number of Unduplicated Patients Served.

[2] Based on project start date of January 1, 2023.

[3] 2024 is leap year and has 366 days.

As set forth in Table 4 above, the utilization forecast for 2022-2025 used to drive the pro forma revenue and expense projections for Providence Hospice and the Pierce County project is comprised of four components:

A. Total Number of Admissions ("Unduplicated Patients Served")
B. Total Number of Patient Days
C. Average Daily Census ("ADC")
D. Average Length of Stay (days) per patient

If our requested project is approved, we anticipate beginning services in Pierce County on January 1, 2023. Therefore, the first full year of operations will be 2023 and the third full year of operations will be 2025. Forecasts through 2025 with and without the project are provided in Table 4. The step-by-step methodology and assumptions used to develop the utilization forecasts for each pro forma statement are presented below:

Providence Hospice of Seattle, Without Project (Existing Operations, "Without")

Step 1. Total number of patient days (component B) is calculated using 2% year-over-year growth, rounded to the nearest whole number. This assumption is based on conservative, internal budgeting standards. As an example, the formula for the 2022 total number of patient days is:

(2% YOY Growth x 2021 Total Patient Days) + 2021 Total Patient Days

= 2022 Total Number of Patient Days

or *(0.02 x 218,060) + 218,060 = 222,421*

Step 2. Average length of stay ("ALOS") (component D) is set to the Washington statewide average of 62.12 as shown in the Department of Health 2021-2022 Hospice Numeric Need Methodology. The ALOS of 62.12 is listed in Table 4.

Step 3. The average daily census per year (component C) is calculated as total number of patient days (from step 1) divided by the number of days in the year, rounded to the nearest whole number. As an example, the formula for the 2022 average daily census is:

Total Number of Patient Days / # of Days in the Year

= Average Daily Census Per Year

or *222,421 / 365 = 609*

Step 4. The total number of unduplicated patients served (component A) is calculated as total number of patient days in that year (from step 1) divided by the ALOS per patient (from step 2), rounded to the closest whole number. As an example, the formula for the 2022 Total Number of Unduplicated Patients Served is:

((2% YOY Growth x 2021 Total Patient Days) + 2021 Total Patient Days)) / ALOS

= Total Number of Unduplicated Patients Served

or ((0.02 x 218,060) + 218,060)) / 62.12 = 3,581

The Project (Pierce County, "The Project")

Step 1. The average daily census (component C) is set at 50 ADC by the end of the third full year of operation (2025), in-line with and supported by the unmet need identified in the Department of Health 2021-2022 Hospice Numeric Need Methodology. Our annual ADC assumption aligns with our internal benchmarked RN staffing ratio in King County of 12.5 ADC per RN. Years 1 through 3 of the pro forma include a straight line ramp up phase.

Step 2. Total number of patient days (component B) is calculated as total targeted ADC multiplied by the number of days in the year. As an example, the formula for the 2022 Total Hospice Days is:

Average Daily Census x # of Days in the Year

= Total number of patient days

***or** 25 x 365 = 9,125*

Step 3. ALOS (component D) for The Project is set to the Washington statewide average of 62.12 as shown in the Department of Health 2021-2022 Hospice Numeric Need Methodology.

Step 4. The number of unduplicated patients served (component A) was calculated as total number of patient days in that year (from step 2) divided by the ALOS per patient (from step 3), rounded to the nearest whole number. As an example, the formula for the 2022 Total Number of Unduplicated Patients Served is:'

(Average Daily Census x # of Days in the Year) / WA State Average ALOS

=Total Number of Unduplicated Patients Served

***or** (25 x 365) / 62.12 = 147*

Providence Hospice of Seattle, WITH project

Step 1. Total number of patient days (component B) is calculated as the sum of total number of patient days for "Providence Hospice of Seattle (without project)" and total number of patient days for "The Project."

Step 2. The number of unduplicated patients served (component A) is calculated as the sum of total number of unduplicated patients served for "Providence Hospice of Seattle (without project)" and total number of unduplicated patients served for "The Project."

Step 3. ALOS (component D) is set to the Washington statewide average of 62.12 as shown in the Department of Health 2021-2022 Hospice Numeric Need Methodology.

Step 4. The average daily census (component C) is calculated as total number of patient days (from step 1) divided by the number of days in the year, rounded to the nearest whole number.

3. Identify any factors in the planning area that could restrict patient access to hospice services.

The existing providers of hospice services in Pierce County are Virginia Mason Franciscan Hospice & Palliative Care, Kaiser Permanente Home Health & Hospice (Group Health), and MultiCare Home Health, Hospice and Palliative Care. While the existing three hospice agencies in Pierce County are well-established, they are not meeting current need in the County and have not shown an ability to keep pace with the demand for hospice services driven by population growth and higher per capita deaths, especially in the age 65+ group. Consequently, the 2021-2022 Hospice Numeric Need Methodology forecasts an unmet ADC need of 111 in the target year of 2023, establishing need for 3.2 hospice agencies in that year (see page 9 (Step 7) of Exhibit 9).

To our knowledge, there are no natural physical barriers, such as mountain passes or remote locations that would prevent or impede access to services. Similarly, we see no financial barriers, such as high cost of care or inadequate insurance coverage that would prevent access to hospice services.

4. Explain why this application is not considered an unnecessary duplication of services for the proposed planning area. Provide any documentation to support the response.

As noted above and discussed below, the Department of Health has identified net need for three additional hospice agencies in Pierce County in 2023, according to the 2021-2022 Hospice Numeric Need Methodology. By definition, if need is shown in the planning area, the proposed project cannot result in an unnecessary duplication of services.

Providence Hospice provides expert, compassionate care for individuals as they face the end of life. It is our goal to provide the support that people need to allow them to spend their time living as fully and completely as they wish, in their own familiar surroundings, and in the company of family and friends. As such, this application proposes to fill a portion of that unmet need and, therefore, will not constitute an unnecessary duplication of services for Pierce County.

Additionally, Providence Hospice is committed to serving underserved populations in the community, including: individuals experiencing homelessness or unstable housing; infants, children, and adolescents nearing end of life; and adults living with advanced illnesses and in need of specialized services, such as those with advanced cardiac disease, end-stage renal disease, or AIDS.

Hospice Need Methodology

In the case of the hospice agency need assessment, the methodology used to estimate the need for hospice agencies is set forth in the eight-step need forecasting method in WAC 246-310-290(8). The steps are as follows:

STEP 1: Calculate the following two statewide predicted hospice use rates using department of health survey and vital statistics data:

- The percentage of patients aged sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions during the last three years for patients sixty-five and over by the average number of past three years statewide total deaths age sixty-five and over.
- The percentage of patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions during the last three years for patients under the age of sixty-five by the average number of past three years statewide total deaths under sixty-five.

Table 5 provides hospice admissions and deaths by the two age cohorts from ages 0-64 and ages 65+.

Table 5. Hospice Admissions and Deaths by Age Cohort

	2018	2019	2020	Average
Hospice Admissions (ages 0-64)	4,114	3,699	3,679	3,831
Hospice Admissions (ages 65+)	26,207	26,017	27,956	26,727
Deaths (ages 0-64)	14,055	14,047	16,663	14,922
Deaths (ages 65+)	42,773	44,159	46,367	44,433
Use Rates (0-64) = 25.67%				
Use Rates (65+) = 60.15%				

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 2: Calculate the average number of total resident deaths over the last three years for each planning area by age cohort:

Please see Table 6, which provides deaths in Pierce County from 2018 to 2020 by age cohort.

Table 6. Deaths in Pierce County by Age Cohort

	2018	2019	2020	Average
Deaths (ages 0-64)	1,964	1,911	2,364	2,080
Deaths (ages 65+)	4,926	5,002	5,608	5,179

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 3: Multiply each hospice use rate determined in Step 1 by the planning areas' average total resident deaths determined in Step 2, separated by age cohort:

Please see Table 7, which provides the Planning Area's average annual deaths for 2018-2020 and projected hospice patients by age cohort.

Table 7. Average Deaths and Projected Patients in Pierce County by Age Cohort

	Average 2018-2020	Use Rate	Projected Patients
Deaths (ages 0-64)	2,080	25.67%	534
Deaths (ages 65+)	5,179	60.15%	3,115

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 4: Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this use rate to determine the potential volume of hospice use by the projected population by the two age cohorts identified in Step 1, (a)(i) and (ii) of this subsection using OFM data:

Please see Table 8, which provides the potential volume of hospice use by age cohort.

Table 8. Potential Pierce County Hospice Volume, 2021-2023 by Age Cohort

Projected Patients	2018-2020 Average Population	2021 Projected Population	2022 Projected Population	2023 Projected Population	2021 Potential Volume	2022 Potential Volume	2023 Potential Volume
Ages 0-64							
534	756,339	769,918	774,696	779,475	543	547	550
Ages 65+							
3,115	130,688	142,422	148,729	155,037	3,395	3,545	3,695

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 5: Combine the two age cohorts. Subtract the average of the most recent three years hospice capacity in each planning area from the projected volumes calculated in Step 4 to determine the number of projected admissions beyond the planning area capacity:

Please see Table 9, which provides the number of projected admissions beyond the Planning Area's existing capacity.

Table 9. Potential Pierce County Hospice Volume Beyond Planning Area Capacity, 2021-2023

2021 Potential Volume	2022 Potential Volume	2023 Potential Volume	Current Supply	2021 Admits (Unmet)	2022 Admits (Unmet)	2023 Admits (Unmet)
3,938	4,092	4,246	3,596.23	342	496	649

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 6: Multiply the unmet need from Step 5 by the statewide average length of stay as determined by CMS to determine unmet need patient days in the projection years:

Please see Table 10, which provides the unmet need for both admissions and patient days in Pierce County.

Table 10. Pierce County Admissions & Patient Days Unmet Need, 2021-2023

2021 Admits (Unmet)	2022 Admits (Unmet)	2023 Admits (Unmet)	WA Statewide ALOS	2021 Patient Days (Unmet)	2022 Patient Days (Unmet)	2023 Patient Days (Unmet)
342	496	649	62.12	21,240	30,788	40,337

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 7: Divide the unmet patient days from Step 6 by 365 to determine the unmet need ADC:

Please see Table 11, which provides the unmet need based on Average Daily Census in Pierce County. As noted below, absent additional hospice capacity, the Planning Area will experience an unmet ADC need of 111 by the target year 2023.

Table 11. Pierce County Unmet Need Based on ADC, 2021-2023

2021 Patient Days (Unmet)	2022 Patient Days (Unmet)	2023 Patient Days (Unmet)	2021 ADC (Unmet)	2022 ADC (Unmet)	2023 ADC (Unmet)
21,240	30,788	40,337	58	84	111

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 8: Determine the number of hospice agencies in the planning area that could support the unmet need with an ADC of thirty-five:

Please see Table 12, which provides the unmet need for hospice agencies in Pierce County. As noted, absent additional hospice capacity, the Planning Area will experience numeric need for 3.2 agencies by the target year of 2023.

Table 12. Pierce County Unmet Need For Hospice Agencies, 2023

2021 ADC (Unmet)	2022 ADC (Unmet)	2023 ADC (Unmet)	Agencies Needed in 2023
58	84	111	3.2

Source: DOH 2021-2022 Hospice Numeric Need Methodology

5. Confirm the proposed agency will be available and accessible to the entire planning area.

Providence Hospice confirms and commits that the proposed agency will be available and accessible to the entire Pierce County planning area.

6. Identify how this project will be available and accessible to under-served groups.

As a long-established provider, Providence Hospice has deep roots in and is fully committed to the local community in the Puget Sound region. Providence Hospice has provided compassionate, high quality care for over three decades to all people in need, with a special concern for the poor and vulnerable, including underserved groups.

Below we provide a summary of a number of key services and programs Providence Hospice intends to provide in Pierce County. While this list is not exhaustive, it demonstrates our commitment to serving underserved populations. For additional detail, please see our response to Question #10 in the Project Description section.

Pediatric Hospice and Palliative Care

Providence Hospice has extensive, long-standing experience providing pediatric hospice care, concurrent care, and palliative care to infants, children, and adolescents nearing end of life, as well as support for their families. While pediatric hospice care may constitute a relatively low volume in terms of the annual number of patients served by any given hospice agency, these children are high-need patients given their special needs and circumstances, and the needs and circumstances of their families and support groups. Providence Hospice intends to meet those unique needs in Pierce County, just as it has been doing in King County for many years.

End-Stage Renal Disease Care

Those with ESRD rarely use hospice services due to the life prolonging nature of dialysis. However, Providence Hospice has experience working closely with the Northwest Kidney

Center to support ESRD patients who may benefit from palliative care. Our partnership with Northwest Kidney Center allows patients to receive palliative care while still remaining eligible for ESRD treatment under Medicare. Given our experience and commitment in partnering to provide hospice services to those with ESRD, Providence Hospice intends to partner to bring these same services to Pierce County residents.

Homeless Population

Another critically underserved population is community residents who are experiencing homelessness or housing insecurity. Providence Hospice will continue to provide hospice services specific to those experiencing homelessness and housing insecurity. By partnering with local entities, we intend to provide hospice services within shelters and temporary housing. By utilizing the existing community health workers employed by Providence, Providence Hospice can improve outreach, education, and access to hospice and palliative care services. In addition, Providence Hospice will explore how it can train and inform staff in shelters and temporary housing about how to identify and assist those in need of hospice services. In Pierce County, we will continue our existing mission of addressing the needs of this vulnerable population.

Dual Eligible Beneficiaries

Dual eligible individuals — those who qualify for both Medicare and Medicaid — are an often-overlooked underserved population with respect to hospice services. As discussed above in Question #10 of the Project Description section, CMS reports that, in 2018, there were 12.2 million individuals classified as dual eligible, who "experience high rates of chronic illness, with many having long-term care needs and social risk factors ... and 60 percent have multiple chronic conditions." Of particular concern, CMS reports that 18% of dual eligibles report their health status as being "poor," compared to just 6% for other Medicare enrollees. Providence Hospice intends to develop outreach programs to underserved populations, including a focus on improving access to hospice services for dual eligible individuals.

Veterans

Providence Hospice is proud to serve those who have served our country. Our hospice teams are dedicated, trained, and committed to providing sensitive and highly skilled care that meets the specific needs of veterans at the end of life. We utilize the National Hospice and Palliative Care Organization ("NHPCO") We Honor Veterans program to guide our care. We provide pinning ceremonies that honor those who have served in the American Armed Forces. In addition, many of our volunteers are veterans themselves, offering a unique level of understanding as they work with and support our veteran patients.

Minority Communities

The Providence system has established programs aimed at improving access to hospice and palliative care and providing culturally competent care for minority communities, including the Latino and Asian communities, which are often underserved in terms of hospice services. Limited knowledge of hospice programs, fear of discrimination, possible costs, low-income status, lack of education, and language barriers are well

known impediments to accessing hospice services by racial and ethnic minorities. Providence Hospice recognizes that these populations tend to access hospice services at a lower rate than the overall population. Accordingly, Providence Hospice intends to implement programs to increase hospice access and use in these specific populations.

Cardiac Hospice Care

Providence Hospice works collaboratively with patients' cardiologists to provide specialized services to those with advanced cardiac disease. We provide services to those receiving inotrope medications and who have Left Ventricular Assist Devices ("LVAD"), allowing patients with this advanced specialty care to remain in their homes outside of the hospital setting. Providence's team approach not only helps with more effective ways to manage and cope with symptoms at home, but it also addresses depression and anxiety in this population, which has higher rates of depression. Providence Hospice intends to offer the same type of cardiac hospice services that it is providing in King County to the residents of Pierce County.

Community-Based Palliative Care

Palliative care is designed for people with complicated, ongoing illnesses, from the point of diagnosis through the end of life. It brings together a special team of health care workers to relieve the pain, symptoms, and stress of serious medical conditions. Palliative care experts address the physical, psychological, social, and spiritual needs of these patients. The difference between regular hospice and community-based palliative care is that hospice serves only those who are approaching the last stages of life, while palliative care may be used for the duration of a serious illness. Providence Hospice will offer these services to the residents of Pierce County.

Grief and Bereavement Services

Providence Hospice's grief and bereavement programs are well known in Washington, especially for providing comprehensive and unique services often left unfulfilled by other medical providers, in particular with respect to children and adolescents who have suffered the loss of a loved one. Services include a wide variety of educational bereavement support groups, individual counseling, and memorial events. These services are provided to anyone in the community, even if a loved one did not receive our hospice services. Other local hospice and community providers often refer patients and families to Providence Hospice for these bereavement services. Providence Hospice intends to make all of these services available to Pierce County residents.

7. Provide a copy of the following policies:

- **Admissions policy**
- **Charity care or financial assistance policy**
- **Patient Rights and Responsibilities policy**
- **Non-discrimination policy**

Suggested additional policies include any others believed to be directly related to patient access (death with dignity, end of life, advanced care

planning)

Please see Exhibit 10 for the Admission Criteria and Process Policy. Please see Exhibit 11 for the Charity Care Policy. Please see Exhibit 12 for the Patient Family Bill of Rights and Responsibilities Policy. Please see Exhibit 13 for the Nondiscrimination Policy.[17]

8. If there is not sufficient numeric need to support approval of this project, provide documentation supporting the project's applicability under WAC 246-310-290(12). This section allows the department to approve a hospice agency in a planning area absent numeric need if it meets the following review criteria:

- **All applicable review criteria and standards with the exception of numeric need have been met;**
- **The applicant commits to serving Medicare and Medicaid patients; and**
- **A specific population is underserved; or**
- **The population of the county is low enough that the methodology has not projected need in five years, and the population of the county is not sufficient to meet an ADC of thirty-five.**

Note: The department has sole discretion to grant or deny application(s) submitted under this subsection.

As discussed in our response to Question #4 above, the Department has identified net need for three additional hospice agencies in Pierce County in 2023, according to the Department's 2021-2022 Hospice Numeric Need Methodology.

[17] Exhibit 13 also includes a patient handout titled "Notice of Nondiscrimination and Accessibility Rights." This two-page patient handout is reviewed by our admission nurses with patients and families at the time of admission to hospice.

B. Financial Feasibility (WAC 246-310-220)

1. Provide documentation that demonstrates the immediate and long-range capital and operating costs of the project can be met. This should include but is not limited to:

- **Utilization projections. These should be consistent with the projections provided under the Need section. Include all assumptions.**
- **Pro Forma revenue and expense projections for at least the first three full calendar years of operation using at a minimum the following Revenue and Expense categories identified at the end of this question. Include all assumptions.**
- **Pro Forma balance sheet for the current year and at least the first three full calendar years of operation. Include all assumptions.**
- **For existing agencies proposing addition of another county, provide historical revenue and expense statements, including the current year. Ensure these are in the same format as the projections. For incomplete years, identify whether the data is annualized.**

Utilization Projections

Table 13. Providence Hospice of Seattle Utilization Forecasts 2022-2025

KING COUNTY	Actual	Forecast 2022-2025			
Providence Hospice of Seattle (without project)	**2021**	**2022**	**2023**	**2024** [3]	**2025**
Total Number of Admissions ("Unduplicated Patients Served")[2]	2,957	3,581	3,652	3,725	3,800
Total Number of Patient Days	218,060	222,421	226,869	231,406	236,034
Average Daily Census ("ADC")	597	609	622	632	647
Average Length of Stay (Days)	73.74	62.12	62.12	62.12	62.12
PIERCE COUNTY	**Actual**	**Forecast 2022-2025**			
The Project (Pierce County)	**2021**	**2022**	**2023** [2]	**2024** [3]	**2025**
Total Number of Admissions ("Unduplicated Patients Served")[2]	-	-	147	224	294
Total Number of Patient Days	-	-	9,125	13,908	18,250
Average Daily Census ("ADC")	-	-	25	38	50
Average Length of Stay (Days)	-	-	62.12	62.12	62.12
COMBINED AGENCY	**Actual**	**Forecast 2022-2025**			
Providence Hospice of Seattle (WITH project)	**2021**	**2022**	**2023** [2]	**2024** [3]	**2025**
Total Number of Admissions ("Unduplicated Patients Served")[2]	2,957	3,581	3,799	3,949	4,094
Total Number of Patient Days	218,060	222,421	235,994	245,314	254,284
Average Daily Census ("ADC")	596	609	647	670	697
Average Length of Stay (Days)	73.74	62.12	62.12	62.12	62.12

Source: Providence Hospice of Seattle

[1] For the purposes of this table, Total Number of Admissions is defined as Total Number of Unduplicated Patients Served.

[2] Based on project start date of January 1, 2023.

[3] 2024 is leap year and has 366 days.

As set forth in Table 4 above and repeated in this section of the application as Table 13, the utilization forecast for 2022-2025 used to drive the pro forma revenue and expense projections for Providence Hospice and the Pierce County project is comprised of four components:

A. Total Number of Admissions ("Unduplicated Patients Served")
B. Total Number of Patient Days
C. Average Daily Census ("ADC")
D. Average Length of Stay (days) per patient

For the purpose of Table 13, Total Number of Admissions is defined as Total Unduplicated Patients Served and will be referred to in the text as "Unduplicated Patients Served."

If our requested project is approved, we anticipate beginning services in Pierce County on January 1, 2023. Therefore, the first full year of operations will be 2023 and the third full year of operations will be 2025. Forecasts through 2025 with and without the project are provided in Table 13. To avoid repetition, our step-by-step methodology and the assumptions used to develop the utilization forecasts for each pro forma statement are set forth above in our detailed response to Question #2 of the Need section.

Pro Forma Revenue and Expense Projections

Please see Exhibit 14, which includes (1) a pro forma statement showing operating revenue and expenses for the first three full calendar years of operation (full-years 2023 – 2025) for the Project only, (2) a pro forma statement showing operating revenue and expenses for 2022 – 2025 for Providence Hospice "Without Project (As Is)," (3) a combined pro forma statement showing operating revenue and expenses for 2022 - 2025 for Providence Hospice "With Project (As Is + Pierce)," (4) a list of assumptions (together with the basis for each assumption) used in preparing the pro forma statements, and (5) Start-up Cost Assumptions.

Pro Forma Balance Sheet

Please note that Providence Health & Services does not maintain balance sheets at the facility level and does not routinely use balance sheets as part of its financial analysis when evaluating new business ventures. Instead, a business pro forma is generally relied upon for evaluation of new ventures. With that said, for purposes of this Application and to satisfy the Department's questions relating to balance sheets, Providence Hospice has extrapolated information from the pro forma statements to construct a pro forma balance sheet. This balance sheet was created solely for the Department's review of this Application and will not be generally used in the financial operations of Providence Hospice. Please see Exhibit 15 for a balance sheet for the current year and the first three years of operation for (1) the Project only and (2) Providence Hospice "With Project (As Is + Pierce)."

Historical Revenue and Expense Statement

Please see Exhibit 16 for the historical revenue and expense statement for Providence Hospice of Seattle.

2. Provide the following agreements/contracts:

- **Management agreement.**
- **Operating agreement**
- **Medical director agreement**
- **Joint Venture agreement**

Note, all agreements above must be valid through at least the first three full years following completion or have a clause with automatic renewals. Any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

Management and Operating Agreements. Providence Hospice is part of Providence Health & Services, a large integrated health system that administers key elements associated with the provision of care and of operations and administration services. An Allocated System Expense that is equal to 7% of Net Operating Revenue covers the cost of services, such as Human Resources, Finance, Information Services, Revenue Cycle, and others(see Exhibit 14, Other Expense Assumptions). There are no management or operating agreements for the proposed project.

Medical Director Agreement. The medical director is employed by Providence Hospice, so there is no medical director agreement. Please see Exhibit 17 for the medical director job description.

Joint Venture Agreement. There is no joint venture agreement for the proposed project. Providence Hospice is wholly owned by Providence Health & Services – Washington.

3. Provide documentation of site control. This could include either a deed to the site or a lease agreement for the site.

If this is an existing hospice agency and the proposed services would be provided from an existing main or branch office, provide a copy of the deed or lease agreement for the site. If a lease agreement is provided, the agreement must extend through at least the third full year following the completion of the project. Provide any amendments, addendums, or substitute agreements to be created as a result of this project to demonstrate site control.

If this is a new hospice agency at a new site, documentation of site control includes one of the following:

a. An executed purchase agreement or deed for the site.

b. A draft purchase agreement for the site. The draft agreement must include a document signed by both entities committing to execute the agreement as submitted following CN approval.
c. An executed lease agreement for at least three years with options to renew for not less than a total of two years.
d. A draft lease agreement. For Certificate of Need purposes, draft agreements are acceptable if the draft identifies all entities entering into the agreement, outlines all roles and responsibilities of the entities, identifies all costs associated with the agreement, includes all exhibits referenced in the agreement. The draft agreement must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

Please see Exhibit 18, which demonstrates Providence has sufficient interest in the Tukwila facility that serves as the office space for Providence Hospice of Seattle. Providence Hospice of Seattle occupies Suite 250, which consists of 17,919 rentable square feet (rsf).

Exhibit 18 includes:

- The Lease Agreement between Providence Health & Services – Washington (tenant) and Riverfront Technical Park LLC (landlord), dated October 24, 2014 (commencing February 1, 2015), for an initial term of 10 years and an option for tenant to extend for an additional five year period under the same terms.
- The "First Amendment of Lease Agreement," effective November 1, 2019, modifying (increasing) the tenant's share of space.
- The Internal Rent Expense Allocation term sheet outlining the monthly rent allocated to Providence Hospice of Seattle. The term sheet is effective until January 1, 2030, "with automatic annual extensions thereafter."

The monthly rental allocation to Providence Hospice is set forth in the Internal Rent Expense Allocation term sheet. The term sheet does not tie directly to the underlying Lease Agreement, as it also includes a charge for monthly depreciation of leasehold improvements. However, the monthly rent allocation does cover (1) the base rent as set forth in the "First Amendment of Lease Agreement" and (2) the additional rent expenses referenced in the underlying Lease Agreement, including real estate taxes, interior and exterior building maintenance, HVAC maintenance, water/sewer, insurance, administrative expenses, landscaping, and common area janitorial expenses.

If our requested project is approved, we will allocate 500 square feet of the 17,919 square feet for purposes of operating the Pierce County agency. The annual amount charged to Providence Hospice through 2025 (the final projection year for the project) and the allocation of that total expense between the operations of Providence Hospice and the Project (Pierce Hospice) are set forth in Table 14.

Table 14. Providence Hospice of Seattle Internal Rent Expense Allocation

Lease Year	Total Annual Rental Charge[1]		Rental Charge Assigned to Providence Hospice of Seattle			Rental Charge Assigned to The Project[2]	
			Charge	*Allocation*[3]		Charge	*Allocation*[4]
2022	519,217.18	=	519,217.18	*100.0%*	+	-	-
2023	524,242.41	=	509,563.62	*97.2%*	+	14,678.79	*2.8%*
2024	529,891.83	=	515,054.86	*97.2%*	+	14,836.97	*2.8%*
2025	535,225.43	=	520,239.12	*97.2%*	+	14,986.31	*2.8%*

Sources: Providence Hospice of Seattle

[1] Based on total rentable square feet of 17,919

[2] Assumes The Project commences January 1, 2023

[3] Allocation equal to 17,419 / 17,919 = 97.2%, rounded to 1 decimal point

[4] Allocation equal to 500 / 17,919 = 2.8%, rounded to 1 decimal point

4. **Complete the following table with the estimated capital expenditure associated with this project. Capital expenditure is defined under WAC 246-310- 010(10). If you have other line items not listed in the table, include the definition of the line item. Include all assumptions used to create the capital expenditure estimate.**

This question is not applicable, as there are no capital expenditures for this project.

5. **Identify the entity responsible for the estimated capital costs identified above. If more than one entity is responsible, provide breakdown of percentages and amounts for each.**

This question is not applicable, as there are no capital expenditures for this project.

6. **Identify the amount of start-up costs expected to be needed for this project. Include any assumptions that went into determining the start-up costs. Start-up costs should include any non-capital expenditure expenses incurred prior to the facility opening or initiating the proposed service. If no start-up costs are expected, explain why.**

We have identified $24,438 in start-up costs to cover additional minor medical and office supplies, admission packets and brochures, minor computer equipment, initial staff licensing, costs to set up the Epic electronic health record, and minor legal/regulatory costs. All start-up costs are set forth in Exhibit 14, along with all assumptions used in determining the costs.

7. **Identify the entity responsible for the estimated start-up costs identified above. If more than one entity is responsible, provide breakdown of percentages and**

amounts for each.

Start-up costs are included in operating expenses of the project in 2022 (prior to the first year of operation) and are categorized in their respective expense category. The applicant is the entity responsible for the estimated start-up costs.

Please see Exhibit 19, which provides a letter of financial commitment from the Chief Financial Officer for Providence Home & Community Care related to the start-up costs.

8. Explain how the project would or would not impact costs and charges for healthcare services in the planning area.

Providence Hospice has a long history of providing quality hospice services in King County in a cost-efficient manner. We believe our significant support infrastructure, economies of scale, established care protocols, and seasoned care teams will not adversely impact costs or charges when Providence Hospice expands its services into Pierce County.

In fact, when delivered appropriately and in timely manner, hospice care has been shown to be cost-effective and is documented to reduce end-of-life costs without sacrificing quality of care. Research literature supports the cost-effectiveness of hospice care. In one study, researchers analyzed the association of hospice use with survival and healthcare costs among patients diagnosed with metastatic melanoma. They found that patients with four or more days of hospice care had longer survival rates and incurred lower end-of-life costs. The patients with four or more days of hospice incurred on average costs of $14,594, compared to the groups who received one to three days of care, and no hospice care at all ($22,647 and $28,923, respectively).[18]

In a more recent study, researchers simulated the impact of increased hospice use among Medicare beneficiaries with poor-prognosis cancer on overall Medicare spending. The study identified 18,165 fee-for-service Medicare beneficiaries who died in 2011 with a poor-prognosis cancer diagnosis, and matched them to similar patients who did not receive hospice services. Using a regression model to estimate the difference in weekly costs, the study estimated an annual national cost savings between $316 million and $2.43 billion with increased hospice use. Under realistic scenarios of expanded hospice use for Medicare beneficiaries with poor-prognosis cancer, the program could save $1.79 billion annually.[19] While the study was limited to poor-prognosis cancer patients, they are the largest single group who receives hospice care. Based on current research and experience, Providence expects the project will contribute to overall lower end-of-life costs resulting in overall lower charges for health services.

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[18] *Survival and Cost-Effectiveness of Hospice Care for Metastatic Melanoma Patients,* The American Journal of Managed Care, Volume 20, Number 5, May 2014.

[19] *Cost Savings Associated with Expanded Hospice Use in Medicare,* Journal of Palliative Medicine, Volume 18, Number 5, April 2015.

9. Explain how the costs of the project, including any construction costs, will not result in an unreasonable impact on the costs and charges for health services in the planning area.

The proposed project does not require any capital expenditures or construction costs, as Providence Hospice will be managing the Pierce County agency out of its established office in Tukwila. As noted above, there will be minimal start-up costs of $24,438, but these minor costs will not lead to or contribute to an unreasonable impact on the costs and charges for hospice services in the planning area.

10. Provide the projected payer mix by revenue and by patients by county as well as for the entire agency using the example table below. Medicare and Medicaid managed care plans should be included within the Medicare and Medicaid lines, respectively. If "other" is a category, define what is included in "other."

Please see Table 15, which provides the expected payer mix for the project. The payer mix is modeled to remain the same for the first three years of operation. The projected payer mix is based on recent historical experience for Providence Hospice and applies to both King County and Pierce County.

Table 15. Providence Hospice of Seattle Projected Payer Mix

	Projected	
Payer Mix	**% of Gross Revenue**	**% by Patient**
Medicare	82.3%	87.2%
Medicaid	9.4%	3.8%
Commercial	4.3%	4.9%
Other (includes government & Tricare)	3.5%	3.5%
Self-Pay	0.5%	0.6%
Total	**100.0%**	**100.0%**

Source: Providence Hospice of Seattle

11. If this project proposes the addition of a county for an existing agency, provide the historical payer mix by revenue and patients for the existing agency. The table format should be consistent with the table shown above.

Please see Table 16, which provides the historical payer mix for Providence Hospice of Seattle.

Table 16. Providence Hospice of Seattle Historical Payer Mix

Payer Mix	FY 2018		FY 2019		FY 2020		FY 2021	
	% Gross Revenue	% by Patient	% Gross Revenue	% by Patient	% Gross Revenue	% by Patient	% Gross Revenue	% by Patient
Medicare	82.1%	88.3%	81.1%	88.2%	81.6%	88.9%	82.3%	87.2%
Medicaid	10.2%	3.9%	11.4%	4.0%	11.2%	2.9%	9.4%	3.8%
Commercial	3.1%	3.0%	3.5%	3.3%	4.1%	4.7%	4.3%	4.9%
Other (includes gov't & Tricare)	3.7%	4.0%	3.6%	3.9%	2.8%	3.2%	3.5%	3.5%
Self-Pay	0.9%	0.8%	0.4%	0.6%	0.3%	0.3%	0.5%	0.6%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Providence Hospice of Seattle

12. Provide a listing of equipment proposed for this project. The list should include estimated costs for the equipment. If no equipment is required, explain.

While there are no capital expenditures required for this project, the start-up costs set forth in response to Question #6 above include the purchase of one additional laptop computer to include all peripherals (screen, keyboard, docking station, and cables) at an estimated cost of $2,500. As noted in our response to Question #6, all start-up costs are set forth in Exhibit 14, along with all assumptions used in determining the costs.

13. Identify the source(s) of financing (loan, grant, gifts, etc.) and provide supporting documentation from the source. Examples of supporting documentation include: a letter from the applicant's CFO committing to pay for the project or draft terms from a financial institution.

Please see Exhibit 19, which provides a letter of financial commitment from the Chief Financial Officer of Providence Health & Community Care committing to pay the start-up costs for the project from cash reserves. For accounting purposes, these costs are classified as start-up expenses, not as capital expenditures.

14. If this project will be debt financed through a financial institution, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.

This question is not applicable, as the project does not require any debt financing. As noted above, the start-up costs will be paid with cash reserves.

15. Provide the most recent audited financial statements for:

- **The applicant, and**
- **Any parent entity responsible for financing the project.**

Please see Exhibit 20 for the most recent audited financial statements (2020) for Providence St. Joseph Health, the parent entity. Separate audited financial statements

are not available at the entity level. Accordingly, Providence Health & Services - Washington d/b/a Providence Hospice of Seattle, the applicant, does not have audited financial statements.

C. Structure and Process (Quality) of Care (WAC 246-310-230)

1. Provide a table that shows FTEs [full time equivalents] by category for the county proposed in this application. All staff categories should be defined.

Please see Table 17 below for the FTE forecast for the Pierce County hospice proposal for the first three years of operation.

Table 17. Providence Hospice FTE Forecast for Pierce County, 2023-2025

Cumulative New FTEs (The Project)			
INTERNAL STAFFING	**2023**	**2024**	**2025**
RN/LPN	2.0	3.0	4.0
Hospice Aide	1.2	1.8	2.3
Administrative / Clerical	0.9	1.4	1.8
Chaplain/Clergy	0.4	0.7	0.9
Occupational Therapist	0.1	0.2	0.3
Medical Social Work	0.9	1.4	1.8
Management / Supervisor	0.6	1.0	1.3
Medical Director / Physicians	0.2	0.3	0.5
Other[1]	0.3	0.5	0.6
Cumulative INTERNAL FTE	**6.6**	**10.3**	**13.5**
Agency[2]	0.3	0.4	0.6
Cumulative TOTAL FTE	**6.9**	**10.7**	**14.1**

Source: Providence Hospice of Seattle

[1] "Other" includes admission coordinators, bereavement counselors, trainers, and clinical program counselors

[2] "Agency" represents contract labor, including massage and music therapists, physical therapists, and dieticians

Below are the FTE categories, including definitions.

- **RN/LPN:** A Registered Nurse (RN) or Licensed Practical Nurse (LPN) providing nursing care.
- **Hospice Aide:** A care provider assisting patients performing activities required for daily life.
- **Administrative/Clerical:** Staff providing administrative and clerical support.
- **Chaplain/Clergy:** A care provider focusing on patient spiritual care.
- **Occupational Therapist:** A care provider aiding with everyday life activities, including physical, cognitive, and other aspects of engagement.
- **Medical Social Worker:** A care provider assisting with psychosocial functioning of patients and family.
- **Management/Supervisor:** Leadership staff responsible for management and supervision of other staff, programs, and processes.
- **Medical Director/Physicians:** Medical Director who provides guidance and leadership to clinical staff. Physicians who provide direct care or support other clinical staff.
- **Other:** Includes admission coordinators, bereavement counselors, trainers, and

clinical program counselors.

- **Agency:** Contract labor, including massage and music therapists, physical therapists, and dieticians.

2. **If this application proposes the expansion of an existing agency into another county, provide an FTE table for the entire agency, including at least the most recent three full years of operation, the current year, and the first three full years of operation following project completion. There should be no gaps in years. All staff categories should be defined.**

Please see Table 18 below for the historical and forecast FTEs for Providence Hospice. Please see our response to Question #1 above for FTE definitions.

Table 18. Providence Hospice Existing and Forecast FTEs, 2018-2025

	Cumulative Existing Agency FTEs							
INTERNAL STAFFING	**2018 Actual**	**2019 Actual**	**2020 Actual**	**2021 Actual**	**2022 Forecast**	**2023 Forecast**	**2024 Forecast**	**2025 Forecast**
RN/LPN	63.2	65.6	62.7	72.7	74.2	75.6	77.1	78.7
Hospice Aide	34.3	29.0	24.3	28.0	28.6	29.1	29.7	30.3
Administrative / Clerical	30.5	29.2	23.4	21.2	21.6	22.1	22.5	22.9
Chaplain/Clergy	10.6	10.2	12.0	12.3	12.5	12.8	13.1	13.3
Occupational Therapist	2.8	2.4	3.0	3.0	3.1	3.1	3.2	3.2
Medical Social Work	22.3	22.6	25.6	23.3	23.8	24.2	24.7	25.2
Management / Supervisor	11.7	13.3	14.3	15.0	15.3	15.6	15.9	16.2
Medical Director / Physicians	2.3	3.9	4.4	5.4	5.5	5.6	5.7	5.8
Other	18.6	21.1	10.3	7.6	7.8	7.9	8.1	8.2
Subtotal Internal Existing FTE	**196.3**	**197.3**	**180.0**	**188.5**	**192.4**	**196.0**	**200.0**	**203.8**
Agency	4.8	3.1	8.6	7.0	7.1	7.3	7.4	7.6
Subtotal Existing FTE	**201.1**	**200.4**	**188.6**	**195.5**	**199.5**	**203.3**	**207.4**	**211.4**
	Cumulative New Agency FTEs (The Project)[1]							
INTERNAL STAFFING								
RN/LPN	0.0	0.0	0.0	0.0	0.0	2.0	3.0	4.0
Hospice Aide	0.0	0.0	0.0	0.0	0.0	1.2	1.8	2.3
Administrative / Clerical	0.0	0.0	0.0	0.0	0.0	0.9	1.4	1.8
Chaplain/Clergy	0.0	0.0	0.0	0.0	0.0	0.4	0.7	0.9
Occupational Therapist	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.3
Medical Social Work	0.0	0.0	0.0	0.0	0.0	0.9	1.4	1.8
Management / Supervisor	0.0	0.0	0.0	0.0	0.0	0.6	1.0	1.3
Medical Director / Physicians	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.5
Other	0.0	0.0	0.0	0.0	0.0	0.3	0.5	0.6
Subtotal Internal Project FTE	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**6.6**	**10.3**	**13.5**
Agency	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.6
Subtotal Project FTE	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**6.9**	**10.7**	**14.1**
	CUMULATIVE TOTAL FTEs							
INTERNAL STAFFING								
RN/LPN	63.2	65.6	62.7	72.7	74.2	77.6	80.1	82.7
Hospice Aide	34.3	29.0	24.3	28.0	28.6	30.3	31.5	32.6
Administrative / Clerical	30.5	29.2	23.4	21.2	21.6	23.0	23.9	24.7
Chaplain/Clergy	10.6	10.2	12.0	12.3	12.5	13.2	13.8	14.2
Occupational Therapist	2.8	2.4	3.0	3.0	3.1	3.2	3.4	3.5
Medical Social Work	22.3	22.6	25.6	23.3	23.8	25.1	26.1	27.0
Management / Supervisor	11.7	13.3	14.3	15.0	15.3	16.2	16.9	17.5
Medical Director / Physicians	2.3	3.9	4.4	5.4	5.5	5.8	6.0	6.3
Other	18.6	21.1	10.3	7.6	7.8	8.2	8.6	8.8
TOTAL Internal FTE	**196.3**	**197.3**	**180.0**	**188.5**	**192.4**	**202.6**	**210.3**	**217.3**
Agency	4.8	3.1	8.6	7.0	7.1	7.6	7.8	8.2
TOTAL FTE	**201.1**	**200.4**	**188.6**	**195.5**	**199.5**	**210.2**	**218.1**	**225.5**

Source: Providence Hospice of Seattle

[1] Assumes The Project commences January 1, 2023

3. Provide the assumptions used to project the number and types of FTEs identified for this project.

The FTE mix for the proposed Pierce County project is based on the 2021 Providence Hospice staffing mix by discipline, forecasted based on hospice days and/or internal productivity benchmarks. Please see additional details in our response to Question #4 below.

4. Provide a detailed explanation of why the staffing for the agency is adequate for the number of patients and visits projected.

As noted above in response to Question #3, the FTE mix for the proposed Pierce County hospice agency is based on the 2021 Providence Hospice staffing mix by discipline and/or internal productivity benchmarks. With over 30 years' experience, Providence Hospice has a long history of providing hospice services in King County, and Providence Home & Community Care has extensive experience in staffing for, and providing hospice services in, Washington and other states. This experience has allowed Providence Hospice to forecast and staff the appropriate mix of FTEs based on expected Hospice Days and patients served.

The staffing of the proposed Pierce Hospice agency is modeled on Providence Hospice staffing that is currently in place and has been successful in meeting the needs of hospice patients in King County. All FTEs, other than the RN/LPN category for Pierce County, are volume based (patient days) and rely on 2021 historical experience in providing services in King County. For the RN/LPN category, we utilize a staffing assumption of 12.5 ADC per RN/LPN FTE, which is a Providence Hospice internal productivity benchmark.

5. **Provide the name and professional license number of the current or proposed medical director. If not already disclosed under 210(1) identify if the medical director is an employee or under contract.**

The current medical director for Providence Hospice is Bruce Smith, MD. He will serve as the medical director for Pierce County as well. Dr. Smith is board certified in internal medicine and palliative medicine and is certified as a hospice medical director. Please see Exhibit 21 for a copy of Dr. Smith's Washington provider credentials, including his professional license number (MD00023254). As stated in our response to Question #2 of the Financial Feasibility section, the medical director is employed by Providence Hospice, so there is no medical director agreement. Dr. Smith serves on the Board of the Washington State Medical Association (WSMA) Foundation for Healthcare Improvement, the Steering Committee of the Washington End-of-Life Coalition, and the Advisory Council for Honoring Choices Pacific Northwest. He is a member of the national Provider Orders for Life-Sustaining Treatment (POLST) Leadership Council and Co-Chair of the Washington POLST Task Force.

6. **If the medical director is/will be an employee rather than under contract, provide the medical director's job description.**

As stated in our reponse to Question #2 of the Financial Feasibility section, the medical director is employed by Providence Hospice. Please see Exhibit 17 for the Medical Director job description.

7. **Identify key staff by name and professional license number, if known. If not yet known, provide a timeline for staff recruitment and hiring (nurse manager, clinical director, etc.)**

In addition to Dr. Bruce Smith, serving as the medical director (see Question #5 above), the key staff at Providence Hospice includes two Directors of Hospice and a Chief of Hospice and Palliative Care.

- MacKenzie Daniek, Director of Hospice, is a Certified Hospice and Palliative Care Nurse (CHPN) and a Certified Hospice and Palliative Care Administrator (CHPCA) through the Hospice & Palliative Care Nursing Association. She holds a Bachelor of Science in Nursing. Ms. Daniek is Level III in the National Hospice & Palliative Care Organization (NHPCO) Manager Development Program and serves on the Steering Committee of the NHPCO Clinician & Operations Team. Please see Exhibit 22 for a copy of Ms. Daniek's Washington provider credentials (RN00156206).
- Stacey Lynn Jones, Director of Hospice, is a Licensed Independent Clinical Social Worker (LICSW) and Advanced Certified Hospice and Palliative Care Social Worker (ACHP-SW) with more than 25 years of experience in social work and 20 years of experience in hospice and palliative care. She serves on the Board of Directors for the Washington State Hospice and Palliative Care Organization. Please see Exhibit 22 for a copy of Ms. Jones' Washington provider credentials (LW60233675).
- Terri Warren, Chief of Hospice and Palliative Care, holds a Master of Social Work (MSW) from Boston College and has more than 25 years of professional experience in hospice and palliative care.

8. For existing agencies, provide names and professional license numbers for current credentialed staff.

Please see Exhibit 23 for a list of names and professional license numbers for Providence Hospice of Seattle credentialed staff.

9. Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plan to staff this project.

Providence Hospice is well positioned to address any barriers related to recruiting staff for the proposed agency. Having the appropriate level of staff will ensure timely patient care for residents in Pierce County seeking hospice services. Specifically, our plan to ensure timely patient care is supported by the following factors:

- Providence Hospice currently has approximately a dozen existing staff members from various disciplines who reside in Pierce County. Further, staff members who already are providing services closest to the border with Pierce County would be

repositioned to ensure service capacity in Pierce County in the early period of operations.

- While additional staff will be recruited, Providence Hospice currently employs more than 200 clinical and administrative staff in its Tukwila office who will be able to support timely patient care in Pierce County.

Providence Hospice has three shifts of staff who work 24 hours a day. Families and patients who call the main number will speak with a Providence Hospice nurse who will triage the call, either helping the patient/family over the phone or by sending a nurse to the patient/family based on their needs. In case all of our nurses are on calls or making visits, we contract with Total Triage/Care XM for back-up service to ensure timely patient care. A Total Triage/Care XM nurse will assist the patient/family over the phone and escalate the situation to our nursing staff if further assistance or a visit is needed.

Given the factors listed above, as well as the additional factors discussed below, we do not foresee barriers to ensuring the Pierce County hospice agency will be appropriately staffed to ensure timely, high-quality patient care.

Providence Hospice of Seattle Currently Has Staff Who Reside in Pierce County

As noted above, Providence Hospice employs more than 200 clinical and administrative staff out of its Tukwila office, with approximately a dozen existing staff members from various disciplines who reside in Pierce County. Providence Hospice has the existing infrastructure to begin serving Pierce County immediately upon CN approval. Minimal administrative or office-based staff are needed to begin service. The direct care team that is already providing services closest to the border with Pierce County would be repositioned to ensure service capacity in Pierce County in the early period of operations.

Leveraging Scale to Address Workforce Shortages

The Providence system is using its scale and resources to offer an array of workforce programs and services to support our 120,000 dedicated caregivers, including tuition reimbursement and other training benefits, referral and retention bonuses, free behavioral health care, caregiver assistance, and online resources.

Seeing the value of our internal workforce as a source of recruitment, Providence launched the Caregiver Referral Program in 2021, allowing staff to obtain referral bonuses for referred hires who remain employed by Providence for 90 days. This process was made easy and streamlined through the Caregiver Referral website, which includes simple to follow how-to sheets. With nearly every open role being eligible for a referral bonus, Providence saw an increase of 35% in referral applications one month after launching the program.

In 2021 Providence's commitment to retain existing employees and secure internal referrals culminated in an investment of $220 million toward hiring and retaining

healthcare workers. This includes offering bonuses to existing staff and referral bonuses ranging from $1,000 to $7,500, depending on positions, with some more highly competitive positions such as nurses ranging higher.

Diversity, Equity, and Inclusion

Providence is rooted in recognizing the inherent dignity of every person. The Sisters of Providence and Sisters of St. Joseph of Orange have a lengthy, established history of advocating for the rights of those facing racism and discrimination, and this legacy empowers us today to work toward a more just and equal society for all people of color.

Providence has committed $50 million over the next five years to improve health equity and reduce health disparities. A key component of our diversity, equity, and inclusion ("DEI") efforts is our commitment to developing a diverse and inclusive staff that represents the communities that we serve. For example, Providence Home and Community Care, which administers Providence's hospice agencies, home health services, and other post-acute services, has a targeted initiative aimed at recruiting, hiring, and training Spanish-speaking hospice and palliative care givers. This commitment includes a $310,320 investment for the 2021-2022 period. Providence believes it can scale these efforts to other populations, such as Black and Asian Pacific Island communities. For instance, recent efforts working on Afghan resettlement support in Spokane resulted in our first hire of an Afghan refugee into our home health service line.

In addition, Providence has invested $432,890 over the 2021-2022 period to enable our PACE programs to better meet the distinct needs of a diverse and underserved patient demographics of those who use our PACE services. These efforts aim to increase awareness and build trust in the Asian and Hispanic communities through local partnerships and direct outreach. The impact will also include increasing bilingual staff focusing on the languages spoken in our communities. Providence believes these efforts will contribute to our ability to provide culturally competent care to underserved populations.

A Singular Focus on The Caregiver

Providence has long had a singular focus on our caregivers, knowing that they are the backbone of our ability to provide services to the community. Our newly formed Workforce Council is working to develop workforce plans for every region and line of business. The intention is to reduce burnout, improve highly sustainable engagement, and reduce first year turnover. In addition, as part of its DEI efforts, Providence is working to ensure diverse candidate slates for all senior roles.

As an example of Providence's focus on caregivers, Providence took immediate steps in early 2020 as the pandemic was unfolding, recognizing the mental and physical toll on our caregivers during this difficult and disruptive time. Providence enacted the "No One Cares Alone" program to ensure those that provide care to our community are

themselves well cared for. A dedicated caregiver behavioral health concierge program was established, allowing free access to behavioral health services.

Other efforts include our focus on Life-Work Experience under the following four pillars:

- *Fair & Equitable Pay:* We are committed to ensuring caregivers are offered competitive salary ranges and benefits that support achieving a meaningful life and work balance.
- *Culture of Inclusion & Belonging:* Rooted in our core values of compassion, integrity and justice, Providence Home and Community Care is dedicated to a culture of acceptance and respect, ensuring all caregivers feel welcomed and supported during each stage of their Providence journey.
- *Growth, Development, & Recognition:* Providence Home and Community Care understands the importance of providing an environment where all caregivers can thrive and achieve their goals. We are committed to a culture that promotes from within, allows personal development, and has values-driven recognition programs.
- *Connection to Mission & Purpose:* We believe that our Mission is what sets us apart from others and gives our team members a strong sense of purpose and dedication to high quality healthcare.

Finally, Providence Home and Community Care has an ambitious aim to be "*The best place to work in healthcare, from the 1st year and beyond!*

Providence Health & Services Has Well-established Human Resource Capabilities

Providence has an excellent reputation and history recruiting and retaining appropriate personnel. Providence offers a competitive wage scale, a generous benefit package, and a professionally rewarding work setting. Being a large and established provider of health care services, Providence has multiple resources available to assist with the identification and recruitment of appropriate and qualified personnel:

- Experienced system and local talent acquisition teams to recruit qualified staff.
- Strong success in recruiting for critical-to-fill positions with recruiters that offer support on a national as well as local level.
- Leverage our external recruiting solutions entity, Provider Solutions & Development, in which a team of recruiters work nationwide to support and serve providers in their recruiting efforts.
- Career listings on the Providence Web site and job listings on multiple search engines and listing sites (e.g., Indeed, Career Builders, Monster, NW Jobs).
- Educational programs with local colleges and universities, as well as the University of Providence Bachelor of Science Nursing Program (operated by Providence).

Providence Hospice is Successful at Recruiting and Retaining Employees

As noted above, Providence Hospice currently employs more than 200 staff members. We have been highly effective in retaining current staff by offering attractive pay and benefits, maintaining a robust orientation and training program, offering ongoing education and development opportunities, engaging staff in Providence's critical mission, and by focusing on retention as a key priority. With retention as a key priority, Providence Hospice invests heavily in recruiting and retaining the best employees to serve our communities. We have an established Employee Training and Development program that includes, but is not limited to, the following: robust department orientation, clinical and safety training, initial and ongoing competencies assessments, and performance evaluations. Please see Exhibit 24 of the Application for a copy of the Education, Orientation and Assessment of Competency for Staff Policy. In addition, Providence Hospice has a Clinical Ladder Program. The Clinical Ladder Program is a system whereby a nurse can demonstrate and be rewarded for excellence in patient care. The Clinical Ladder Program encourages nurses to take the initiative for professional growth and development in their clinical field, thereby enhancing quality of care, patient outcomes, and nursing satisfaction. Please see Exhibit 25 of the Application for a copy of the Clinical Ladder Handbook. These programs not only help to improve retention but also contribute to maintaining a high-quality and qualified workforce to serve hospice patients.

10. Identify your intended hours of operation and explain how patients will have access to services outside the intended hours of operation.

The intended hours of operation will be from 8:00 a.m. - 4:30 p.m. daily for regular office hours, with 24/7 access to nursing and other hospice services, including nursing visits.

Providence Hospice has three shifts of staff who work 24 hours a day. During the hours of 4:30 p.m. – 8:00 a.m., patients and families who call the main number speak with a Providence Hospice nurse who triages the call, either helping the patient/family over the phone or by sending a nurse to the patient/family based on their needs. We contract with Total Triage/Care XM for back-up service. If all our nurses are on calls or making visits, a Total Triage/Care XM nurse will assist the patient or family over the phone and escalate the situation to our nursing staff if further assistance or a visit is needed. We also have social worker, chaplain, adult physician, pediatric physician, and administrator on-call services during this time.

11. For existing agencies, clarify whether the applicant currently has a method for assessing customer satisfaction and quality improvement for the hospice agency.

Providence Hospice has an established Quality Assessment and Performance Improvement ("QAPI") program that employs a number of methods and processes in

assessing customer satisfaction and quality improvement. The Providence Hospice Clinical Quality Manager is responsible for facilitating the QAPI program for Providence Hospice. The Clinical Quality Manager, along with the Hospice Directors, Medical Director, Hospice Operation Managers, supervisors, and primary interdisciplinary team, are responsible for assuring Providence Hospice continues to monitor the quality of service it provides and develops performance improvement projects. The Home Services Leadership Council, as delegated by the Governing Body, is responsible for the oversight of the QAPI program. Finally, Providence Hospice instills in its staff that every staff member of our agency has a responsibility in ensuring that we have a robust and effective QAPI program. Please see Exhibit 26 for a copy of the QAPI program.

As required by CMS, Providence Hospice also participates in the Hospice Item Set. Our results in the survey scores have been consistently above the national rate. Please see Table 19 for the most recently published data.

Table 19. Providence Hospice of Seattle (Hospice Item Set) Quality Measures Reporting Period: 1/1/19 – 12/31/19

Measure	CMS National Rate	Providence Hospice of Seattle
Treatment Preferences (NQF #1641)	99.3%	99.7%
Beliefs/Values (NQF #1647)	97.6%	99.9%
Pain Screening (NQF #1634)	97.1%	100.0%
Pain Assessment (NQF #1637)	92.6%	99.1%
Dyspnea Screening (NQF #1639)	98.6%	100.0%
Dyspnea Treatment (NQF #1638)	96.8%	99.9%
Bowel Regimen (NQF #1617)	94.4%	100.0%

Source: CMS

12. For existing agencies, provide a listing of ancillary and support service vendors already in place.

Providence Hospice has deep roots in the community and has been providing hospice services for more than three decades. Consequently, Providence Hospice has well-established existing internal and external relationships able to provide ancillary and support services. The existing ancillary and support services include, but are not limited to, the following:

- **Physical Therapy and Speech Therapy:** Providence Hospice contracts for these services with Providence Home Health – King County (internal agency).
- **Dietary Services:** Providence Hospice contracts for these services with Providence Home Health – King County (internal agency).
- **Home Medical Equipment:** Providence Hospice has an agreement with

Bellevue Healthcare to provide home medical equipment.

- **Pharmacy:** Providence Hospice has relationships with various pharmacies and pharmacy benefit managers to provide appropriate pharmaceutical care (please see our response to Question #15 below for a detailed list of providers).
- **Respite Care:** Providence Hospice has agreements with several skilled nursing facilities in King County to provide respite care services (please see our response to Question #15 below for a detailed list of facilities).
- **Massage and Music Therapy:** Providence Hospice contracts with various massage and music therapists to provide services to Providence Hospice patients. Please see Table 20 for a list of massage and music therapists contracted by Providence Hospice.

Table 20. Providence Hospice Contract List – Massage & Music Therapy

Contractor	Credential	Credential #
Adams, Barbara	None - musician	N/A
Cleveland, Julie	Licensed Massage Therapist	MA00020563
Davis, Beth	Licensed Massage Therapist	MA00007235
Gaudette, Brittany	Licensed Massage Therapist	MA60783258
Greene, Jennifer	Board Certified Music Therapist	07641
Howe, Joan	Licensed Massage Therapist	Licensed Massage Therapist
McInerney, Theresa	Licensed Massage Therapist	Licensed Massage Therapist
Schley, Monica	Certified Clinical Musician	Certified Clinical Musician
Tiebout, Carol	Licensed Massage Therapist	Licensed Massage Therapist
Yon, Laura	Licensed Massage Therapist	Licensed Massage Therapist

Source: Providence Hospice of Seattle

- **Bereavement Services:** Bereavement services are provided by Providence Hospice for 15 months after the death of a loved one. Services include a wide variety of educational bereavement support groups, individual counseling, and memorial events. These services also are provided to anyone in the community, even if they do not receive our hospice services.
- **Safe Crossings:** Pediatric grief support services are provided by Providence Hospice to children, teens, and their families prior to and after the death of a loved one. Services include individual counseling, support groups, and memorial events. These services are provided to anyone in the community, even if they do not receive our hospice services, and also include bereavement groups in schools and trauma-informed grief services.
- **Camp Erin:** Providence Hospice of Snohomish helped to establish Camp Erin with a seed grant from the Moyer Foundation in partnership with the parents of the camp's namesake, Erin Metcalf, a 17-year-old hospice patient who passed away in 2000. Providence Hospice of Seattle was the second organization to

hold Camp Erin and has been holding one annual camp session for both children and teens since 2004. Camp Erin is a camp for children who have had a significant death in their family. The camp supports children in building a community and feeling they are not alone in their grief. The camp provides grief education and fun camp activities.

In addition, support services, including finance, billing (revenue cycle), human resources, and compliance and risk, are provided by internal shared services staff located in the Tukwila office. The existing support staff is sufficient to support additional services in Pierce County.

13. Identify whether any of the existing ancillary or support agreements are expected to change as a result of this project.

The relationships noted in response to Question #12 above demonstrate Providence Hospice has the capabilities to meet the service demands for the project. Once the project is approved, Providence Hospice will work to make any necessary adjustments or amendments to the agreements in order to provide the full spectrum of hospice services in Pierce County. In cases where the expansion of ancillary services into Pierce County is not possible with the existing provider, Providence Hospice will develop new relationships to meet the needs of hospice patients in Pierce County.

14. For new agencies, provide a listing of ancillary and support services that will be established.

This question is not applicable as Providence Hospice is an existing agency in King County seeking to extend services into Pierce County. Thus, as stated above in Question #13, it has existing ancillary and support services that will be extended into Pierce County.

15. For existing agencies, provide a listing of healthcare facilities with which the hospice agency has documented working relationships.

As an established provider in the community, Providence Hospice works closely with local hospitals, physicians, and other providers to ensure continuity of care while avoiding fragmentation of care. Providence Hospice will leverage its existing relationships, both inside and outside of Pierce County, and will build additional relationships as needed to ensure a full spectrum of care. In cases where Providence Hospice has an existing relationship that does not include Pierce County, we will amend those contracts or agreements to include Pierce County where applicable.

Current relationships include, but are not limited to, the following:

- **Hospitals:** Providence Hospice has a strong working relationship and General Inpatient (GIP) contract with Swedish Medical Center, including its First Hill, Cherry

Hill, Ballard, Edmonds, and Issaquah campuses. Providence Hospice also has a strong working relationship and GIP contract with the University of Washington hospitals, including University of Washington Medical Center, UW Medical Center - Northwest, Harborview Medical Center, and UW Medicine Valley Medical Center. Providence Hospice also has strong working relationships with St. Anne Hospital (Virginia Mason Franciscan Health), MultiCare Auburn Medical Center, MultiCare Good Samaritan Hospital, and MultiCare Covington Medical Center. We also have a GIP contract with EvergreenHealth Medical Center's Inpatient Hospice Center.

- **Respite Care:** Providence Hospice has agreements with the following skilled nursing facilities in King County:
    - Avamere Rehabilitation of Richmond Beach
    - Benson Heights Nursing and Rehabilitation Center
    - Burien Nursing and Rehabilitation Center
    - Canterbury House
    - EmpRes at Auburn LLC – Advanced Post-Acute
    - Providence Marianwood
    - Providence Mount St. Vincent
    - Queen Anne Health Care
    - Seattle Medical Post-Acute Care
    - Enumclaw Health and Rehabilitation Center

- **Long-Term Care facilities:** Providence Hospice has agreements with the following long-term care facilities in King County:
    - Bayview Manor
    - Briarwood at Timber Ridge
    - Burien Nursing and Rehabilitation Center
    - Canterbury House
    - Covenant Shores
    - EmpRes at Auburn LLC – Advanced Post-Acute
    - Foss Home and Village
    - The Hearthstone
    - Judson Park Health Center
    - Kin On Health Care Center
    - Laurel Cove
    - Life Care Center of Federal Way
    - Mission Healthcare at Renton
    - North Auburn Rehabilitation Center
    - Park Ridge Care Center
    - Park West Care Center
    - Providence Marianwood
    - Providence Mount St. Vincent

- Queen Anne Health Care
- Redmond Care and Rehabilitation
- Sea Mar Community Care Center
- Shoreline Health and Community Care Center
- Talbot Center for Rehabilitation and Healthcare
- Seattle Medical Post-Acute Care
- The Oaks at Forest Bay
- The Terraces at Skyline
- Washington Care Center for Comprehensive Rehabilitation
- Wesley Homes Health Center
- Avamere Rehabilitation of Richmond Beach
- Enumclaw Health and Rehabilitation Center
- Benson Heights Rehabilitation Center

- **Pharmacy Benefit Manager:** Providence Hospice has an agreement with Northwest Pharmacy Services to be its Pharmacy Benefits Manager. Providence Hospice has an agreement with Providence Infusion and Pharmacy Services to provide 24-hour oral dose and infusion medications. Providence Hospice also has an agreement with Omnicare to provide emergent medications as a backup to Providence Infusion and Pharmacy Services. Providence Hospice has an agreement with Pacific Northwest Courier Services and Mountain West Logistics to courier medications to patients urgently as needed. We have a close working relationship with Bartell Pharmacy – Queen Anne for 24-hour medication needs.
- **Home Medical Equipment:** Providence Hospice has an agreement with Bellevue Healthcare to provide Home Medical Equipment.
- **Oncology Cancer Center:** Providence Hospice has a strong working relationship with Seattle Cancer Care Alliance, which supports patients from Pierce County.
- **Veterans Administration:** Providence Hospice has a strong working relationship with the Veterans Administration, including inpatient and outpatient palliative care, which supports patients from Pierce County.
- **Pediatric Care:** Providence Hospice has strong working relationships with Seattle Children's Hospital and Mary Bridge Children's Hospital in Tacoma, including the palliative care teams at both facilities.

Avoiding fragmentation to care delivery is a key reason why Providence Hospice is requesting certificate of need approval to operate a Medicare certified and Medicaid eligible hospice agency to serve residents in Pierce County. Providence offers exceptional inpatient and specialty care in the King County service area, such that many Pierce County residents seek specialty care in King County with Providence. As these residents return to their homes in Pierce County, Providence aims to maintain continuity

of care, ensuring the availability of Providence primary care and ambulatory care services and, as care needs change, a seamless transition to home-based and hospice services.

Not only does Providence Hospice have strong existing relationships in the community, we utilize the Epic electronic health record in our hospice and home health services, which is a very valuable tool to help decrease the risk of fragmentation, improve the quality and timeliness of communication between caregivers, and enhance the overall level of clinical excellence offered.

16. Clarify whether any of the existing working relationships would change as a result of this project.

As discussed in our response to Question #15 above, Providence Hospice will leverage its existing relationships, both inside and outside Pierce County, and will build additional relationships as needed to ensure a full spectrum of care. In cases where Providence Hospice has an existing relationship that does not include Pierce County, we will amend those contracts or agreements to include Pierce County, where applicable.

17. For a new agency, provide the names of healthcare facilities with which the hospice agency anticipates it would establish working relationships.

This question is not applicable, as Providence Hospice is an existing agency in King County seeking to extend services into Pierce County. As stated above in response to Question #15 and Question #16, Providence Hospice has existing relationships with health care facilities and will establish new relationships with Pierce County health care facilities, as needed.

18. Identify whether any facility or practitioner associated with this application has a history of the actions listed below. If so, provide evidence that the proposed or existing facility can and will be operated in a manner that ensures safe and adequate care to the public and conforms to applicable federal and state requirements.

1. **A criminal conviction which is reasonably related to the applicant's competency to exercise responsibility for the ownership or operation of a hospice care agency; or**
2. **A revocation of a license to operate a health care facility; or**
3. **A revocation of a license to practice a health profession; or**
4. **Decertification as a provider of services in the Medicare or Medicaid program because of failure to comply with applicable federal conditions of participation.**

Providence Hospice of Seattle has neither facilities nor practitioners associated with the application with a history of any of the actions listed above.

19. Provide a discussion explaining how the proposed project will promote continuity in the provision of health care services in the planning area, and not result in an unwarranted fragmentation of services. WAC 246-310-230

As discussed in our response to Question #15 above, avoiding fragmentation of services and care delivery is a key reason Providence Hospice is requesting certificate of need approval to provide hospice services to Pierce County residents. The Providence system offers exceptional inpatient and specialty care in the King County service area, such that many Pierce County residents seek specialty care in King County with Providence facilities and caregivers. As these residents return to their homes in Pierce County, Providence aims to maintain continuity of care, ensuring availability of Providence primary care and ambulatory care services and, as care needs change, a seamless transition to home-based and hospice services.

In addition, as stated in our response to Question #15, the Providence system employs a state-of-the-art Epic electronic health record system, having established Epic in most care settings, including bringing hospice agencies and other entities administered by Providence Home and Community Care onto the same Epic instance. This is a notable differentiator in the hospice care space. This places Providence Hospice in a position to ensure continuity of care, avoid fragmentation of care and unnecessary duplication of services, create opportunities to improve quality of care, and improve communication among providers, as well as between providers and patients. Epic allows the use of one medical record to follow the patient through the entire continuum of care.

20. Provide a discussion explaining how the proposed project will have an appropriate relationship to the service area's existing health care system as required in WAC 246-310-230.

The proposed Providence Hospice project will ensure an appropriate relationship with the service area's existing health care system in the following ways:

- The proposed project will not result in duplication of services or unwarranted fragmentation of care. The 2021-2022 Hospice Numeric Need Methodology shows a need for 3.2 hospice agencies in Pierce County in 2023, based upon an unmet ADC need of 111 in that year. The Providence Hospice project will reach an ADC of 50 by the third full year of operations in 2025. Accordingly, by definition, the proposed project cannot result in a duplication of services, as the project will not exceed the need in the planning area. In addition, as discussed above in Question #10 of the Project Description section, Providence Hospice's proposal includes providing hospice services to specific populations in Pierce County, including, but not limited to, pediatric hospice patients, the homeless, minority communities, ESRD and cardiac care patients, veterans, and dual eligible beneficiaries.
- As discussed in Section 9 above, the proposed project will be adequately staffed,

and Providence is well positioned to address any barriers related to recruiting staff for the proposed agency. Providence Hospice currently has approximately a dozen existing staff members from various disciplines who reside in Pierce County. While additional staff will be recruited, Providence Hospice currently employs more than 200 clinical and administrative staff in its Tukwila office who will be able to support timely patient care in Pierce County. Providence has an excellent reputation and history of recruiting and retaining appropriate personnel. Providence offers a competitive wage scale, a generous benefit package, and a professionally rewarding work setting. Being a large and established provider of health care services, Providence has multiple resources available to assist with the identification and recruitment of appropriate and qualified personnel:

- Experienced system and local talent acquisition teams to recruit qualified staff.
- Strong success in recruiting for critical-to-fill positions with recruiters that offer support on a national as well as local level.
- The ability to utilize our external recruiting solutions entity, Provider Solutions & Development, in which a team of recruiters work nationwide to support and serve providers in their recruiting efforts.
- Career listings on the Providence website and job listings on multiple search engines and listing sites (e.g., Indeed, Career Builders, Monster, NW Jobs).
- Educational programs with local colleges and universities, as well as the University of Providence Bachelor of Science Nursing Program (operated by Providence).

- The proposed project will have an appropriate relationship with ancillary and support services and these services will be sufficient to support the proposed project. As discussed in our responses to Question #12 and Question #15 above, Providence Hospice is a long-established provider in the community. Providence Hospice will leverage its existing relationships, both inside and outside of Pierce County, and will build additional relationships as needed to ensure a full spectrum of care. In cases where we have an existing relationship that does not include Pierce County, we will amend those agreements to include Pierce County, where applicable.

- The proposed project will conform with relevant state and federal licensing requirements and will be Medicare certified and Medicaid eligible. In addition, the proposed project will provide care in accordance with federal and state laws, including complying with the requirements of the Medicare conditions of participation.

21. The department will complete a quality of care analysis using publicly available information from CMS. If any facilities or agencies owned or operated by the

applicant reflect a pattern of condition-level findings, provide applicable plans of correction identifying the facility's current compliance status.

This question is not applicable, as the applicant does not own or operate any facilities or agencies that "reflect a pattern of condition-level findings."

22. If information provided in response to the question above shows a history of condition-level findings, provide clear, cogent and convincing evidence that the applicant can and will operate the proposed project in a manner that ensures safe and adequate care, and conforms to applicable federal and state requirements.

For the reason stated in our response to Question #21, this question is not applicable.

D. Cost Containment (WAC 246-310-240)

1. **Identify all alternatives considered prior to submitting this project. At a minimum include a brief discussion of this project versus no project.**

Providence Hospice is requesting CN approval to operate a Medicare certified and Medicaid eligible hospice agency in Pierce County. The hospice agency will be based out of Providence Hospice's Tukwila office in King County, Washington. Operating a new agency will help address the unmet need for hospice care in Pierce County.

As part of its due diligence, and in deciding to submit this application, Providence Hospice explored the following alternatives:

1. Alternative 1: Status quo: do nothing or postpone action
2. Alternative 2: The requested project: seek CN approval for a hospice agency
3. Alternative 3: Acquire an existing hospice agency in Pierce County
4. Alternative 4: Partner and create a joint venture and seek CN approval for a hospice agency.

The four alternatives were evaluated using the following decision criteria: access to hospice services; quality of care; cost and operating efficiency; staffing impacts; legal restrictions; and capital costs. Each alternative identifies advantages (A), disadvantages (D), and neutrality (N). Based on the above decision criteria, it is clear that the requested project — seek CN approval to operate a Medicare certified and Medicaid eligible hospice agency to serve residents of Pierce County — is the best option.

Please see Tables 21 through 24 below for a thorough analysis of alternatives, including the alternative of project versus no project (do nothing).

2. **Provide a comparison of the project with alternatives rejected by the applicant. Include the rationale for considering this project to be superior to the rejected alternatives. Factors to consider can include, but are not limited to: patient access to healthcare services, capital cost, legal restrictions, staffing impacts, quality of care, and cost or operation efficiency.**

Table 21. Alternative 1: Do Nothing or Postpone Action

Decision Making Criteria	Analysis
Access to Health Care Services	There is no advantage to maintaining the status quo in terms of improving access. (D) The principal disadvantage is that the status quo does nothing to address the quantitative need for additional hospice agencies in the Pierce County Planning Area. Consequently, it does not address access to care issues that currently exist. (D)

Quality of Care	There is no advantage from a quality of care perspective. (N) The principal disadvantage with maintaining the status quo is driven by shortages in access to hospice services. Over time, as access is constrained, there would be adverse impacts on quality of care if Planning Area physicians and their patients cannot find adequate access to hospice services. (D)
Cost and Operating Efficiency	With this option, there would be no impacts on costs. (N) The principal disadvantage is that by maintaining the status quo, there would be no improvements to cost efficiencies. (D)
Staffing Impacts	The principal advantage is the avoidance of hiring/employing additional staff. (A) There are no disadvantages from a staffing point of view. (N)
Legal Restrictions	There are no legal restrictions to continuing operations as presently. (A)
Capital Costs	There are no capital costs to continuing operations as is (A)
Final Assessment	**This alternative was <u>not</u> selected.** It does not improve access to health care services, drive cost and operating efficiencies, or provide opportunities for local job growth and economic development. It also may have a detrimental impact on quality of care.

Table 22. Alternative 2: Requested Project (CN Approval to Operate a Hospice Agency)

Decision Making Criteria	Analysis
Access to Health Care Services	The requested project meets current and future access issues identified in the Pierce County Planning Area. It increases access to care. (A)

	From an improved access perspective, there are no disadvantages. (A)
Quality of Care	The requested project meets and promotes quality and continuity of care in the Planning Area. (A) From a quality of care perspective, there are no disadvantages. (N)
Cost and Operating Efficiency	This option allows Providence Hospice to better utilize and leverage fixed costs, and spread those fixed costs over a larger service area and set of services. (A) From a cost and operational efficiency perspective, the project may incur minimal operating expense losses in the early startup period before it reaches sufficient volume to cover fixed and variable costs. (D)
Staffing Impacts	This option creates new jobs, which benefits the Planning Area and provides opportunities for the specialization of staff dedicated to efficient delivery of hospice services. (A) From a staffing impacts perspective, there are no disadvantages as Providence Hospice has a solid track record of being able to hire and retain high quality staff. (N)
Legal Restrictions	The principal advantage would be allowing Providence Hospice staff to immediately provide hospice services to Pierce County residents. This will improve access, quality, and continuity of care. (A) The principal disadvantage is that it requires CN approval, which requires time and expense. (D)
Capital Costs	There are no capital costs to for the proposed project (A)

Final Assessment	**This alternative (the proposed project) <u>was selected</u>.** It improves access to health care services, promotes quality and continuity of care, leverages existing fixed costs, promotes job growth and economic development, and requires no capital investment. It can be executed immediately and does not face any adverse or onerous legal or regulatory requirements.

Table 23. Alternative 3: Acquisition of an Existing Hospice Agency in Pierce County

Decision Making Criteria	Analysis
Access to Health Care Services	The principal disadvantage is that an acquisition would not necessarily add additional capacity for hospice services in Pierce County Planning Area when compared to Alternative 2 and Alternative 4 (D). As far as we are aware, there are no existing hospice agencies in Pierce County that are open to acquisition (D)
Quality of Care	This option meets and promotes quality and continuity of care issues in the Planning Area. (A) From a quality of care perspective, there are no disadvantages – assuming the existing hospice agency does not have any quality of care issues. (N)
Cost and Operating Efficiency	Acquisition of an existing hospice requires considerable upfront costs as part of the purchase and due diligence. (D) An acquisition will require significant work in regards to bringing the new entity onto the Providence Hospice platform. For example, ensuring consistent instances of the Epic electronic health record are in place, and ensuring that staff training and protocols are consistent between Providence Hospice and the new entity. (D)
Staffing Impacts	The only advantage from a staffing perspective is that the staff from the existing agency is already in place. (A) This option potentially creates no new jobs, which does not benefit the Planning Area. (D)

Legal Restrictions	There are no advantages from a legal restrictions perspective. (N) The principal disadvantage is that an acquisition takes considerable time and resources to conduct full due diligence assessment prior to the acquisition. (D)
Capital Costs	There are likely capital costs associated with an acquisition of an existing agency, potentially adding to an increase of the overall costs of care (D)
Final Assessment	**This alternative was <u>not</u> selected**, as it does not improve access to health care services, may add additional costs and efforts related to acquiring an existing provider, and requires considerable time and resources related to legal and due diligence requirements. Finally, we are not aware of any existing hospice providers that are open to acquisition.

Table 24. Alternative 4: Create a Joint Venture and Seek CN Approval for a Hospice Agency

Decision Making Criteria	Analysis
Access to Health Care Services	Depending on the partnership, this alternative would have the potential to meet current and future access issues identified in the Pierce County Planning Area. (A) Partnering with another entity should not adversely impact access to services under the assumption that the project would remain similar to the proposed project. (N)
Quality of Care	Partnering with another entity will not likely adversely impact quality of care when compared to the proposed project, although it adds additional layers of operational complexity. (N)

Cost and Operating Efficiency	A partnership would increase operating complexity and may add other partnership-related costs. In this scenario, costs may increase due to additional efforts required to establish the governance and ownership structure, establish a new staffing structure, and accommodate partner preferences on how to deliver care. (D)
Staffing Impacts	Partnering with another entity would create less staffing flexibility from the perspective of Providence Hospice. In this scenario, Providence Hospice would have to build and establish additional management processes and structures, and may have to negotiate new compensation benefit packages for clinical staff. (D)
Legal Restrictions	Partnering with another entity introduces a high degree of operational complexity, as under this scenario a completely new governance structure would have to be established along with obtaining agreement on operational processes. (D) The principal disadvantage is that it requires CN approval, which requires time and expense. (D)
Capital Costs	It is unclear if there would be capital costs associated with a JV, as a JV may include purchasing an existing provider or may simply require an extension of our existing agency in King County (N)
Final Assessment	**This alternative was <u>not</u> selected.** It adds increased operating costs, decreased staffing flexibility, is unclear as far as capital costs requirements, and will likely contribute to increased operating complexity.

3. **If the project involves construction, provide information that supports conformance with WAC 246-310-240(2):**
   - **The costs, scope, and methods of construction and energy conservation are reasonable; and**
   - **The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.**

This question is not applicable as the proposed project does not involve construction.

4. Identify any aspects of the project that will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment and which promote quality assurance and cost effectiveness.

Providence Hospice continually works to improve quality, cost containment, and cost effectiveness in the provision of hospice services. Some of the key efforts pursued in King County are set forth below. Where appropriate, Providence Hospice will work to bring these capabilities, services and programs to the new Pierce County hospice agency.

Support for the Financing of Health Care Services: While the majority of financing of health care services is paid through Medicare and Medicaid reimbursement, we believe the following endeavors will have a positive impact on the delivery of hospice services in Pierce County.

- Providence Hospice of Seattle Foundation: Founded in 2000, Providence Hospice of Seattle Foundation (the philanthropic arm of our hospice agency) has provided more than $21.1 million to help the ministry provide care and programs to terminally ill patients and their families. Programs include the following: children's bereavement (Safe Crossings and Camp Erin), pediatric hospice and palliative care (Stepping Stones), adult palliative care, support of low-income patients and families (Patient Special Needs), and complementary therapies (e.g., music, massage).
- Community Benefit: In 2020, Providence provided $675 million in community benefit. Through programs and donations, Providence's community benefit connects families with preventive care to keep them healthy, fills gaps in community services, and provides opportunities that bring hope in difficult times.
- Partnership with a Community Dialysis Center: Providence Hospice partners with the Northwest Kidney Center to provide hospice services and dialysis concurrently to support patients in transitioning to end of life care, thus reducing overall healthcare costs per patient by preventing unnecessary hospitalizations and initiating goals of care conversations earlier in the disease trajectory. Providence Hospice would look to create similar partnerships in Pierce County.
- Expansion of Private Insurance Providers: Providence currently has over 20 commercial contracts with private insurance providers in Washington that can be leveraged to serve patients in Pierce County.

Innovations in Delivery of Health Care Services: Providence Hospice constantly strives to improve the delivery of health care services. Notable efforts in delivery of hospice services are detailed below, including recent efforts in response to needs stemming from the COVID-19 pandemic.

- Telehealth Visits to Assist in Symptom Management: Providence Hospice has a provider team (MD/ARNP) who conduct telehealth visits in real time to assist patients and families with symptom management.

- Developing the Workforce of the Future: Providence Hospice supports the education and development of future healthcare professionals in Western Washington by partnering with and accepting nursing, social work, and occupational therapy students, as well as medical fellows from the University of Washington.
- Specialized Grief Education: Specialized grief education for those with disabilities, focusing on underserved populations.
- Enhanced Grief Support in Response to COVID-19 Pandemic: In response to unprecedented needs driven by the pandemic, Providence Hospice has pivoted to provide a diverse variety of modalities and formats in the provision of grief services, such as in-person, phone-based, and telehealth counseling. In addition, Providence Hospice has provided grief support to a wider community, focusing on loss specific groups, including partnering with other organizations to provide emotional and spiritual support.
- Flexible Delivery of Care During COVID-19 Pandemic: Providence Hospice has been able to be flexible in our delivery of care, allowing the entire interdisciplinary care team to continue to be involved in direct patient care in a safe way. When families were not able to see their loved ones in hospice, we pivoted to technology allowing us to bring extended family into crucial conversations. This included the use of telehealth along with the provision of tablets to underserved families.
- COVID Emergency Management Planning: In response to pandemic, Providence Hospice has provided education/trainings and shared training materials, protocols, and COVID emergency management planning to Skilled Nursing Facilities, Assisted Living Facilities, Adult Family Homes, and family members to support the larger community.

Promoting Quality of Care and Quality Assurance: Providence Hospice pursues a number of efforts aimed at continually improving the quality of hospice services.

- Quality Assessment and Performance Improvement Program: Providence Hospice has an established QAPI program. The QAPI program focuses on identifying areas of improvement in patient/family outcomes, process of care, hospice services, non-clinical operations, and patient safety. Hospice-wide improvement opportunities are identified and prioritized, including, but not limited to, safety, clinical excellence, and improved patient and employee satisfaction.
- Education and Training Programs: Providence Hospice employs a number of training programs aimed at ensuring our care providers are best positioned to provide high quality care. Efforts include, but are not limited to, the following: Providence Home Services Clinical Ladder Program, Hospice Aide Education Program, Internal Education Program, HIPAA and Integrity Program, and other targeted programs, such as our annual nursing skills labs, which review a rotation of key skills requirements.
- Nurse Residency Programs: These programs provide in-depth education and support to new RN graduates who want to work in hospice care. The partnerships include medical/surgery rotation with Swedish Health Services, certificate program in

Palliative Care with the University of California, monthly curriculum to support new graduates entering nursing with The Providence Nursing Institute.

- Clinical Ladder Program: This program takes the traditional model of development and expands Clinical Ladders to also incentivize patient outcomes and clinician engagement. The Clinical Ladder program synthesizes all the benefits of Providence's vast educational resources in a way that helps the RN Case Manager grow while providing better outcomes for patients.
- Opioid Safety Program: This program helps balance safety with good symptom management for our patients, while serving in a community experiencing dangerous levels of substance use disorder and overdoses. It utilizes an opioid risk tool, safety plans, proactive symptom management, and safe disposal policies.
- Caring Reliably Visit Model: This sets expectations for patient visits and communication for all staff so families can feel they are receiving reliable care. It Includes caring, reliable visit guides, joint visit expectations with managers, and use of technology to quickly provide feedback about visits to staff from managers.
- Complex Case Reviews: These programs provide a safe space for clinicians to debrief challenging situations and inform future care. Complex Case Reviews are completed when a need arises in patient care that cannot be solved easily. This also allows patients and families to initiate a complex case review in situations where they feel their needs are not being met and will be included in the discussion.
- Fall Risk Program: Using the MACH10 tool to assess fall risk, this program leverages a large library of interdisciplinary goals and interventions to prevent and reduce harm from falls in home and facility settings.
- Anxiety, Depression and Suicide Protocol: The protocol is used to assess and treat (as needed) all patients for anxiety, depression and suicide using the PHQ4 (Patient Health Questionnaire-4) and C-SSRS (Columbia Suicide Severity Rating Scale).
- TIP Protocol: The Transitioning/Imminent Protocol tool is used to determine which patients may be within 7 days of end of life. This tool, developed in King County, has been shared nationwide and is a new standard for serving patients at the very end of their life.
- Veteran Assessment: The veteran assessment protocol is part of the We Honor Veterans program in collaboration with the National Hospice and Palliative Care Organization, assessing all veteran patients upon admission to help develop individualized care plans.
- COVID-19 Pandemic Specific Responses: Care responses during the pandemic include: close coordination with the medical examiner and the King County Department of health on testing patients near or at time of death; helping the medical examiner in timely testing and allowing for timely burials of patients; testing clinicians who go into skilled nursing facilities weekly to support the Department of Health testing strategy; development of a robust COVID-19 emergency plan and protocols and surge plan with the increased need for end-of-life care; providing a wide array of Emotional Care/Resiliency Services available to employees.

Promoting Cost Containment and Cost Effectiveness: Providence Hospice continually strives to reduce costs and improve cost effectiveness. Some of our key efforts and strengths are noted below.

- Low Start-Up Costs to Serve Pierce County: Serving Pierce County will be an extension of services that are already in place, including adult hospice, pediatric hospice and palliative care, grief support services for both adults and children, and adult palliative care. We will build on our solid infrastructure and quality care already provided to King County, including Vashon Island.
- Established Supply Chain and Medical Distribution Infrastructure: Being part of a larger integrated and sustainable health system, Providence Hospice has access to a well-established supply chain and medication distribution infrastructure that contributes to lower cost of care.
- App-Based Call Routing System: Providence Hospice has partnered with Total Triage/CareXM on an app-based call routing system to improve timeliness and quality of care for patients and family, including a nurse back up system so that the patient always speaks with a nurse instead of an answering service.
- Implementation of EPIC Documentation System: This documentation system is used within our larger health system and makes review of records easy in order to quickly provide care to patients.
- Partnering to Reduce Overall Cost of Care: Providence Hospice has established partnerships with community dialysis centers and cardiologists to support patients in transition to end-of-life care, thus reducing overall healthcare costs per patient.
- Established IT, HR, and Accounts Payable Systems: Being part of a large health care system, Providence Hospice has access to robust shared services that do not need to be built from scratch.
- Reduction of Unnecessary Treatment Through EDIE: In conjunction with the University of Washington, Providence Hospice uses the EDIE (Emergency Department Information Exchange) program to promote effective collaboration related to shared patients, allowing a timely plan of care and reduction of unnecessary treatments for patients at end of life.

Hospice Agency Superiority

In the event that two or more applications meet all applicable review criteria and there is not enough need projected for more than one approval, the department uses the criteria in WAC 246-310-290(11) to determine the superior proposal.

Multiple Applications in One Year

In the event you are preparing more than one application for different planning areas under the same parent company – regardless of how the proposed agencies will be operated – the department will require additional financial information to assess conformance with WAC 246-310-220. The type of financial information required from the department will depend on how you propose to operate the proposed projects. Related to this, answer the following questions:

1. **Is the applicant (defined under WAC 246-310-010(6)) submitting any other hospice applications under either of this year's concurrent review cycles? This could include the same parent corporation or group of individuals submitting under separate LLCs under their common ownership.**

   If the answer to this question is no, there is no need to complete further questions under this section.

Yes. Providence Health & Services – Washington d/b/a Providence Hospice Spokane has submitted an application to establish a Medicare certified and Medicaid eligible hospice agency in Spokane County under Concurrent Review Cycle #1. However, at the time of submission of the Providence Hospice Spokane application, Providence Hospice of Seattle had not yet decided whether to submit this application requesting certificate of need approval to serve residents of Pierce County. Thus, the response to Question #1 (Multiple Applications in One Year) in the Providence Hospice Spokane application did not reference Pierce County as an additional application in this year's concurrent review cycles. In the screening of the Spokane County application, Providence Hospice Spokane will provide an updated response to Questions #1 through #4 of this section.

2. **If the answer to the previous question is yes, clarify:**
   - **Are these applications being submitted under separate companies owned by the same applicant(s); or**
   - **Are these applications being submitted under a single company/applicant?**
   - **Will they be operated under some other structure? Describe in detail.**

Providence Health & Services – Washington d/b/a Providence Hospice of Seattle, the applicant proposing to expand Medicare certified and Medicaid eligible hospice services into Pierce County, and Providence Health & Services – Washington d/b/a Providence Hospice Spokane, the applicant proposing to establish a Medicare certified and Medicaid eligible hospice agency in Spokane County will be operated under separate licenses, but are owned by the same parent company.

3. **Under the financial feasibility section, you should have provided a pro forma balance sheet showing the financial position of this project in the first three full calendar years of operation. Provide pro forma balance sheets for the applicant, assuming approval of this project showing the first three full calendar years of operation. In addition, provide a pro forma balance sheet for the applicant assuming approval of all proposed projects in this year's review cycles showing the first three full calendar years of operation.**

Please see Exhibit 27, which includes (1) a pro forma balance sheet for the applicant, assuming approval of this project, showing the first three full calendar years of operation (2023 through 2025), and (2) a pro forma balance sheet for the applicant, assuming approval of **both** the Pierce County and Spokane County proposed projects in this year's concurrent review cycles, showing the first three full calendar years of operation (2023 through 2025).

4. **In the event that the department can approve more than one county for the same applicant, further pro forma revenue and expense statements may be required.**
   - **If your applications propose operating multiple counties under the same license, provide combined pro forma revenue and expense statements showing the first three full calendar years of operation assuming approval of all proposed counties.**
   - **If your applications propose operating multiple counties under separate licenses, there is no need to provide further pro forma revenue and expense statements.**

This question is not applicable, as the proposed counties (Pierce County and Spokane County) will be served by two hospice agencies operated under separate licenses.

Exhibit 1
Check (Application Fee) to Department of Health

The copy of the check was deleted by CN Program staff as required. -KN

ENDORSE CHECK HERE

X

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTIONS ONLY*

To Open - Slide finger Under This Edge To Release Seals

SEAL SEAL SEAL

To Open - Fold & Tear Along Perforation

To Open - Fold & Tear Along Perforation

To Open - Fold & Tear Along Perforation

To Open - Fold & Tear Along Perforation

PROVIDENCE
Health & Services
P.O. BOX 389673 SEATTLE, WA 98138-9673
(425) 687 - 3663

DEPT OF HEALTH
111 ISRAEL RD SE
TUMWATER WA 98501-5570

ORIGIN ID:BFIA (253) 753-0373
MALISA WESTLUND

2811 S 102ND STREET
SUTTE 220
TUKWILA, WA 98168
UNITED STATES US

SHIP DATE: 27JAN22
ACTWGT: 1.00 LB
CAD: 108087982/INET4460

BILL SENDER

TO **DEPARTMENT OF HEALTH**
CERTIFICATE OF NEED PROGRAM
111 ISRAEL ROAD SE

TUMWATER WA 98501
(360) 236-2955 REF: 43986100-CK3262845
INV:
PO: DEPT:

560J4F399FE4A

FedEx Express

FRI - 28 JAN 4:30P
STANDARD OVERNIGHT

TRK# 0201 **7758 9372 9038**

85 OLMA

98501
WA-US **SEA**

Exhibit 2
Providence Health & Services - Washington
Community Benefit 2020

Providence Health & Services - Washington

Community Benefit, 2020

Service	Amount
Unfunded portion of Government-sponsored medical care	$481 Million
Free and Discounted Medical Care	$79 Million
Community health, grants and donations	$23 Million
Education and research programs	$67 Million
Subsidized services	$25 Million
Total	**$675 Million**

Source: Providence Health & Services

The categories of community benefit are defined as follows:

(a) Unfunded Portion of Government-sponsored Medical Care. This is the difference between the actual costs of care and what is paid by the state and federal governments. It does not include Medicare.

(b) Free and Discounted Medical Care. This includes financial assistance for those who are uninsured, underinsured, or otherwise unable to pay for their health care.

(c) Community Health, Grants and Donations. This includes free services such as patient education, health screenings, immunizations and support groups, as well as grants and donations to support community partners.

(d) Education and Research Programs. This includes subsidies for medical residency programs, education for nursing and other health professions, and medical research.

(e) Subsidized Services. This includes clinical and social services provided despite a financial loss because they meet identified needs not met elsewhere in the community.

Exhibit 3
State of Washington Registrations and Licenses for Providence Hospice of Seattle

STATE OF WASHINGTON

MASTER LICENSE SERVICE
PO Box 9034 • Olympia, WA 98507-9034 • (360) 664-1400

REGISTRATIONS AND LICENSES

Unified Business ID #: 313 007 977
Business ID #: 1
Location: 41

Domestic Nonprofit Corporation

PROVIDENCE HEALTH & SERVICES-WASHINGTON
PROVIDENCE HOSPICE OF SEATTLE
425 PONTIUS AVE N STE 300
SEATTLE WA 98109 5450

TAX REGISTRATION
INDUSTRIAL INSURANCE
UNEMPLOYMENT INSURANCE

REGISTERED TRADE NAMES:
PROVIDENCE HOSPICE OF SEATTLE

The licensee named above has been issued the business registrations or licenses listed. By accepting this document the licensee certifies the information provided on the application for these licenses was complete, true, and accurate to the best of his or her knowledge, and that business will be conducted in compliance with all applicable Washington state, county, and city regulations.

Elizabeth A. Luce
Director, Department of Licensing

Exhibit 4
Providence Health & Services Legal Structure

LEGAL STRUCTURE

PROVIDENCE HEALTH & SERVICES AND WESTERN HEALTHCONNECT

Participating Entity Little Company of Mary Sisters, American Province

Founding Participating Entity

Appoints Providence Ministries Sponsor

Providence Ministries
Public Juridic Person

Sponsor Council
Reserved Rights over PSJH

St. Joseph Health Ministry Public Juridic Person

Providence St. Joseph Health (PSJH)

Providence Health & Services (PH&S)

St. Joseph Health System (SJHS) Δ

See separate SJHS org chart on page 2

Providence St. Joseph Health Foundation ☼(WA)

Institute for Mental Health & Wellness ☼(WA)

WESTERN HEALTHCONNECT ■ Δ

SWEDISH HEALTH SERVICES dba ■ Δ

Swedish Medical Center/First Hill,
Swedish Medical Center/Ballard,
Swedish Medical Center/Cherry Hill,
Swedish Issaquah,
Swedish Medical Group

Urgent Care Centers:
Swedish/Redmond, Swedish Mill Creek

- Swedish Medical Center Foundation ■ ☼
- Redmond Ambulatory Surgery Center, LLC ■ ☼
- Swedish Edmonds ■ Δ
- PacMed Clinics dba ■ Δ
  Pacific Medical Centers
  PacMed
- NorCal HealthConnect dba ■☼
  Petaluma Valley Hospital
  Healdsburg Hospital
- Kadlec Regional Medical Center ■ Δ
  - Kadlec Foundation ■ ☼
  - Tri-City Regional Surgery Center, LLC ■ ☼
- Health Connect Partners, LLC ■ ☼
- Seattle Science Foundation ■ ☼
- Institute for Systems Biology ■ ☼

PROVIDENCE HEALTH & SERVICES – WESTERN WASHINGTON Δ

- Providence Southwest Washington Foundation ☼(WA)
- Providence Hospice of Seattle Foundation ☼(WA)
- Providence Marianwood Foundation ☼(WA)
- Providence Hospice & Home Care Foundation, Snohomish County ☼(WA)

PROVIDENCE HEALTH & SERVICES – WASHINGTON dba Δ

AK: Providence Adolescent Residential Treatment Program, Providence Alaska Medical Center, Providence Extended Care, Providence Health System Housing, Providence Horizon House, Providence Kodiak Island Medical Center, Providence Medical Group Alaska, Providence Transitional Care Center

WA: Providence Adult Day Health, Providence Centralia Hospital, Providence Dominicare, Providence ElderPlace, Providence Emilie Court Assisted Living, Providence Health Care, Providence Holy Family Hospital, Providence Home Services, Providence Hospice & Home Care of Snohomish County, Providence Hospice of Seattle, Providence Hospice Spokane, Providence Infusion and Pharmacy Services, Providence Marianwood, Providence Medical Group Northwest Washington, Providence Medical Group Providence Health Care, Providence Medical Group Southwest Washington, Providence Medical Group Walla Walla, Providence Mother Joseph Care Center, Providence Mount Carmel Hospital, Providence Mount St. Vincent, Providence Regional Medical Center Everett, Providence Sacred Heart Medical Center & Children's Hospital, Providence Senior & Community Services, Providence SoundHomeCare and Hospice, Providence St. Joseph Care Center, Providence St. Joseph's Hospital , Providence St. Mary Medical Center, Providence St. Peter Hospital, Providence VNA Home Health, Providence Washington Regional Services

- Providence Global Center, LLP ☼(India)
- Providence House Oakland GP, LLC☼(WA)
- Providence Mount St. Vincent Foundation ☼(WA)
- Pioneer Health Labs, LLC ☼(WA)
- Express Care, LLC ☼(DE)
- Providence John Gabriel House GP LLC ☼(WA)
- Providence Joseph House GP LLC ☼(WA)
- PSJ Provider Recruitement, LLC ☼(WA)
- Lind Holdings LLC (FP)
  - Tegria Holdings LLC (FP) Σ
    - QuiviQ, Inc. (FP)
    - Lumedic, Inc.(FP)
    - Tegria Insights Group Holdings, Inc.(FP)
      - Tegria Insights Group, Inc.(FP)
    - Tegria Products Group, Inc (FP)
    - Tegria RCM Group, Inc. (FP)
      - MediRevv (FP)
      - Acclara (FP)
      - Medical Specialties Managers (FP)
    - Tegria Services Group, Inc.(FP)
      - Tegria Services Group-CAN, Inc.(FP)
      - Tegria Services Group-US, Inc.(FP)
        - BlueTree
        - Engage IT Services, Inc.
        - Community Technoloes, Inc.
        - MultiScale
        - Navin Haffty
        - InSytu, LLC
- Providence Alaska Foundation ☼(AK)
- Providence St. Mary Foundation ☼(WA)
- Providence Health Care Ventures (FP)☼(WA)
- Providence Physician Services Co. (FP) ☼(WA)
- Bourget Health Services, Inc. (FP) ☼(WA)
- Alaska Specialty Hospital, LLC dba St. Elias Specialty Hosptial ☼(AK)
- Providence Health Care Foundation Eastern Washington ☼(WA)

Providence Blanchet Assn. dba Providence Blanchet House ☼◆ (WA)

Providence Gamelin House Assn. dba Providence Gamelin House Δ ◆ (WA)

St. Luke Association dba Providence Place Δ ◆ (WA)

Gamelin Washington Assn. dba Vincent House Δ ◆ (WA)

Providence Rossi Assn. dba Providence Rossi House ☼◆ (WA)

Providence St. Elizabeth House Assn. dba Providence St. Elizabeth House Δ ◆ (WA)

Providence St. Francis Assn. dba Providence St. Francis House Δ ◆ (WA)

Providence Peter Claver Assn. dba Providence Peter Claver House Δ ◆ (WA)

Providence General Foundation (Uncontrolled Foundation)(WA)

The Gamelin Assn. dba Providence House (Yakima) Δ(WA)

PROVIDENCE HEALTH & SERVICES—OREGON dba Δ

Providence Benedictine Nursing Center
Providence Child Center
Providence Hood River Memorial Hospital
Providence Medford Medical Center
Providence Medical Group
Providence Medical Group South
Providence Milwaukie Hospital
Providence Newberg Medical Center
Providence Portland Medical Center
Providence Seaside Hospital
Providence Shared Services
Providence St. Vincent Medical Center
Providence Willamette Falls Medical Center

- Providence Newberg Health Foundation ☼(OR)
- Providence Seaside Hospital Foundation ☼(OR)
- Providence Community Health Foundation ☼(OR)
- Providence Benedictine Nursing Center Foundation☼(OR)
- Providence Willamette Falls Medical Foundation ☼(OR)
- Providence Plan Partners ☼(WA)
  - Ayin Health Solutions, Inc. (DE) ☼
  - PH Tech (OR) ☼
- Providence Portland Medical Foundation ☼(OR)
- Providence St. Vincent Medical Foundation ☼(OR)
- Providence Milwaukie Foundation ☼(OR)
- Providence Children's Health Foundation ☼(OR)
- Lundberg Association/ Providence House ☼(OR)
- Providence Hood River Memorial Hospital Foundation, Inc. ☼(OR)
- Credena Health LLC ☼(OR)
- Providence Health Plan ☼(OR)
- Providence Health Assurance ☼(OR)

The Gamelin-Oregon Association dba Emilie House Δ ◆ (OR)

Providence Dethman House ☼(OR)

PROVIDENCE HEALTH SYSTEM—SOUTHERN CALIFORNIA dba Δ

Providence High School
Providence Holy Cross Medical Center
Providence Little Company of Mary Home Health
Providence Little Company of Mary Medical Center San Pedro
Providence Little Company of Mary Medical Center Torrance
Providence Little Company of Mary Sub-Acute Care Center
Providence Little Company of Mary Transitional Care Center
Providence Saint Joseph Medical Center
Providence St. Elizabeth Care Center
The Roy and Patricia Disney Family Cancer Center

- Providence Saint John's Health Center Δ(CA)
  - Saint John's Cancer Institute ☼(CA)
  - Saint John's Health Center Foundation ◪ (CA)
  - Tarzana Medical Center, LLC dba Providence Cedar Sinai Tarzana Medical Center ☼(CA)
    - Cedars-Sinai Medical Center (Not Providence)(CA)
  - Providence Health & Services Foundation/San Fernando and Santa Clarita Valleys Service Areas ☼(CA)
  - Providence Facey Medical Foundation ☼(CA)
- Providence Little Company of Mary Foundation ☼(CA)
- Providence Medical Institute ☼(CA)
- Little Company of Mary Ancillary Services Corporation dba Providence Little Company of Mary Del Amo Diagnostic Center Δ(CA)
- Providence TrinityCare Hospice Δ(CA)
- Providence TrinityCare Hospice Foundation ☼(CA)
- Providence Health Ventures, Inc. Δ(CA)
- Providence Saint John's Medical Foundation dba Saint John's Physician Partners☼(CA)
- PHN Holdings Δ(CA)
  - Providence Health Network ☼(CA)
  - Providence St. Joseph Health Network ☼(CA)

The Gamelin-California Association dba Providence House Δ ◆ (CA)

PROVIDENCE HEALTH & SERVICES— MONTANA
dba Δ

St. Patrick Hospital
Providence Medical Group Montana

- St. Patrick Hospital Foundation dba Providence Montana Health Foundation ☼(MT)
- Providence St. Joseph Medical Center Δ (MT)
- Caron Health Corp (FP) ☼(MT)
- University of Providence ☼(MT)
- St. Thomas Child & Family Center ☼(MT)
- Sisters of Providence of Montana (inactive) ☼(MT)

LEGEND:
- ☼ Entity's Board of Directors differs from Providence Health & Services' Board
- Δ Entity's Board of Directors identical to Providence Health & Services' Board
- ◪ Entity's Members: Providence Health System – Southern California and Saint John's Health Center Foundation Governance, Inc.
- ◆ Entity's Member is Sisters of Providence
- ■ Secular Entity
- FP For Profit
- Σ Elected to be taxed as a corporation

NOTE: Does not include joint ventures or other non-wholly owned entities

Exhibit 5
Providence Health & Services – Washington d/b/a Providence Hospice of Seattle Organizational Chart

Providence Hospice of Seattle

Org Chart

1/4/2022

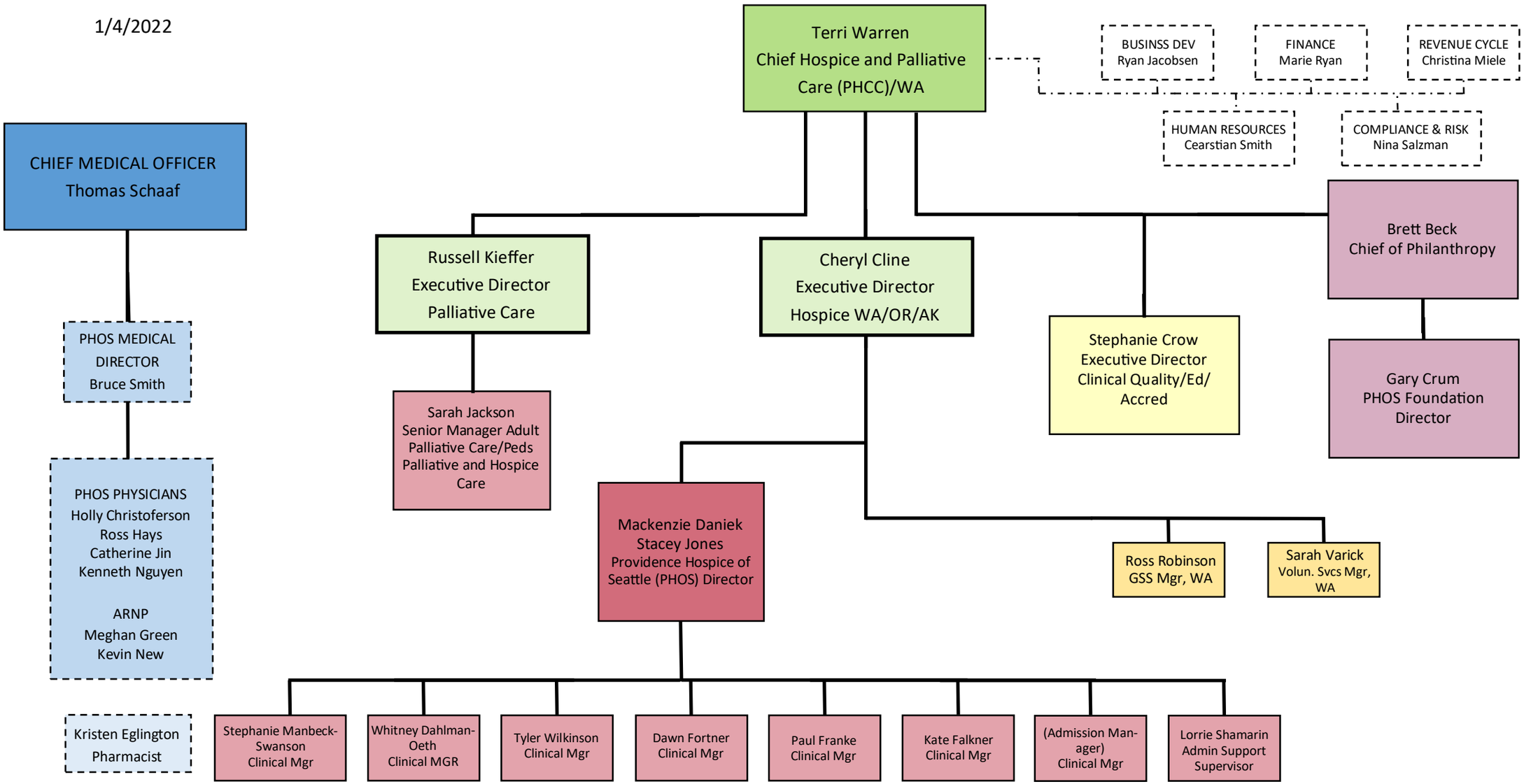

Exhibit 6
Washington State Department of Health In Home Services Agency License

Washington State Department of Health

This organization

Providence Hospice of Seattle

is authorized by RCW 70.127 to have a

In Home Services Agency License

To Provide

Hospice

Operated by: **Providence Health and Services - Washington**

Located at: **2811 S 102nd St Ste 220**
Tukwila, WA 98168-1869

Number of Hospice FTEs **189.79**

Secretary

Status
ACTIVE

Credential Number
IHS.FS.00000336

Effective Date
10/01/2021

Expiration Date
09/30/2023

Exhibit 5
Providence Facilities with Post-Acute Care Services

Providence Directory

Service Line	Location Name	Medicare Provider Number	Address	City	State	Zipcode	Accreditation Agency	Accreditation Numbers	Location Open date
Assisted Living Facility	Providence St Joseph Assisted Living	-	11 17th Ave E	Polson	MT	59860			
Assisted Living Facility	Providence Heritage House at the Market	-	1533 Western Avenue	Seattle	WA	98101			
Assisted Living Facility	Providence Brookside Manor	-	1550 Brookside Dr.	Hood River	OR	97031			
Assisted Living Facility	Providence Emilie Court	-	34 E 8th Avenue	Spokane	WA	99202			
Assisted Living Facility	Providence Forest View	-	3831 Piper Street Ste. S333	Anchorage	AK	99508			
Assisted Living Facility	Providence Horizon House	-	4140 Folker St	Anchorage	AK	99508			
Assisted Living Facility	Providence Mount St. Vincent	-	4831 35th Avenue SW	Seattle	WA	98126			
Assisted Living Facility	Providence Benedictine Orchard House Persolized Living Center	-	550 South Main Street	Mt. Angel	OR	97362			
Home Health	Providence Visiting Nurses Association Home Health	50-7019	1000 N Argonne Rd	Spokane Valley	WA	99212			
Home Health	Providence Home Health - Portland (West Portland)	38-7048	10126 SW Park Way	Portland	OR	97225	The Joint Commission	320680	
Home Health	Providence Home Health - Portland (South)	38-7048	1510 Division Street - Medical Plaza One STE 20	OR City	OR	97045	The Joint Commission	320680	6/17/2019
Home Health	Providence Hospice and Home Care of Snohomish County (Home Health)	50-7065	1615 75th Street SW, Suite 210	Everett	WA	98203			
Home Health	Providence Home Health - Portland (Gorge)	38-7048	1630 Woods Court	Hood River	OR	97031	The Joint Commission	320680	
Home Health	St. Mary High Desert	05-9315	17081 Main Street	Hesperia	CA	92345	Accreditation Commission for Healthcare	550001300	
Home Health	St. Joseph Home Care Services	05-7600	200 W Center Street Promede, ste 200C	Anaheim	CA	92805			
Home Health	Providence Home Services, Southern OR - Providence Home Health	38-7016	2033 Commerce Drive	Medford	OR	97504	The Joint Commission	320680	
Home Health	Providence St. Mary Home Health	50-7034	209 W Poplar St	Walla Walla	WA	99362			
Home Health	St. Joseph Home Care - Humboldt County	05-7256	2127 Harrison Ave #3	Eureka	CA	95501	The Joint Commission	338854	

Home Health	Providence Home Care HH Burbank	05-7627	250 E Olive Ave., STE 202	Burbank	CA	91502	The Joint Commission	4546	
Home Health	Providence Benedictine Home Health (Salem)	38-7074	2520 Pringle Rd SE	Salem	OR	97302			
Home Health	St. Joseph Home Health - Mission Viejo	05-7600	26522 La Alameda, STE 120	Mission Viejo	CA	92691			
Home Health	Providence Home Services King County	50-7068	2811 S 102nd St, Suite 220	Tukwila	WA	98168			
Home Health	Providence Home Health - Portland (Yamhill)	38-7048	310 Villa Road Suite 103	Newberg	OR	97132	The Joint Commission	320680	
Home Health	St. Joseph Home Care Services - Sea Crest Home Health Services	05-8238	3187 Redhill, Suite 200	Costa Mesa	CA	92626	The Joint Commission	10862	4/1/2018
Home Health	St. Joseph Home Care Services - North Star Healthcare Inc	55-7718	3201 W Temple Ave, Suite 200	Pomona	CA	91768	The Joint Commission	10862	
Home Health	Providence Home Health - Portland (North Coast)	38-7048	3605 Highway 101 North	Seaside	OR	97138	The Joint Commission	320680	5/24/2018
Home Health	Providence In-Home Services	02-7001	4001 Dale Street, Suite 101	Anchorage	AK	99508			
Home Health	Providence SoundHomeCare & Hospice	50-7004	4200 6th Ave SE, Suite 201	Lacey	WA	98503			
Home Health	Providence Home Health - Portland (East Portland)	38-7048	4400 NE Halsey POP 1 Ste 160	Portland	OR	97216	The Joint Commission	320680	1/14/2019
Home Health	St. Joseph Home Care - Sonoma County	55-7433	441 College Ave	Santa Rosa	CA	95401	The Joint Commission	338854	1/15/2018
Home Health	Providence Little Company of Mary Home Health	557447	5315 Torrance Blvd, STE 169-B	Torrance	CA	90503			
Home Health	Providence Benedictine Home Health	38-7074	570 S Main St	Mt. Angel	OR	97362	The Joint Commission	320680	
Home Health	Providence Home Health – Portland	38-7048	6410 NE Halsey St, Suite 200	Portland	OR	97213	The Joint Commission	320680	
Home Health	St. Joseph Home Health Queen of the Valley	05-7659	980 Trancas Street Suite 9	Napa	CA	94558	The Joint Commission	338854	
Home Infusion	Pharmacy Infusion (HCS)	-	200 W. Center Street	Aheim	CA	92805			
Home Infusion	Pharmacy Infusion (Humboldt)	-	2612 Harrison Ave	Eureka	CA	95501			
Home Infusion	Pharmacy Infusion (Burbank)	-	2703 Ontario	Burbank	CA	91504			
Home Infusion	Providence Infusion and Pharmacy Services - Tukwila	-	3333 S. 120th Pl, Ste 100	Tukwila	WA	98109			

Home Infusion	Covent Home Infusion	-	4002 22nd Pl	Lubbock	TX	79410			
Home Infusion	Pharmacy Infusion (OR) - East Portland	-	6410 NE Halsey St	Portland	OR	97213			
Hospice	Providence Hospice - Portland (West Branch)	38-1500	10126 SW Park Way	Portland	OR	97225	The Joint Commission	320680	
Hospice	Providence Hospice and Home Care of Snohomish County - Hospice Care Center	50-1514	1321 Colby Ave., A wing, 8th Floor	Everett	WA	98201			
Hospice	Providence Hospice and Home Care of Snohomish County	50-1514	1615 75th Street SW, Suite 210	Everett	WA	98203			
Hospice	Providence Hospice - Portland (Gorge Branch)	38-1500	1630 Woods Court	Hood River	OR	97031	The Joint Commission	320680	
Hospice	Providence TrinityCare (Cerritos)	05-1512	17315 Studebaker Rd, Suite 101	Cerritos	CA	90703			
Hospice	St. Joseph Hospice	05-1659	200 W Center Street Promede, Suite 200B	Aheim	CA	92805	The Joint Commission	10862	
Hospice	Providence Home Services, Southern OR - Providence Hospice	38-1506	2033 Commerce Drive	Medford	OR	97504	The Joint Commission	320680	
Hospice	St. Joseph Health North County Hospice	05-1557	205 East St	Healdsburg	CA	95448	The Joint Commission	338854	10/1/2017
Hospice	Providence Hospice of Seattle	50-1515	2811 S 102nd St, Suite 220	Tukwila	WA	98168			
Hospice	Sea Crest Hospice	55-1658	3187 Red Hill Ave, Suite 230A	Costa Mesa	CA	92626	The Joint Commission	10862	4/1/2018
Hospice	Hospice of Lubbock	45-1519	3702 21st St	Lubbock	TX	79410			
Hospice	Providence In-Home Services	02-1506	4001 Dale Street, Suite 101	Anchorage	AK	99508			
Hospice	Napa County Hospice and Adult Day Services dba Collabria Care Hospice	05-1537	414 s. Jefferson St.	Napa	CA	94559			
Hospice	St. Joseph Health Hospice of Petaluma	05-1557	416 Payran St	Petaluma	CA	94954	The Joint Commission	338854	10/1/2017
Hospice	Providence SoundHomeCare & Hospice	50-1511	4200 6th Ave SE, Suite 201	Lacey	WA	98503			
Hospice	St. Joseph Health Memorial Hospice	05-1557	439 College Ave	Santa Rosa	CA	95401	The Joint Commission	338854	10/1/2017
Hospice	Providence Hospice - Portland (East Branch)	38-1500	4400 NE Halsey POP 1 Ste 160	Portland	OR	97216	The Joint Commission	320680	1/15/2019
Hospice	Providence TrinityCare (Torrance)	05-1512	5315 Torrance Blvd, Suite B1	Torrance	CA	90503			

Hospice	Providence TrinityKids Care (Torrance)	05-1512	5315 Torrance Blvd, Suite B1	Torrance	CA	90503		
Hospice	Providence Hospice - Portland (Shared Services)	38-1500	6410 NE Halsey St, Suite 300	Portland	OR	97213	The Joint Commission	320680
Hospice	St Mary High Desert Hospice	75-1625	8560 Vineyard Ave, Ste 516	Rancho Cucamonga	CA	91730	The Joint Commission	565846
Hospital	Queen of the Valley Medical Center	05-0009	1000 Trancas St	Napa	CA	94558	The Joint Commission	9974
Hospital	Providence Newberg Medical Center	38-0037	1001 Providence Dr	Newberg	OR	97132	The Joint Commission	9689
Hospital	St. Jude Medical Center	05-0168	101 East Valencia Mesa Dr	Fullerton	CA	92835	The Joint Commission	9838
Hospital	Providence Sacred Heart Children's Hospital	50-0054	101 West 8th Ave	Spokane	WA	99204	The Joint Commission	9638
Hospital	Providence Sacred Heart Medical Center	50-0054	101 West 8th Ave	Spokane	WA	99204		
Hospital	Providence Milwaukie Medical Center	38-0082	10150 SE 32nd Ave	Milwaukie	OR	97222	The Joint Commission	9688
Hospital	St. Joseph Hospital, Orange	05-0069	1100 West Stewart Dr	Orange	CA	92868	The Joint Commission	10001
Hospital	Providence Medford Medical Center	38-0075	1111 Crater Lake Ave	Medford	OR	97504	The Joint Commission	9687
Hospital	Santa Rosa Memorial Hospital	05-0174	1165 Montgomery Dr	Santa Rosa	CA	95405	The Joint Commission	10134
Hospital	Providence Little Company of Mary Medical Center San Pedro	05-0078	1300 W 7th St	San Pedro	CA	90503	The Joint Commission	2720
Hospital	Providence Willamette Falls Medical Center	38-0038	1500 Division St	OR City	OR	97045		
Hospital	Providence Holy Cross Medical Center	05-0278	15031 Rildi St	Mission Hills	CA	91345	The Joint Commission	10076
Hospital	Providence Regiol Medical Center Everett	50-0014	1700 13th St	Everett	WA	98201	The Joint Commission	9590
Hospital	St. Mary Medical Center	05-0300	18300 Highway 18	Apple Valley	CA	92307	The Joint Commission	9737
Hospital	Providence Tarza Medical Center	05-0761	18321 Clark St	Tarza	CA	91356	The Joint Commission	470962
Hospital	Covent Hospital Levelland	45-0755	1900 College Ave	Levelland	TX	79336		
Hospital	Providence Kodiak Island Medical Center	02-1306	1915 East Rezanof Dr	Kodiak	AK	99615	The Joint Commission	251049

Hospital	Providence Saint John's Health Center	05-0290	2121 Santa Monica Blvd	Santa Monica	CA	90404	The Joint Commission	10128	
Hospital	Swedish Medical Center, Edmonds Campus	50-0026	21601 76th Ave W	Edmonds	WA	98026	DNV-GL	213366-2017-AHC-USA-NIAHO	
Hospital	Covent Health Plainview	45-0539	2601 Dimmit Rd	Plainview	TX	79072	The Joint Commission	9193	
Hospital	St. Joseph Hospital, Eureka	05-0006	2700 Dolbeer St	Eureka	CA	95501			
Hospital	Mission Hospital Mission Viejo	05-0567	27700 Medical Center Rd	Mission Viejo	CA	92691	The Joint Commission	9962	
Hospital	Mission Hospital Lagu Beach	05-0567	31872 Coast Hwy	Lagu Beach	CA	92651			
Hospital	Providence AK Medical Center	02-0001	3200 Providence Dr	Anchorage	AK	99508	The Joint Commission	10208	
Hospital	Redwood Memorial Hospital	05-1318	3300 Renner Dr	Fortu	CA	95540	The Joint Commission	9328	
Hospital	Covent Medical Center	45-0040	3615 19th St	Lubbock	TX	79410	The Joint Commission	266567	1/1/2019
Hospital	Covent Specialty Hospital	45-0040	3815 20th St	Lubbock	TX	79410			
Hospital	Petaluma Valley Hospital	05-0136	400 N McDowell Blvd	Petaluma	CA	94954	The Joint Commission	10018	
Hospital	Covent Children's Hospital	45-3306	4002 24th St	Lubbock	TX	79410			
Hospital	Providence St. Mary Medical Center	50-0002	401 W Poplar St	Walla Walla	WA	99362	The Joint Commission	9654	
Hospital	Providence Little Company of Mary Medical Center Torrance	05-0353	4101 Torrance Blvd	Torrance	CA	90503	The Joint Commission	4676	
Hospital	Providence St. Peter Hospital	50-0024	413 Lilly Road NE	Olympia	WA	98506	The Joint Commission	9601	
Hospital	Providence Seward Medical and Care Center	02-1302	417 1st Ave	Seward	AK	99664			
Hospital	AK Specialty Hospital, LLC (Providence St. Elias Specialty Hospital)	02-2001	4800 Cordova St.	Anchorage	AK	99503	The Joint Commission	446719	
Hospital	Providence Portland Medical Center	38-0061	4805 NE Glisan St	Portland	OR	97213	The Joint Commission	9704	
Hospital	Swedish Medical Center, Cherry Hill Campus	50-0025	500 17th Ave	Seattle	WA	98122	DNV-GL	202900-2019-AHC-USA-NIAHO	
Hospital	Providence St. Joseph's Hospital	50-1309	500 E Webster	Chewelah	WA	99109	The Joint Commission	417718	

Hospital	Providence St. Patrick Hospital	27-0014	500 W Broadway	Missoula	MT	59802	The Joint Commission	9306	
Hospital	Providence Saint Joseph Medical Center	05-0235	501 S Bue Vista St	Burbank	CA	91505	The Joint Commission	4546	
Hospital	Swedish Medical Center, Ballard Campus	50-0027	5300 Tallman Ave NW	Seattle	WA	98107			
Hospital	Covent Health Hobbs Hospital	32-0065	5320 N. Lovington Hwy	Hobbs	NM	88204			
Hospital	Providence Holy Family Hospital	50-0077	5633 N Lidgerwood St	Spokane	WA	99208	The Joint Commission	9637	
Hospital	Providence St. Joseph Medical Center	27-1343	6 13th Ave East	Polson	MT	59860	The Joint Commission	9307	
Hospital	Providence Seaside Hospital	38-1303	725 S Wahan Rd	Seaside	OR	97138	The Joint Commission	9716	
Hospital	Swedish Medical Center, First Hill Campus	50-0027	747 Broadway	Seattle	WA	98122	DNV-GL	216457-2020-AHC-USA-NIAHO	
Hospital	Grace Medical Hospital	45-0162	7509 Marsha Sharp Freeway	Lubbock	TX	79407	The Joint Commission	9149	12/5/2020
Hospital	Swedish Medical Center, Issaquah Campus	50-0152	751 NE Blakely Dr	Issaquah	WA	98029	DNV-GL	249097-2017-AHC-USA-NIAHO	
Hospital	Providence Hood River Memorial Hospital	38-1318	810 12th St, PO Box 149	Hood River	OR	97031	The Joint Commission	9679	
Hospital	Kadlec Regiol Medical Center	50-0058	888 Swift Blvd	Richland	WA	99352	The Joint Commission	9611	
Hospital	Providence Valdez Medical Center	02-1301	911 Meals Ave	Valdez	AK	99686	The Joint Commission	562080	
Hospital	Providence Centralia Hospital	50-0019	914 S Scheuber Rd	Centralia	WA	98531	The Joint Commission	4721	
Hospital	Providence St. Vincent Medical Center	38-0004	9205 SW Barnes Rd	Portland	OR	97225	The Joint Commission	9705	
Hospital	Providence Mount Carmel Hospital	50-1326	982 E Columbia Ave	Colville	WA	99114	The Joint Commission	391159	
Hospital	Providence Healdsberg Hospital	05-1321	1375 University Ave	Healdsburg	CA	85448			
Hospital	St Luke’s Rehabilitation Institute	50-3025	711 S Cowley St	Spokane	WA	99202	The Joint Commission	101448	1/1/2021
PACE	Providence ElderPlace Milwaukie	H3809	10330 SE 32nd Ave, Suite 110	Milwaukie	OR	97222			
PACE	Providence ElderPlace Beaverton	H3809	10690 NE Cornell Rd, Suite 215	Hillsboro	OR	97124			

PACE	Providence ElderPlace in North Coast	H3809	1150 North Roosevelt Dr, Suite 104	Seaside	OR	97138
PACE	Providence ElderPlace Glendoveer	H3809	13007 NE Glisan St	Portland	OR	97230
PACE	Providence ElderPlace Kent South	H5007	1404 Central Ave S, Suite 110	Kent	WA	98032
PACE	Providence Heritage House at the Market (ACS)	H5007	1533 Western Ave	Seattle	WA	98101
PACE	Providence ElderPlace Gresham	H3809	17727 E Burnside St	Portland	OR	97233
PACE	Providence ElderPlace Irvington Village	H3809	420 NE Mason St	Portland	OR	97211
PACE	Providence ElderPlace Seattle	H5007	4515 Martin Luther King Jr Way S, Suite 100	Seattle	WA	98108
PACE	Providence ElderPlace Laurelhurst	H3809	4540 NE Glisan St	Portland	OR	97213
PACE	Providence ElderPlace at The Marie Smith Health and Social Center	H3809	4616 N Albi Ave	Portland	OR	97217
PACE	Providence ElderPlace West Seattle	H5007	4831 35th Ave SW	Seattle	WA	98126
PACE	Providence ElderPlace Cully	H3809	5119 NE 57th Ave	Portland	OR	97218
PACE	Providence ElderPlace Spokane	H5007	6018 N Astor St	Spokane	WA	99208
PACE	Providence ElderPlace Kent North	H5007	7829 S 180th St	Kent	WA	98032
PACE	Providence ElderPlace Redmond	H5007	8632 160th Ave NE, Suite 120	Redmond	WA	98052
Skilled Nursing Facility	Providence St. Elizabeth Care Center - North Hollywood	05-5192	10425 Magnolia Blvd.	North Hollywood	CA	91601
Skilled Nursing Facility	Providence Holy Cross Medical Center D/P SNF	55-5074	11600A Indian Hills Road	Mission Hills	CA	91345
Skilled Nursing Facility	Providence Little Company of Mary - Subacute Care Center	55-5848	1322 W Sixth St	San Pedro	CA	90732
Skilled Nursing Facility	Providence St. Joseph Care Center	50-5414	17 E 8th Ave	Spokane	WA	99202
Skilled Nursing Facility	Providence Kodiak Island Medical Center - LTC	02-5030	1915 East Rezanof Dr	Kodiak	AK	99615
Skilled Nursing Facility	Providence Mother Joseph Care Center	50-5387	3333 Enisgn Rd NE	Olympia	WA	98506

Skilled Nursing Facility	Providence Marianwood	50-5418	3725 Providence Point Dr SE	Issaquah	WA	98029
Skilled Nursing Facility	Providence Seward Medical and Care Center - LTC	02-5024	417 1st Ave	Seward	AK	99664
Skilled Nursing Facility	Providence Little Company of Mary - Transitiol Care Center	05-6499	4320 Maricopa St.	Torrance	CA	90503
Skilled Nursing Facility	Providence Mount St. Vincent	50-5182	4831 35th Ave SW	Seattle	WA	98126
Skilled Nursing Facility	Providence Benedictine Nursing Center	38-5018	540 S Main Street	Mt. Angel	OR	97362
Skilled Nursing Facility	Providence Transitiol Care Center	02-5018	910 Compassion Cir	Anchorage	AK	99504
Skilled Nursing Facility	Providence Valdez Medical Center - LTC	02-5034	911 Meals Ave	Valdez	AK	99686
Skilled Nursing Facility	Providence Extended Care	02-5036	920 Compassion Cir	Anchorage	AK	99504

Exhibit 8
Letter of Intent

December 29, 2021

Eric Hernandez, CN Program Manager
Washington State Department of Health
Certificate of Need Program
111 Israel Rd. S.E.
Tumwater, WA 98501

RE: Letter of Intent: Providence Health & Services-Washington d/b/a Providence Hospice of Seattle, Medicare Certified and Medicaid Eligible Hospice Agency.

Dear Mr. Hernandez:

In accordance with WAC 246-310-080, Providence Health & Services-Washington d/b/a Providence Hospice of Seattle ("Providence Hospice") respectfully submits this Letter of Intent to operate a Medicare Certified and Medicaid Eligible Hospice Agency to serve residents of Pierce County.

1. Description of proposed service
   Providence Hospice requests Certificate of Need approval to operate a Medicare Certified and Medicaid Eligible Hospice Agency.

2. Estimated cost of the project
   There are no ($0) capital costs associated with the proposed project.

3. Identification of the service area
   The agency will serve Pierce County, as identified in WAC 246-310-290(3).

Please submit any notices, correspondence, communications, and documents to:

Sarah Cameron, Chief Strategy & Planning
Providence Home and Community Care
2811 South 102nd St, Suite 220
Tukwila, WA 98168

and

Lisa Crockett, Vice President, System Strategy & Planning
Providence Health & Services
419 Lilly Road, NE, MS #PBP08
Olympia, WA 98506

Thank you for your assistance in this matter. Please contact me if you have any questions.

Sincerely,

Sarah Cameron
Chief Strategy & Planning
Providence Home and Community Care

Exhibit 9
Department of Health 2021-2022
Hospice Numeric Need Methodology

Department of Health
2021-2022 Hospice Numeric Need Methodology
Posted November 10, 2021

WAC246-310-290(8)(a) Step 1:

Calculate the following two statewide predicted hospice use rates using department of health survey and vital statistics data:

WAC 246-310-290(8)(a)(i) The percentage of patients age sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions over the last three years for patients sixty five and over by the average number of past three years statewide total deaths age sixty-five and over.

WAC246-310-290(8)(a)(ii) The percentage of patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions over the last three years for patients under sixty-five by the average number of past three years statewide total of deaths under sixty-five.

Hospice admissions ages 0-64	
Year	Admissions
2018	4,114
2019	3,699
2020	3,679
	average: 3,831

Deaths ages 0-64	
Year	Deaths
2018	14,055
2019	14,047
2020	16,663
	average: 14,922

Use Rates	
0-64	25.67%
65+	60.15%

Hospice admissions ages 65+	
Year	Admissions
2018	26,207
2019	26,017
2020	27,956
	average: 26,727

Deaths ages 65+	
Year	Deaths
2018	42,773
2019	44,159
2020	46,367
	average: 44,433

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Posted November 10, 2021

WAC246-310-290(8)(b) Step 2:
Calculate the average number of total resident deaths over the last three years for each planning area by age cohort.

0-64				
County	2018	2019	2020	2018-2020 Average Deaths
Adams	28	35	20	**28**
Asotin	52	54	56	**54**
Benton	331	346	555	**411**
Chelan	130	137	224	**164**
Clallam	191	186	195	**191**
Clark	874	887	1,043	**935**
Columbia	6	7	7	**7**
Cowlitz	300	294	314	**303**
Douglas	51	63	42	**52**
Ferry	28	20	19	**22**
Franklin	145	123	100	**123**
Garfield	5	5	5	**5**
Grant	195	197	186	**193**
Grays Harbor	227	251	209	**229**
Island	135	167	110	**137**
Jefferson	64	72	68	**68**
King	3,264	3,275	4,456	**3,665**
Kitsap	515	557	454	**509**
Kittitas	68	90	78	**79**
Klickitat	58	46	42	**49**
Lewis	227	210	205	**214**
Lincoln	25	25	15	**22**
Mason	158	167	143	**156**
Okanogan	103	119	88	**103**
Pacific	64	66	55	**62**
Pend Oreille	43	31	41	**38**
Pierce	1,964	1,911	2,364	**2,080**
San Juan	19	20	18	**19**
Skagit	231	229	269	**243**
Skamania	27	19	26	**24**
Snohomish	1,533	1,533	1,587	**1,551**
Spokane	1,177	1,143	1,634	**1,318**
Stevens	113	112	86	**104**
Thurston	554	525	628	**569**
Wahkiakum	13	11	10	**11**
Walla Walla	110	118	150	**126**
Whatcom	360	394	457	**404**
Whitman	66	47	51	**55**
Yakima	601	555	653	**603**

65+				
County	2018	2019	2020	2018-2020 Average Deaths
Adams	72	93	59	**75**
Asotin	214	222	186	**207**
Benton	1,125	1,154	1,522	**1,267**
Chelan	573	626	785	**661**
Clallam	871	955	777	**868**
Clark	2,767	2,987	3,205	**2,986**
Columbia	43	52	43	**46**
Cowlitz	840	951	968	**920**
Douglas	255	270	160	**228**
Ferry	55	64	58	**59**
Franklin	278	313	263	**285**
Garfield	30	21	11	**21**
Grant	524	508	455	**496**
Grays Harbor	647	659	558	**621**
Island	675	642	505	**607**
Jefferson	336	338	273	**316**
King	9,917	10,213	11,186	**10,439**
Kitsap	1,713	1,811	1,714	**1,746**
Kittitas	239	266	241	**249**
Klickitat	158	160	113	**144**
Lewis	730	722	653	**702**
Lincoln	94	89	75	**86**
Mason	526	548	408	**494**
Okanogan	332	358	277	**322**
Pacific	279	265	177	**240**
Pend Oreille	130	125	101	**119**
Pierce	4,926	5,002	5,608	**5,179**
San Juan	114	127	94	**112**
Skagit	1,001	1,018	1,068	**1,029**
Skamania	56	87	47	**63**
Snohomish	4,055	4,081	4,278	**4,138**
Spokane	3,556	3,545	4,322	**3,808**
Stevens	373	345	248	**322**
Thurston	1,823	1,908	2,007	**1,913**
Wahkiakum	33	53	18	**35**
Walla Walla	445	450	522	**472**
Whatcom	1,252	1,461	1,481	**1,398**
Whitman	199	219	226	**215**
Yakima	1,517	1,451	1,675	**1,548**

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
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WAC246-310-290(8)(c) Step 3.
Multiply each hospice use rate determined in Step 1 by the planning areas' average total resident deaths determined in Step 2, separated by age cohort.

0-64		
County	2018-2020 Average Deaths	Projected Patients: 25.67% of Deaths
Adams	28	7
Asotin	54	14
Benton	411	105
Chelan	164	42
Clallam	191	49
Clark	935	240
Columbia	7	2
Cowlitz	303	78
Douglas	52	13
Ferry	22	6
Franklin	123	31
Garfield	5	1
Grant	193	49
Grays Harbor	229	59
Island	137	35
Jefferson	68	17
King	3,665	941
Kitsap	509	131
Kittitas	79	20
Klickitat	49	12
Lewis	214	55
Lincoln	22	6
Mason	156	40
Okanogan	103	27
Pacific	62	16
Pend Oreille	38	10
Pierce	2,080	534
San Juan	19	5
Skagit	243	62
Skamania	24	6
Snohomish	1,551	398
Spokane	1,318	338
Stevens	104	27
Thurston	569	146
Wahkiakum	11	3
Walla Walla	126	32
Whatcom	404	104
Whitman	55	14
Yakima	603	155

65+		
County	2018-2020 Average Deaths	Projected Patients: 60.15% of Deaths
Adams	75	45
Asotin	207	125
Benton	1,267	762
Chelan	661	398
Clallam	868	522
Clark	2,986	1,796
Columbia	46	28
Cowlitz	920	553
Douglas	228	137
Ferry	59	35
Franklin	285	171
Garfield	21	12
Grant	496	298
Grays Harbor	621	374
Island	607	365
Jefferson	316	190
King	10,439	6,279
Kitsap	1,746	1,050
Kittitas	249	150
Klickitat	144	86
Lewis	702	422
Lincoln	86	52
Mason	494	297
Okanogan	322	194
Pacific	240	145
Pend Oreille	119	71
Pierce	5,179	3,115
San Juan	112	67
Skagit	1,029	619
Skamania	63	38
Snohomish	4,138	2,489
Spokane	3,808	2,290
Stevens	322	194
Thurston	1,913	1,150
Wahkiakum	35	21
Walla Walla	472	284
Whatcom	1,398	841
Whitman	215	129
Yakima	1,548	931

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
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Washington State Department of Health

WAC246-310-290(8)(d) Step 4:
Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate

0-64								
County	Projected Patients	2018-2020 Average Population	2021 projected population	2022 projected population	2023 projected population	2021 potential volume	2022 potential volume	2023 potential volume
Adams	**7**	**18,160**	18,456	18,622	18,787	7	7	7
Asotin	**14**	**16,715**	16,596	16,540	16,485	14	14	14
Benton	**105**	**167,984**	171,026	172,638	174,249	107	108	109
Chelan	**42**	**62,227**	62,512	62,562	62,611	42	42	42
Clallam	**49**	**52,494**	52,233	52,027	51,821	49	49	48
Clark	**240**	**411,278**	421,901	426,529	431,158	246	249	252
Columbia	**2**	**2,822**	2,745	2,710	2,675	2	2	2
Cowlitz	**78**	**85,817**	85,843	85,769	85,695	78	78	78
Douglas	**13**	**35,130**	35,803	36,080	36,356	14	14	14
Ferry	**6**	**5,628**	5,541	5,506	5,470	6	6	6
Franklin	**31**	**88,012**	92,443	94,784	97,124	33	34	35
Garfield	**1**	**1,581**	1,541	1,522	1,502	1	1	1
Grant	**49**	**86,033**	88,240	89,322	90,403	51	51	52
Grays Harbor	**59**	**57,387**	56,679	56,401	56,122	58	58	57
Island	**35**	**63,114**	63,280	63,296	63,312	35	35	35
Jefferson	**17**	**20,705**	20,636	20,550	20,463	17	17	17
King	**941**	**1,885,115**	1,918,470	1,930,192	1,941,913	958	963	969
Kitsap	**131**	**218,538**	220,614	221,192	221,771	132	132	133
Kittitas	**20**	**38,453**	39,286	39,556	39,827	21	21	21
Klickitat	**12**	**15,702**	15,439	15,304	15,168	12	12	12
Lewis	**55**	**62,700**	63,164	63,327	63,491	55	55	56
Lincoln	**6**	**7,864**	7,751	7,698	7,644	5	5	5
Mason	**40**	**50,632**	51,397	51,672	51,946	41	41	41
Okanogan	**27**	**32,364**	32,087	31,991	31,896	26	26	26
Pacific	**16**	**14,545**	14,322	14,242	14,161	16	16	15
Pend Oreille	**10**	**9,859**	9,769	9,727	9,684	10	10	10
Pierce	**534**	**756,339**	769,918	774,696	779,475	543	547	550
San Juan	**5**	**10,863**	10,730	10,707	10,684	5	5	5
Skagit	**62**	**100,807**	101,887	102,236	102,586	63	63	63
Skamania	**6**	**9,248**	9,223	9,205	9,186	6	6	6
Snohomish	**398**	**705,787**	721,527	726,273	731,019	407	410	412
Spokane	**338**	**423,256**	426,740	428,033	429,326	341	342	343
Stevens	**27**	**34,109**	33,917	33,841	33,766	26	26	26
Thurston	**146**	**238,190**	243,867	246,235	248,602	150	151	152
Wahkiakum	**3**	**2,498**	2,405	2,368	2,332	3	3	3
Walla Walla	**32**	**50,763**	51,028	51,075	51,121	33	33	33
Whatcom	**104**	**185,418**	189,267	190,722	192,178	106	107	107
Whitman	**14**	**43,222**	43,315	43,322	43,330	14	14	14
Yakima	**155**	**222,774**	225,822	227,147	228,473	157	158	159

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Posted November 10, 2021

WAC246-310-290(8)(d) Step 4:
Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate to determine the potential volume of hospice use by the projected population by age cohort using Office of Financial Management (OFM) data.

65+								
County	Projected Patients	2018-2020 Average Population	2021 projected population	2022 projected population	2023 projected population	2021 potential volume	2022 potential volume	2023 potential volume
Adams	**45**	**2,227**	2,383	2,424	2,466	48	49	50
Asotin	**125**	**5,812**	6,175	6,344	6,514	132	136	140
Benton	**762**	**30,986**	33,373	34,597	35,820	821	851	881
Chelan	**398**	**15,876**	17,052	17,695	18,339	427	443	460
Clallam	**522**	**21,800**	22,901	23,535	24,168	548	563	579
Clark	**1,796**	**78,605**	85,686	89,247	92,807	1,958	2,039	2,121
Columbia	**28**	**1,236**	1,287	1,304	1,322	29	29	30
Cowlitz	**553**	**22,148**	23,719	24,470	25,220	592	611	630
Douglas	**137**	**7,976**	8,666	8,974	9,283	149	155	160
Ferry	**35**	**2,168**	2,289	2,337	2,386	37	38	39
Franklin	**171**	**9,188**	10,083	10,557	11,030	188	197	206
Garfield	**12**	**645**	669	680	692	13	13	13
Grant	**298**	**14,861**	16,071	16,665	17,258	322	334	346
Grays Harbor	**374**	**16,123**	17,133	17,612	18,092	397	408	419
Island	**365**	**20,239**	21,412	22,047	22,682	386	398	409
Jefferson	**190**	**11,588**	12,323	12,722	13,121	202	208	215
King	**6,279**	**310,572**	337,771	350,881	363,992	6,829	7,094	7,359
Kitsap	**1,050**	**53,833**	58,185	60,492	62,800	1,135	1,180	1,225
Kittitas	**150**	**7,647**	8,266	8,589	8,911	162	168	174
Klickitat	**86**	**5,829**	6,268	6,448	6,627	93	96	98
Lewis	**422**	**16,808**	17,697	18,175	18,652	444	456	468
Lincoln	**52**	**2,891**	3,039	3,119	3,200	54	56	57
Mason	**297**	**15,905**	17,167	17,836	18,504	321	333	346
Okanogan	**194**	**10,475**	11,210	11,519	11,827	207	213	219
Pacific	**145**	**6,747**	7,035	7,159	7,284	151	153	156
Pend Oreille	**71**	**3,925**	4,239	4,371	4,504	77	80	82
Pierce	**3,115**	**130,688**	142,422	148,729	155,037	3,395	3,545	3,695
San Juan	**67**	**5,768**	6,174	6,357	6,541	72	74	76
Skagit	**619**	**27,881**	30,314	31,460	32,607	673	698	724
Skamania	**38**	**2,670**	2,923	3,048	3,172	42	43	45
Snohomish	**2,489**	**119,333**	131,978	138,737	145,495	2,753	2,894	3,035
Spokane	**2,290**	**87,852**	94,670	97,979	101,288	2,468	2,554	2,641
Stevens	**194**	**11,360**	12,214	12,591	12,969	208	215	221
Thurston	**1,150**	**50,757**	54,900	56,967	59,035	1,244	1,291	1,338
Wahkiakum	**21**	**1,503**	1,580	1,595	1,611	22	22	22
Walla Walla	**284**	**11,006**	11,350	11,632	11,915	293	300	308
Whatcom	**841**	**40,902**	44,217	45,794	47,372	909	941	974
Whitman	**129**	**5,526**	6,008	6,201	6,395	140	145	149
Yakima	**931**	**37,530**	39,475	40,559	41,643	979	1,006	1,033

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
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2021-2022 Hospice Numeric Need Methodology
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WAC246-310-290(8)(e) Step 5:
Combine the two age cohorts. Subtract the average of the most recent three years hospice capacity in each planning area from the projected volumes calculated in Step 4 to determine the number of projected admissions beyond the planning area capacity.

County	2021 potential volume	2022 potential volume	2023 potential volume	Current Supply of Hospice Providers	2021 Unmet Need Admissions*	2022 Unmet Need Admissions*	2023 Unmet Need Admissions*
Adams	55	56	57	**51.33**	4	5	6
Asotin	146	150	153	**105.00**	41	45	48
Benton	928	959	990	**1,016.67**	(88)	(57)	(26)
Chelan	469	486	502	**428.67**	41	57	73
Clallam	597	612	627	**392.80**	204	219	234
Clark	2,204	2,288	2,372	**2,584.47**	(380)	(296)	(212)
Columbia	30	31	31	**35.00**	(5)	(4)	(4)
Cowlitz	670	689	708	**788.00**	(118)	(99)	(80)
Douglas	163	168	174	**160.67**	2	8	13
Ferry	43	44	45	**32.00**	11	12	13
Franklin	221	231	240	**201.67**	19	29	39
Garfield	14	14	15	**6.00**	8	8	9
Grant	373	386	398	**292.33**	81	93	106
Grays Harbor	455	466	477	**295.57**	160	170	181
Island	422	433	445	**399.67**	22	34	45
Jefferson	219	226	232	**198.00**	21	28	34
King	7,786	8,057	8,328	**7,830.73**	(44)	226	497
Kitsap	1,267	1,312	1,358	**1,223.57**	43	89	134
Kittitas	182	189	195	**168.00**	14	21	27
Klickitat	105	108	110	**217.80**	(113)	(110)	(107)
Lewis	500	512	524	**445.33**	54	67	79
Lincoln	60	61	63	**29.00**	31	32	34
Mason	361	374	387	**304.57**	57	70	82
Okanogan	234	239	245	**188.33**	45	51	57
Pacific	166	169	171	**93.00**	73	76	78
Pend Oreille	87	89	92	**65.33**	22	24	26
Pierce	3,938	4,092	4,246	**3,596.23**	342	496	649
San Juan	77	79	81	**87.00**	(10)	(8)	(6)
Skagit	736	762	787	**729.00**	7	33	58
Skamania	48	50	51	**32.00**	16	18	19
Snohomish	3,160	3,303	3,447	**3,508.33**	(349)	(205)	(61)
Spokane	2,809	2,897	2,984	**2,720.50**	89	176	263
Stevens	235	241	247	**148.67**	86	92	99
Thurston	1,394	1,442	1,491	**1,565.30**	(171)	(123)	(75)
Wahkiakum	25	25	25	**9.33**	15	16	16
Walla Walla	326	333	340	**272.33**	53	60	68
Whatcom	1,015	1,048	1,081	**1,094.57**	(80)	(46)	(13)
Whitman	154	159	163	**158.17**	(4)	1	5
Yakima	1,136	1,164	1,192	**1,261.00**	(125)	(97)	(69)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
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WAC246-310-290(8)(f) Step 6:
Multiply the unmet need from Step 5 by the statewide average length of stay as determined by CMS to determine unmet need patient days in the projection years.

				Step 6 (Admits * ALOS) = Unmet Patient Days			
County	**2021 Unmet Need Admissions***	**2022 Unmet Need Admissions***	**2023 Unmet Need Admissions***	**Statewide ALOS**	**2021 Unmet Need Patient Days***	**2022 Unmet Need Patient Days***	**2023 Unmet Need Patient Days***
Adams	4	5	6	**62.12**	244	300	356
Asotin	41	45	48	**62.12**	2,563	2,786	3,009
Benton	(88)	(57)	(26)	**62.12**	(5,497)	(3,565)	(1,633)
Chelan	41	57	73	**62.12**	2,535	3,539	4,542
Clallam	204	219	234	**62.12**	12,682	13,613	14,543
Clark	(380)	(296)	(212)	**62.12**	(23,619)	(18,396)	(13,174)
Columbia	(5)	(4)	(4)	**62.12**	(281)	(258)	(235)
Cowlitz	(118)	(99)	(80)	**62.12**	(7,320)	(6,160)	(5,000)
Douglas	2	8	13	**62.12**	134	470	807
Ferry	11	12	13	**62.12**	691	737	784
Franklin	19	29	39	**62.12**	1,201	1,801	2,401
Garfield	8	8	9	**62.12**	506	518	531
Grant	81	93	106	**62.12**	5,021	5,799	6,578
Grays Harbor	160	170	181	**62.12**	9,916	10,589	11,261
Island	22	34	45	**62.12**	1,377	2,090	2,802
Jefferson	21	28	34	**62.12**	1,324	1,726	2,127
King	(44)	226	497	**62.12**	(2,759)	14,070	30,899
Kitsap	43	89	134	**62.12**	2,696	5,513	8,331
Kittitas	14	21	27	**62.12**	889	1,290	1,691
Klickitat	(113)	(110)	(107)	**62.12**	(6,994)	(6,835)	(6,676)
Lewis	54	67	79	**62.12**	3,378	4,132	4,886
Lincoln	31	32	34	**62.12**	1,917	2,004	2,091
Mason	57	70	82	**62.12**	3,529	4,319	5,108
Okanogan	45	51	57	**62.12**	2,823	3,173	3,523
Pacific	73	76	78	**62.12**	4,554	4,714	4,875
Pend Oreille	22	24	26	**62.12**	1,337	1,483	1,630
Pierce	342	496	649	**62.12**	21,240	30,788	40,337
San Juan	(10)	(8)	(6)	**62.12**	(639)	(507)	(375)
Skagit	7	33	58	**62.12**	435	2,029	3,623
Skamania	16	18	19	**62.12**	984	1,094	1,204
Snohomish	(349)	(205)	(61)	**62.12**	(21,649)	(12,726)	(3,802)
Spokane	89	176	263	**62.12**	5,511	10,934	16,357
Stevens	86	92	99	**62.12**	5,345	5,741	6,136
Thurston	(171)	(123)	(75)	**62.12**	(10,646)	(7,645)	(4,643)
Wahkiakum	15	16	16	**62.12**	956	967	977
Walla Walla	53	60	68	**62.12**	3,304	3,758	4,213
Whatcom	(80)	(46)	(13)	**62.12**	(4,953)	(2,888)	(823)
Whitman	(4)	1	5	**62.12**	(231)	50	330
Yakima	(125)	(97)	(69)	**62.12**	(7,760)	(6,032)	(4,305)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Sources: CPS MDCR Hospice 3 Report
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
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WAC246-310-290(8)(g) Step 7:
Divide the unmet patient days from Step 6 by 365 to determine the unmet need ADC.

				Step 7 (Patient Days / 365) = Unmet ADC		
County	**2021 Unmet Need Patient Days***	**2022 Unmet Need Patient Days***	**2023 Unmet Need Patient Days***	**2021 Unmet Need ADC***	**2022 Unmet Need ADC***	**2023 Unmet Need ADC***
Adams	244	300	356	1	1	1
Asotin	2,563	2,786	3,009	7	8	8
Benton	(5,497)	(3,565)	(1,633)	(15)	(10)	(4)
Chelan	2,535	3,539	4,542	7	10	12
Clallam	12,682	13,613	14,543	35	37	40
Clark	(23,619)	(18,396)	(13,174)	(65)	(50)	(36)
Columbia	(281)	(258)	(235)	(1)	(1)	(1)
Cowlitz	(7,320)	(6,160)	(5,000)	(20)	(17)	(14)
Douglas	134	470	807	0	1	2
Ferry	691	737	784	2	2	2
Franklin	1,201	1,801	2,401	3	5	7
Garfield	506	518	531	1	1	1
Grant	5,021	5,799	6,578	14	16	18
Grays Harbor	9,916	10,589	11,261	27	29	31
Island	1,377	2,090	2,802	4	6	8
Jefferson	1,324	1,726	2,127	4	5	6
King	(2,759)	14,070	30,899	(8)	39	85
Kitsap	2,696	5,513	8,331	7	15	23
Kittitas	889	1,290	1,691	2	4	5
Klickitat	(6,994)	(6,835)	(6,676)	(19)	(19)	(18)
Lewis	3,378	4,132	4,886	9	11	13
Lincoln	1,917	2,004	2,091	5	5	6
Mason	3,529	4,319	5,108	10	12	14
Okanogan	2,823	3,173	3,523	8	9	10
Pacific	4,554	4,714	4,875	12	13	13
Pend Oreille	1,337	1,483	1,630	4	4	4
Pierce	21,240	30,788	40,337	58	84	111
San Juan	(639)	(507)	(375)	(2)	(1)	(1)
Skagit	435	2,029	3,623	1	6	10
Skamania	984	1,094	1,204	3	3	3
Snohomish	(21,649)	(12,726)	(3,802)	(59)	(35)	(10)
Spokane	5,511	10,934	16,357	15	30	45
Stevens	5,345	5,741	6,136	15	16	17
Thurston	(10,646)	(7,645)	(4,643)	(29)	(21)	(13)
Wahkiakum	956	967	977	3	3	3
Walla Walla	3,304	3,758	4,213	9	10	12
Whatcom	(4,953)	(2,888)	(823)	(14)	(8)	(2)
Whitman	(231)	50	330	(1)	0	1
Yakima	(7,760)	(6,032)	(4,305)	(21)	(17)	(12)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Sources:
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WAC246-310-290(8)(h) Step 8:
Determine the number of hospice agencies in the planning area that could support the unmet need with an ADC of thirty-five.

Application Year

Step 7 (Patient Days / 365) = Unmet ADC				Step 8 - Numeric Need	
County	**2021 Unmet Need ADC***	**2022 Unmet Need ADC***	**2023 Unmet Need ADC***	**Numeric Need?**	**Number of New Agencies Needed?****
Adams	1	1	1	FALSE	FALSE
Asotin	7	8	8	FALSE	FALSE
Benton	(15)	(10)	(4)	FALSE	FALSE
Chelan	7	10	12	FALSE	FALSE
Clallam	35	37	40	***TRUE***	***1***
Clark	(65)	(50)	(36)	FALSE	FALSE
Columbia	(1)	(1)	(1)	FALSE	FALSE
Cowlitz	(20)	(17)	(14)	FALSE	FALSE
Douglas	0	1	2	FALSE	FALSE
Ferry	2	2	2	FALSE	FALSE
Franklin	3	5	7	FALSE	FALSE
Garfield	1	1	1	FALSE	FALSE
Grant	14	16	18	FALSE	FALSE
Grays Harbor	27	29	31	FALSE	FALSE
Island	4	6	8	FALSE	FALSE
Jefferson	4	5	6	FALSE	FALSE
King	(8)	39	85	***TRUE***	***2***
Kitsap	7	15	23	FALSE	FALSE
Kittitas	2	4	5	FALSE	FALSE
Klickitat	(19)	(19)	(18)	FALSE	FALSE
Lewis	9	11	13	FALSE	FALSE
Lincoln	5	5	6	FALSE	FALSE
Mason	10	12	14	FALSE	FALSE
Okanogan	8	9	10	FALSE	FALSE
Pacific	12	13	13	FALSE	FALSE
Pend Oreille	4	4	4	FALSE	FALSE
Pierce	58	84	111	***TRUE***	***3***
San Juan	(2)	(1)	(1)	FALSE	FALSE
Skagit	1	6	10	FALSE	FALSE
Skamania	3	3	3	FALSE	FALSE
Snohomish	(59)	(35)	(10)	FALSE	FALSE
Spokane	15	30	45	***TRUE***	***1***
Stevens	15	16	17	FALSE	FALSE
Thurston	(29)	(21)	(13)	FALSE	FALSE
Wahkiakum	3	3	3	FALSE	FALSE
Walla Walla	9	10	12	FALSE	FALSE
Whatcom	(14)	(8)	(2)	FALSE	FALSE
Whitman	(1)	0	1	FALSE	FALSE
Yakima	(21)	(17)	(12)	FALSE	FALSE

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

**The numeric need methodology projects need for whole hospice agencies only - not partial hospice agencies. Therefore, the results are rounded down to the nearest whole number.

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Admissions - Summarized

Washington State Department of Health

0-64 Total Admissions by County

Sum of 0-64	Column Labels		
Row Labels	2018	2019	2020
Adams	6	8	4
Asotin	6	9	24
Benton	118	103	132
Chelan	34	28	32
Clallam	16	23	24
Clark	336	287	297
Columbia	1	3	3
Cowlitz	107	121	94
Douglas	10	19	17
Ferry	6	5	3
Franklin	30	26	34
Garfield	1	1	3
Grant	41	45	40
Grays Harbor	35	41	27
Island	38	43	54
Jefferson	21	26	17
King	1009	765	889
Kitsap	180	173	96
Kittitas	15	16	12
Klickitat	10	12	12
Lewis	56	50	47
Lincoln	7	3	5
Mason	14	34	43
Okanogan	21	27	31
Pacific	13	15	12
Pend Oreille	8	4	17
Pierce	543	556	425
San Juan	6	6	8
Skagit	48	77	70
Skamania	2	1	3
Snohomish	422	342	361
Spokane	400	329	362
Stevens	30	20	21
Thurston	114	115	129
Wahkiakum	2	0	3
Walla Walla	24	41	41
Whatcom	117	138	80
Whitman	19	12	12
Yakima	248	175	195

65+ Total Admissions by County

Sum of 65+	Column Labels		
Row Labels	2018	2019	2020
Adams	34	54	48
Asotin	121	71	84
Benton	887	837	973
Chelan	386	385	421
Clallam	187	234	283
Clark	2124	2060	2238
Columbia	23	25	50
Cowlitz	600	735	707
Douglas	136	130	170
Ferry	29	25	28
Franklin	155	166	194
Garfield	2	4	7
Grant	261	236	254
Grays Harbor	180	212	186
Island	348	341	375
Jefferson	155	181	194
King	6359	6315	7131
Kitsap	1021	1074	921
Kittitas	135	169	157
Klickitat	81	90	87
Lewis	420	362	401
Lincoln	29	22	21
Mason	161	193	263
Okanogan	148	171	167
Pacific	72	98	69
Pend Oreille	53	65	49
Pierce	3175	3170	2714
San Juan	79	73	89
Skagit	680	705	607
Skamania	20	33	37
Snohomish	2636	2214	2636
Spokane	2247.5	2175	2648
Stevens	121	126	128
Thurston	936	947	1070
Wahkiakum	5	7	11
Walla Walla	227	242	242
Whatcom	770	995	978
Whitman	226.5	77	128
Yakima	977	998	1190

Total Admissions by County - Not Adjusted for New

County	2018	2019	2020	Average
Adams	40	62	52	**51.33**
Asotin	127	80	108	**105.00**
Benton	1005	940	1105	**1016.67**
Chelan	420	413	453	**428.67**
Clallam	203	257	307	**255.67**
Clark	2460	2347	2535	**2447.33**
Columbia	24	28	53	**35.00**
Cowlitz	707	856	801	**788.00**
Douglas	146	149	187	**160.67**
Ferry	35	30	31	**32.00**
Franklin	185	192	228	**201.67**
Garfield	3	5	10	**6.00**
Grant	302	281	294	**292.33**
Grays Harb	215	253	213	**227.00**
Island	386	384	429	**399.67**
Jefferson	176	207	211	**198.00**
King	7368	7080	8020	**7489.33**
Kitsap	1201	1247	1017	**1155.00**
Kittitas	150	185	169	**168.00**
Klickitat	91	102	99	**97.33**
Lewis	476	412	448	**445.33**
Lincoln	36	25	26	**29.00**
Mason	175	227	306	**236.00**
Okanogan	169	198	198	**188.33**
Pacific	85	113	81	**93.00**
Pend Oreill	61	69	66	**65.33**
Pierce	3718	3726	3139	**3527.67**
San Juan	85	79	97	**87.00**
Skagit	728	782	677	**729.00**
Skamania	22	34	40	**32.00**
Snohomish	3058	2556	2997	**2870.33**
Spokane	2647.5	2504	3010	**2720.50**
Stevens	151	146	149	**148.67**
Thurston	1050	1062	1199	**1103.67**
Wahkiakun	7	7	14	**9.33**
Walla Wall	251	283	283	**272.33**
Whatcom	887	1133	1058	**1026.00**
Whitman	245.5	89	140	**158.17**
Yakima	1225	1173	1385	**1261.00**

Total Admissions by County - Adjusted for New

Adjusted Cells Highlighted in YELLOW

County	2018	2019	2020	Average
Adams	40	62	52	**51.33**
Asotin	127	80	108	**105.00**
Benton	1005	940	1105	**1016.67**
Chelan	420	413	453	**428.67**
Clallam	203	462.7	512.7	**392.80**
Clark	2460	2552.7	2740.7	**2584.47**
Columbia	24	28	53	**35.00**
Cowlitz	707	856	801	**788.00**
Douglas	146	149	187	**160.67**
Ferry	35	30	31	**32.00**
Franklin	185	192	228	**201.67**
Garfield	3	5	10	**6.00**
Grant	302	281	294	**292.33**
Grays Harb	215	253	418.7	**295.57**
Island	386	384	429	**399.67**
Jefferson	176	207	211	**198.00**
King	7368	7400.4	8723.8	**7830.73**
Kitsap	1201	1247	1222.7	**1223.57**
Kittitas	150	185	169	**168.00**
Klickitat	272.7	281.7	99	**217.80**
Lewis	476	412	448	**445.33**
Lincoln	36	25	26	**29.00**
Mason	175	227	511.7	**304.57**
Okanogan	169	198	198	**188.33**
Pacific	85	113	81	**93.00**
Pend Oreill	61	69	66	**65.33**
Pierce	3718	3726	3344.7	**3596.23**
San Juan	85	79	97	**87.00**
Skagit	728	782	677	**729.00**
Skamania	22	34	40	**32.00**
Snohomish	3058	3378.8	4088.2	**3508.33**
Spokane	2647.5	2504	3010	**2720.50**
Stevens	151	146	149	**148.67**
Thurston	1255.7	1449.4	1990.8	**1565.30**
Wahkiakun	7	7	14	**9.33**
Walla Wall	251	283	283	**272.33**
Whatcom	887	1133	1263.7	**1094.57**
Whitman	245.5	89	140	**158.17**
Yakima	1225	1173	1385	**1261.00**

35 ADC * 365 days per year = 12,775 default patient days

12,775 patient days/62.12 ALOS = 205.7 default admissions

205.7 Default

For affected counties, the actual volumes from these recently approved agnecies will be subtracted, and default values will be added.

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Prepared by DOH Program Staff

Recent approvals showing default volumes:

Olympic Medical Center - Clallam County. Approved in September 2019. Default volumes for 2019-2020
Providence Hospice - Clark County. Approved in 2019. Default volumes in 2019-2020
The Pennant Group - Grays Harbor County. Approved August 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Wesley Homes Hospice - King County. Approved in 2015, operational since 2017. 2018 volumes exceed "default" - no adjustment for 2018. Adjustments in 2019.
Envision Hospice - King County. Approved in 2019. Default volumes for 2019-2020
Continuum Care of King - King County. CN issued March 2020. Default volumes for 2020
EmpRes Healthcare Group - King County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Seasons Hospice - King County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Envision Hospice - Kitsap County. Approved in 2020. Default volumes for 2020
Heart of Hospice - Klickitat County. Approved in August 2017. Operational since August 2017. Default volumes in 2018-2019.
The Pennant Group - Mason County. Approved September 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Providence Health & Services - Pierce County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Continuum Care of Snohomish - Snohomish County. Approved in July 2019. Default volumes in 2019-2020
Heart of Hospice - Snohomish County. Approved in November 2019. Default volumes for 2019-2020
Envision Hospice - Snohomish County. Approved in November 2019. Default volumes for 2019-2020
Glacier Peak Healthcare - Snohomish County. Approved in November 2019. Default volumes for 2019-2020
EmpRes Healthcare Group - Snohomish County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Seasons Hospice - Snohomish County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Envision Hospice - Thurston County. Approved in September 2018. Default volumes in 2018-2020.
Symbol Healthcare - Thurston County. Approved in November 2019. Default volumes for 2019-2020
Bristol Hospice - Thurston County. Approved March 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
MultiCare Health - Thurston County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
EmpRes Healthcare Group - Whatcom County. Approved in 2020. Default volumes for 2020

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Survey Responses

Note: Kindred Hospice in Whitman and Spokane Counties did not respond to the department's survey for 2018 data. As a result, the average of 2016 and 2017 data was used as a proxy for 2018.

Agency Name	License Number	County	Year	0-64	65+
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2018	40	254
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2018	6	28
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2018	6	34
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2018	1	11
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2018	4	44
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2018	16	186
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2018	24	273
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2018	35	280
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2018	41	8
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2018	10	133
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2018	34	386
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2018	2	5
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2018	54	383
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2018	87	524
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2018	1	2
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2018	6	121
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2018	1	9
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2018	79	690
Evergreen Health Home Care Services	IHS.FS.00000278	King	2018	348	1989
Franciscan Hospice	IHS.FS.00000287	Kitsap	2018	141	693
Franciscan Hospice	IHS.FS.00000287	King	2018	102	921
Franciscan Hospice	IHS.FS.00000287	Pierce	2018	331	2110
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2018	0	3
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2018	1	7
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2018	21	148
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2018	37	180
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2018	13	71
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2018	35	180
Heart of Hospice	IHS.FS.00000185	Skamania	2018	none repo	10
Heart of Hospice	IHS.FS.00000185	Klickitat	2018	1	23
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2018	6	137
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2018	24	219
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2018	20	235
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2018	1	1
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2018	20	76
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2018	243	1305
Horizon Hospice	IHS.FS.00000332	Spokane	2018	31	389
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2018	0	0
Hospice of Spokane	IHS.FS.00000337	Lincoln	2018	1	1
Hospice of Spokane	IHS.FS.00000337	Ferry	2018	6	29
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2018	8	53
Hospice of Spokane	IHS.FS.00000337	Stevens	2018	30	121
Hospice of Spokane	IHS.FS.00000337	Spokane	2018	346	1593
Hospice of Spokane	IHS.FS.00000337	Whitman	2018	none repo	none repor
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2018	6	60
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2018	2	67
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2018	6	79
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2018	48	680
IRREGULAR-COMMUNITY HOME HEALTH & HOSPICE	IHS.FS.00000262	Pacific	2018	0	1
IRREGULAR-MULTICARE	IHS.FS.60639376	Clallam	2018	0	1
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2018	20	144
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2018	39	436
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2018	none repo	none repor
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2018	none repo	none repor
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2018	14	94
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2018	14	96
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2018	35	198
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2018	25	416
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Whitman	2018	19	226.5
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Spokane	2018	23	265.5
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2018	15	135
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2018	5	40
Kline Galland Community Based Services	IHS.FS.60103742	King	2018	29	368
Memorial Home Care Services	IHS.FS.00000376	Yakima	2018	183	750
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2018	32	158

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
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Department of Health
2021-2022 Hospice Numeric Need Methodology
Survey Responses

Agency Name	License Number	County	Year	0-64	65+
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2018	25	232
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2018	177	867
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2018	1	9
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2018	4	18
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2018	11	44
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2018	316	1772
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2018	none repo	none repor
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2018	11	13
Providence Hospice of Seattle	IHS.FS.00000336	King	2018	407	1959
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2018	10	117
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2018	21	140
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2018	90	663
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2018	30	155
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2018	112	750
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2018	1	23
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2018	24	227
Wesley Homes	IHS.FS.60276500	King	2018	29	368
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2018	117	770
Alpha Home Health	IHS.FS.61032013	Snohomish	2019	0	0
Alpowa Healthcare Inc. d/b/a Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2019	9	71
Alpowa Healthcare Inc. d/b/a Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2019	1	4
Central Washington Homecare Services	IHS.FS.00000250	Chelan	2019	28	385
Central Washington Homecare Services	IHS.FS.00000250	Douglas	2019	19	125
Chaplaincy Health Care 2018	IHS.FS.00000456	Benton	2019	96	700
Chaplaincy Health Care 2018	IHS.FS.00000456	Franklin	2019	26	164
Community Home Health/Hospice	IHS.FS.00000262	Cowlitz	2019	98	636
Community Home Health/Hospice	IHS.FS.00000262	Wahkiakum	2019	0	7
Community Home Health/Hospice	IHS.FS.00000262	Clark	2019	60	453
Continuum Care of King LLC	IHS.FS.61058934	King	2019	0	0
Continuum Care of Snohomish LLC	IHS.FS.61010090	Snohomish	2019	0	0
Envision Hospice of Washington	IHS.FS.60952486	Thurston	2019	2	22
EvergreenHealth	IHS.FS.00000278	King	2019	225	2025
EvergreenHealth	IHS.FS.00000278	Snohomish	2019	53	471
EvergreenHealth	IHS.FS.00000278	Island	2019	1	11
Franciscan Hospice	IHS.FS.00000287	King	2019	92	921
Franciscan Hospice	IHS.FS.00000287	Kitsap	2019	118	757
Franciscan Hospice	IHS.FS.00000287	Pierce	2019	364	2236
Frontier Home Health & Hospice	IHS.FS.60379608	Okanogan	2019	27	171
Frontier Home Health & Hospice	IHS.FS.60379608	Douglas	2019	0	5
Frontier Home Health & Hospice	IHS.FS.60379608	Grant	2019	4	8
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2019	41	212
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2019	15	98
Heartlinks	IHS.FS.00000369	Benton	2019	7	137
Heartlinks	IHS.FS.00000369	Yakima	2019	21	180
Heartlinks	IHS.FS.00000369	Franklin	2019	0	2
Horizon Hospice	IHS.FS.00000332	Spokane	2019	30	393
Hospice of Jefferson County, Jefferson Healthcare	IHI.FS.00000349	Jefferson	2019	26	172
Hospice of Spokane	IHS.FS.00000337	Spokane	2019	289	1692
Hospice of Spokane	IHS.FS.00000337	Stevens	2019	20	126
Hospice of Spokane	IHS.FS.00000337	Ferry	2019	5	25
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2019	4	65
Hospice of the Northwest	IHS.FS.00000437	Island	2019	14	56
Hospice of the Northwest	IHS.FS.00000437	San Juan	2019	6	73
Hospice of the Northwest	IHS.FS.00000437	Skagit	2019	77	705
Hospice of the Northwest	IHS.FS.00000437	Snohomish	2019	5	58
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Skamania	2019	0	17
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Klickitat	2019	2	24
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Clark	2019	0	3
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Snohomish	2019	0	0
Kaiser Continuing Care Services Hospice	IHS.FS.00000353	Clark	2019	43	387
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	King	2019	37	489
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Kitsap	2019	18	123
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Pierce	2019	25	176
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Snohomish	2019	7	62
Kindred Hospice	IHS.FS.60308060	Spokane	2019	10	90
Kindred Hospice	IHS.FS.60308060	Whitman	2019	12	77
Kindred Hospice	IHS.FS.60330209	King	2019	6	217
Kittitas Valley Healthcare Home Health and Hospice	IHS.FS.00000320	Kittitas	2019	16	169

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
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Agency Name	License Number	County	Year	0-64	65+
Klickitat Valley Hospice	IHS.FS.00000361	Klickitat	2019	1	44
Kline Galland Community Based Services	IHS.FS.60103742	King	2019	35	345
Memorial Home Care Services	IHS.FS.00000376	Yakima	2019	148	730
MultiCare Hospice	IHS.FS.60639376	King	2019	27	149
MultiCare Hospice	IHS.FS.60639376	Pierce	2019	167	758
MultiCare Hospice	IHS.FS.60639376	Kitsap	2019	37	194
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Clallam	2019	23	234
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Jefferson	2019	0	9
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Lewis	2019	17	244
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Mason	2019	6	45
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Thurston	2019	22	240
Olympic Medical Hospice	IHS.FS.00000393	Clallam	2019	0	0
PeaceHealth Hospice	IHS.FS.60331226	Clark	2019	184	1217
PeaceHealth Hospice	IHS.FS.60331226	Cowlitz	2019	23	99
PeaceHealth Hospice	IHS.FS.60331226	Skamania	2019	0	1
PeaceHealth Whatcom	IHS.FS.00000471	Whatcom	2019	138	995
Providence Hospice	IHS.FS.60201476	Klickitat	2019	9	22
Providence Hospice	IHS.FS.60201476	Skamania	2019	1	15
Providence Hospice	IHS.FS.60201476	Clark	2019	0	0
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2019	272	1613
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2019	1	29
Providence Hospice of Seattle	IHS.FS.00000336	King	2019	338	2083
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2019	5	10
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Thurston	2019	91	685
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Mason	2019	28	148
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Lewis	2019	33	118
Puget Sound Hopsice	IHS.FS.61032138	Thurston	2019	0	0
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2019	41	242
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2019	3	25
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Adams	2019	8	54
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Grant	2019	41	228
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Lincoln	2019	3	22
Wesley Homes	IHS.FS.60276500	King	2019	5	86
WhidbeyHealth Home Health, Hospice	IHS.FS.00000323	Island	2019	27	245
Yakima HMA Home Health, LLC	IHS.FS.60097245	Yakima	2019	6	88
Alpha Hospice	IHS.FS.61032013	Snohomish	2020	1	30
Alpowa Healthcare, Inc. d/b/a Elite Home Health & Hospice	IHS.FS.60384078	Asotin	2020	24	84
Alpowa Healthcare, Inc. d/b/a Elite Home Health & Hospice	IHS.FS.60384078	Garfield	2020	3	7
Astria Hospice	IHS.FS.60097245	Yakima	2020	0	56
Central Washington Home Care Service	IHS.FS.00000250	Chelan	2020	32	421
Central Washington Home Care Service	IHS.FS.00000250	Douglas	2020	13	159
Chaplaincy Health Care	IHS.FS.00000456	Benton	2020	118	821
Chaplaincy Health Care	IHS.FS.00000456	Franklin	2020	30	192
Community Home Health/Hospice	IHS.FS.00000262	Cowlitz	2020	78	616
Community Home Health/Hospice	IHS.FS.00000262	Pacific	2020	1	3
Community Home Health/Hospice	IHS.FS.00000262	Wahkiakum	2020	3	11
Community Home Health/Hospice	IHS.FS.60547198	Clark	2020	61	430
Continuum Care of King LLC	IHS.FS.61058934	King	2020	0	0
Continuum Care of Snohomish	IHS.FS.61010090	King	2020	2	40
Continuum Care of Snohomish	IHS.FS.61010090	Snohomish	2020	12	131
Eden Hospice at Whatcom County, LLC	IHS.FS.61117985	Whatcom	2020	0	0
Envision Hospice of Washington LLC	IHS.FS.60952486	King	2020	1	76
Envision Hospice of Washington LLC	IHS.FS.60952486	Kitsap	2020	0	0
Envision Hospice of Washington LLC	IHS.FS.60952486	Pierce	2020	1	20
Envision Hospice of Washington LLC	IHS.FS.60952486	Thurston	2020	1	24
Envision Hospice of Washington LLC	IHS.FS.60952486	Snohomish	2020	0	0
EvergreenHealth	IHS.FS.00000278	King	2020	316	2451
EvergreenHealth	IHS.FS.00000278	Snohomish	2020	70	672
EvergreenHealth	IHS.FS.00000278	Island	2020	0	6
Frontier Home Health & Hospice	IHS.FS.60379608	Douglas	2020	4	11
Frontier Home Health & Hospice	IHS.FS.60379608	Grant	2020	0	3
Frontier Home Health & Hospice	IHS.FS.60379608	Okanogan	2020	30	167
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2020	27	186
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2020	11	66
HEART OF HOSPICE	IHS.FS.60741443	Clark	2020	0	3
HEART OF HOSPICE	IHS.FS.60741443	Klickitat	2020	2	21
HEART OF HOSPICE	IHS.FS.60741443	Skamania	2020	2	18
HEART OF HOSPICE	IHS.FS.60741443	Snohomish	2020	0	0

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Survey Responses

Agency Name	License Number	County	Year	0-64	65+
Heartlinks	IHS.FS.00000369	Benton	2020	14	152
Heartlinks	IHS.FS.00000369	Yakima	2020	20	181
Heartlinks	IHS.FS.00000369	Franklin	2020	4	2
Horizon Hospice & Palliative Care	IHS.FS.00000332	Spokane	2020	28	456
Hospice of Jefferson County	IHS.FS.00000349	Jefferson	2020	17	178
Hospice of Spokane	IHS.FS.00000337	Spokane	2020	302	1895
Hospice of Spokane	IHS.FS.00000337	Stevens	2020	21	128
Hospice of Spokane	IHS.FS.00000337	Ferry	2020	3	28
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2020	17	49
Hospice of Spokane	IHS.FS.00000337	Lincoln	2020	0	0
Hospice of Spokane	IHS.FS.00000337	Whitman	2020	0	1
Hospice of Spokane	IHS.FS.00000337	Okanogan	2020	1	0
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2020	42	433
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	King	2020	49	446
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Kitsap	2020	13	114
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Pierce	2020	30	181
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Snohomish	2020	3	84
Kindred Hospice	IHS.FS.60308060	Spokane	2020	32	297
Kindred Hospice	IHS.FS.60308060	Whitman	2020	12	127
Kindred Hospice	IHS.FS.60330209	King	2020	9	200
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2020	12	157
Klickitat Valley Health Home Health & Hospice	IHS.FS.00000361	Klickitat	2020	4	38
Kline Galland Hospice	IHS.FS.60103742	King	2020	83	896
Memorial Home Care Services	IHS.FS.00000376	Yakima	2020	175	953
Multicare Home Health, Hospice	IHS.FS.60639376	Pierce	2020	161	866
Multicare Home Health, Hospice	IHS.FS.60639376	King	2020	36	137
Multicare Home Health, Hospice	IHS.FS.60639376	Kitsap	2020	12	126
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Clallam	2020	24	283
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Jefferson	2020	0	16
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Lewis	2020	15	226
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Mason	2020	8	70
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Pierce	2020	0	1
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Thurston	2020	22	268
Olympic Medical Hospice	IHS.FS.00000393	Clallam	2020	0	0
PeaceHealth Hospice Southwest	IHS.FS.60331226	Clark	2020	194	1372
PeaceHealth Hospice Southwest	IHS.FS.60331226	Cowlitz	2020	16	91
PeaceHealth Hospice Southwest	IHS.FS.60331226	Skamania	2020	0	3
Providence Hospice	IHS.FS.60201476	Klickitat	2020	6	28
Providence Hospice	IHS.FS.60201476	Skamania	2020	1	16
Providence Hospice	IHS.FS.60201476	Clark	2020	0	0
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2020	267	1645
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2020	5	36
Providence Hospice of Seattle	IHS.FS.00000336	King	2020	338	2059
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2020	0	0
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Thurston	2020	106	772
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Mason	2020	35	193
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Lewis	2020	32	175
Puget Sound Hospice	IHS.FS.61032138	Thurston	2020	0	6
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Island	2020	20	81
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	San Juan	2020	8	89
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Skagit	2020	70	607
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Snohomish	2020	8	74
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	King	2020	52	716
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	Pierce	2020	232	1630
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	Kitsap	2020	71	681
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2020	41	242
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2020	3	50
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Adams	2020	4	48
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Grant	2020	40	251
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Lincoln	2020	5	21
Wesley Homes Hospice, LLC	IHS.FS.60276500	King	2020	3	110
Wesley Homes Hospice, LLC	IHS.FS.60276500	Pierce	2020	1	16

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Preliminary Death Data Updated October 12, 2021

	0-64			65+		
County	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
ADAMS	28	35	20	72	93	59
ASOTIN	52	54	56	214	222	186
BENTON	331	346	555	1,125	1154	1522
CHELAN	130	137	224	573	626	785
CLALLAM	191	186	195	871	955	777
CLARK	874	887	1043	2,767	2987	3205
COLUMBIA	6	7	7	43	52	43
COWLITZ	300	294	314	840	951	968
DOUGLAS	51	63	42	255	270	160
FERRY	28	20	19	55	64	58
FRANKLIN	145	123	100	278	313	263
GARFIELD	5	5	5	30	21	11
GRANT	195	197	186	524	508	455
GRAYS HARBOR	227	251	209	647	659	558
ISLAND	135	167	110	675	642	505
JEFFERSON	64	72	68	336	338	273
KING	3,264	3,275	4456	9,917	10213	11186
KITSAP	515	557	454	1,713	1811	1714
KITTITAS	68	90	78	239	266	241
KLICKITAT	58	46	42	158	160	113
LEWIS	227	210	205	730	722	653
LINCOLN	25	25	15	94	89	75
MASON	158	167	143	526	548	408
OKANOGAN	103	119	88	332	358	277
PACIFIC	64	66	55	279	265	177
PEND OREILLE	43	31	41	130	125	101
PIERCE	1,964	1,911	2364	4,926	5002	5608
SAN JUAN	19	20	18	114	127	94
SKAGIT	231	229	269	1,001	1018	1068
SKAMANIA	27	19	26	56	87	47
SNOHOMISH	1,533	1,533	1587	4,055	4081	4278
SPOKANE	1,177	1,143	1634	3,556	3545	4322
STEVENS	113	112	86	373	345	248
THURSTON	554	525	628	1,823	1908	2007
WAHKIAKUM	13	11	10	33	53	18
WALLA WALLA	110	118	150	445	450	522
WHATCOM	360	394	457	1,252	1461	1481
WHITMAN	66	47	51	199	219	226
YAKIMA	601	555	653	1,517	1451	1675

Sources:
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
0-64 Population Projection

County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2018-2020 Average Population
Adams	17,637	17,768	17,899	18,029	18,160	18,291	18,456	18,622	18,787	18,953	19,118	18,160
Asotin	16,969	16,906	16,842	16,779	16,715	16,652	16,596	16,540	16,485	16,429	16,373	16,715
Benton	162,262	163,693	165,123	166,554	167,984	169,415	171,026	172,638	174,249	175,861	177,472	167,984
Chelan	61,284	61,520	61,755	61,991	62,227	62,463	62,512	62,562	62,611	62,661	62,710	62,227
Clallam	52,716	52,661	52,605	52,550	52,494	52,439	52,233	52,027	51,821	51,615	51,409	52,494
Clark	387,296	393,291	399,287	405,282	411,278	417,273	421,901	426,529	431,158	435,786	440,414	411,278
Columbia	2,988	2,947	2,905	2,863	2,822	2,780	2,745	2,710	2,675	2,640	2,605	2,822
Cowlitz	85,417	85,517	85,617	85,717	85,817	85,917	85,843	85,769	85,695	85,621	85,547	85,817
Douglas	33,540	33,938	34,335	34,732	35,130	35,527	35,803	36,080	36,356	36,633	36,909	35,130
Ferry	5,834	5,782	5,731	5,680	5,628	5,577	5,541	5,506	5,470	5,435	5,399	5,628
Franklin	79,651	81,742	83,832	85,922	88,012	90,102	92,443	94,784	97,124	99,465	101,806	88,012
Garfield	1,665	1,644	1,623	1,602	1,581	1,560	1,541	1,522	1,502	1,483	1,464	1,581
Grant	81,535	82,660	83,784	84,909	86,033	87,158	88,240	89,322	90,403	91,485	92,567	86,033
Grays Harb	59,105	58,675	58,246	57,817	57,387	56,958	56,679	56,401	56,122	55,844	55,565	57,387
Island	62,514	62,664	62,814	62,964	63,114	63,264	63,280	63,296	63,312	63,328	63,344	63,114
Jefferson	20,636	20,653	20,670	20,688	20,705	20,722	20,636	20,550	20,463	20,377	20,291	20,705
King	1,798,581	1,820,215	1,841,848	1,863,482	1,885,115	1,906,749	1,918,470	1,930,192	1,941,913	1,953,635	1,965,356	1,885,115
Kitsap	212,548	214,045	215,543	217,040	218,538	220,035	220,614	221,192	221,771	222,349	222,928	218,538
Kittitas	36,206	36,768	37,330	37,892	38,453	39,015	39,286	39,556	39,827	40,097	40,368	38,453
Klickitat	16,208	16,082	15,955	15,828	15,702	15,575	15,439	15,304	15,168	15,033	14,897	15,702
Lewis	61,494	61,796	62,097	62,398	62,700	63,001	63,164	63,327	63,491	63,654	63,817	62,700
Lincoln	8,101	8,042	7,982	7,923	7,864	7,805	7,751	7,698	7,644	7,591	7,537	7,864
Mason	48,672	49,162	49,652	50,142	50,632	51,122	51,397	51,672	51,946	52,221	52,496	50,632
Okanogan	33,087	32,906	32,726	32,545	32,364	32,183	32,087	31,991	31,896	31,800	31,704	32,364
Pacific	15,115	14,972	14,830	14,688	14,545	14,403	14,322	14,242	14,161	14,081	14,000	14,545
Pend Oreill	10,045	9,998	9,952	9,905	9,859	9,812	9,769	9,727	9,684	9,642	9,599	9,859
Pierce	721,137	729,937	738,738	747,538	756,339	765,139	769,918	774,696	779,475	784,253	789,032	756,339
San Juan	11,305	11,194	11,084	10,974	10,863	10,753	10,730	10,707	10,684	10,661	10,638	10,863
Skagit	97,885	98,616	99,346	100,076	100,807	101,537	101,887	102,236	102,586	102,935	103,285	100,807
Skamania	9,272	9,266	9,260	9,254	9,248	9,242	9,223	9,205	9,186	9,168	9,149	9,248
Snohomish	661,812	672,806	683,800	694,793	705,787	716,781	721,527	726,273	731,019	735,765	740,511	705,787
Spokane	414,493	416,684	418,875	421,066	423,256	425,447	426,740	428,033	429,326	430,619	431,912	423,256
Stevens	34,576	34,459	34,343	34,226	34,109	33,992	33,917	33,841	33,766	33,690	33,615	34,109
Thurston	224,951	228,261	231,571	234,880	238,190	241,500	243,867	246,235	248,602	250,970	253,337	238,190
Wahkiakun	2,726	2,669	2,612	2,555	2,498	2,441	2,405	2,368	2,332	2,295	2,259	2,498
Walla Walla	49,893	50,111	50,328	50,546	50,763	50,981	51,028	51,075	51,121	51,168	51,215	50,763
Whatcom	175,840	178,234	180,629	183,023	185,418	187,812	189,267	190,722	192,178	193,633	195,088	185,418
Whitman	42,880	42,965	43,051	43,137	43,222	43,308	43,315	43,322	43,330	43,337	43,344	43,222
Yakima	215,882	217,605	219,328	221,051	222,774	224,497	225,822	227,147	228,473	229,798	231,123	222,774

Sources:
2017 OFM Population Projections, Medium-Series
Prepared by DOH Program Staff

Department of Health
2020-2021 Hospice Numeric Need Methodology
65+ Population Projection

County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2018-2020 Average Population
Adams	1,773	1,887	2,000	2,114	2,227	2,341	2,383	2,424	2,466	2,507	2,549	2,227
Asotin	5,041	5,233	5,426	5,619	5,812	6,005	6,175	6,344	6,514	6,683	6,853	5,812
Benton	26,328	27,492	28,657	29,821	30,986	32,150	33,373	34,597	35,820	37,044	38,267	30,986
Chelan	13,746	14,279	14,811	15,343	15,876	16,408	17,052	17,695	18,339	18,982	19,626	15,876
Clallam	19,934	20,401	20,867	21,334	21,800	22,267	22,901	23,535	24,168	24,802	25,436	21,800
Clark	64,524	68,044	71,564	75,085	78,605	82,125	85,686	89,247	92,807	96,368	99,929	78,605
Columbia	1,102	1,135	1,169	1,202	1,236	1,269	1,287	1,304	1,322	1,339	1,357	1,236
Cowlitz	18,863	19,684	20,505	21,326	22,148	22,969	23,719	24,470	25,220	25,971	26,721	22,148
Douglas	6,450	6,831	7,213	7,595	7,976	8,358	8,666	8,974	9,283	9,591	9,899	7,976
Ferry	1,876	1,949	2,022	2,095	2,168	2,241	2,289	2,337	2,386	2,434	2,482	2,168
Franklin	7,499	7,921	8,343	8,765	9,188	9,610	10,083	10,557	11,030	11,504	11,977	9,188
Garfield	595	607	620	633	645	658	669	680	692	703	714	645
Grant	12,395	13,011	13,628	14,244	14,861	15,477	16,071	16,665	17,258	17,852	18,446	14,861
Grays Harb	14,005	14,535	15,064	15,594	16,123	16,653	17,133	17,612	18,092	18,571	19,051	16,123
Island	18,086	18,625	19,163	19,701	20,239	20,777	21,412	22,047	22,682	23,317	23,952	20,239
Jefferson	10,244	10,580	10,916	11,252	11,588	11,924	12,323	12,722	13,121	13,520	13,919	11,588
King	254,219	268,307	282,395	296,484	310,572	324,660	337,771	350,881	363,992	377,102	390,213	310,572
Kitsap	45,652	47,697	49,743	51,788	53,833	55,878	58,185	60,492	62,800	65,107	67,414	53,833
Kittitas	6,464	6,760	7,055	7,351	7,647	7,943	8,266	8,589	8,911	9,234	9,557	7,647
Klickitat	4,792	5,051	5,310	5,570	5,829	6,088	6,268	6,448	6,627	6,807	6,987	5,829
Lewis	15,166	15,576	15,987	16,398	16,808	17,219	17,697	18,175	18,652	19,130	19,608	16,808
Lincoln	2,619	2,687	2,755	2,823	2,891	2,959	3,039	3,119	3,200	3,280	3,360	2,891
Mason	13,528	14,123	14,717	15,311	15,905	16,499	17,167	17,836	18,504	19,173	19,841	15,905
Okanogan	8,773	9,198	9,624	10,050	10,475	10,901	11,210	11,519	11,827	12,136	12,445	10,475
Pacific	6,095	6,258	6,421	6,584	6,747	6,910	7,035	7,159	7,284	7,408	7,533	6,747
Pend Oreill	3,195	3,378	3,560	3,742	3,925	4,107	4,239	4,371	4,504	4,636	4,768	3,925
Pierce	108,983	114,409	119,836	125,262	130,688	136,114	142,422	148,729	155,037	161,344	167,652	130,688
San Juan	4,876	5,099	5,322	5,545	5,768	5,991	6,174	6,357	6,541	6,724	6,907	5,768
Skagit	22,735	24,021	25,308	26,595	27,881	29,168	30,314	31,460	32,607	33,753	34,899	27,881
Skamania	2,158	2,286	2,414	2,542	2,670	2,798	2,923	3,048	3,172	3,297	3,422	2,670
Snohomish	95,788	101,674	107,560	113,447	119,333	125,219	131,978	138,737	145,495	152,254	159,013	119,333
Spokane	73,817	77,325	80,834	84,343	87,852	91,361	94,670	97,979	101,288	104,597	107,906	87,852
Stevens	9,454	9,930	10,407	10,884	11,360	11,837	12,214	12,591	12,969	13,346	13,723	11,360
Thurston	42,459	44,534	46,608	48,683	50,757	52,832	54,900	56,967	59,035	61,102	63,170	50,757
Wahkiakun	1,254	1,316	1,379	1,441	1,503	1,565	1,580	1,595	1,611	1,626	1,641	1,503
Walla Wall	10,757	10,819	10,881	10,944	11,006	11,068	11,350	11,632	11,915	12,197	12,479	11,006
Whatcom	33,950	35,688	37,426	39,164	40,902	42,640	44,217	45,794	47,372	48,949	50,526	40,902
Whitman	4,370	4,659	4,948	5,237	5,526	5,815	6,008	6,201	6,395	6,588	6,781	5,526
Yakima	34,088	34,949	35,809	36,670	37,530	38,391	39,475	40,559	41,643	42,727	43,811	37,530

Sources:
2017 OFM Population Projections, Medium-Series
Prepared by DOH Program Staff

Exhibit 10
Admission Criteria and Process Policy

Implementation:	*12/2008*
Effective:	*11/2021*
Last Reviewed:	*11/2021*
Last Revised:	*08/2021*
Next Review:	*11/2024*
Owner:	*Penny Smith: Mgr Clinical Qual Improvement*
Policy Area:	*Assessment, Documentation Standards & Orders*
Ministries:	*Hospice Care Center Everett, Hospice Collabria, Hospice Everett, Hospice Olympia, Hospice Seacrest, Hospice Seattle, Hospice Spokane, Hospice St. Joseph, Hospice St. Mary High Desert, Hospice TrinityCare*
Applicability:	*PHCC - Providence Home and Community Care (Legacy)*

Hospice Eligibility and Admission to Hospice

Purpose

To establish the requirements for patients to receive hospice services and a process by which a patient may be evaluated and accepted for admission to hospice

Definitions

High acuity patients - present challenging medical conditions and require significant intervention (i.e. compassionate extubation, life sustaining infusion withdrawal, cessation of hydration and feeding, LVAD deactivation, palliative sedation, chest tube, ventilator dependent, tracheostomy management).

Policy

- Providence Hospice will admit patients who meet eligibility criteria, desires hospice services, and reside in the geographical service area.
- [1]Referrals to hospice will be accepted from any source including patient/family/caregiver, health care clinicians from acute care facilities, skilled or intermediate nursing facilities, other agencies.
- The patient who desires to elect the hospice benefit will be reviewed for eligibility prior to admission to hospice services and at intervals as dictated by their benefit period.
- [1]A patient is eligible to receive hospice services if all the following criteria is met:
  - [2,4]The patient is terminally ill and have a life expectancy of six (6) months or less, if the disease runs its normal course, confirmed with a hospice physician and the individuals attending physician if the individual has one.
  - [3]The patient/family or alternate decision maker desires hospice services, is aware of the diagnosis and prognosis and is willing to sign an election statement that they are choosing hospice and forgoing curative treatment.

    - [5]There is an available caregiver willing and able to care for the patient (this may be waived if appropriate plans to meet future care needs are developed).
    - If applicable they meet all other Medicare/Medicaid hospice requirements and agree to waive traditional Medicare benefits for treatment of their terminal illness.
- [7]Patients will be accepted for care without discrimination of race, color, religion, age, gender, sexual orientation, disability (mental or physical), ancestry or place of national origin.
- [1]Patients will be accepted for care based on adequacy and suitability of hospice personnel, resources to provide required services, and a reasonable expectation that the patient's hospice care needs can be adequately met in the patient's place of residence.
- [1]Once a patient is admitted to service, hospice will be responsible for providing care and services within its financial and service capabilities, mission, applicable laws, and regulations.
- Acceptance of patients is based on their hospice care needs and not their ability to pay. A patient's ability to pay for services will be evaluated for state or federal assistance programs, charity care, private insurance or private pay.
- Hospice will refer to appropriate community resources if patient care needs cannot be met.
- At the time of admission the patient or designated family member is provided with a written bill of rights. See Patient Family Bill of Rights Policy
- The Hospice Care Center (HCC) admits currently enrolled or hospice eligible patients from private homes, hospitals, or nursing facilities for General Inpatient (GIP), Routine (RHC) or Respite levels of care.
- Prior to admission to the HCC patients or their surrogate decision maker must sign the Hospice Care Center Agreement.

Procedure

Referrals

- Patients who are referred to hospice services will be reviewed for eligibility and verify financial coverage by the payor source.
- The hospice physician will review the information for eligibility to receive hospice services and if eligible, approve the admission.
- Payor authorization will obtain authorization for benefits if private insurance.
    - A financial disclosure form will be completed for all private insurance patients.
    - If there is no funding source or a limited benefit, financial issues will be addressed including education and assistance on charity care if indicated.
- The initial evaluation will be made within the time frame requested by the referral source, patient/family, or as ordered by the physician. In the event the evaluation is delayed, the patient and physician will be advised.
- High acuity patients should have a complex case review prior to admit.

Admission

1. The assigned hospice staff will confirm that a verbal Certification of Terminal Illness (CTI) has been obtained from a hospice physician prior to the admission.
2. If there is not a CTI, the nurse will communicate referral information and their assessment findings with the hospice physician to determine eligibility for admission to the program and receive a verbal order for the CTI.
3. The attending provider will be advised of the admission and may be consulted if the patient does not appear to meet hospice eligibility for further substantiating information.

4. Admission clinician will communicate with IDG members at the time of admission
5. The assigned hospice staff will:
    a. Explain the hospice philosophy of palliative care with the patient/family/surrogate decision maker as unit of care.
    b. Determine the legal decision maker and obtain a copy of any documents to file in the patient's medical record. If unable to obtain paperwork at the time of admission communicate to the team to follow up.
    c. Verify the patient's choice of attending provider.
    d. Obtain consents for care and election of hospice benefit.
    e. Review the admission literature with patient /family/surrogate decision maker once agreement for the hospice program has been decided.
    f. Review & discuss the Patient/Family Bill of Rights and Responsibilities, Patient Non-Discrimination Policy and Patient Grievance Procedure and the Complaint Resolution Process.
    g. Provide the patient /family/surrogate decision maker with a copy of Providence Hospice notice of privacy practices.
    h. Inform patient /family/surrogate decision maker of funding source and financial responsibilities for services, if any.
    i. Assess the patient including system review and begin to develop goals for end-of-life care with patient/family/surrogate decision maker.
6. Notify the attending provider of non-qualifying or declination of care will be documented in the clinical record. Notification to the core leader, attending provider, and referral source will be completed and documented in the clinical record.
7. [6]All patients admitted to hospice will be provided with a hospice handbook and various educational materials providing information on:
    a. Nature and goals of care and/or service
    b. 24/7 phone availability with visits as needed
    c. Access to care after hours
    d. Hospice mission, objectives, and scope of care
    e. Safety information
    f. Infection control information including hand and respiratory hygiene practices
    g. Emergency management plans
    h. Available community resources
    i. Other regulatory required provisions
    j. Complaint/grievance process
    k. Advance Directives
    l. Availability of spiritual counseling in accordance with religious preference
    m. Other hospice personnel involved in care
    n. Financial disclosure when appropriate

o. Medication disposal policy

8. The hospice assigned staff will document that the above information has been furnished to the patient /family/surrogate decision maker.

Ongoing Eligibility Review

- The IDG will discuss patient's ongoing eligibility for hospice at regular meetings.
- Prior to the expiration of the current benefit period, the IDG will begin the process of assembling information to assist the hospice physician with the determination for ongoing hospice eligibility.
- Information should include:
  - Relevant changes to patient condition (sx mngmt needs, weight loss/change in MAC, falls)
  - New or changed medication orders
  - Increased clinician visit needs
  - Appropriate prognostic tool scores (PPS, FAST, NYHA)
  - Visits to Emergency rooms and/or hospitalizations

Epic manual nursing admission workflow

References

Medicare Conditions of Participation: §418.102(b) 418.25, 418.52, 418.56, 418.64, 418.70, 418.72, 418.108

Joint Commission Standard: **PC.01.01.01: [1]EP2 [2]EP9, [3]EP10, [4]EP14,[5]EP16, [6]PC.02.02.05: 3, 4**

[7]CA Section 6.2 Policies Added "color" and "ancestry"

Tools and Guidelines for Determining Eligibility for Hospice

Related policies

Certification of Terminal Illness Policy

Initial and Comprehensive Assessment/Reassessment

Pain Assessment Policy

Notice of Election and Notification of Hospice Non-Covered Items (Election Addendum)

Attachments

Tools and Guidelines for Determining Eligibility for Hospice

Approval Signatures

Approver	Date
Stephanie Crow: Exec Dir Clin Qual/Educ/Accred	11/2021

Applicability

PHCC - Providence Home and Community Care (Legacy)

Exhibit 11
Charity Care Policy

Current Status: *Active* **PolicyStat ID:** *9428216*

Implementation:	*01/2018*
Effective:	*03/2021*
Last Reviewed:	*03/2021*
Last Revised:	*03/2021*
Next Review:	*03/2022*
Owner:	*Sara Woodruff: Supv AR Post Acute PSJH*
Policy Area:	*Finance*
Ministries:	*Home Health Portland, Home Health WA, Hospice Care Center Everett, Hospice Everett, Hospice Olympia, Hospice Portland, Hospice Seattle, Hospice Spokane, PHCC Revenue Cycle, Providence Marianwood, Providence Mother Joseph Care Center, Providence Mount St Vincent (SNF), Providence St Joseph Care Center*
Applicability:	*PHCC - Providence Home and Community Care (Legacy)*

RC-HCC-Financial Assistance Charity Care Policy

PURPOSE:

The purpose of this policy is to outline financial assistance as it pertains to Home and Community Care (HCC) and to also incorporate state specific guidelines.

DEFINITIONS:

Charity care has been defined as healthcare provided for free or at reduced cost to low income patients. Charity Care is a provision of health and social services with no expectation of compensation from any source—either third party insurance or private pay.

State Specific Guidelines is defined as approvals or denials based on state level guidelines.

FPL Federal Poverty Limit

Medically Necessary Services services which are justified as reasonable, necessary and/or appropriate based on evidence-based clinical standards of care.

POLICY:

Providence Health is a Catholic healthcare organization guided by a commitment to its Mission and Core Values, designed to reveal God's love for all, especially the poor and vulnerable, through compassionate service. It is both the philosophy and practice of each Providence ministry that medically necessary healthcare services are available to community members and those in emergent medical need, without delay,

regardless of their ability to pay. HCC is a ministry under Providence Health and will follow the same guidelines as outline in the Providence Health Charity Care Policy.

1. Providence Health will comply with federal and (applicable) state laws and regulations relating to emergency medical services and charity care.
2. Providence Health will provide charity care to qualifying patients to relieve them of all or some of their financial obligation for medically necessary HCC healthcare services.
3. In alignment with its Core Values, Providence Health will provide charity care to qualifying patients in a respectful, compassionate, fair, consistent, effective and efficient manner.
4. Providence Health will not discriminate on the basis of age, sex, race, creed, color, disability, sexual orientation, national origin, or immigration status when making charity care determinations.
5. In extenuating circumstances, HCC may at its discretion approve charity care outside of the scope of this policy.

It is the responsibility of the client/patient/participant (or his/her legal surrogate decision-maker) to actively participate in the financial assistance screening process and in providing requested information on a timely basis.

Eligibility Requirements:

- Charity care is for uninsured or under-insured patients/guarantors. Where an insured patient/guarantor has income and assets less than the state FPL requirements charity may be provided if appropriate.
- Charity care is secondary to all other financial resources available to the guarantor including but not limited to insurance, third party liability payors, government programs and outside agency programs. In situations where appropriate primary payment sources are not available, guarantors may apply for charity care based on the eligibility requirements in this policy.
- Charity care is granted for medically necessary services only as defined by Providence Health. In certain situations, Providence Health may request additional information from the patient or the patient's provider when determining medical necessity.
- Patients who reside outside the HCC service area as defined by Providence Health are not eligible for charity care, except under the following circumstances:
  - The medically necessary service is not available in the service area where the patient resides.
- Eligibility for charity care shall be based on financial need at the time of application. Providence Health may choose to grant charity care based solely on an initial determination of a guarantor's status as an indigent person. In these cases, documentation may not be required. In all other cases, documentation is required to support an application for charity care. This may include: proof of income and assets from any source, including but not limited to copies of recent paychecks, W-2 statements, income tax returns, and/or bank statements showing activity. If adequate documentation cannot be provided Providence Health may ask for additional information.
- The full amount of HCC Services will be determined to be charity care for any guarantor whose gross household income is at or below the state regulatory federal poverty guideline level provided that such persons are not eligible for other private or public health coverage sponsorship.
- The Providence Health state specific sliding fee scales will be used to determine the amount to be written off as charity care after all funding possibilities available to the guarantor have been exhausted or denied and personal financial resources and assets have been reviewed for possible funding to pay for billing charges. See Appendix A for state specific regulations.

Evaluation Process:

- A guarantor who may be eligible to apply for charity care will be given fourteen (14) days to provide sufficient documentation to Providence Health to support a charity determination. Based upon documentation provided with the charity application, Providence Health will determine if additional information is required, or whether a charity determination can be made. The failure of a guarantor to reasonably complete appropriate application procedures shall be sufficient grounds for Providence Health to deny the charity care request and initiate collection efforts.
- Providence Health will notify the guarantor of a final determination within fourteen (14) business days of receiving all necessary documentation.
- The guarantor may appeal the determination of ineligibility for charity care by providing relevant additional documentation to Providence Health within thirty (30) days of receipt of the notice of denial. All appeals will be reviewed and if the determination on appeal affirms the denial, written notification will be sent to the guarantor. The final appeal process will conclude within thirty (30) days of the receipt of a denial by the applicant.

PROCEDURE:

1. The patient must complete a Charity Care application, or show proof Charity was previously approved by Providence Health or Swedish Affiliates.
2. Emphasis will be placed on determining eligibility for charity support at or before time of services
3. Medicaid applications will need to be completed for Skilled Nursing Facilities, Home Infusion and Home Medical Equipment.
4. Any of the following documents shall be sufficient evidence to determine eligibility for charity care:
    - Last 3 months of pay stubs or social security checks,
    - Current bank statements and/or income tax return from the previous year
    - W-2 or 1099 statements,
    - Unemployment compensation statements,
    - Forms approving or denying Medicaid or written statements from welfare agencies.

1. For Active clients/patients/participants: The Charity Care Information form should be completed by the appropriate Agency/SNF Personnel – then submitted to the systems shared business office (SBO) or appointed designee for approval.
2. The documentation and Charity Care Information form will be sent to the Manager/Supervisor of Revenue Cycle Services for review.
3. The Manager/Supervisor of SBO will review the application for approval.
4. The Revenue Cycle/SBO representative will update the electronic billing record to reflect Charity Care status, and adjust the account appropriately.

For Discharge clients/patients/participants:

1. Once the Client has been discharged and during the collection process it is determine that the client wishes to apply for Charity – the RC Team member will request the financial information and will submit the charity application.
2. Leadership/SBO will review the submitted application.

3. If charity is approved it will be approved for the outstanding unpaid amounts at time of receipt of Charity Application.
4. Home Health – Medicaid Only – Medicaid limits the number of Rehab visits allow per year – if it is medically necessary to go beyond these allowable visits – staff must talk with their Manager – request for additional visits needs to be completed and if Medicaid denies then these visits will be Charity.

ATTACHMENT: Charity Care Form, State Specific Regulations, State Specific FPL

Revenue Cycle:

- Will review for accuracy
- Put in Amounts for charity
- Comments: put in your name and date that you approve
- Email to System Director of Revenue Cycle
- System Director of Revenue Cycle will review and put in date approved
- Email back to Revenue Cycle supervisor/Manager
- Notify Biller of write off
- Place document in shared drive

Attachments

2021 PNW SWEDISH FPL.xlsx
FA APPLICATION.PDF
OR FA POLICY 3-1-20.pdf
CA FA POLICY 3-22-19.pdf
AK MT FA Policy 3-1-20.pdf
WA FA Policy 3-1-20.pdf

Approval Signatures

Approver	Date
Christina Miele: Exec Dir Rcs Non-Acute	03/2021

Applicability

PHCC - Providence Home and Community Care (Legacy)

Attachment A: Sliding Fee Scale

Timing of Income Determinations: Annual family income of the patient will be determined as of the time the hospital services were provided, or at the time of application if the application is made within two years of when services were provided and the patient has been making good faith efforts towards payment for the services.

If...	Then ...
Annual family income, adjusted for family size, is at or below 300% of the current FPL guidelines,	The patient is determined to be financially indigent, and qualifies for financial assistance 100% write-off on patient responsibility amounts.[1]
Annual family income, adjusted for family size, is between 301% and 350% of the current FP guidelines,	The patient is eligible for a discount of 75% from original charges on patient responsibility amounts.
If annual family income, adjusted for family size, is at or below 350% the FPL AND the patient has incurred total medical expenses at Providence hospitals in the prior 12 months in excess of 20% of their annual family income, adjusted for family size, for services subject to this policy,	The patient is eligible for 100% charity benefit on patient responsibility amounts.

[1] consistent with WAC Ch. 246-453, provided that such persons are not eligible for other third party coverage (see RCW 70.170.020(5) and 70.170.060(5)).

Exhibit 12
Patient Family Bill of Rights and Responsibilities Policy

Implementation:	*09/2017*
Effective:	*11/2021*
Last Reviewed:	*11/2021*
Last Revised:	*09/2017*
Next Review:	*11/2024*
Owner:	*Penny Smith: Mgr Clinical Qual Improvement*
Policy Area:	*Health Information Management*
Ministries:	*Hospice Care Center Everett, Hospice Everett, Hospice Olympia, Hospice Seattle, Hospice Spokane*
Applicability:	*PHCC - Providence Home and Community Care (Legacy)*

Patient Family Bill of Rights and Responsibilities

Scope

Applies to all Washington Hospice ministries.

Purpose

To provide information to patients, families and their caregivers that describe their rights and responsibilities related to their care and how to communicate with their care team and Providence Hospice as outlined in WAC 246-335-075 and CFR 418.52.

Policy

- The patient has the right to know, understand and exercise his or her rights as a patient of Providence Hospice.
- If a patient has been determined incompetent under state law by a court of proper jurisdiction, the rights of the patient are exercised by the person appointed pursuant to state law to act on the patient's behalf.
- If a state court has not determined a patient incompetent, any legal representative designated by the patient in accordance with state law may exercise the patient's rights to the extent allowed by state law.

PROCEDURE:

1. At the initial assessment visit, in advance of furnishing care services, patients or legal representatives will be provided with verbal (meaning spoken) and written notice of the patient's rights and responsibilities (attached) in a manner that the patient understands.
2. Patient rights and responsibilities are verbally reinforced during the admission process and the patient's or legal representative's initials and signature initials on the Informed Consent for Care (attached) will be obtained confirming that a copy of the notice of patient rights and responsibilities was received.
3. At the initial assessment visit information and written information concerning Providence Hospice policy on advance directives, including a description of applicable State law, will be given to the patient.
4. A copy of the signed Informed Consent for Care and Bill of Rights is left with the patient/ representative and the original is filed in the patient's medical record.

Attachments

informed consent for care.docx

Approval Signatures

Approver	Date
Stephanie Crow: Exec Dir Clin Qual/Educ/Accred	11/2021

Applicability

PHCC - Providence Home and Community Care (Legacy)

Exhibit 13
Nondiscrimination Policy

Current Status: *Active* **PolicyStat ID:** *8535567*

Implementation:	*09/2020*
Effective:	*09/2020*
Last Reviewed:	*09/2020*
Last Revised:	*09/2020*
Next Review:	*09/2025*
Owner:	*Jill Cooper: VP Reliability/ Patient Safety*
Policy Area:	*Clinical*
Departments:	
Applicability:	*Providence St. Joseph Health Systemwide*

PSJH-CLIN-1203 Nondiscrimination Policy

Executive Sponsor:	Amy Compton-Phillips, EVP, Chief Clinical Officer
Policy Owner:	Jill Cooper, VP Reliability & Patient Safety
Contact Person:	Shannon Alexander, Clinical Patient Safety & Risk Director

Scope:
This policy applies to Providence St. Joseph Health and its Affiliates[i] (collectively known as "PSJH") and their caregivers (employees); employees of affiliated organizations; members of System, community ministry and foundation boards; volunteers; trainees; independent contractors; and others under the direct control of PSJH (collectively referred to as workforce members), with respect to their involvement in the provision of health program and/or activities offered by PSJH. This policy does not apply to nondiscrimination in employment or in the provision of employee benefits by PSJH, or in the provision of coverage through Providence Health Plan (PHP), which are covered by other policies (see end of Reference section below). This is a management level policy, reviewed and recommended by the Policy Advisory Committee (PAC) to consider for approval by senior leadership which includes vetting by Executive Council (EC) with final approval by the President, Chief Executive Officer or appropriate delegate.

Purpose:
To establish PSJH's System-level policy and procedures prohibiting discrimination against individuals accessing any Health Program and/or Activity (defined below) provided by PSJH, designating caregivers responsible for implementation and monitoring of this policy, and establishing the internal grievance procedure for complaints alleging discrimination related to a PSJH Program or Activity.
In addition to this policy, PSJH is committed to nondiscrimination in employment and in the provision of benefits to caregivers of PSJH, and in the provision of coverage through PHP. These commitments are more fully outlined in PSJH's applicable Human Resources policies and benefit plan documents, or in the applicable PHP policies. This policy is not intended to replace, substitute or modify: (1) PSJH's and Affiliates' policies that prohibit discrimination in employment and provide for an internal grievance procedure for employment-related disputes; (2) any grievance procedure set forth in the applicable summary plan description for individuals participating in a PSJH benefit plan; or (3) PHP's policies governing nondiscrimination and associated grievance procedures in its health-related insurance activities. For information on the latter policies and grievance procedures, please see the links provided at the end of the Reference section below.

Definitions: For purposes of applying this policy, the following definitions apply:

1. *Auxiliary aids and services* include:(1) Qualified interpreters on-site or through video remote interpreting (VRI) services, as defined in 28 CFR 35.104 and 36.303(b); note takers; real-time computer-aided transcription services; written materials; exchange of written notes; telephone handset amplifiers; assistive listening devices; assistive listening systems; telephones compatible with hearing aids; closed caption decoders; open and closed captioning, including real-time captioning; voice, text, and video-based telecommunication products and systems, text telephones (TTYs), videophones, and captioned telephones, or equally effective telecommunications devices; videotext displays; accessible electronic and information technology; or other effective methods of making aurally delivered information available to individuals who are deaf or hard of hearing;(2) Qualified readers; taped texts; audio recordings; Braille materials and displays; screen reader software; magnification software; optical readers; secondary auditory programs (SAP); large print materials; accessible electronic and information technology; or other effective methods of making visually delivered materials available to individuals who are blind or have low vision;(3) Acquisition or modification of equipment and devices; and(4) Other similar services and actions.[ii]
2. *Caregiver*: Refers to all workforce members of PSJH.
3. *Disability:* The term "disability" is defined by the federal government in various ways, depending on the context. For the purposes of federal disability nondiscrimination laws (such as the Americans with Disabilities Act (ADA), Section 503 of the Rehabilitation Act of 1973 and Section 188 of the Workforce Innovation and Opportunity Act), the definition of a person with a disability is typically defined as someone who (1) has a physical or mental impairment that substantially limits one or more "major life activities," (2) has a record of such an impairment, or (3) is regarded as having such an impairment. More information on federal disability non-discrimination laws, visit DOL's Disability Nondiscrimination Law Advisor.
    - **In States Other than □ashington**: Means with respect to an individual, a physical or mental impairment that, in Alaska, Montana, New Mexico, Oregon and Texas *substantially limits*, or in California *limits*, one or more major life activities of such individual; a record of such an impairment; or being regarded as having such an impairment, as defined in 42 U.S.C. 12102, as amended;
    - **In □ashington:** RCW Ch.49.60.040 (7)
        a. "Disability" means the presence of a sensory, mental, or physical impairment that:
            i. Is medically cognizable or diagnosable; or
            ii. Exists as a record or history; or
            iii. Is perceived to exist whether or not it exists in fact.
        b. A disability exists whether it is temporary or permanent, common or uncommon, mitigated or unmitigated, or whether or not it limits the ability to work generally or work at a particular job or whether or not it limits any other activity within the scope of this chapter.
        c. For purposes of this definition, "impairment" includes, but is not limited to:
            i. Any physiological disorder, or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological, musculoskeletal, special sense organs, respiratory, including speech organs, cardiovascular, reproductive, digestive, genitor-urinary, hemic and lymphatic, skin, and endocrine; or
            ii. Any mental, developmental, traumatic, or psychological disorder, including but not

limited to cognitive limitation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

4. *Discrimination on the Basis of Sex:* Discrimination on the basis of sex includes but is not limited to discrimination on the basis of pregnancy, false pregnancy, termination of pregnancy, or recovery therefrom, childbirth or related medical conditions, gender or sex stereotyping, and gender identity.
5. *Gender Identity Gender identity* for some refers to a person's innate, deeply felt psychological sense of gender, which may or may not correspond to the person's body or sex assigned at birth.
    - *Gender identity* is frequently confused with sexual orientation, but the two concepts are different. Sexual orientation refers to how we interact with and are attracted to others, while gender identity refers to how we see ourselves. Just like gender-conforming people, transgender people can be of any sexual orientation.
    - *Transgender* As indicated above, society has traditionally expected persons who were assigned as a particular sex at birth to behave a certain way in relation to their gender: males are expected to behave in a "masculine" way, females in a "feminine" way. *Transgender* is an umbrella term covering anyone whose gender identity or expression does not conform to society's expectations for, or stereotypes about, people assigned a particular sex.
      As an umbrella term, the word "transgender" is an adjective that covers a wide spectrum of people. It includes persons who are *transsexual*. A transsexual is someone who — with or without medical treatment — identifies and lives his or her life as a member of the gender other than the one assigned at birth. Transgender also includes persons who are *gender non-conforming*. Gender non-conforming people may not consider themselves transgender, but have an appearance or gender expression that does not conform to gender stereotypes.
      In contrast to the term "transgender," *transsexual* is not an umbrella term, and many people who identify as transgender do not identify as transsexual.
6. *Gender Expression Gender expression* refers to how a person represents, or expresses, his or her gender identity to others -- through appearance, dress, mannerisms, speech patterns, social interactions, and other characteristics and behaviors.
7. *Health Program or Activity*: Means the provision or administration of health-related services, and provision of assistance to individuals in obtaining health-related services or insurance coverage.[iii]
8. *Limited English Proficiency:* Means an individual whose primary language for communication is not English and who has a limited ability to read, write, speak or understand English.
9. *National Origin*: Includes, but is not limited to, an individual's, or his or her ancestor's, place of origin (such as country or world region) or an individual's manifestation of the physical, cultural, or linguistic characteristics of a national original group.
10. *Qualified Bilingual/Multilingual Staff*: Qualified bilingual/multilingual staff must demonstrate to the covered entity that they are proficient in English and at least one other spoken language, including any necessary specialized vocabulary, terminology, and phraseology, and are able to effectively, accurately and impartially communicate directly with individuals with limited English proficiency in their primary language. An individual who meets the definition of "qualified bilingual/multilingual staff: does not necessarily qualify to interpret or translate for individuals with limited English proficiency within the meaning of this rule.[iv]
11. *Qualified Interpreter for an Individual with a Disability:*
    1. Means an interpreter who via a remote interpreting service or an on-site appearance:

a. Adheres to generally accepted interpreter ethics principles, including client confidentiality; and

b. Is able to interpret effectively, accurately, and impartially, both receptively and expressively, using any necessary specialized vocabulary, terminology and phraseology (e.g., sign language interpreters).

2. For an individual with a disability, qualified interpreters can include, for example, sign language interpreters, oral trans iterators (individuals who represent or spell in the characters of another alphabet), and cued language trans iterators (individuals who represent or spell by using a small number of hand shapes).

12. *Qualified Interpreter or Translator for an Individual with Limited English Proficiency or non-English speaking*: Means an interpreter or translator, who interprets or translates effectively, accurately, and impartially; who via a remote interpreting service or an on-site appearance: Means an interpreter who via a remote interpreting service or an on-site appearance:

- Adheres to generally accepted interpreter or translator ethics principles, as applicable, including client confidentiality;
- In the case of an interpreter has demonstrated proficiency in speaking, and in the case of a translator has demonstrated proficiency in writing, and in both cases, demonstrates proficiency in understanding both spoken English and at least one other spoken language; and
- In the case of an interpreter is able to interpret, and in the case of a translator is able to translate: effectively, accurately, and impartially, both receptively and expressly, to and from such language(s) and English, using any necessary specialized vocabulary, terminology and phraseology.

13. *Section 1557 Civil Rights Coordinator*: or *Civil Rights Coordinator:* Means the responsible PSJH caregiver(s) designated to coordinate PSJH's efforts to comply with this policy in any PSJH Program or Activity, including the investigation of any grievances filed under this policy, and who are listed by Region/Ministry in the Procedure section below.

14. *Sex stereotypes:* Means stereotypical notions of masculinity or femininity, including expectations of how individuals represent or communicate their gender to others, such as behavior, clothing, hairstyles, activities, voice, mannerisms, or body characteristics.

Policy:

Consistent with PSJH's Mission and Core Values, it is the policy of PSJH to not discriminate against, exclude, or treat differently any individuals accessing any PSJH Program or Activity on any basis prohibited by local, state or federal laws, including but not limited to on the basis of race, color, religious creed (including religious dress and grooming practices), national origin (including certain language use restrictions), ancestry, disability (mental and physical including HIV and AIDS), medical condition (including cancer and genetic characteristics), marital status, age, sex (including pregnancy, childbirth, breastfeeding and related medical conditions, gender, gender identity, gender expression and sexual orientation, genetic information (including family medical history), or military/veteran status as those terms are defined under federal and state laws and rules. Discrimination will not be tolerated.

PSJH applies all appropriate federal and/or state protections for religious freedom and conscience. It is also PSJH's policy to provide free auxiliary aids and language assistance services to individuals with Disabilities, or Limited English Proficiency, or non-English speaking who are accessing PSJH Programs or Activities. Such services may include providing Qualified Bilingual/Multilingual Staff, Qualified Interpreters, and Qualified Translation free of charge as needed or appropriate.

PSJH has established applicable grievance procedures for individuals accessing any PSJH Program or Activity, which provides for prompt and equitable resolution of complaints alleging violations of applicable federal or state laws that prohibit discrimination, including but not limited to Sections 504 and 508 of the Rehabilitation Act of 1973, the Americans With Disabilities Act (ADA) and Title VI of the Civil Rights Act of 1964, Section 1557 of the Affordable Care Act (42 U.S.C. 18116), and its implementing regulations at 45 CFR part 92 (collectively referred to below as "Section 1557"). Any person who believes that someone accessing a PSJH Program or Activity has been subjected to discrimination on the basis of race, color, religious creed (including religious dress and grooming practices), national origin (including certain language use restrictions), ancestry, disability (mental and physical including HIV and AIDS), medical condition (including cancer and genetic characteristics), marital status, age, sex (including pregnancy, childbirth, breastfeeding and related medical conditions, gender, gender identity, gender expression and sexual orientation, genetic information (including family medical history), or military/ veteran status may file a grievance under this procedure. It is against the law for PSJH to retaliate against anyone who opposes discrimination, files a grievance, or participates in the investigation of a grievance. Human Resources also maintains a policy on this topic.

References:

- PSJH-EIS-903 Web Accessibility Policy
- Section 1557 of the Affordable Care Act (42 U.S.C. 18116)
- Section 1557 implementing regulations at 45 CFR part 92
- Title VI of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972
- The Age Discrimination Act of 1975, subject to the exclusions described in 45 CFR 91.3(b)(1)
- Section 504 and 508 of the Rehabilitation Act of 1973
- Title 42, Chapter 126 Americans with Disabilities Act of 1990, as Amended
- Cal. Health & Safety Code § 1259
- RCW Ch. 49.60 Discrimination—Human Rights Commission
- **28 C□R □35.104 □Definitions□Nondiscrimination On The □asis Of Disability in State and Local Government Services**
- Washington State Disability https://app.leg.wa.gov/RCW/default.aspx?cite=49.60.040
- United States Department of Labor, Office of Disability Employment Policy https://www.dol.gov/odep/faqs/general.htm#3
- Department of Labor Policies on Gender Identity: Rights and Responsibilities https://www.dol.gov/agencies/oasam/civil-rights-center/internal/policies/gender-identity

For Human Resources policies applicable to caregivers, or questions about caregiver benefits, and applicable grievance procedures, please contact your local Human Resources department or see: HRforCaregivers.org.
For PHP's policies applicable to nondiscrimination in the provision of health-related coverage and grievance procedures, see: https://healthplans.providence.org/nondiscrimination-statement.

Applicability:

[i] For purposes of this policy, “Affiliates” is defined as any entity that is wholly owned or controlled by PSJH, Providence Health & Services, St. Joseph Health or Western HealthConnect (for example, Hoag Memorial Hospital Presbyterian, Swedish Health Services, Swedish Edmonds, Covenant Health, Kadlec Regional Medical Center, PacMed Clinics, St. Joseph Heritage Healthcare and Inland Northwest Health Services).

[ii] https://www.govinfo.gov/content/pkg/CFR-2017-title45-vol1/xml/CFR-2017-title45-vol1-part92.xml

[iii]For nondiscrimination and grievance policies related to PSJH's provision of health-related insurance or other benefits, to PSJH caregivers or through Providence Health Plan, please see the applicable links at the end of the References section below.
[iv]Nondiscrimination in Health Programs and Activities, page 31390 Retrieved 7/31/2019 from https://www.federalregister.gov/documents/2016/05/18/2016-11458/nondiscrimination-in-health-programs-and-activities?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov

Attachments

Nondiscrimination Investigation and Review PROCEDURE.docx

Approval Signatures

Approver	Date
Cynthia Johnston: Compliance Spec PSJH	09/2020
Cynthia Johnston: Compliance Spec PSJH	09/2020
Cynthia Johnston: Compliance Spec PSJH	09/2020

Applicability

AK - Providence Alaska MC, AK - Providence Kodiak Island MC, AK - Providence PEC/PTCC, AK - Providence Seward MC, AK - Providence St. Elias Specialty Hospital, AK - Providence Valdez MC, CA - LA Region, CA - Mission Hospitals, CA - PSJH Physician Enterprise Northern, CA - PSJH Physician Enterprise Southern, CA - Petaluma Valley Hospital, CA - Providence Cedars-Sinai Tarzana MC, CA - Providence Holy Cross MC, CA - Providence LCM MC San Pedro, CA - Providence LCM MC Torrance, CA - Providence Saint John's Health Center, CA - Providence Saint Joseph MC, Burbank, CA - Queen of the Valley Medical Center, CA - Redwood Memorial Hospital, CA - Santa Rosa Memorial Hospital, CA - St. Joseph Hospital - Eureka, CA - St. Joseph Hospital Orange, CA - St. Jude Medical Center, CA - St. Mary Medical Center Apple Valley, MT - Providence St. Joseph MC, Polson, MT - St. Patrick Hospital, OR - Clinical Support Staff (CSS), OR - Connections, OR - Credena Health (CH), OR - Home Health (HH), OR - Home Medical Equipment (HME), OR - Home Services, OR - Home Services Pharmacy (HSRx), OR - Hospice (HO), OR - Providence Ctr for Medically Fragile Children, OR - Providence Health Oregon Labs, OR - Providence Hood River Memorial Hospital, OR - Providence Medford MC, OR - Providence Medical Group, OR - Providence Medical Group, OR - Providence Milwaukie Hospital, OR - Providence Newberg MC, OR - Providence Portland MC, OR - Providence Seaside Hospital, OR - Providence St. Vincent MC, OR - Providence Willamette Falls MC, Providence Home and Community Care, Providence St. Joseph Health, Providence and Kadlec Express Care, Swedish Medical Center - Ballard Campus, Swedish Medical Center - Cherry Hill Campus, Swedish Medical Center - Edmonds Campus, Swedish Medical Center - First Hill Campus, Swedish Medical Center - Issaquah Campus, TX - Covenant Children's Hospital, TX - Covenant Hospital Levelland, TX - Covenant Hospital Plainview, TX - Covenant Medical Center, TX - Covenant Specialty Hospital, WA - EWA Providence Medical Group, WA - Kadlec Regional Medical Center, WA - NWR Providence Medical Group, WA - Providence Centralia Hospital, WA - Providence DominiCare, WA - Providence Holy Family

Hospital, WA - Providence Mt. Carmel Hospital, WA - Providence Physician Services, WA - Providence Regional MC Everett, WA - Providence St. Joseph's Hospital, WA - Providence St. Mary MC, WA - Providence St. Peter Hospital, WA - Providence Surgery Center, Pacific Campus, WA - SWR Providence Medical Group, WA - Sacred Heart Med Ctr & Children's Hospital

PROVIDENCE
Health & Services

Notice of Nondiscrimination and Accessibility Rights

Providence Health & Services and its Affiliates[1] (collectively "Providence") comply with applicable Federal civil rights laws and do not discriminate on the basis of race, color, national origin, age, disability, or sex. Providence does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex. Providence:

(1) Provides free aids and services to people with disabilities to communicate effectively with us, such as: (a) Qualified sign language interpreters; and (b) Written information in other formats (large print, audio, accessible electronic formats, other formats).

(2) Provides free language services to people whose primary language is not English, such as: (a) Qualified interpreters; and (b) Information written in other languages.

If you need any of the above services, please contact the appropriate Civil Rights Coordinator below. If you need Telecommunications Relay Services, please call 1-800-833-6384 or 7-1-1.

If you believe that Providence has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with Providence by contacting the Civil Rights Coordinator for your state as listed below:

State/Service	Civil Rights Coordinator
Washington	Civil Rights Coordinator, 101 W. 8th Ave., Spokane, WA 99204; Tel: 1-844-469-1775; Interpreter Line: 1-888-311-9127; Email: Nondiscrimination.WA@providence.org
Senior Services (all states)	Civil Rights Coordinator, 2811 S. 102nd Street, Suite 220, Tukwila, WA 98168, Tel: 1-844-469-1775; Interpreter Line: 1-888-311-9127; Email: Nondiscrimination.pscs@providence.org

You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, one of the above-noted Civil Rights Coordinators is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone at:

U.S. Department of Health and Human
Services, 200 Independence Avenue SW.,
Room 509F, HHH Building, Washington, DC
20201, 1–800–368–1019, 800–537–7697 (TDD).
Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

[1] For purposes of this notice, "Affiliates" is defined as any entity that is wholly owned or controlled by Providence Health & Services or Western HealthConnect, including but not limited to all Providence Health & Services-Washington, Providence Health & Services Alaska, Providence Medical Group, and all subsidiaries, facilities, and locations operated by those entities.

PROVIDENCE
Health & Services

Notice of Nondiscrimination and Accessibility Rights

ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 888-311-9127 (TTY: 711).

注意： 如果您講中文，我們可以給您提供免費中文翻譯服務，請致電888-311-9127 (TTY: 711)

CHÚ Ý: Nếu bạn nói Tiếng Việt, các dịch vụ hỗ trợ ngôn ngữ miễn phí có sẵn dành cho bạn. Gọi số 888-311-9127 (TTY: 711)

주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 888-311-9127 (TTY: 711) 번으로 전화해 주십시오.

ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Звоните 888-311-9127 (телетайп: 711).

PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad. Tumawag sa 888-311-9127 (TTY: 711).

УВАГА! Якщо ви розмовляєте українською мовою, ви можете звернутися до безкоштовної служби мовної підтримки. Телефонуйте за номером 888-311-9127 (телетайп: 711).

ប្រយ័ត្ន៖ បើសិនជាអ្នកនិយាយ ភាសាខ្មែរ, សេវាជំនួយផ្នែកភាសា ដោយមិនគិតឈ្នួល
គឺអាចមានសំរាប់បំរើអ្នក។ ចូរ ទូរស័ព្ទ 888-311-9127 (TTY: 711)។

注意事項：日本語を話される場合、無料の言語支援をご利用いただけます. 888-311-9127 (TTY:711) まで、お電話にてご連絡ください.

ልብ ይበሉ፦ የሚናገሩት ቋንቋ አማርኛ ከሆነ፣ የቋንቋ እገዛ አገልግሎቶች፣ በነጻ፣ ማግኘት ይችላሉ። 888-311-9127 (መስማት ለተሳናቸው: 711) ይደውሉ።

XIYYEEFFANNAA: Afaan dubbattu Oroomiffa, tajaajila gargaarsa afaanii, kanfaltiidhaan ala, ni argama. Bilbilaa 888-311-9127 (TTY: 711).

ملحوظة: إذا كنت تتحدث اذكر اللغة، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان. اتصل برقم 888-311-9127 (رقم هاتف الصم والبكم: 711).

ਧਿਆਨ ਧਿਓ: ਜੇ ਤੁਸੀਂ ਪੰਜਾਬੀ ਬੋਲਿ ਹੋ, ਤਾਂ ਭਾਸ਼ਾ ਧਵਿੱਚ ਸਹਾਇਤਾ ਸੇਵਾ ਤੁਹਾਡੇ ਲਈ ਮੁਫਤ ਉਪਲਬਿ ਹੈ। 888-311-9127 (TTY: 711) 'ਤੇ ਕਾਲ ਕਰੋ।

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 888-311-9127 (TTY: 711).

ໂປດຊາບ: ຖ້າວ່າ ທ່ານເວ້ົາພາສາ ລາວ, ການບໍ ລການຊ ້ວຍເຫ ືອດ ້ານພາສາ, ໂດຍ ບເສ ັ ຽຄ ່າ, ແມ ້ ນມພ ້ ອມໃຫ ້ ທ ່ ານ. ໂທຣ 888-311-9127 (TTY: 711).

Exhibit 14
Providence Hospice of Seattle Revenue and Expense Proforma
&
Assumptions and Start-up Costs

Providence Hospice of Seattle Pro Forma Forecast, 2022 – 2025

The Project (*Pierce County Only*)

Revenue and Expense Statement

	2022	2023	2024	2025
	Forecast	Forecast	Forecast	Forecast
Averaged Daily Census (ADC)	-	25	38	50
Patient Days	-	9,125	13,908	18,250
GROSS PATIENT REVENUE				
Medicare	-	2,266,105	3,453,916	4,532,210
Medicaid	-	258,826	394,493	517,652
Commercial	-	118,399	180,460	236,798
Other (Tricare, Workers Comp, and VA)	-	96,371	146,886	192,743
Self Pay	-	13,767	20,984	27,535
TOTAL GROSS PATIENT REVENUE	-	2,753,469	4,196,739	5,506,938
DEDUCTIONS FROM REVENUE				
Medicare	-	611,848	932,557	1,223,697
Medicaid	-	23,294	35,504	46,589
Commercial	-	10,656	16,241	21,312
Other (Tricare, Workers Comp, and VA)	-	22,165	33,784	44,331
Self Pay	-	964	1,469	1,927
TOTAL CONTRACTUAL ALLOWANCES	-	668,927	1,019,555	1,337,856
Bad Debt	-	14,593	22,243	29,187
Charity Care	-	16,245	24,761	32,491
TOTAL DEDUCTIONS FROM REVENUE	-	699,765	1,066,559	1,399,534
NET PATIENT REVENUE				
Medicare	-	1,654,257	2,521,359	3,308,513
Medicaid	-	235,532	358,989	471,063
Commercial	-	107,743	164,219	215,486
Other (Tricare, Workers Comp, and VA)	-	74,206	113,102	148,412
Self Pay/Charity	-	(18,035)	(27,489)	(36,070)
TOTAL NET PATIENT REVENUE	-	2,053,703	3,130,180	4,107,404
Other Operating Revenue	-	-	-	-
TOTAL NET OPERATING REVENUE	-	2,053,703	3,130,180	4,107,404
OPERATING EXPENSES				
Salary and Wages	-	663,759	1,025,985	1,379,672
Benefits	-	171,810	268,553	358,224
Professional Fees	2,720	10,403	15,855	20,805
Supplies	784	182,683	278,439	365,366
Purchased Services	17,875	249,112	379,689	498,228
Other Expenses	3,059	51,921	71,600	89,525
TOTAL OPERATING EXPENSES	24,438	1,329,688	2,040,121	2,711,820
NON-OPERATING EXPENSES				
Depreciation	-	-	-	-
System Allocation	-	143,759	219,113	287,518
TOTAL NON-OPERATING EXPENSES	-	143,759	219,113	287,518
TOTAL EXPENSES	24,438	1,473,447	2,259,234	2,999,338
NET OPERATING INCOME (LOSS)	(24,438)	580,256	870,946	1,108,066
NOI %	N/A	28.3%	27.8%	27.0%

Source: Providence Hospice of Seattle

Providence Hospice of Seattle Pro Forma Forecast, 2022 – 2025

The Project (*Pierce County Only*)

Expense Statement

	2022	2023	2024	2025
	Forecast	Forecast	Forecast	Forecast
Averaged Daily Census (ADC)	-	25	38	50
Patient Days	-	9,125	13,908	18,250
SALARIES & BENEFITS				
RN/LPN	-	228,010	342,014	456,019
Hospice Aide	-	56,734	85,101	108,740
Administrative/Clerical	-	42,962	66,830	85,925
Chaplain/Clergy	-	33,771	59,099	75,984
Occupational Therapist (OT)	-	10,843	21,686	32,529
Medical Social Worker (MSW)	-	86,318	134,272	172,636
Management/Supervisor	-	78,549	130,915	170,190
Medical Director/Physicians	-	49,009	73,513	122,522
Other	-	27,412	45,687	54,825
Agency	-	50,151	66,868	100,302
Employee Benefits	-	171,810	268,553	358,224
TOTAL SALARIES & BENEFITS	-	835,569	1,294,538	1,737,896
PROFESSIONAL FEES				
Legal and Professional	2,720	10,403	15,855	20,805
TOTAL PROFESSIONAL FEES	2,720	10,403	15,855	20,805
SUPPLIES				
Medical Supplies	584	116,983	178,301	233,965
Non Medical Supplies	-	1,916	2,921	3,833
Pharmacy Supplies	-	62,233	94,853	124,465
Office Supplies	200	1,095	1,669	2,190
Other Supplies	-	456	695	913
TOTAL SUPPLIES	784	182,683	278,439	365,366
PURCHASED SERVICES				
Print and Publications	1,125	1,734	2,643	3,468
Advertising and Marketing	750	91	139	183
Telephone and Wireless	-	6,570	10,014	13,140
Translation Services	-	3,833	5,841	7,665
Maintenance Services	-	91	139	183
Nursing Home	-	168,356	256,603	336,713
General Inpatient (GIP)	-	34,766	52,989	69,533
Respite	-	1,825	2,782	3,650
Other Purchased Services	16,000	31,846	48,539	63,693
TOTAL PURCHASED SERVICES	17,875	249,112	379,689	498,228
OTHER EXPENSES				
Mileage	-	19,710	30,041	39,420
Travel	-	2,190	3,338	4,380
Training & Education	-	1,916	2,921	3,833
Equipment (PC, Printers, etc.)	2,500	7,483	11,405	14,965
Dues and Memberships	-	183	278	365
Lease Expense	-	14,679	14,837	14,986
Licensing	559	559	852	1,173
Other Miscellaneous Expenses	-	5,201	7,928	10,403
TOTAL OTHER EXPENSES	3,059	51,921	71,600	89,525
TOTAL OPERATING EXPENSES	24,438	1,329,688	2,040,121	2,711,820
NON-OPERATING EXPENSES				
Depreciation	-	-	-	-
Allocated System Expense	-	143,759	219,113	287,518
TOTAL NON-OPERATING EXPENSES	-	143,759	219,113	287,518
TOTAL EXPENSES	24,438	1,473,447	2,259,234	2,999,338

Source: Providence Hospice of Seattle

Providence Hospice of Seattle Pro Forma Forecast, 2022 – 2025

Without Project (As Is)

Revenue and Expense Statement

	2022	2023	2024	2025
	Forecast	Forecast	Forecast	Forecast
Averaged Daily Census (ADC)	**609**	**622**	**632**	**647**
Patient Days	**222,421**	**226,869**	**231,406**	**236,034**
GROSS PATIENT REVENUE (GPR)				
Medicare	55,236,087	56,340,704	57,467,424	58,616,743
Medicaid	6,308,860	6,435,026	6,563,716	6,694,986
Commercial	2,885,968	2,943,682	3,002,551	3,062,600
Other (Tricare, Workers Comp, and VA)	2,349,044	2,396,020	2,443,937	2,492,814
Self Pay	335,578	342,289	349,134	356,116
TOTAL GROSS PATIENT REVENUE	**67,115,537**	**68,457,721**	**69,826,761**	**71,223,260**
DEDUCTIONS FROM REVENUE				
Medicare	14,913,743	15,211,990	15,516,204	15,826,521
Medicaid	567,797	579,152	590,734	602,549
Commercial	259,737	264,931	270,230	275,634
Other (Tricare, Workers Comp, and VA)	540,280	551,085	562,106	573,347
Self Pay	23,490	23,960	24,439	24,928
TOTAL CONTRACTUAL ALLOWANCES	**16,305,047**	**16,631,118**	**16,963,713**	**17,302,979**
Bad Debt	355,712	362,826	370,082	377,483
Charity Care	395,982	403,901	411,978	420,217
TOTAL DEDUCTIONS FROM REVENUE	**17,056,741**	**17,397,845**	**17,745,773**	**18,100,679**
NET PATIENT REVENUE				
Medicare	40,322,344	41,128,714	41,951,220	42,790,222
Medicaid	5,741,063	5,855,874	5,972,982	6,092,437
Commercial	2,626,231	2,678,751	2,732,321	2,786,966
Other (Tricare, Workers Comp, and VA)	1,808,764	1,844,935	1,881,831	1,919,467
Self Pay/Charity	(439,606)	(448,398)	(457,365)	(466,512)
TOTAL NET PATIENT REVENUE	**50,058,796**	**51,059,876**	**52,080,989**	**53,122,580**
Other Operating Revenue	702,850	716,906	731,243	745,867
TOTAL NET OPERATING REVENUE	**50,761,646**	**51,776,782**	**52,812,232**	**53,868,447**
OPERATING EXPENSES				
Salary and Wages	19,766,892	20,144,049	20,545,413	20,946,474
Benefits	5,202,397	5,298,639	5,406,340	5,509,276
Professional Fees	253,560	258,631	263,803	269,079
Supplies	4,452,868	4,541,917	4,632,748	4,725,401
Purchased Services	6,072,092	6,193,525	6,317,384	6,443,727
Other Expenses	1,420,021	1,443,061	1,467,085	1,491,162
TOTAL OPERATING EXPENSES	**37,167,830**	**37,879,822**	**38,632,773**	**39,385,119**
NON-OPERATING EXPENSES				
Depreciation	4,818	4,818	4,818	4,818
System Allocation	3,553,315	3,624,375	3,696,856	3,770,791
TOTAL NON-OPERATING EXPENSES	**3,558,133**	**3,629,193**	**3,701,674**	**3,775,609**
TOTAL EXPENSES	**40,725,963**	**41,509,015**	**42,334,447**	**43,160,728**
NET OPERATING INCOME (LOSS)	**10,035,683**	**10,267,767**	**10,477,785**	**10,707,719**
NOI %	19.8%	19.8%	19.8%	19.9%

Source: Providence Hospice of Seattle

Providence Hospice of Seattle Pro Forma Forecast, 2022 – 2025

Without Project (As Is)

Expense Statement

	2022	2023	2024	2025
	Forecast	Forecast	Forecast	Forecast
Averaged Daily Census (ADC)	**609**	**622**	**632**	**647**
Patient Days	**222,421**	**226,869**	**231,406**	**236,034**
SALARIES & BENEFITS				
RN/LPN	8,459,156	8,618,763	8,789,770	8,972,178
Hospice Aide	1,352,162	1,375,801	1,404,168	1,432,536
Administrative/Clerical	1,031,098	1,054,966	1,074,060	1,093,154
Chaplain/Clergy	1,055,340	1,080,668	1,105,996	1,122,882
Occupational Therapist (OT)	336,134	336,134	346,977	346,977
Medical Social Worker (MSW)	2,282,629	2,320,993	2,368,947	2,416,902
Management/Supervisor	2,003,003	2,042,277	2,081,552	2,120,826
Medical Director/Physicians	1,347,746	1,372,251	1,396,755	1,421,260
Other	712,720	721,858	740,133	749,270
Agency	1,186,904	1,220,338	1,237,055	1,270,489
Employee Benefits	5,202,397	5,298,639	5,406,340	5,509,276
TOTAL SALARIES & BENEFITS	**24,969,289**	**25,442,688**	**25,951,753**	**26,455,750**
PROFESSIONAL FEES				
Legal and Professional	253,560	258,631	263,803	269,079
TOTAL PROFESSIONAL FEES	**253,560**	**258,631**	**263,803**	**269,079**
SUPPLIES				
Medical Supplies	2,851,437	2,908,461	2,966,625	3,025,956
Non Medical Supplies	46,708	47,642	48,595	49,567
Pharmacy Supplies	1,516,911	1,547,247	1,578,189	1,609,752
Office Supplies	26,691	27,224	27,769	28,324
Other Supplies	11,121	11,343	11,570	11,802
TOTAL SUPPLIES	**4,452,868**	**4,541,917**	**4,632,748**	**4,725,401**
PURCHASED SERVICES				
Print and Publications	42,260	43,105	43,967	44,846
Advertising and Marketing	2,224	2,269	2,314	2,360
Telephone and Wireless	160,143	163,346	166,612	169,944
Translation Services	93,417	95,285	97,191	99,134
Maintenance Services	2,224	2,269	2,314	2,360
Nursing Home	4,103,667	4,185,733	4,269,441	4,354,827
General Inpatient (GIP)	847,424	864,371	881,657	899,290
Respite	44,484	45,374	46,281	47,207
Other Purchased Services	776,249	791,773	807,607	823,759
TOTAL PURCHASED SERVICES	**6,072,092**	**6,193,525**	**6,317,384**	**6,443,727**
OTHER EXPENSES				
Mileage	480,429	490,037	499,837	509,833
Travel	53,381	54,449	55,537	56,648
Training & Education	46,708	47,642	48,595	49,567
Equipment (PC, Printers, etc)	182,385	186,033	189,753	193,548
Dues and Memberships	4,448	4,537	4,628	4,721
Lease Expense	519,217	524,242	529,892	535,225
Licensing	6,673	6,806	6,942	7,081
Other Miscelleneous Expenses	126,780	129,315	131,901	134,539
TOTAL OTHER EXPENSES	**1,420,021**	**1,443,061**	**1,467,085**	**1,491,162**
TOTAL OPERATING EXPENSES	**37,167,830**	**37,879,822**	**38,632,773**	**39,385,119**
NON-OPERATING EXPENSES				
Depreciation	4,818	4,818	4,818	4,818
Allocated System Expense	3,553,315	3,624,375	3,696,856	3,770,791
TOTAL NON-OPERATING EXPENSES	**3,558,133**	**3,629,193**	**3,701,674**	**3,775,609**
TOTAL EXPENSES	**40,725,963**	**41,509,015**	**42,334,447**	**43,160,728**

Source: Providence Hospice of Seattle

Providence Hospice of Seattle Pro Forma Forecast, 2022 – 2025

With Project (As Is + Pierce)

Revenue and Expense Statement

	2022	2023	2024	2025
	Forecast	Forecast	Forecast	Forecast
Averaged Daily Census (ADC)	**609**	**647**	**670**	**697**
Patient Days	**222,421**	**235,994**	**245,314**	**254,284**
GROSS PATIENT REVENUE				
Medicare	55,236,087	58,606,809	60,921,340	63,148,953
Medicaid	6,308,860	6,693,852	6,958,209	7,212,638
Commercial	2,885,968	3,062,081	3,183,011	3,299,398
Other (Tricare, Workers Comp, and VA)	2,349,044	2,492,391	2,590,823	2,685,557
Self Pay	335,578	356,056	370,118	383,651
TOTAL GROSS PATIENT REVENUE	**67,115,537**	**71,211,189**	**74,023,501**	**76,730,197**
DEDUCTIONS FROM REVENUE				
Medicare	14,913,743	15,823,838	16,448,761	17,050,218
Medicaid	567,797	602,446	626,238	649,138
Commercial	259,737	275,587	286,471	296,946
Other (Tricare, Workers Comp, and VA)	540,280	573,250	595,890	617,678
Self Pay	23,490	24,924	25,908	26,855
TOTAL CONTRACTUAL ALLOWANCES	**16,305,047**	**17,300,045**	**17,983,268**	**18,640,835**
Bad Debt	355,712	377,419	392,325	406,670
Charity Care	395,982	420,146	436,739	452,708
TOTAL DEDUCTIONS FROM REVENUE	**17,056,741**	**18,097,610**	**18,812,332**	**19,500,213**
NET PATIENT REVENUE				
Medicare	40,322,344	42,782,971	44,472,579	46,098,735
Medicaid	5,741,063	6,091,406	6,331,971	6,563,500
Commercial	2,626,231	2,786,494	2,896,540	3,002,452
Other (Tricare, Workers Comp, and VA)	1,808,764	1,919,141	1,994,933	2,067,879
Self Pay/Charity	(439,606)	(466,433)	(484,854)	(502,582)
TOTAL NET PATIENT REVENUE	**50,058,796**	**53,113,579**	**55,211,169**	**57,229,984**
Other Operating Revenue	702,850	716,906	731,243	745,867
TOTAL NET OPERATING REVENUE	**50,761,646**	**53,830,485**	**55,942,412**	**57,975,851**
OPERATING EXPENSES				
Salary and Wages	19,766,892	20,807,808	21,571,398	22,326,146
Benefits	5,202,397	5,470,449	5,674,893	5,867,500
Professional Fees	256,280	269,034	279,658	289,884
Supplies	4,453,652	4,724,600	4,911,187	5,090,767
Purchased Services	6,089,967	6,442,637	6,697,073	6,941,955
Other Expenses	1,423,080	1,480,303	1,523,848	1,580,687
TOTAL OPERATING EXPENSES	**37,192,268**	**39,194,831**	**40,658,057**	**42,096,939**
NON-OPERATING EXPENSES				
Depreciation	4,818	4,818	4,818	4,818
System Allocation	3,553,315	3,768,134	3,915,969	4,058,309
TOTAL NON-OPERATING EXPENSES	**3,558,133**	**3,772,952**	**3,920,787**	**4,063,127**
TOTAL EXPENSES	**40,750,401**	**42,967,783**	**44,578,844**	**46,160,066**
NET OPERATING INCOME (LOSS)	**10,011,245**	**10,862,702**	**11,363,568**	**11,815,785**
NOI %	19.7%	20.2%	20.3%	20.4%

Source: Providence Hospice of Seattle

Providence Hospice of Seattle Pro Forma Forecast, 2022 – 2025

With Project (As Is + Pierce)

Expense Statement

	2022	2023	2024	2025
	Forecast	Forecast	Forecast	Forecast
Averaged Daily Census (ADC)	**609**	**647**	**670**	**697**
Patient Days	**222,421**	**235,994**	**245,314**	**254,284**
SALARIES & BENEFITS				
RN/LPN	8,459,156	8,846,773	9,131,784	9,428,197
Hospice Aide	1,352,162	1,432,535	1,489,269	1,541,276
Administrative/Clerical	1,031,098	1,097,928	1,140,890	1,179,079
Chaplain/Clergy	1,055,340	1,114,439	1,165,095	1,198,866
Occupational Therapist (OT)	336,134	346,977	368,663	379,506
Medical Social Worker (MSW)	2,282,629	2,407,311	2,503,219	2,589,538
Management/Supervisor	2,003,003	2,120,826	2,212,467	2,291,016
Medical Director/Physicians	1,347,746	1,421,260	1,470,268	1,543,782
Other	712,720	749,270	785,820	804,095
Agency	1,186,904	1,270,489	1,303,923	1,370,791
Employee Benefits	5,202,397	5,470,449	5,674,893	5,867,500
TOTAL SALARIES & BENEFITS	**24,969,289**	**26,278,257**	**27,246,291**	**28,193,646**
PROFESSIONAL FEES				
Legal and Professional	256,280	269,034	279,658	289,884
TOTAL PROFESSIONAL FEES	**256,280**	**269,034**	**279,658**	**289,884**
SUPPLIES				
Medical Supplies	2,852,021	3,025,444	3,144,926	3,259,921
Non Medical Supplies	46,708	49,558	51,516	53,400
Pharmacy Supplies	1,516,911	1,609,480	1,673,042	1,734,217
Office Supplies	26,891	28,319	29,438	30,514
Other Supplies	11,121	11,799	12,265	12,715
TOTAL SUPPLIES	**4,453,652**	**4,724,600**	**4,911,187**	**5,090,767**
PURCHASED SERVICES				
Print and Publications	43,385	44,839	46,610	48,314
Advertising and Marketing	2,974	2,360	2,453	2,543
Telephone and Wireless	160,143	169,916	176,626	183,084
Translation Services	93,417	99,118	103,032	106,799
Maintenance Services	2,224	2,360	2,453	2,543
Nursing Home	4,103,667	4,354,089	4,526,044	4,691,540
General Inpatient (GIP)	847,424	899,137	934,646	968,823
Respite	44,484	47,199	49,063	50,857
Other Purchased Services	792,249	823,619	856,146	887,452
TOTAL PURCHASED SERVICES	**6,089,967**	**6,442,637**	**6,697,073**	**6,941,955**
OTHER EXPENSES				
Mileage	480,429	509,747	529,878	549,253
Travel	53,381	56,639	58,875	61,028
Training & Education	46,708	49,558	51,516	53,400
Equipment (PC, Printers, etc.)	184,885	193,516	201,158	208,513
Dues and Memberships	4,448	4,720	4,906	5,086
Lease Expense	519,217	524,242	529,892	535,225
Licensing	7,232	7,365	7,794	8,254
Other Miscellaneous Expenses	126,780	134,516	139,829	144,942
TOTAL OTHER EXPENSES	**1,423,080**	**1,480,303**	**1,523,848**	**1,565,701**
TOTAL OPERATING EXPENSES	**37,192,268**	**39,194,831**	**40,658,057**	**42,081,953**
NON-OPERATING EXPENSES				
Depreciation	4,818	4,818	4,818	4,818
Allocated System Expense	3,553,315	3,768,134	3,915,969	4,058,309
TOTAL NON-OPERATING EXPENSES	**3,558,133**	**3,772,952**	**3,920,787**	**4,063,127**
TOTAL EXPENSES	**40,750,401**	**42,967,783**	**44,578,844**	**46,145,080**

Source: Providence Hospice of Seattle

Providence Hospice of Seattle Pro Forma Forecast Assumptions
Utilization and Gross Patient Revenue Assumptions (Details)

A	B	C	D
Category/Item	**General Assumptions (Forecast Years 2021-2024)**	**Assumptions for THE Pierce County Project (If Different)**	**Additional Notes**
Averaged Daily Census ("ADC")	Calculated as Total Patient Days / number of days in the year.		2020 and 2024 both have 366 days.
Patient Days	2% annual growth from full year 2021 level. Each year's forecasted level is rounded to the nearest whole day before it is used as the basis for the next year's growth.	Targeted ADC X number of days in the year. ADC set at 50 ADC by the end of the third full year of operation (2025), in-line with and supported by the unmet need identified in the Department of Health 2021-2022 Hospice Numeric Need Methodology, and aligned with Providence Hospice's internal benchmarked RN staffing ratio of 12.5 ADC per RN.	
GROSS PATIENT REVENUE (GPR)			
Medicare	Total Gross Patient Revenue ("GRP") is volume based, calculated as 2021 actual full-year GSR divided by 2021 patient days X projected patient days in each future year (rounded to the nearest whole dollar). Each component of GSR is then calculated using the 2021 payor mix (based on percentage of gross revenue). Percentages are rounded to one decimal place. Payor mix ratios used to project future GSR are as follows: Medicare - 82.3%, Medicaid - 9.4%, Commercial - 4.3%, Other - 3.5%, and Self Pay - 0.5%.		
Medicaid			
Commercial			
Other			Other GPR includes Tricare, VA and other government.
Self Pay			

A = Expense or revenue line item.
B = General assumptions for AS IS (without project) and for The Project (unless otherwise noted in column C)
C = Additional assumptions that apply to The Project (Pierce County) only. For example: agency start-up costs.
D = Additional notes to explain column B assumptions.
Source: Providence Hospice of Seattle

Additional Revenue Assumptions (Details)

A	B	C	D
Category/Item	**General Assumptions (Forecast Years 2021-2024)**	**Assumptions for THE Pierce County Project (If Different)**	**Additional Notes**
TOTAL CONTRACTUAL ALLOWANCES	Total Contractual Allowances are calculated by applying the discount rate based on most recent experience (full year 2021). The discount is calculated by dividing each year's revenue deduction by the corresponding year's GPR for each category (rounded to the nearest whole %). Average discount rates applied to each category are as follows: Medicare - 27%, Medicaid - 9%, Commercial - 9%, Other - 23%, and Self Pay - 7%.		Net Patient Revenue for Self Pay/Charity is calculated by subtracting self pay revenue deductions, charity care, and bad debt from self pay gross patient revenue.
Bad Debt	0.53% of total GSR based on average experience in 2018-2021		Due to impact of COVID pandemic on this indicator, 2020 was excluded from the average as an anomaly.
Charity Care	0.59% of total GSR based on average of rate experienced in 2018-2021		Due to impact of COVID pandemic on this indicator, 2020 was excluded from the average as an anomaly.
Other Operating Revenue	$3.16 /day - based on 2018-2021 average	No assumed additional Other Operating Revenue for Pierce County	"Other Operating Revenue" includes contributions received from our affiliate, Providence Hospice of Seattle Foundation, and CARES Act grant funding. Due to impact of COVID pandemic on this indicator, 2020 was excluded from the average as an anomaly.

A = Expense or revenue line item.
B = General assumptions for AS IS (without project) and for The Project (unless otherwise noted in column C)
C = Additional assumptions that apply to The Project (Pierce County) only. For example: agency start-up costs.
D = Additional notes to explain column B assumptions.

Source: Providence Hospice of Seattle

Salaries, Wages, & Benefits Expense Assumptions (Details)

A	B	C	D
Category/Item	**General Assumptions (Forecast Years 2021-2024)**	**Assumptions for THE Pierce County Project (If Different)**	**Additional Notes**
SALARIES & BENEFITS			
Registered Nurse (RN) / LPN	Total FTE count was calculated as the number of FTEs needed to support patient days volume based on 2021 actual staffing mix; Salaries are calculated as FTEs by discipline (based on 2021 actual staffing mix) x average hourly wage rate by discipline experienced in 2021 x 2,080 hours (full-time equivalent annual hours). Hourly wage rates applied are as follows: RN/LPN - 54.81, Hospice Aide - 22.73, Administrative and Clerical - 22.95, Chaplain/Clergy - 40.59, OT - 52.13, MSW - 46.11, Management/Supervisor - 62.94, Medical Director/Physicians - 117.81, Other - 43.93, and Agency - 80.37.		
Hospice Aide			
Administrative and Clerical			Includes Administrative, Business, and Clerical FTEs.
Chaplain/Clergy			
Occupational Therapist (OT)			
Medical Social Worker (MSW)			
Management/Supervisor			
Medical Director/Physicians			
Other			Other Salaries are associated with various needed roles including admission coordinators, bereavement counselors, trainers, and clinical program counselors.
Agency	Calculated using 2021 annualized average hourly rate of $80.37 x 2,080 full-time hours x estimated agency FTE need each year to support forecasted volumes (FTE assumption 7.1, 7.3, 7.4, and 7.6 for 2022, 2023, 2024, and 2025, respectively).	Agency FTE assumptions for 2023 - 2025 are 0.3, 0.4, and 0.6, respectively.	Agency represents contract labor, including massage and music therapists, physical therapists, and dieticians.
Employee Benefits	28% of total employed comp (excludes contract labor) based on the average of 2018-2021 rounded to the nearest whole %.		Agency (contract labor) is excluded from the employee benefits calculation.

A = Expense or revenue line item.
B = General assumptions for AS IS (without project) and for The Project (unless otherwise noted in column C)
C = Additional assumptions that apply to The Project (Pierce County) only. For example: agency start-up costs.
D = Additional notes to explain column B assumptions.
Source: Providence Hospice of Seattle

Professional Fees, Supplies, and Purchased Services Expense Assumptions (Details)

A	B	C	D
Category/Item	**General Assumptions (Forecast Years 2021-2024)**	**Assumptions for THE Pierce County Project (If Different)**	**Additional Notes**
PROFESSIONAL FEES			
Legal and Professional	$1.14 / patient day based on average rate from 2018-2021	Start-up costs of $2,720 (see start-up cost detail) included prior to first year of operation (2022).	
SUPPLIES			
Medical Supplies	$12.82 / patient day based on actual 2021 rate	Start-up costs of $584 (see start-up cost detail) included prior to first year of operation (2022).	
Non-Medical Supplies	$0.21 / patient day based on historical average 2018-2021		
Pharmacy Supplies	$6.82 / patient day based on historical average 2018-2021		
Office Supplies	$0.12 / patient day based on historical average 2018-2021	Start-up costs of $200 (see start-up cost detail) included prior to first year of operation (2022).	
Other Supplies	$0.05 / patient day based on historical average 2018-2021		Includes minor desktop software, food supplies, etc.
PURCHASED SERVICES			
Print and Publications	$0.19 / patient day based on historical average 2018-2021	Start-up costs of $1,125 (see start-up cost detail) included prior to first year of operation (2022).	
Advertising and Marketing	$0.01 / patient day based on historical average 2018-2021	Start-up costs of $750 (see start-up cost detail) included prior to first year of operation (2022).	
Telephone and Wireless	$0.72 / patient day based on historical average 2018-2021		
Translation Services	$0.42 / patient day based on historical average 2018-2021		
Maintenance Services	$0.01 / patient day based on historical average 2018-2021		
Nursing Home	$18.45 / patient day based on historical average 2018-2021		
General Inpatient (GIP)	$3.81 / patient day based on historical average 2018-2021		
Respite	$0.20 / patient day based on historical average 2018-2021		
Other Purchased Services	$3.49 / patient day based on historical average 2018-2021	Start-up costs for Epic set-up of $16,000 (see start-up cost detail) included prior to first year of operation (2022).	Includes utilities and other purchased healthcare services such as cardiology, x-ray services, records management, answering services, and internal catering.

A = Expense or revenue line item.
B = General assumptions for AS IS (without project) and for The Project (unless otherwise noted in column C)
C = Additional assumptions that apply to The Project (Pierce County) only. For example: agency start-up costs.
D = Additional notes to explain column B assumptions.
Source: Providence Hospice of Seattle

Other Expense Assumptions (Details)

A	B	C	D
Category/Item	**General Assumptions (Forecast Years 2021-2024)**	**Assumptions for THE Pierce County Project (If Different)**	**Additional Notes**
OTHER EXPENSES			
Mileage	$2.16 / patient day based on historical average 2018-2021		
Travel	$0.24 / patient day based on historical average 2018-2021		
Training & Education	$0.21 / patient day based on historical average 2018-2021		
Equipment (PC, Printers, etc.)	$0.82 / patient day based on historical average 2018-2021	Start-up costs of $2,500 (see start-up cost detail) included prior to first year of operation (2022).	
Dues and Memberships	$0.02 / patient day based on historical average 2018-2021		
Lease Expense	Based on internal lease allocation schedule in Exhibit # 18.	Based on allocation of current rent schedule for 500 of the total 17,919 rentable square feet to the project (2.8% of total rentable square feet rounded to 1 decimal place).	Existing agency ("As Is") and Combined agency lease expense is the same based on internal lease allocation rate sheet. If the Project is approved, total lease expense will be allocated to As Is and The Project in the amounts shown in Table 14 of this application.
Licensing	$0.03 / patient day based on historical average 2018-2021	Licensing fees for the project represent annual license renewal payments for RNs ($120), Hospice Aids ($85), MSWs ($116), OTs ($166), and Physicians/Medical Directors ($956 for 2 years allocated at a rate of $478 per year) multiplied by the FTE count for each category.	
Other Miscellaneous Expenses	$0.57 / patient day based on historical average 2018-2021		Includes taxes, postage, meetings, and minor recruitment expenses
Depreciation	Estimated to remain constant in the forecasted years in line with the assumption that capital expenditures will be incurred at the same rate as items depreciate.	No depreciation is allocated to the Project as there are no capital expenditures for the Project.	
Allocated System Expense	Estimated at 7% of Net Operating Revenue (NOR).		

A = Expense or revenue line item.
B = General assumptions for AS IS (without project) and for The Project (unless otherwise noted in column C)
C = Additional assumptions that apply to The Project (Pierce County) only. For example: agency start-up costs.
D = Additional notes to explain column B assumptions.
Source: Providence Hospice of Seattle

Start-up Cost Assumptions (Pierce County Project)

Category/Item	Start-up Costs	Basis of Assumption
Professional Fees:		
Legal/Regulatory	$ 2,720	Updating any contracts with providers. Review of policies for State regulatory requirements. Legal - 8 hours at $250 per hour = $2,000; Compliance 8 hours at $90 per hour = $720
Supplies:		
Medical Supplies	$ 584	Update car stock for clinicians working in Pierce County at $120 per clinical. Initial assumption based on 3.2 clinical FTE equivalent (RN/LPN and Hospice Aides); Increase medical supplies in inventory and creams/lotions ($200).
Office Supplies	$ 200	Printer paper, additional pens/post-its for touchdown area, flip charts for planning
Purchased Services:		
Printing and Publications	$ 1,125	Admit Packets ($5 x 150 = $750); 300 Brochures ($1.25 each x 300 = $375)
Advertising and Marketing	$ 750	Update Website (5 hours x $50 - $250); Mailings to physician's offices and facilities ($1.00 x 500 = $500)
Other Purchased Services	$ 16,000	Epic set-up Costs: 1 Epic analyst for a 2.5 weeks ($100 x 40 x 2.5 = $10,000), Contract setup (~8 hrs. * $75 = $600), reports (8 hrs. x $75 = $600), chg of acctg reports (2x 40 x $60 = $4,800)
Other Expense:		
Equipment (PC, Printers, etc.)	$ 2,500	One laptop computer, including all peripherals (screen, keyboard, docking station, and cables)
Licensing (clinicians)	$ 559	Licensing fee calculated at rate of $120/RN, $166/OT, $85/Hospice Aide, $116/MSW, and $478/Physician License annually (pro rated by FTE count per category). The 2022 start-up costs represent a pre-payment for licensing of 2023 FTEs. All other years are based on FTEs in same year.
Total	**$ 24,438**	

Source: Providence Hospice of Seattle

Exhibit 15
Providence Hospice of Seattle Balance Sheet

Providence Hospice of Seattle Balance Sheet Pro Forma, 2021-2025

With Project (As Is + Pierce)

	2021	2022	2023	2024	2025
ASSETS					
Current Assets:					
Cash and Cash Equivalents	1,315,980	1,342,311	1,424,224	1,480,470	1,534,604
Accounts Receivable (Net)	3,334,153	4,979,429	5,283,294	5,491,945	5,692,759
Supplies Inventory	641,587	667,930	681,288	694,912	708,810
Total Current Assets	**5,291,720**	**6,989,670**	**7,388,806**	**7,667,327**	**7,936,173**
Property and Equipment:					
Fixed Assets	*7,803,864*	*7,808,682*	*7,813,500*	*7,818,318*	*7,823,136*
Less Accumulated Depreciation	*(4,042,042)*	*(4,046,860)*	*(4,051,678)*	*(4,051,678)*	*(4,051,678)*
Net Property and Equipment	**3,761,822**	**3,761,822**	**3,761,822**	**3,766,640**	**3,771,458**
Other Assets	-	-	-	-	-
Total Assets	**9,053,542**	**10,751,492**	**11,150,628**	**11,433,967**	**11,707,631**
LIABILITIES AND CAPITAL					
Current Liabilities:					
Accounts Payable & Accrued Expenses	458,262	484,275	510,454	529,506	548,102
Accrued Compensation	1,942,779	2,053,059	2,164,043	2,244,812	2,323,650
Total Current Liabilities	**2,401,041**	**2,537,334**	**2,674,497**	**2,774,318**	**2,871,752**
Long-Term Liabilities	-	-	-	-	-
Total Liabilities	**2,401,041**	**2,537,334**	**2,674,497**	**2,774,318**	**2,871,752**
Net Assets	**6,652,501**	**8,214,158**	**8,476,131**	**8,659,649**	**8,835,879**
Total Liabilities and Net Assets	**9,053,542**	**10,751,492**	**11,150,628**	**11,433,967**	**11,707,631**

Source: Providence Hospice of Seattle

Please note that Providence does not hold a balance sheet at the facility level, and Providence does not routinely use facility level balance sheets as part of its financial analysis when evaluating new business ventures. With that said, for purposes of this Application and to satisfy the Department's questions relating to a balance sheet, Providence has prepared a balance sheet. This balance sheet was solely created for the Department's review of this Application.

Providence Hospice of Seattle Balance Sheet Pro Forma, 2022-2025

The Project (Pierce County)

	2022	2023	2024	2025
ASSETS				
Current Assets:				
Cash and Cash Equivalents	-	55,069	83,935	110,139
Accounts Receivable (Net)	-	139,523	212,656	279,046
Supplies Inventory	784	182,683	278,439	365,366
Total Current Assets	**784**	**377,275**	**575,030**	**754,551**
Property and Equipment:				
Fixed Assets	-	-	-	-
Less Accumulated Depreciation	-	-	-	-
Net Property and Equipment	**-**	**-**	**-**	**-**
Other Assets	**-**	**-**	**-**	**-**
Total Assets	**784**	**377,275**	**575,030**	**754,551**
LIABILITIES AND CAPITAL				
Current Liabilities:				
Accounts Payable & Accrued Expenses	-	20,502	31,499	41,881
Accrued Compensation	-	86,915	133,540	177,554
Total Current Liabilities	**-**	**107,417**	**165,039**	**219,435**
Long-Term Liabilities	**-**	**-**	**-**	**-**
Total Liabilities	**-**	**107,417**	**165,039**	**219,435**
Net Assets	**784**	**269,858**	**409,991**	**535,116**
Total Liabilities and Net Assets	**784**	**377,275**	**575,030**	**754,551**

Source: Providence Hospice of Seattle

Please note that Providence does not hold a balance sheet at the facility level, and Providence does not routinely use facility level balance sheets as part of its financial analysis when evaluating new business ventures. With that said, for purposes of this Application and to satisfy the Department's questions relating to a balance sheet, Providence has prepared a balance sheet. This balance sheet was solely created for the Department's review of this Application.

Providence Hospice of Seattle Pro Forma Balance Sheet Assumptions

A	B	C	D
Category/Item	**General Assumptions (Forecast Years 2021-2024)**	**Assumptions for THE Pierce County Project (If Different)**	**Additional Notes**
BALANCE SHEET			
Cash	Cash is centrally managed at parent organization, with operating cash held at the entity level assumed to be 2% of Total Gross Patient Revenue.		
Accounts Receivable ("AR"), Net	Assumed to equal 9.5% of Total Gross Patient Revenue based on 2021 actual level and in-line with historical levels, net of Allowance for Doubtful Accounts and Allowance for Contractual Adjustments.		
Allowance for Doubtful Accounts	Assumed to equal 10.5% of AR based on historical levels experienced.		
Allowance for Contractual Adjustments	Assumed to equal 11.1% of AR based on 2021 levels.		
Fixed Assets	Fixed assets increase by an amount equal to depreciation to maintain net levels.		
Other Assets	No "Other Assets" are held at the entity level		
Accounts Payable & Accrued Expenses	Assumed to equal 1.4% of Total Net Operating Expenses based on 2021 levels.		
Accrued Compensation	Assumed to equal 6.0% of Total Net Operating Expenses based on 2021 levels.		
Long-Term Liabilities	No "Long-Term Liabilities" are held at the entity level.		
Net Assets	All excess earnings are assumed to be dividended to parent organization. Excess earnings are assumed to be those that are above the amount needed to maintain operating cash at a level of 2% of total gross patient revenue, fund cash expenditures, and fund increases in net working capital.		

A = Expense or revenue line item.
B = General assumptions for AS IS (without project) and for The Project (unless otherwise noted in column C)
C = Additional assumptions that apply to The Project (Pierce County) only. For example: agency start-up costs.
D = Additional notes to explain column B assumptions.
Source: Providence Hospice of Seattle

Exhibit 16
Providence Hospice of Seattle Historical Revenue and Expense Statements

Providence Hospice of Seattle Revenue & Expense Statements, 2018 – 2021

Without Project (As Is)

Revenue and Expense Statement

	2018	2019	2020	2021
	Actual	Actual	Actual	Actual
Averaged Daily Census (ADC)	**503**	**507**	**521**	**597**
Patient Days	**183,558**	**184,997**	**190,846**	**218,060**
GROSS PATIENT REVENUE (GPR)				
Medicare	42,736,684	44,245,755	46,844,004	54,158,471
Medicaid	5,292,560	6,217,673	6,397,825	6,167,530
Commercial	1,608,807	1,903,309	2,362,495	2,833,629
Other (Tricare, Workers Comp, and VA)	1,915,082	1,963,449	1,626,271	2,279,844
Self Pay	489,897	195,197	162,258	359,510
TOTAL GROSS PATIENT REVENUE	**52,043,030**	**54,525,383**	**57,392,853**	**65,798,984**
DEDUCTIONS FROM REVENUE				
Medicare	12,164,665	12,977,901	15,290,441	14,525,128
Medicaid	633,158	620,467	675,313	560,192
Commercial	93,369	124,344	261,582	266,501
Other (Tricare, Workers Comp, and VA)	340,987	116,259	579,652	528,313
Self Pay	-	19,027	37,575	26,271
TOTAL CONTRACTUAL ALLOWANCES	**13,232,179**	**13,857,998**	**16,844,563**	**15,906,405**
Bad Debt	433,870	308,384	(473,361)	122,860
Charity Care	464,321	182,384	93,288	353,070
TOTAL DEDUCTIONS FROM REVENUE	**14,130,370**	**14,348,766**	**16,464,490**	**16,382,335**
NET PATIENT REVENUE				
Medicare	30,572,019	31,267,854	31,553,563	39,633,343
Medicaid	4,659,402	5,597,206	5,722,512	5,607,338
Commercial	1,515,438	1,778,965	2,100,913	2,567,128
Other (Tricare, Workers Comp, and VA)	1,574,095	1,847,190	1,046,619	1,751,531
Self Pay/Charity	(408,294)	(314,598)	504,756	(142,691)
TOTAL NET PATIENT REVENUE	**37,912,660**	**40,176,617**	**40,928,363**	**49,416,649**
Other Operating Revenue	457,542	509,843	1,651,023	923,149
TOTAL NET OPERATING REVENUE	**38,370,202**	**40,686,460**	**42,579,386**	**50,339,798**
OPERATING EXPENSES				
Salary and Wages	16,121,125	17,365,622	17,285,384	19,374,201
Benefits	4,496,184	4,927,666	4,361,628	4,888,446
Professional Fees	175,352	84,672	253,579	397,216
Supplies	3,293,935	3,549,038	3,665,834	4,277,244
Purchased Services	4,625,489	5,362,689	6,058,246	5,069,182
Other Expenses	1,247,661	1,352,569	1,270,889	1,369,147
TOTAL OPERATING EXPENSES	**29,959,746**	**32,642,256**	**32,895,560**	**35,375,436**
NON-OPERATING EXPENSES				
Depreciation	14,665	5,201	4,888	4,818
System Allocation	2,685,914	2,848,052	2,980,557	3,523,786
TOTAL NON-OPERATING EXPENSES	**2,700,579**	**2,853,253**	**2,985,445**	**3,528,604**
TOTAL EXPENSES	**32,660,325**	**35,495,509**	**35,881,005**	**38,904,040**
NET OPERATING INCOME (LOSS)	**5,709,877**	**5,190,951**	**6,698,381**	**11,435,758**
NOI %	14.9%	12.8%	15.7%	22.7%

Source: Providence Hospice of Seattle

Providence Hospice of Seattle Revenue & Expense Statements, 2018 – 2021

Without Project (As Is)

Expense Statement

	2018	2019	2020	2021
	Actual	Actual	Actual	Actual
Averaged Daily Census (ADC)	**503**	**507**	**521**	**597**
Patient Days	**183,558**	**184,997**	**190,846**	**218,060**
SALARIES & BENEFITS				
RN/LPN	6,224,623	6,832,688	7,016,444	8,290,828
Hospice Aide	1,521,490	1,309,991	1,065,665	1,321,971
Administrative/Clerical	1,521,332	1,501,489	1,082,569	1,013,878
Chaplain/Clergy	641,358	677,804	944,051	1,038,204
Occupational Therapist (OT)	263,741	273,819	329,189	325,462
Medical Social Worker (MSW)	1,699,630	1,838,789	2,125,766	2,231,839
Management/Supervisor	1,462,263	1,654,885	1,625,372	1,964,523
Medical Director/Physicians	701,056	986,070	1,024,885	1,319,846
Other	1,602,394	1,958,148	792,186	694,721
Agency	483,238	331,939	1,279,257	1,172,929
Employee Benefits	4,496,184	4,927,666	4,361,628	4,888,446
TOTAL SALARIES & BENEFITS	**20,617,309**	**22,293,288**	**21,647,012**	**24,262,647**
PROFESSIONAL FEES				
Legal and Professional	175,352	84,672	253,579	397,216
TOTAL PROFESSIONAL FEES	**175,352**	**84,672**	**253,579**	**397,216**
SUPPLIES				
Medical Supplies	1,902,875	2,202,815	2,298,778	2,795,924
Non Medical Supplies	47,809	38,266	59,062	14,272
Pharmacy Supplies	1,311,016	1,246,151	1,292,511	1,449,870
Office Supplies	28,216	30,484	14,859	17,034
Other Supplies	4,019	31,322	624	144
TOTAL SUPPLIES	**3,293,935**	**3,549,038**	**3,665,834**	**4,277,244**
PURCHASED SERVICES				
Print and Publications	32,647	31,119	30,104	59,563
Advertising and Marketing	250	2,802	2,334	5,440
Telephone and Wireless	129,017	159,087	121,793	145,618
Translation Services	89,490	52,300	39,013	151,702
Maintenance Services	2,146	1,586	-	-
Nursing Home	3,241,625	3,688,049	4,091,181	3,221,257
General Inpatient (GIP)	548,942	611,523	1,017,599	791,294
Respite	27,763	25,157	19,578	85,261
Other Purchased Services	553,609	791,066	736,644	609,047
TOTAL PURCHASED SERVICES	**4,625,489**	**5,362,689**	**6,058,246**	**5,069,182**
OTHER EXPENSES				
Mileage	426,870	459,930	368,703	410,127
Travel	49,283	77,800	28,514	25,230
Training & Education	18,244	55,457	28,922	66,731
Equipment (PC, Printers, etc)	145,238	128,237	188,485	174,754
Dues and Memberships	2,072	4,451	3,603	3,232
Lease Expense	506,274	511,344	545,370	538,097
Licensing	1,969	9,043	5,013	10,912
Other Miscelleneous Expenses	97,711	106,307	102,279	140,064
TOTAL OTHER EXPENSES	**1,247,661**	**1,352,569**	**1,270,889**	**1,369,147**
TOTAL OPERATING EXPENSES	**29,959,746**	**32,642,256**	**32,895,560**	**35,375,436**
NON-OPERATING EXPENSES				
Depreciation	14,665	5,201	4,888	4,818
Allocated System Expense	2,685,914	2,848,052	2,980,557	3,523,786
TOTAL NON-OPERATING EXPENSES	**2,700,579**	**2,853,253**	**2,985,445**	**3,528,604**
TOTAL EXPENSES	**32,660,325**	**35,495,509**	**35,881,005**	**38,904,040**

Source: Providence Hospice of Seattle

Exhibit 17
Medical Director Job Description

PROVIDENCE Health & Services

Medical Director Hospice

Job Description

JOB INFORMATION

Job Desc Code (JDID):	14010SC01A
Job Desc Title:	Medical Director Hospice
FLSA:	Exempt
Original Creation Date:	10/27/2015

ORGANIZATIONAL INFORMATION

Region:	HOME AND COMMUNITY CARE
Process Level/Company:	408 - SCS HOSPICE
Department/Cost Center:	408-73102 - HOSPICE SOUND
Reports To:	Director, PSHCH
Supervises:	

MISSION, VALUES, VISION and PROMISE

The Mission:	As expressions of God's healing love, witnessed through the ministry of Jesus, we are steadfast in serving all, especially those who are poor and vulnerable.
Our Values:	Compassion, Dignity, Justice, Excellence and Integrity
Our Vision:	Health for a Better World
Our Promise:	"Know me, care for me, ease my way."

GENERAL SUMMARY

This position is responsible for providing clinical and medical care for all hospice patients. This position is responsible for identifying 'best practices' for care and networking with community resources and consult with community health care providers serving patients with life threatening illness.

ESSENTIAL FUNCTIONS

The job duties listed are essential functions of the position. However, other duties may be assigned, and may also be considered essential functions of the position.
The caregiver must be sufficiently fluent in the English language to satisfactorily perform the essential functions of the position. The degree of fluency required will vary depending upon the nature of the position.

Caregivers are expected to honor the Mission, Values, Vision and Promise and adhere to the Code of Conduct, policies and standards of their organization.

For direct patient care roles: Performs and maintains currency of essential competencies as required by specific area of hire and populations served.

- Provide oversight on the medical management of hospice and palliative care patients.
- Act as a medical resource for the interdisciplinary team and assure physician representation and participation in interdisciplinary team meetings; assist in the development and review of patient Plan of Care and clinical protocols.
- Review patient medical condition and certification with patients' attending physician to confirm that the patient is medically eligible for services; consult with the patients' Attending Physician regarding pain and symptom control; act as the Attending Physician in the event the primary physician does not have staff privileges at Hospice Program affiliated agencies.
- Participate in admission and re-certification decisions of hospice patients, taking into consideration patient's eligibility for hospice services; visit hospice patients as necessary to recertify appropriateness of hospice care according to relevant Medicare criteria guidelines.
- Ensure regulatory compliance for ministry; participate in development of policies and procedures to ensure compliance in accordance with standard PSHCH procedures, Medicare Conditions of Participation and other regulatory agencies.
- Participate as a member of various management & leadership team meetings and share rotating responsibility for On-Call support.
- Participate in quality improvement initiatives; respond to changes in clinical practice by planning, designing, implementing and evaluating guidelines, protocols and standards in collaboration with other staff.

- Participate in community activities to provide information regarding clinical practice area to increase the understanding of hospice care to physicians, other health care providers and to community.
- Assist in the development of resource materials regarding care of terminally ill patients; develop and present in-services and training opportunities to staff, clients, community health care providers, and the public.
- Contribute to overall Hospice team function through effective time management, documentation, and communication; utilize critical clinical thinking and problem-solving skills to address team issues.
- Responsible for maintaining awareness of professional Scope of Practice and Hospice Conditions of Participation.
- Adhere to PSHCH and other Providence policies and procedures, and applicable regulations.
- Perform other work-related duties and special projects as assigned.

QUALIFICATIONS

EDUCATION

Required/Preferred	Education Level	Major/Area of Study	And/Or
Required		Graduate of a medical school is required.	

EXPERIENCE

Required/Preferred	Minimum Experience	Details
Required	5 years	Five (5) years experience in medical practice.
Preferred		Prior hospice, geriatrics, oncology, palliative care or related areas experience.

JOB SPECIFIC KNOWLEDGE, SKILLS and ABILITIES

- Strong knowledge of current hospice and palliative medical care practices, working knowledge of the Medicare Conditions of Participation and other regulatory guidelines.
- Knowledge and alignment with Providence philosophy and standards of care; able to work in a way that is consistent with/supportive of Ministry's mission, philosophy, goals and objectives.
- Demonstrated competency in maintaining positive, collaborative, and constructive interpersonal relationships.
- Understands and practices the principles of effective teamwork.
- Demonstrated ability to effectively work with families in crisis while maintaining professional boundaries and personal self-care strategies for dealing with stress.
- Proven ability to build effective and professional relationships with a wide variety of people at all levels of the organization, both within and outside of the Providence system.
- Excellent communication and organizational skills; able to effectively communicate complex information to diverse audiences.
- Able to prioritize work assignments and meet productivity and quality standards; work with minimum supervisory guidance and exercise independent judgment within the scope of practice; is willing to assume additional responsibility and learn new procedures.
- Proficient in using computers and Microsoft Office Suite programs required; knowledge of EMR preferred.

LICENSES and CERTIFICATIONS

Licenses, Certifications and Registrations must be unencumbered and valid in the state(s) of hire and wherever care is delivered.

Notify LCRequeststoHRSC@providence.org if any changes are made to required license and/or certifications. Email must contain specific certification and/or credentialing agency i.e. AHA BLS, TNCC, PALS, FHC … If known provide specific code.

- Board certification in hospice and palliative care or in specialty practice.
- Current licensure in good standing as a physician in the State of Washington.
- Able to meet credentialing and insurance coverage standards; holds a federal DEA registration or can obtain within six months of hire date.
- Current Washington State Driver's license and automobile insurance.
- Current Healthcare Provider CPR certification.
- Participating provider status with the Medicare and Medicaid programs.

Exhibit 18
Providence Health & Services – Washington Facility
Lease and Internal Rent Allocation Term Sheet

LEASE AGREEMENT

BY AND BETWEEN

RIVERFRONT TECHNICAL PARK LLC,

a Washington limited liability company

Landlord

and

PROVIDENCE HEALTH & SERVICES-WASHINGTON,

a Washington non-profit corporation

Tenant

TABLE OF CONTENTS

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OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT ("Lease") is made this 24th day of October, 2014 ("Effective Date"), between Riverfront Technical Park LLC, a Washington limited liability company ("Landlord"), and Providence Health & Services-Washington, a Washington non-profit corporation, ("Tenant"). The parties agree as follows:

1. **FUNDAMENTAL LEASE PROVISIONS; DEFINITIONS; EXHIBITS.** Capitalized terms used in this Lease shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1. **Broker.** Intentionally deleted.

1.2 **Building.** "Building" means the structure commonly known as Riverfront Technical Park. The Building is situated on the real property legally described in Exhibit A and has a postal address 2811 South 102nd Street, Seattle, Washington 98168.

1.3. **Premises.** The "Premises" means the space consisting of approximately 20,510 rentable square feet, which is located on the second (2nd) floor of the Building in Suite 230 and depicted on the floor plan attached to this Lease as Exhibit B, and subject to recalculation in accordance with Section 2. The Premises also includes a portion of the storage space located outside the Building on the attached Exhibit B-2 ("Storage Space") The Premises shall include the Tenant Improvements, if any, described in Exhibit C.

1.4. **Property.** The Premises, Land, the Building, together with the other buildings on the real property known as Riverfront Technical Park, are collectively referred to in this Lease as the "Property".

1.5 **Tenant's Share.** "Tenant's Share" means "Tenant's Share of the Building" or "Tenant's Share of the Property." "Tenant's Share of the Building" means twelve and eight hundredths percent (12.08%), calculated by dividing the rentable area of the Premises by the rentable area of the Building (approximately 169,755 rentable square feet). Commencing February 1, 2017, "Tenant's Share" means twenty and ninety five hundredths percent (20.95%). Commencing July 1, 2017, "Tenant's Share" means thirty one and fifty percent (31.50%). "Tenant's Share of the Property" shall mean the percentage generated by dividing the net rentable area of the Premises by the net rentable area of the Property. The floor load factor is one and nine hundredths percent (1.09%). In the event the rentable area of the Premises, Building or Property is altered or recalculated in accordance with Section 2, Landlord shall adjust Tenant's Share to properly reflect such event. Landlord's adjustment of such Tenant's Share shall be final.

1.6. **Lease Year.** "Lease Year" means each twelve-month period commencing January 1 and ending December 31.

1.7. **Commencement Date.** Subject to Section 3.1, "Commencement Date" means the earlier of (i) February 1, 2015 or (ii) the date of Substantial Completion as defined in Section 1.11. In the event that the Lease Term commences on a day other than the first day of a calendar month, then the Commencement Date as specified in the preceding sentence shall be deemed to be the first day of the next calendar month, and the Tenant shall be deemed to have been given Early Occupancy as of the date specified in the preceding sentence, with all terms of this Lease, including Rent, and other amounts due to Landlord, applicable to the period of Early Occupancy in accordance with Section 3.9.

1.8. **Expiration Date.** "Expiration Date" means the last day of the month immediately prior to the date upon which the tenth (10th) anniversary of the Commencement Date occurs, unless sooner terminated or extended in accordance with this Lease.

1.9. **Term.** "Term" means a period of approximately ten (10) years, commencing on the Commencement Date and expiring on the Expiration Date, unless sooner terminated or extended in accordance with this Lease. In the event that Tenant exercises its Extension Option in Section 3.6, then "Initial Term", means the initial period of 10 years described above, and "Term" means the Initial Term and any Option Term.

1.10. Base Rent. All Base Rent is individually defined in this section as payable as provided in Section 4.

1.10.1. Suite 230 Base Rent. "Suite 230 Base Rent" means:

Term	Suite 230 Monthly Base Rent
02/01/15 – 04/30/15	$0.00
05/01/15 – 01/31/16	$20,510.00
02/01/16 – 01/31/17	$21,125.30
02/01/17 – 01/31/18	$21,759.06
02/01/18 – 01/31/19	$22,411.83
02/01/19 – 01/31/20	$23,084.19
02/01/20 – 01/31/21	$23,776.71
02/01/21 – 01/31/22	$24,490.01
02/01/22 – 01/31/23	$25,224.71
02/01/23 – 01/31/24	$25,981.45
02/01/24 – 01/31/25	$26,760.90

Suite 230 Base Rent is payable as provided in Section 4.

1.10.2. Suite 220 Base Rent. "Suite 220 Base Rent" means:

Term	Suite 220 Monthly Base Rent
02/01/17 – 01/31/18	$15,966.55
02/01/18 – 01/31/19	$16,445.54
02/01/19 – 01/31/20	$16,938.91
02/01/20 – 01/31/21	$17,447.07
02/01/21 – 01/31/22	$17,970.49
02/01/22 – 01/31/23	$18,509.60
02/01/23 – 01/31/24	$19,064.89
02/01/24 – 01/31/25	$19,636.84

Suite 220 Base Rent is payable as provided in Section 4.

1.10.3. Suite 250 Base Rent. "Suite 250 Base Rent" means:

Term	Suite 250 Monthly Base Rent
07/01/17 – 01/31/18	$19,010.27
02/01/18 – 01/31/19	$19,580.58
02/01/19 – 01/31/20	$20,167.99
02/01/20 – 01/31/21	$20,773.03
02/01/21 – 01/31/22	$21,396.22
02/01/22 – 01/31/23	$22,038.11
02/01/23 – 01/31/24	$22,699.25
02/01/24 – 01/31/25	$23,380.23

Suite 250 Base Rent is payable as provided in Section 4.

1.11. Substantial Completion. "Substantial Completion" means the date, as certified by Landlord's architect, when tenant improvements are substantially complete (only punch list items remain to be completed which do not materially interfere with Tenant's Permitted Use of the Premises), and a valid certificate of occupancy has been issued by the relevant governmental authority (if such certificate of occupancy is not final, then with the reasonable expectation that the final certificate of occupancy will be issued within a reasonable time period).

1.12. Additional Rent. "Additional Rent" means the amounts described in Sections 7 and 8, and all other amounts which are payable by Tenant under this Lease, except Base Rent.

1.13 Base Year. Intentionally deleted.

1.14. Security Deposit. Intentionally deleted.

1.15. Parking. Subject to Section 29.

1.16. Landlord's Payment Address. "Landlord's Payment Address" means: Riverfront Technical Park LLC, 12201 Tukwila International Boulevard, 4th Floor, Seattle, Washington 98168. Tenant may also arrange for monthly wire transfer of Rent per instructions provided upon necessity.

1.17. Notice Addresses.

If to Landlord: Riverfront Technical Park LLC c/o Sabey Corporation
12201 Tukwila International Blvd.
Fourth Floor
Seattle, WA 98168-5121
Attn: Sr. V.P. Real Estate
Phone No. 206-281-8700
Fax No. 206-282-9951

With a copy to: Sabey Corporation
12201 Tukwila International Blvd.
Fourth Floor
Seattle, WA 98168-5121
Attn.: Sr. V.P. Property Operations & Leasing
Phone No. 206-281-8700
Fax No. 206-282-9951

With a copy to: Sabey Corporation
12201 Tukwila International Blvd.
Fourth Floor
Seattle, WA 98168-5121
Attn.: General Counsel
Phone No. 206-281-8700
Fax No. 206-282-9951

If to Tenant: Providence Health & Services
2001 Lind Ave SW, Building # 3
Renton, Washington 98057
Attn: Robert Hellrigel
Phone No. 425-254-5432
Fax No. 425-525-6659

With a copy to: Providence Health & Services
747 Broadway
Seattle, W A 98122
Attn: General Counsel
Phone No. 206-386-2471
Fax No. 206-215-6262

1.18. Permitted Uses. "Permitted Uses" means Tenant's use of the Premises for general office and storage purposes, subject to the terms and conditions of this Lease.

1.19. Landlord's Work. "Landlord's Work" means the improvements, if any, to be made by Landlord in accordance with Exhibit C.

1.20. Tenant's Work. "Tenant's Work" means the improvements, if any, to be made by or on behalf of Tenant (including by any affiliate of Landlord) and in accordance with Exhibit C and in compliance with Exhibit G, Tenant & Tenant Contractor Construction Criteria, attached hereto, as may be updated and modified from time to time by Landlord.

1.21. Guarantor. Intentionally Deleted.

1.22. Rent. "Rent" means Base Rent and Additional Rent.

1.23. Exhibits. The following exhibits or riders are attached to this Lease and are incorporated into this Lease by this reference. In the event of a conflict between the provisions of the exhibits and the terms of this Lease, the terms of this Lease shall prevail.

(a) Exhibit A - Legal Description

(b) Exhibit B - Floor Plan of Premises

(c) Exhibit C - Landlord's Work and Tenant's Work

(d) Exhibit C-1 - Tenant's Removable Property

(e) Exhibit D - Rules and Regulations

(f) Exhibit E - Parking Area

(g) Exhibit F - Tenant Insurance Requirements

(h) Exhibit G - Tenant & Tenant Contractor Construction Criteria

(i) Exhibit H - Providence's Fraud and Abuse Prevention and Detection Policies

2. PREMISES. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises described in Section 1.3 together with the tenant improvements described on Exhibit C ("Tenant Improvements") and together with rights of ingress and egress over public and common areas in the Building and on the land legally described on Exhibit A, including all easements appurtenant to the land ("Land"). Tenant's lease of the Premises shall be subject to all of the terms and conditions of this Lease.

Notwithstanding anything to the contrary in this Lease, Tenant shall provide Landlord and Landlord's contractor with such access to the Premises as may be required by Landlord and Landlord's contractor to efficiently perform Landlord's Work as described in Section I of Exhibit C. Tenant acknowledges and agrees that Landlord shall have no obligation to improve the Premises except as may be expressly set forth on Exhibit C.

Landlord may recalculate the "rentable square feet" of the Premises during the Term. The recalculated rentable square feet shall be certified by Tenant's architect prior to any change. Rentable square feet shall be calculated in accordance with BOMA standards, utilizing a load factor of one and nine hundredths percent (1.09%) for the Building which may be changed upon the alteration of tenant spaces or Building common areas. In the event the rentable area of the Building or Property is altered during the Term of this Lease, Tenant's Share of the Property shall be adjusted to reflect such change. BOMA standards shall mean the Building Owners and Managers Association Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996.

2.1. Acceptance of Premises. Landlord and Tenant hereby agree that Landlord's Work as set forth in Section I of Exhibit C shall be constructed by Landlord's contractor, Sabey Construction Inc. Tenant's acceptance of the Premises shall be deferred until Landlord informs Tenant in writing of the Substantial Completion of Tenant Improvements or Tenant occupies the Premises, whichever occurs first. Within ten (10) business days ("Inspection Period") after the date Landlord informs Tenant that Substantial Completion has occurred, Tenant shall make such inspection of the Premises as Tenant deems appropriate. Except as otherwise specified by Tenant in writing to Landlord within the Inspection Period, Tenant shall be deemed to have accepted the Premises in its condition and except for latent defects, as of such date of substantial completion. If, as a result of such inspection, Tenant discovers items of Landlord's Work and Tenant Improvements of a nature commonly found on a "punch list" (as such term is commonly used in the construction industry), which it reasonably believes are not completed in accordance with Section I of Exhibit C, Tenant shall notify Landlord of such items prior to the expiration of the Inspection Period. Landlord shall promptly complete repair of all punch list items identified in Tenant's notice, which it reasonably believes require repair. To the extent Landlord does not reasonably believe a punch list item requires repair, Landlord shall promptly provide Tenant with a written explanation thereof. The existence of such punch list items shall not postpone the Commencement Date or the obligation of Tenant to pay Base Rent or Additional Rent, except as set forth in Section 3.1.

2.2. Tenant Allowance. Subject to the terms of this Section 2.2, Landlord shall provide an allowance to Tenant of up to Six Hundred Fifteen Thousand Three Hundred and 00/100 Dollars ($615,300.00) for Suite 230. Tenant agrees to forfeit any portion of the allowance that is not used within ninety (90) days of the Commencement Date of Suite 230. Subject to the terms of this Section 2.2, Landlord shall provide an allowance to Tenant of up to Five Hundred Seventy Three Thousand Five Hundred Seventy and 00/100 Dollars ($573,570.00) for Suite 250. Tenant agrees to forfeit any portion of the allowance that is not used within ninety (90) days of the Commencement Date of Suite 250 or by September 30, 2017, whichever occurs earlier. This allowance is payable to Tenant on a progress basis as Tenant completes the Tenant Improvements set forth in Section II(D) of Exhibit C. "Tenant Improvements" shall be defined as any work done by Tenant to improve the Premises for occupancy. The Tenant allowance shall not be used for furniture, art, or any personal property, which does not become attached real property of Landlord at the end of the Lease Term. Landlord's obligation to pay the Tenant allowance is wholly conditioned upon Tenant not being in default under the terms of this Lease (subject to applicable cure periods) on the date that any payment of the Tenant allowance is due. In the event this Lease is terminated prior to the payment of the Tenant allowance as a result of Tenant's default hereunder, Tenant shall be solely liable for payment of any and all amounts of the Tenant allowance to Tenant's contractor. Notwithstanding anything to the contrary in this Section 2.2: (i) Landlord has the right to withhold payments of the Tenant allowance on account of any of the

following problems: claims filed or threatened by third parties in connection with Tenant Improvements; damage to the Property due to Tenant or its agents, employees, contractors or subcontractors, other improvements of Tenant to the Premises; or Tenant's breach of any of its obligations under this Lease. Landlord shall pay the Tenant allowance only after the problems are remedied by Tenant to Landlord's reasonable satisfaction; and (ii) If the Tenant Improvements exceed the amount stated above per suite, Tenant shall be responsible to pay any excess as and when owed. Any unused portion of the allowance, not to exceed One Hundred Ninety Two Thousand One Hundred Forty Five and 00/100 Dollars ($192,145.00) ($5.00 per square foot), can be used in Tenant's sole discretion for Tenant's furniture, fixtures and equipment and/or moving costs. In addition to the above Tenant Allowance, Landlord shall provide at no additional cost to Tenant a Fifteen Cents ($0.15) per rentable square foot space planning allowance for Suite 230 for the initial space plan and up to two revisions to the plan, which sum shall be paid directly by Landlord to Tenant's space planner upon completion of such space work and receipt of an invoice by Landlord for such work. Landlord and tenant acknowledge and agree that an affiliate of Landlord is performing the Tenant Improvements. When Tenant receives an invoice from Sabey Construction Inc in accordance with Section III.B. of Exhibit C, (a) if Tenant approves the invoice, then Tenant may submit the portion of the invoice that qualifies for reimbursement as a tenant improvement allowance to Landlord for payment; and (b) provided that the application for payment satisfies the conditions of this Section 2.2, Landlord shall thereafter make the payment directly to Sabey Construction Inc.

2.3. Expansion of Premises.

2.3.1. Suite 220. Commencing February 1, 2017, the Premises includes approximately 15,050 rentable square feet, which is located on the second (2nd) floor of the Building in Suite 220 and depicted on the floor plan attached to this Lease as Exhibit B, and subject to recalculation in accordance with Section 2.

2.3.2. Suite 250. Suite 250 is approximately 17,919 rentable square feet, located on the second (2nd) floor of the Building and depicted on the floor plan attached to this Lease as Exhibit B. Tenant shall deliver final, permitted plans and drawings for the build out of Suite 250 to Landlord no later than December 31, 2016. Landlord shall build out Suite 250 in accordance with those plans and drawings. "Premises" includes Suite 250 from the later date to occur of (1) July 1, 2017; and (2) the date upon which Landlord completes the build out of Suite 250. Suite 250 is subject to recalculation in accordance with this Section 2.

2.4. Tenant's Right of First Refusal. Intentionally deleted.

3. LEASE TERM.

3.1. Duration of Lease Term. Tenant's lease of the Premises shall commence on the Commencement Date and terminate on the Expiration Date or such earlier or later date as may be provided for under this Lease. Notwithstanding anything to the contrary in Section 1.7, if Landlord is unable to deliver possession of the Premises to Tenant with Landlord's Work constructed by Landlord's contractor substantially completed in accordance with Exhibit C on the date specified in Section 1.7 and such delay (to the extent of such delay) is due to no substantial fault on the part of Tenant, then the Commencement Date shall be the earlier of the date on which Tenant first occupies the Premises or the date that is five (5) days from the date of Landlord's written notice to Tenant of substantial completion of Landlord's Work constructed by Landlord's contractor provided for in Section 2, above. In no event shall the Commencement Date occur prior to a valid temporary certificate of occupancy permit having been issued by the applicable government agency, and delivered to Tenant.

3.2. Confirmation of Commencement Date. If the Commencement Date is not the date indicated in Section 1.7(i), Landlord will confirm the Commencement Date to Tenant in writing within a reasonable time after delivery of the Premises in accordance with this Lease.

3.3. Surrender of Premises. Subject to Section 11, Tenant shall promptly and peacefully surrender the Premises to Landlord upon the termination of the Lease Term in as good a condition as when received by Tenant from Landlord and/or as thereafter improved, if applicable, normal wear and tear excepted. Unless Landlord expressly provides otherwise in writing to

Tenant, upon the expiration or termination of this Lease, all improvements and additions to the Premises except those items set forth on Exhibit C-1 shall be deemed property of Landlord and shall not be removed by Tenant from the Premises. Tenant shall be solely responsible for, and shall repair, all damage to the Property caused by its use of or its surrender of the Premises. In addition to all other requirements under this Lease, Tenant shall remove any Hazardous Substances, as such term is defined in Section 6.3, on the Premises which were placed on the Premises by Tenant, its employees, agents, contractors and/or invitees, prior to its surrender and vacation of the Premises.

3.4. Holding Over With Consent. If Tenant remains in possession of the Premises after termination or expiration of the Lease Term with Landlord's written permission, such tenancy shall be deemed a month-to-month tenancy, which may be terminated by either party upon twenty (20) days' written notice. During such tenancy, Tenant shall be bound by all of the terms, covenants and conditions in this Lease so far as applicable, except that the Base Rent shall be increased to the greater of (i) the then-quoted rates for similar space in the Building or (ii) one hundred fifty percent (150%) multiplied by the sum of the monthly installment of Base Rent payable for the last month of the Lease Term.

3.5. Holding Over Without Consent. If Tenant remains in possession of the Premises after the termination or expiration of the Lease Term without Landlord's prior written consent, Tenant shall become a tenant at sufferance only, subject to all the provisions of this Lease so far as applicable, except that Base Rent shall be increased to an amount equal to two hundred percent (200%) multiplied by the sum of the monthly installments of Base Rent payable by Tenant during the last month of the Lease Term, prorated on a daily basis. Acceptance by Landlord of Rent after the termination of the Lease Term shall not result in a renewal or extension of this Lease. The provisions of Section 3.4 and this Section 3.5 are in addition to, and shall not act as a waiver of or otherwise affect, Landlord's right of re-entry or any other rights of Landlord under this Lease or as provided by law or in equity. If Tenant fails to surrender the Premises upon the termination of the Lease Term, despite Landlord's demand to do so, Tenant shall indemnify, defend and hold Landlord harmless from and against all loss and liability based upon any claim made by any succeeding tenant founded on, or resulting from, such failure to surrender, including without limitation, any reasonable attorneys' fees or costs associated therewith.

3.6. Extension Option. Provided that Tenant is not then in default of this Lease beyond any applicable cure period, Tenant shall have the option ("Option") to extend the Term of this Lease for one (1) additional period of five (5) years (the "Option Term") on the same terms and conditions of this Lease as are provided for in the Initial Term, except as provided below in this Section 3.6 or in Section 3.7 and without any free rent periods or Tenant Improvement allowances. The Option Term shall commence upon the date of expiration of the Initial Term of this Lease. To exercise its Option, Tenant must give written notice to Landlord that Tenant is exercising its Option at least twelve (12) months before the date of expiration of the Initial Term. Once such notice is delivered to Landlord, such notice shall be irrevocable by Tenant. Tenant acknowledges and agrees that notwithstanding anything to the contrary in this Lease, the right to exercise the Option shall not extend to any assignee or subtenant of Tenant, or to any space assigned or subleased by Tenant, and any attempt to exercise the Option by any such assignee or subtenant, or by Tenant in connection with such assigned or subleased space, shall be deemed null and void. Tenant further acknowledges and agrees that the amount of the Security Deposit payable by Tenant for the Option Term may be increased to an amount equal to the first monthly installment of Base Rent payable by Tenant during the Option Term.

3.7. Base Rent During Option Term. In the event that Tenant elects to exercise its Option to extend the Term of this Lease in accordance with the terms of Section 3.6, the Base Rent for the Option Term shall be equal to ninety five percent (95%) the then-market rent for similarly improved space in comparable buildings for comparable use in the Tukwila/Renton region as determined by Landlord; provided, however, that in no event shall the Base Rent during the Option Term be less than the Base Rent for the last year of the initial Lease Term. The adjusted Base Rent shall commence on and be payable on the first day of the Option Term and shall continue thereafter throughout the Option Term. The market rate shall be determined on a triple net basis by analyzing comparable lease transactions and lease renewals in the Tukwila/Renton region. In analyzing comparable transactions, all reasonable factors affecting rent

shall be taken into consideration, including, but not limited to, the building age, size, style and condition and the date of the comparable lease.

If Landlord and Tenant cannot agree on a market rate for the Option Term prior to ninety (90) days before Lease termination, then both parties agree to use the appraisal process, outlined as follows: Each party will hire and be solely responsible for any costs associated with hiring an MAI appraiser. Each appraiser must have a minimum of five (5) years appraisal experience in the Tukwila/Renton area. Each appraiser shall complete his/her appraisal within thirty (30) days. If the appraisers' opinion of the market rate differs by less than ten percent (10%) of the amount of the higher appraisal; then the Base Rent shall be equal to ninety five percent (95%) of the average of the two appraisals. If the appraisers' opinion of market rate differs by more than ten percent (10%) of the higher appraisal then a third MAI appraiser satisfying the same qualifications shall be mutually hired and paid for by both parties. The third appraiser will evaluate the market using the same parameters outlined in the preceding paragraph. The market rate estimate of the third appraiser shall be averaged with the market rate estimate of the appraiser closest to it. The Base Rent for the Option Term shall be the higher of 95% of the resultant average rent utilizing this process or the Base Rent being paid at the time of the renewal.

3.8. Tenant Acceleration Right. Subject to the terms and conditions of this Section 3.8, Tenant shall have a right to accelerate the Term of this Lease ("Acceleration Right") so that the Term of this Lease expires at the end of the sixtieth month of this Lease ("Early Expiration Date"). Tenant's Acceleration Right under this Section 3.8 may be exercised only by Tenant providing Landlord with (i) irrevocable written notice, twelve (12) months prior to the end of the sixtieth (60^{th}) month, of this Lease ("Early Expiration Notice Date"), of its intent to exercise this right, and (ii) and an additional Base Rent payment of six (6) months of the then current monthly Base Rent ("Additional Base Rent"). The Additional Base Rent represents additional Base Rent charged to Tenant for the use and occupancy of the Premises from the Commencement Date through the Early Expiration Date, and reflects the amount of additional Base Rent that would have been charged by Landlord for a shorter Lease Term expiring on the Early Expiration Notice Date. The Additional Base Rent is in addition to any other Base Rent or Additional Rent due under the Lease. Tenant's Acceleration Right under this Section 3.8 shall be wholly conditioned upon Tenant not being in default, after expiration of any applicable notice or cure periods, under this Lease either at the time of Tenant's exercise of its Acceleration Right or on the Early Expiration Date. Landlord reserves the right to cancel Tenant's Acceleration Right in the event that Tenant has committed acts or omissions of default for which two or more default notices are given by Landlord in any consecutive twelve (12) month period pursuant to Section 19.2 below. Tenant's obligations to pay Rent, including but not limited to Base Rent, Additional Base Rent, Additional Rent, and any other costs or charges under this Lease, and to perform all other Lease obligations for the period up to and including the Early Expiration Date, shall survive the termination of this Lease. Time is of the essence of every provision in this Section 3.8, including but not limited to the Early Expiration Notice Date. In the event Tenant does not exercise its Acceleration Right on or before the Early Expiration Notice Date as set forth in this Section 3.8, then Tenant's Acceleration Right shall expire automatically and have no further force or effect without necessity of notice or other action by Landlord. Any purported exercise by Tenant of its Acceleration Right other than strictly in accordance with this Section 3.8 shall be void and have no force or effect.

3.9 Early Occupancy. Tenant will be allowed to occupy any portion of the Premises that Tenant determines is ready for occupancy before the Commencement Date for the purposes of installing equipment and furniture and/or construction of the Tenant Improvements, and in such event and as to the portion of the Premises so occupied, Tenant is obligated to pay all "Additional Rent" as described in Section 8 on the portion of the space so occupied, but not obligated to pay any Base Rent. However, if Tenant occupies Premises or any portion thereof, for any use or purposes other than installation of equipment and furniture and/or constructing of the Tenant Improvements, or if Tenant occupies or uses the Premises for the Permitted Uses, then Tenant is obligated to pay the Base Rent, per Section 1.10, as well as all "Additional Rent" as described in Section 8.

4. RENT.

4.1. Payment. Tenant shall pay Landlord the monthly installments of Base Rent provided in Section 1.10 and Additional Rent provided in Section 1.12 in lawful money of the

United States, in advance, on the Commencement Date and thereafter on or before the first day of each month throughout the Lease Term. Base Rent and Additional Rent shall be paid by Tenant without notice or demand, deduction, abatement, or offset, except as expressly provided herein. Base Rent and Additional Rent for any partial month at the beginning or end of the Lease Term shall be prorated in proportion to the number of days in such month. Base Rent and Additional Rent are collectively referred to in this Lease as "Rent."

4.1.1. Wire Payments or Direct Deposit. Any amounts payable to Landlord under this Lease in excess of Ten Thousand and 00/100 Dollars ($10,000.00) per occurrence shall be made by wire transfer or ACH per instructions provided upon necessity. Should Tenant fail to wire amounts above Ten Thousand Dollars ($10,000), a one-half of one percent (0.5%) fee will be charged for handling the check.

4.2. Interest on Late Payments; Service & Default Fees. If any Base Rent or Additional Rent is not paid on the due date thereof: (i) such overdue amounts shall bear interest at a rate equal to the Prime Rate of Interest plus eight percent (8%) per annum and; (ii) in order to defray Landlord's administrative and other costs in connection with such late payment (which sum Tenant acknowledges is fair and reasonable and does not constitute interest or a penalty), Tenant shall also pay to Landlord (1) a service fee equal to five percent (5%) of such overdue amount and (2) in each event of an issuance of a notice of Default, a Default notice administration fee of Two Hundred Fifty and 00/100 ($250.00). The parties hereby agree that such fees represent a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant, the exact amount of which would be difficult to ascertain. Acceptance by Landlord of any partial amounts due under this Section 4 shall in no event constitute a waiver of Tenant's default with respect to any overdue amount, nor prevent Landlord from exercising any of its other rights and remedies granted under this Lease or by law or in equity.

4.3 Address for Payments. Tenant shall pay all Rent to Landlord at Landlord's Payment Address, or at such other place as may be designated by Landlord from time to time by written notice to Tenant.

5. SECURITY DEPOSIT. Intentionally deleted.

6. USES; COMPLIANCE WITH LAWS.

6.1 Permitted Uses. The Premises are to be used only for the Permitted Uses, and for no other business or purpose without the prior written consent of Landlord, which consent may be withheld if Landlord, in its reasonable discretion, determines that any proposed use is inconsistent with or detrimental to the maintenance and operation of the Building or the Property or is inconsistent with any restriction on use of the Property contained in any lease, mortgage or other agreement or instrument by which the Landlord may be bound or to which any of the Property may be subject. Notwithstanding the foregoing, Tenant shall not engage in or permit the use of any activities prohibited under this Lease. Tenant shall not abandon the Premises, or a significant portion thereof. Tenant is not obligated to conduct normal business operations of the Permitted Uses within the Premises on a continuous basis, however Tenant shall perform all of its obligations under and throughout the Term irrespective of whether Tenant occupies the Premises or any part thereof.

6.2 Duties and Prohibited Conduct. Notwithstanding anything to the contrary in this Lease, Tenant shall not knowingly commit any act (other than a Permitted Use) that will increase the then-existing rate of insurance on the Building without Landlord's prior written consent, which shall not be unreasonably withheld or delayed. Tenant shall promptly pay upon demand the amount of any increase in insurance rates caused by other than the Permitted Uses or by any act or acts of Tenant or its employees, agents or representatives. Tenant shall not knowingly commit or allow to be committed any waste upon the Premises, or any public or private nuisance or other act which disturbs the quiet enjoyment of any other tenant of the Property or which is unlawful. Tenant shall not knowingly, without the written consent of Landlord, use any apparatus, machinery or device in or about the Premises, or act in any way, which is inconsistent with a Permitted Use and will cause any substantial or offensive noise, or any vibration, fumes, or releases of Hazardous Substances into the surrounding environment in violation of Environmental Laws (defined below). If any of Tenant's office machines, equipment or activities are inconsistent

with a Permitted use and disturb the quiet enjoyment of any other tenant in the Building, cause any substantial noise, or cause any vibration, fumes or releases of Hazardous Substances in violation of Environmental Laws, then Tenant, at Tenant's sole expense, shall provide adequate insulation or take such other action as may be necessary to eliminate such disturbance, noise, vibration, fumes or releases. Tenant, at Tenant's expense, shall comply with all applicable laws, rules, regulations, orders, ordinances and permits relating to its use or occupancy of the Premises, and shall observe such rules and regulations as may be adopted by Landlord and made available to Tenant from time to time which are not inconsistent with this Lease. This Lease shall be subject to all applicable zoning ordinances and to all municipal, county, state and federal laws and regulations governing or regulating the use of the Premises. Tenant must comply with all applicable laws, ordinances, and codes, at its cost.

6.3 Environmental, Health And Safety Laws. Without limiting Tenant's obligations under this Section 6, Tenant in the exercise of its rights and the performance of its obligations under this Lease shall comply, at Tenant's expense, with all local, state, or federal laws, rules, regulations, ordinances, orders and permits now existing, or as hereafter enacted, amended, or issued concerning environmental, health, or safety matters (collectively, the "Environmental Laws") and Landlord shall also comply, at Landlord's expense, with the Environmental Laws. Tenant shall not use the Premises in any manner, or permit anything to be done in or about the Property, which may subject Landlord, any guarantor, or any mortgagee under any mortgage covering the Property, to liability for remediation costs or other damages or penalties under any Environmental Laws resulting from Tenant's use of, or conduct on, the Property, including without limitation, the use, generation, transportation, management, handling, treatment, storage, manufacture, emission, release, disposal or deposit of any radioactive material, hazardous or toxic wastes, hazardous or toxic substances, any material containing hazardous wastes or hazardous substances (except as they occur in normal office products or household cleaning products), or any other pollutant, contaminant, human pathogen or infectious agent as such terms may now or in the future be defined in any Environmental Laws except in compliance with applicable law (collectively, "Hazardous Substances"), on the Property, adjacent surface waters, soils, underground waters, or air.

Landlord shall have the right at all reasonable times upon notice to Tenant to conduct environmental investigations, including the taking of samples, for the purpose of detecting or measuring the presence of Hazardous Substances on the Property. Tenant shall keep Landlord continuously informed by written notice of all Hazardous Substances which Tenant, or Tenant's employees, agents, representatives, invitees, licensees, or contractors, generates, stores or otherwise allows on the Property. Tenant shall provide Landlord with copies of all documents received or prepared by Tenant concerning any release of a Hazardous Substance at the Property, all documents Tenant receives or prepares in connection with any violation, or alleged violation, of an Environmental Law by Tenant, and all reports or other documents Tenant is required to provide any governmental authority under any Environmental Law concerning any Hazardous Substance. Upon request by Landlord, Tenant shall provide Landlord with all other information, which Landlord reasonably deems necessary or useful for the purpose of determining whether Tenant is in compliance with all Environmental Laws and whether the Property, or any part of the Property, is contaminated by any Hazardous Substances. If Tenant or the Premises is in violation of any Environmental Law, or in the event of a release of Hazardous Substances into or on the Property or adjacent surface waters, soils, underground waters, or air, Tenant shall (i) immediately notify Landlord in writing of such occurrence and the action necessary to correct or mitigate such occurrence, and (ii) take such action as is necessary to mitigate and correct such violation or release. Provided, however, Landlord reserves the right, but not the obligation, to enter the Premises, to act in place of the Tenant (and Tenant hereby appoints Landlord as its agent for such purposes) and to take such action as Landlord deems necessary to ensure compliance or to mitigate the violation, at Tenant's expense. If Landlord has a reasonable belief that Tenant is in violation of any Environmental Law, or that Tenant's actions or inaction presents a threat of violation or a threat of damage to the Property, Landlord reserves the right to enter the Premises during business hours, except in cases of emergency, on reasonable advance notice to Tenant and accompanied by a representative of Tenant and take such corrective or mitigating action as Landlord deems necessary. Landlord shall, at a minimum, provide concurrent notice to Tenant when Landlord enters the Premises in cases of emergency as provided above, and Landlord shall be accompanied by a representative of Tenant or a Tenant designee, if practicable. All costs and expenses incurred

by Landlord in connection with any such actions shall become immediately due and payable by Tenant upon presentation of an invoice therefor.

Tenant shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining Landlord's written consent. Tenant shall promptly inform Landlord of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Premises whenever the same becomes known to Tenant and Tenant shall provide copies to Landlord, upon request by Landlord and at no cost to Landlord. Notwithstanding anything to the contrary herein, in no event shall Tenant be responsible for or liable to Landlord for any Hazardous Substances located in the Premises that existed or were released upon the Premises prior to the date Tenant first occupied the Building, nor for any Hazardous Substances released upon the Building or the Premises by any third party not under the control of Tenant, except and only to the extent that Tenant's acts or omissions contribute to the release.

Landlord shall be solely responsible for handling, removal, and treatment of any Hazardous Substances located in the Premises that existed or were released upon the Premises prior to the date Tenant first occupied the Building, nor for any Hazardous Substances released upon the Building or the Premises by any third party not under the control of Tenant, except and only to the extent that Tenant's acts or omissions contribute to the release.

Landlord shall indemnify and hold harmless Tenant of and from any and all loss, cost, damage, and expense, including attorney's fees, in any way resulting from, or arising from, any Hazardous Substances located in the Premises that existed or were released upon the Premises prior to the date Tenant first occupied the Building, except to the extent that Tenant's acts or omissions contribute to the release.

Notwithstanding any other provisions of this Lease, Landlord and Tenant's obligations and responsibilities for the proper use, storage and maintenance of Hazardous Substances on the Property and for any breach of the obligations pursuant to this Paragraph 6.3, shall survive any expiration or any termination of this Lease.

6.4 Landlord warrants and represents to Tenant that upon the Commencement Date, the Premises is in full compliance with all applicable local, state, and federal laws, statues, codes and ordinances and governmental rules, regulations and requirements, including, but not limited to all building codes, and the Americans with Disabilities Act.

7. SERVICES AND UTILITIES; REPAIRS AND MAINTENANCE.

7.1 Services and Utilities; Landlord's Obligations. Landlord warrants that the Building's mechanical, electrical and plumbing systems are designed and suitable for the delivery of heating, ventilation, air-conditioning ("HVAC"), electrical and water (including sewer) services sufficient for standard office and storage use. Landlord shall supply the Premises with HVAC, electricity and, if applicable, water sufficient for standard office and storage use (including convenience electricity for lighting and operation of low power usage office machines of three (3) watts per usable square foot), the cost of which shall be paid by the Tenant in accordance with Section 8.2. HVAC service will be limited to 7:00 a.m. to 6:00 p.m. on weekdays (excluding legal holidays recognized by Landlord) ("Normal Business Hours"), except for additional service as provided for in this Lease. Landlord shall supply Landlord's standard Building and Property security and fire monitoring services and elevator service, Landlord's standard trash removal services (excluding disposal of Hazardous Substances or medical or biological waste) from the Building compactor, if any, bulb replacement services for Building standard light fixtures, and Landlord's standard exterior window washing services for Premises' windows. Landlord shall also provide standard office and storage janitorial services to the Premises if so requested by Tenant.

Any service or utility, which is separately metered to the Premises by the utility provider, such as electricity, shall be billed directly to Tenant and paid directly by Tenant to the utility provider. Tenant shall timely pay all invoices directly to the utility provider for any utilities which are separately metered and billed by the utility provider. The Base rental rate excludes the cost of janitorial services to the Premises, and utilities to the Premises including the estimated utilities to supply the Premises with building standard HVAC. All other services or utilities which are required to be provided by Landlord under Section 7.1 which are not separately metered by the

service or utility provider shall be included within "Operating Costs" and shall be paid by Tenant each month as provided in Section 8. The cost for any services or utilities, which are not separately metered or sub-metered shall be based on Landlord's reasonable estimate of Tenant's consumption of such utilities. If in the Landlord's reasonable opinion the Tenant's consumption of any utility is extraordinary, Landlord shall be entitled to install, maintain and operate, at Tenant's cost, a monitoring/ metering system(s) in the Premises to measure Tenant's consumption of water, electricity (including electricity to Tenant's signage, if any) HVAC or other utilities or services, or to measure the added demands on the Premises electrical or HVAC systems resulting from Tenant's equipment or lights, including without limitation, Tenant's improvements pursuant to Exhibit C.

Landlord's obligation to provide the services and utilities described in this Section 7.1 is subject to Section 11 (Damage And Destruction) and Section 22 (Condemnation).

7.1.1 Additional Services or Utilities. The Building standard mechanical system is designed to accommodate standard office and storage use heating loads generated by lights or equipment using up to three (3) watts per usable square foot. Before installing fixtures, lights or equipment in the Premises, which in the aggregate exceed such amount, or which otherwise consume or require services or utilities exceeding standard office and storage-type levels, Tenant shall obtain the written permission of Landlord. Landlord may refuse to grant such permission unless Tenant agrees to pay Landlord's costs, including Landlord's administrative fee (which fee shall be commercially reasonable), for installation of separate meters, supplementary air conditioning capacity or electrical systems as necessitated by such equipment or lights. In addition, Tenant shall pay Landlord as Additional Rent the amount estimated by Landlord (including Landlord's administrative fee) as the cost of furnishing services or utilities for the operation of such equipment or lights and the cost of operation and maintenance of any supplementary air conditioning units necessitated by Tenant's use of such equipment or lights.

During times other than from 7:00 a.m. to 6:00 p.m. on weekdays ("Normal Business Hours"), Landlord may restrict access to the Building in accordance with the Building's security system, provided that Tenant shall have at all times during the Term of this Lease (24 hours of all days) reasonable access to the Premises.

If after request by Tenant, Landlord furnishes HVAC or other services or utilities in addition to the utilities or services required to be provided by Landlord under this Lease, including without limitation, furnishing utilities or services at times other than Normal Business Hours or in amounts exceeding standard office and storage use, then the cost of such non-standard or additional services or utilities, including the recovery of additional depreciation of HVAC equipment as a result of such additional use, as reasonably established by Landlord, shall be paid by Tenant as Additional Rent.

7.2 Services and Utilities; Tenant's Obligations. Tenant shall be solely responsible for providing, and shall pay directly, all charges for janitorial services to the Premises and for any security services desired by Tenant in addition to Landlord's standard Building and site security services. Tenant shall be solely responsible for providing, at Tenant's cost, any backup electricity generator desired by Tenant. It is understood that except as provided in Sections 7.1 or 7.4, Landlord shall not be required to provide any services or utilities to Tenant, and Tenant shall make all necessary arrangements to have such services and utilities billed directly to Tenant and paid directly by Tenant. For all such directly billed utilities, at the end of the Lease Term Tenant shall provide written notice of its intent to vacate the Premises to the utility company pursuant to the timeframe and other applicable rules established by such utility company. Tenant shall pay its share, as reasonably determined by Landlord, of any unique services or equipment used by Tenant which are shared by other tenants of the Building, such as generators, dilution tanks and air compressors.

7.3 Interruption. Landlord shall not be liable for any loss, injury or damage to persons or property caused by or resulting from any variation, interruption, or failure of services or utilities to be provided by Landlord under this Lease due to any cause whatsoever, including without limitation, Landlord's failure to make any repairs or perform any maintenance required to be performed by Landlord under this Lease, unless caused by Landlord's negligence or breach of its obligations under this Lease. No temporary variation, interruption or failure of services or

utilities to be provided by Landlord under this Lease incident to the making of repairs, alterations or improvements, or due to accident, strike or conditions or events beyond Landlord's reasonable control, shall be deemed an eviction of Tenant or relieve Tenant from any of Tenant's obligations under this Lease.

7.4 Landlord's Repair and Maintenance Obligations. Except as provided in Sections 9 (Improvements and Alterations by Tenant), 11 (Damage or Destruction) or 22 (Condemnation), Landlord shall cause to be maintained in reasonably good order and condition the Building (other than any leased premises) and the public and common areas of the Property, such as lobbies, elevators, stairs, corridors and restrooms; provided, however, Tenant shall be responsible for the cost of repair of damage occasioned by any act or omission of Tenant or Tenant's officers, contractors, agents, invitees, licensees or employees, subject to Section 12, Waiver of Subrogation. Landlord shall maintain and repair the Premises' water, if applicable, and elevator service at all times during the term of the Lease.

7.5 Tenant's Repair and Maintenance Obligations. Except for maintenance, and repairs required to be made or provided by Landlord under Sections 7.1 or 7.4, Tenant, at its sole cost and expense, shall provide, repair and replacement within the Premises and all built-in appliances and equipment, including any private restrooms and associated plumbing, which are in the Premises for Tenant's exclusive use and any security systems or services desired by Tenant in addition to any such systems or services as may be provided by Landlord under this Lease.

7.6 Additional Security. In the event that Tenant's use of the Premises, or its presence in the Building, results in the need for additional security for the Premises or the Building, as determined by Landlord, then any additional security provided by Landlord for the Building or the Premises shall be at Tenant's sole cost and expense, and shall be reimbursed by Tenant to Landlord within five (5) days of written demand. This Section shall include, without limitation, any additional security required as a result of labor disturbances, strikes, political protests, dangerous activities, and any other disturbance or disruption of any kind.

7.7 Tenant's Obligations. In performing its obligations under this Section 7, Tenant, at Tenant's expense, shall comply with all Environmental Laws and all other applicable laws, ordinances, codes, orders, rules or regulations of any governmental authority. Tenant shall retain, and shall provide Landlord upon request, copies of Tenant's maintenance and service contract(s). Except as provided in Section 9 in connection with Alterations, before making or performing any work, repairs, or replacement of any kind in the Premises, if such work shall affect the Building's systems or costs of operation to Landlord then Tenant shall obtain Landlord's prior written approval, which approval, shall not be unreasonably withheld, but may be conditioned on Tenant providing Landlord with plans and specifications therefore, if applicable, which are acceptable to Landlord. All work, maintenance, repairs and replacements by Tenant under this Lease shall be performed by licensed contractors acceptable to Landlord if licensed contractors are required by law to perform such work. Tenant shall provide Landlord with copies of all contracts or purchase orders, for such work, maintenance, repairs and replacements prior to having such work, maintenance, repairs or replacements performed. Before installing any heavy equipment or fixtures in the Premises, Tenant shall submit the plans and specifications therefore to Landlord for Landlord's written approval.

8. ADDITIONAL RENT: OPERATING COSTS AND REAL ESTATE TAXES.

8.1 Definitions. In addition to the Base Rent, Tenant shall pay to Landlord each month as Additional Rent Tenant's Share of Taxes and of Operating Costs as provided in this Section 8, using the following definitions:

8.1.1 Taxes. Taxes shall mean (a) all taxes, assessments, and governmental charges, whether or not directly paid by Landlord, whether imposed by federal, state, county, municipal, municipal utility district, levee improvement district or otherwise, and whether imposed by taxing districts or authorities presently taxing the Property or by others subsequently created or otherwise; and (b) any amounts paid as assessments, dues or other charges under the Declarations, or any other recorded declaration of restrictive covenants affecting the Property; and (c) any other taxes and assessments attributable to the Property or its operation. Taxes shall not include federal and state taxes on income, death taxes, franchise taxes, and taxes imposed or

measured on or by the income of Landlord from the operation of the Property (other than ad valorem taxes on the Property determined by reference to Landlord's income from the Property). The term Taxes shall also include any sums levied by a management district or other district with powers similar to municipal utility districts which may make assessments either by way of ad valorem taxes or a dollar figure based upon the number of square feet owned, leased or operated. Taxes shall not include any penalty or interest paid by Landlord due to a late payment of Taxes. If all or any portion of the Property obtains the benefit of a full or partial tax exemption, reduction in tax rates, and/or reduction in Taxes payable, then Taxes for purposes of this Lease shall mean the Taxes that would have been payable if such exemption and/or reductions were not applicable, regardless if such exemption and/or reductions are actually obtained.

Tenant shall pay to Landlord as Additional Rent, any tax ("Rent Tax") upon Rent payable under this Lease or any tax or fee in any form payable by Landlord because of or measured by receipts or income of Landlord derived from this Lease. The preceding sentence shall not apply to general income tax or business and occupation tax of Landlord, except to the extent a Rent Tax is imposed as a business and occupation tax. If a Rent Tax imposed on a monthly basis as Rent is due, then such Rent Tax shall be payable monthly at the same time that Basic Rent is due.

If the Taxes are reduced in any Lease Year due to Tenant's tax-exempt non-profit status, then Tenant's Share of Taxes for that Lease Year shall be reduced on a dollar for dollar basis to the extent the reduction in Taxes is attributable solely to Tenant's tax-exempt non-profit status.

8.1.2. Operating Costs. "Operating Costs" shall mean all expenses other than Taxes paid or incurred by Landlord for obtaining services and products for maintaining, operating, equipment replacement, and repairing the Property, including without limitation, the Property's public and common areas, the Landmarked Elements, and the personal property used in conjunction therewith, and which shall include, without limitation, the costs of Landlord performing its maintenance and repair obligations under this Lease, depreciation and amortization of capital improvements made subsequent to the initial development of the Property or Building which are designed with a reasonable probability of enhancing the health and/or safety of the Property or improving the operating efficiency of the Property or Building, security services for the Property, fire alarm system monitoring and testing, refuse collection, maintaining water, sewer, storm drainage and other utility systems and services, common area electricity, gas and other similar energy sources (excluding electricity for the Premises which will be charged to the Tenant subject to paragraph 8.6 below), Transportation Management Plan compliance costs and charges (including but not limited to costs associated with residential parking zone passes/stickers/requirements), supplies, Premises janitorial if provided, common area janitorial and cleaning services, exterior window washing, landscape planting, maintenance and irrigation, services of independent contractors (including any market-rate management fees which may be or become payable to third parties), compensation (including employment taxes and fringe benefits) of all persons who perform duties in connection with the operation, maintenance and repair of the Property and its equipment, the maintenance, resurfacing, repair and striping of parking areas and curbs (including driveways, loading zones and access easements, including pedestrian access easements), downspouts and gutters, lighting and outdoor facilities, premiums for Landlord's insurance (including applicable finance charges; however the finance charges may be waived by Tenant making a lump sum payment for its annual share of Landlord's insurance), insurance deductibles, licenses, permits and inspection fees, a management fee, reasonable legal, administrative and accounting expenses, and any other expense or charge whether or not hereinabove described, which in accordance with generally accepted management practices would be considered an expense of maintaining, operating, or repairing the Property, excluding or deducting, as appropriate costs of any special services rendered to individual tenants (including Tenant) for which a special charge is collected including, without limitation, any specially metered charges. Notwithstanding the foregoing, Operating Costs shall not include the following:

(1) attorney's fees, accounting fees and other expenditures incurred in connection with negotiations, disputes and claims of other tenants or occupants of the Building, except as specifically otherwise provided in this Lease;

(2) costs directly attributable to or for the sole benefit of a tenant, including Tenant;

(3) rental on ground leases or other underlying leases; except wherein such lease or agreement is directly related to the operating efficiency and/or maintenance of the Building, Premises and/or Property;

(4) cost of any work or services to the extent performed for any facility other than the Building (provided Landlord shall have the right to reasonably allocate the cost of services provided to more than one facility);

(5) costs due to Landlord's willful violation of any governmental rule or authority;

(6) charitable or political contributions;

(7) any fees paid to related parties of Landlord which exceed the market rate for similar services;

(8) marketing costs including, without limitation, leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, tenant improvement costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants;

(9) depreciation or amortization of original construction;

(10) interest on debt or principal payments to a Lender;

(11) salaries of and administrative or operational costs attributable to officers, executives and partners of Landlord;

(12) tax or any other penalties or fees incurred as a result of Landlord's negligence, inability or unwillingness to pay taxes or any other charge on time;

(13) all items and services for which Tenant or any other tenant in the Property reimburses Landlord (other than through CAM Expenses) and all items and services supplied selectively to any tenant without reimbursement, provided that item or service supplied to Tenant shall be paid for by Tenant;

(14) the cost of improving or renovating any space for any other tenant;

(15) any costs that are capitalized, and not expensed, in accordance with applicable IRS regulations, except that Tenant shall pay Tenant's Share of capital expenses that (i) are reasonably expected to improve the operating efficiency of the Property; or (ii) are required by applicable law; or (iii) as otherwise expressly agreed to be paid by Tenant under this Lease; with regard to any such capital expenses, the same will be amortized over their expected useful life as reasonably determined by Landlord;

(16) expenses resulting directly from the willful misconduct or gross negligence or Landlord;

(17) any bad debt loss, rent loss, or reserves for bad debts or rent loss and reserves for capital improvements; and

(18) costs of Landlord's overhead and general and administrative expense; provided this limitation shall not be construed to limit Landlord's right to require Tenant to pay the property administration fee provided for under this Lease; and Landlord can include a portion of its overhead and general and administrative expense, provided such amounts exclude expenses related all salaries above asset manager level.

8.1.3 Tenant's Share. "Tenant's Share" in connection with Operating Costs and Taxes shall mean Tenant's Share of the Property multiplied by actual or estimated, as the case may be, Operating Costs or Taxes allocated to the Property, respectively, or, if appropriate, a more equitable allocation method reasonably determined by Landlord, and subject to Tenant's approval, which is not to be unreasonably withheld. Notwithstanding anything to the contrary in this Section 8.1.3, in determining the amount of Operating Costs, for the purpose of this Section

8.1.3: (a) if less than ninety-five percent (95%) of the Building shall have been occupied by tenants and fully used by them at any time, Operating Costs shall be increased to an amount equal to the like Operating Costs which would normally be expected to be incurred had such occupancy been ninety five percent (95%) and had such full utilization by tenants been made during the entire period; and (b) if the Landlord is not furnishing any particular work or service (the cost of which if performed by the Landlord would constitute a Building Operating Cost) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by the Landlord, Operating Costs shall be deemed for the purposes of Section 8.1.2 to be increased by an amount equal to the additional Operating Costs which would reasonably have been incurred during such period by the Landlord if it had at its own cost furnished such work or service to such tenant.

If Tenant's use of the Premises as a non-profit institution results in a partial tax exemption or reduction in Taxes payable with respect to the Property, then during the time that such tax exemption or reduction in Taxes is applicable, Tenant's Share of Taxes will be reduced by the amount by which the Taxes in any Lease Year are reduced as a result of such tax exemption or reduction in Taxes.

8.2. Payment of Additional Rent for Estimated Operating Costs and Taxes. Within thirty (30) days of the Commencement Date or the close of each Lease Year, as applicable, or as soon thereafter as is practicable, Landlord shall provide Tenant with a written statement of Tenant's Share of estimated Operating Costs and Taxes for such Lease Year. Tenant shall pay 1/12 of the amount of any special or specific Tenant charges, and Tenant's Share of Operating Costs and Taxes as Additional Rent as provided in Section 4 each month during such Lease Year and until such time as Landlord provides Tenant with a statement of estimated Operating Costs and Taxes for the subsequent Lease Year. If at any time or times during such Lease Year, it appears to Landlord that Tenant's Share of actual Operating Costs and/or actual Taxes will vary from the estimated Operating Costs and/or Taxes by more than five percent (5%) on an annual basis, Landlord may, by written notice to Tenant, revise its estimate for such Lease Year and Additional Rent payable by Tenant under this Section 8.2 for such Lease Year shall be increased based on Landlord's revised estimate.

8.3 Reconciliation. Landlord will make reasonable efforts within ninety (90) days after the close of each Lease Year during the Term hereof for which an estimated statement was delivered to Tenant pursuant to Section 8.2, to deliver to Tenant a written statement ("Reconciliation Statement") setting forth Tenant's Share of the actual Operating Costs and Taxes paid or incurred by Landlord during the preceding Lease Year (or such prorated portion of such Lease Year if this Lease commences or terminates on a day other than the first or last day of a Lease Year, based on a 365 day Lease Year). If the actual Operating Costs and/or Taxes shown on the Reconciliation Statement for any Lease Year exceed estimated Operating Costs and/or Taxes paid by Tenant to Landlord pursuant to Section 8.2, Tenant shall pay the excess to Landlord as Additional Rent within thirty (30) days after the date of the Reconciliation Statement. If the Reconciliation Statement shows that actual Operating Costs and/or Taxes are less than the estimated Operating Costs and/or Taxes paid by Tenant to Landlord pursuant to Section 8.2, then the amount of such overpayment shall be credited by Landlord to the next Additional Rent payable by Tenant (or refunded to Tenant in the event of the termination or expiration of this Lease). Notwithstanding anything to the contrary in this Section 8.3, Tenant's Share of Operating Costs and Taxes for any partial Lease Year at the end of the Term shall be as shown on Landlord's statement of estimated Operating Costs and Taxes furnished to Tenant pursuant to Section 8.2.

8.4 Tenant's Audit Right. The determination of actual and estimated Operating Costs and Taxes shall be made by Landlord. Landlord or its agent shall keep records in reasonable detail showing all expenditures made for the items enumerated in this Section 8. Tenant shall have the right at its own cost and expense to review and/or inspect Landlord's records once in any calendar year with respect to any Operating Costs shown on Landlord's annual reconciliation statement provided to Tenant. This review/inspection right is limited solely to the two prior calendar years based upon the date Tenant provides written notice to Landlord. Tenant shall give Landlord written notice ("Tenant's Notice") of its intention to conduct any such review or inspection on or before one hundred eighty (180) days after the date of Tenant's receipt of Landlord's annual reconciliation statement. Tenant's review/inspection shall be conducted by Tenant's staff (e.g., internal audit) or a certified public accounting firm or other established firm that conducts such reviews, audits, and inspections, at Landlord's main business office, or at such

other location as Landlord may keep its relevant business records, and on a date mutually agreed upon by Landlord and Tenant, but in no event is Landlord required to agree to a date which is earlier than ninety (90) days from the date of Tenant's Notice to Landlord. Landlord agrees that it shall give Tenant said access to review/inspect the business records no later than sixty (60) days after Tenant's Notice to Landlord. Tenant must provide written notice to Landlord within one hundred twenty (120) days after Tenant's Notice to Landlord, specifying any and all claims it may have determined in good faith. Tenant agrees to diligently pursue its review/inspection of Landlord's records in order to determine if it concurs or disagrees with Landlord's statement. If Tenant's review and/or inspection discloses that Landlord's statement of Operating Costs has understated actual Operating Costs, then Tenant shall pay, within thirty (30) days after Tenant's notice to Landlord of completion of the review and or inspection, any additional amount owing to Landlord. If Tenant's review and or inspection discloses that Landlord's statement of Operating Costs has overstated Tenant's Percentage of the Building Operating Costs by five percent (5%) or more, then Landlord shall pay Tenant's reasonable cost of the audit. Landlord shall refund such excess amount to Tenant within thirty (30) days after Tenant's notice to Landlord of completion of the review and/or inspection, even if the Lease Term has expired.

Tenant shall be deemed to have waived its review and inspection right, and therefor Landlord's changes shall be binding on both parties, with respect to the period of time covered in Landlord's annual reconciliation statement if any of the following occurs:

Tenant has not notified Landlord in writing on or before one hundred eighty (180) days after Tenant's receipt of Landlord's annual reconciliation statement of its intention to conduct its review/inspection, Tenant has not commenced its review/inspection of Landlord's records at Landlord's office or designated location on or before ninety (90) days after Tenant's Notice to Landlord, Tenant has not provided written notice to Landlord on or before one hundred eighty(180) days after Tenant's Notice of review/inspection to Landlord, specifying any and all claims it may have determined in good faith.

Tenant, and its employees, agents, attorneys and representatives agree that any and all information concerning Operating Costs or any other information disclosed by Landlord pursuant to any such review/inspection shall not be disclosed to any other person or entity without the prior written consent of Landlord, which consent shall be at Landlord's sole discretion. Prior to providing such confidential information to any of Tenant's employees, agents, attorneys or representatives, Tenant shall deliver to Landlord a written acknowledgment of such parties' agreement to be bound by the terms of this paragraph, in a form satisfactory to Landlord. Nothing in this paragraph shall relieve Tenant of its obligation under Section 8 to pay Additional Rent without notice, demand, offset or deduction.

8.5 Tenant's Personal Property Taxes. Tenant shall pay prior to delinquency all Personal Property Taxes payable with respect to all Property of Tenant located on the Premises or the Property and, upon Landlord's request, shall promptly provide Landlord with written proof of such payment. Solely for purposes of this Section 8.5, "Property of Tenant" shall include Landlord's Work, Tenant's Work and all other improvements which are paid for by Tenant, and "Personal Property Taxes" shall include all personal property taxes assessed against the Property of Tenant.

8.6 Tenant's Utility Charges. Landlord and Tenant agree that utilities to the Premises, including the cost of utilities to provide Building standard HVAC, are not included in the Base Rent. Except to the extent directly billed by the utility provider, Landlord will estimate, by meter if possible, the cost of the Tenant's usage of electricity and natural gas for its Premises, including the cost of utilities to heat and cool the Premises. Tenant shall pay to the Landlord as Additional Rent each month the Landlord's estimate of such charges. At the end of each calendar year the Landlord shall compare the previous 12 months actual charges to its estimates. Any amounts owing shall be paid by Tenant, and credit amounts shall be refunded to Tenant in accordance with Section 8.3. Landlord shall adjust its estimates as provided for in Section 8.2.

9. IMPROVEMENTS AND ALTERATIONS BY TENANT. Except for (1) structural cabling in the Premises, (2) as set forth in Exhibit C, and (3) for non-structural changes or alterations costing less than Fifty Thousand Dollars ($50,000.00) that do not affect the mechanical, electrical, or data/telecommunication systems, Tenant shall not make any changes,

alterations, additions or improvements in or to the Premises ("Alterations"), including, without limitation, changes to locks on doors, or to plumbing, electrical or mechanical systems and wiring or Building telecommunication systems or conduit, without first obtaining the written consent of Landlord, which shall not be unreasonably withheld or delayed, and, where required by Landlord, such Alterations shall be made under the supervision of a competent architect and/or a licensed structural engineer, and in accordance with plans and specifications which meet current building standards for quality, design, and colors if visible from the hallways or exterior, approved by Landlord, which approval for any Alterations shall not be unreasonably withheld, conditioned or delayed. Prior to commencing any Alterations, Tenant shall notify Landlord of such work and Landlord shall perform a good faith asbestos inspection in accordance with applicable laws and regulations. All work with respect to any Alterations shall be done in a good and workmanlike manner and shall be diligently prosecuted to completion. In no event shall Tenant's Alterations adversely change or affect the strength, exterior appearance, roof, or the mechanical, electrical, or plumbing services or systems, of the Building without Landlord's consent. Tenant shall reimburse Landlord within thirty (30) days of written demand for any sums reasonably expended by Landlord for examination and approval of plans and specifications for any and all Alterations. Tenant shall also pay Landlord a sum equal to the reasonable, out of pocket costs incurred by Landlord during any inspection or supervision of any and all Alterations; provided that Landlord obtains Tenant's prior written approval of such costs. All physical damage to the Property caused by any act or omission of Tenant, or Tenant's officers, contractors, agents, invitees, licensees or employees, or by any persons who may be in or upon the Property with the express or implied consent of Tenant, including but not limited to, damage from cracked or broken glass in windows or doors, shall be paid by Tenant within thirty (30) days of receipt of written demand by Landlord. Tenant and Tenant's contractor shall comply with the general conditions for construction as referenced in Exhibit C and Exhibit G Tenant & Tenant Contractor Construction Criteria.

Given the nature and function of the facility in which the Premises are located, all contractors and subcontractors engaged by Tenant to perform on-site tenant improvements, build-out, installation, alterations, additions, improvements, renovations, remodeling, mechanical, electrical (including telecommunication, data, security and low voltage), or similar work, and the maintenance or repair of the same, shall be subject to the prior written approval of the Landlord, which shall not be unreasonably withheld or delayed. The Landlord shall maintain a list of pre-approved contractors and subcontractors for electrical-related work and other major trades for provision to the Tenant as requested.

10. ACCESS. Landlord may restrict access to the Building in accordance with the Building's security system. Tenant shall have at all times during the Lease Term (24 hours of all days) reasonable access to the Property and Premises. Landlord, at Landlord's cost, shall provide Tenant with security access cards to the Building as such cards are a part of the Building's security system (it is recommended that Tenant keep such cards to a maximum of five (5), however Tenant may designate as many people they choose to receive the cards). Subject to the provisions of this Section, Tenant shall permit Landlord and its agents to enter the Premises at all reasonable times (except in cases of emergency or for the operations of the Building) for the purpose of inspecting or improving the Premises or the Building, upon reasonable advance written notice to Tenant, or for performing any of its obligations under this Lease or for operations of the Building; provided that to the extent practicable, such notice shall not be less than forty eight (48) hours. Nothing contained in this Section 10 shall be deemed to impose any obligation upon Landlord not expressly stated elsewhere in this Lease. When reasonably necessary Landlord may temporarily close entrances, doors, corridors or other facilities without liability to Tenant by reason of such closure and without such action by Landlord being construed as an eviction of Tenant or release of Tenant from the duty of observing and performing any of the provisions of this Lease, so long as such action does not materially and unreasonably interfere with Tenant's access to the leased Premises. Landlord shall have the right to enter the Premises escorted by Tenant, with reasonable written notice to Tenant, which shall not be less than forty eight (48) hours, for the purpose of showing the Premises to prospective tenants within the period of one hundred eighty (180) days prior to the expiration or sooner termination of the Lease Term. Landlord shall have the right at all times to enter the Premises escorted by Tenant, with reasonable written notice to Tenant, which shall not be less than forty eight (48) hours, for the purpose of showing the Premises to prospective purchasers or lenders.

Except in the event of an emergency, a court order or other exercise of governmental or regulatory agencies, only Tenant's pre-authorized representatives shall be allowed to enter the Tenant's Premises without prior authorization from Tenant. Landlord shall notify Tenant promptly upon Landlord receipt of court order or other governmental or regulatory agency's request for access to Premises prior to compliance with such legal request.

11 DAMAGE OR DESTRUCTION.

11.1. Damage and Repair. If the Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed thirty percent (30%) of the replacement value of the Building shell and core (exclusive of foundations) just prior to the occurrence of the damage, or if insurance proceeds sufficient for restoration are for any reason unavailable, then Landlord may no later than the ninetieth (90th) day following the damage, give Tenant a notice of its election to terminate this Lease. In the event of such election; (a) this Lease shall be deemed to terminate on the date that is thirty (30) days from the date of Tenant's receipt of such notice ("Termination Date"); (b) Tenant shall surrender possession of the Premises on the Termination Date; and (c) Rent and Additional Rent shall be apportioned as of the date of such damage, and any Rent paid for any period beyond such date shall be repaid to Tenant. If the cost of restoration as estimated by Landlord shall amount to less than thirty percent (30%) of said replacement value of the Building shell and core infrastructure and insurance proceeds sufficient for restoration are available, or if Landlord does not elect to terminate this Lease, Landlord shall restore the Building and the Premises (to the extent of the improvements to the Premises originally provided by Landlord hereunder, including any improvements paid for by Landlord with any Tenant allowance or credits) with reasonable promptness, subject to delays beyond Landlord's control and delays in the making of insurance adjustments by Landlord, and Tenant shall have no right to terminate this Lease except as provided in this Section 11. To the extent the Premises are rendered untenantable in Tenant's reasonable business judgment by such damage or by Landlord's restoration work under this Section, the Base Rent and Additional Rent shall proportionately abate until the earlier of (i) sixty (60) days after Landlord's restoration has been completed; or (ii) the date Tenant reoccupies the Premises for normal business operations. Notwithstanding the foregoing, if any damage is reasonably anticipated to render the Premises untenantable for nine (9) months or more, and Landlord cannot provide alternative space in the Project satisfactory to Tenant in Tenant's sole discretion, or if Landlord does not restore the Premises and Building within such nine (9) month period, Tenant may elect, within thirty (30) days after such determination is made, or restoration is not complete, as the case may be, to terminate this Lease by written notice to Landlord. The above notwithstanding, in recognition of the disruption of Tenant's business that may be caused by damage to the Premises or Building, Tenant shall have the right to make immediate repairs to the Premises and related systems, the out-of-pocket cost of which shall be recovered from Landlord's insurance, if available.

11.2 Destruction During Last Year of Term. Notwithstanding anything to the contrary in this Lease, in case the Building shall be substantially destroyed by fire or other cause at any time during the last Lease year of this Lease such that the cost to repair such damage (whether or not insured) exceeds $100,000, either Landlord or Tenant may terminate this Lease upon written notice to the other given within thirty (30) days of the date of such destruction, such termination to be effective thirty (30) days after receipt of such notice; provided, if Tenant has exercised its option to extend the Term, Tenant must affirm in writing its desire to continue this Lease within thirty (30) days of the damage, and Landlord will not have the option to terminate this Lease. In the event Tenant provides such notice, then the nine (9) month time limitation above for reconstruction shall be extended to fifteen (15) months.

11.3. Business Interruption. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any damage or destruction, repair or restoration of any portion of the Premises or the Building. Landlord shall use reasonable efforts to effect such repairs promptly.

11.4. Tenant Improvements. Landlord will not carry insurance of any kind on any improvements or alterations paid for by Tenant under this Lease or paid for pursuant to any tenant allowance or credits from Landlord, or on Tenant's furniture, furnishings, fixtures, equipment, including Tenant's Equipment, or appurtenances of Tenant under this Lease and

Landlord shall not be obligated to repair any damage thereto or replace the same. Tenant shall insure its improvements in accordance with Section 14.3 and proceeds of such insurance shall be used in any repair or restoration of the Premises.

11.5. Express Agreement. The provisions of this Section 11 shall be considered an express agreement governing any case of damage or destruction of the Building or Premises by fire or other casualty.

12. WAIVER OF SUBROGATION. Whether loss or damage is due to the negligence of either Landlord or Tenant, their agents or employees, or any other cause, Landlord and Tenant do each hereby release and relieve the other, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage to the real or personal property of either party located anywhere on the Property, including the Building itself, arising out of or incident to the occurrence of any of the perils which are covered, or are required to be covered under this Lease, by their respective property insurance policies. Each party shall use commercially reasonable efforts to cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against the other party.

13. INDEMNIFICATION.

Landlord shall not be liable for, and Tenant shall defend (unless Landlord waives its right to such defense, and in any event with counsel reasonably satisfactory to Landlord), indemnify, and hold harmless Landlord and its employees and agents from any claim, demand, liability, judgment, award, fine, mechanics' lien or other lien, loss, damage, expense, penalty, charge or cost of any kind or character (including reasonable attorney fees and court costs) which may be made, incurred or asserted by any third parties (including but not limited to Landlord's agents, servants or employees), arising directly or indirectly from: (a) any labor dispute involving Tenant or its agents or contractors (but excluding labor disputes involving Landlord or its contractors, subcontractors, or agents); (b) the construction, repair, alteration, improvement, use, occupancy or enjoyment of the Premises by Tenant its contractors, agents, employees and/or customers, licensees, or invitees, (c) injury to, or death of, any person or persons or damage to, or destruction of, any property (including without limitation the costs of investigation, removal or remedial action and disposal of any hazardous or toxic substances, as such terms may be defined under any applicable federal, state, or municipal law, statute, rule or regulation) occurring in, on or about the Premises to the extent caused by the negligence or willful misconduct of Tenant or Tenant's Agents or (d) Tenant's material breach of this Lease or the negligence or willful misconduct of Tenant or its officers, directors, shareholders, employees, contractors, subcontractors, or agents; or (e) infringement or misappropriation of any intellectual property rights, defamation, libel, slander, obscenity, pornography, or violation of the rights of privacy or publicity or spamming, or any other offensive, harassing or illegal conduct by Tenant or its agents, employees, contractors, invitees or licensees or otherwise due to the use of the Premises by Tenant or the equipment located therein (collectively, (the "Claims"). Notwithstanding anything to the contrary in this Section 13, nothing in this Section 13 shall relieve Landlord from responsibility for its proportionate share of its fault attributable to its negligence or willful misconduct in causing any such Claims. TENANT HEREBY WAIVES ITS IMMUNITY WITH RESPECT TO LANDLORD UNDER THE INDUSTRIAL INSURANCE ACT (RCW TITLE 51) AND/OR THE LONGSHOREMEN'S AND HARBOR WORKER ACT, AND/OR ANY EQUIVALENT ACTS AND TENANT EXPRESSLY AGREES TO ASSUME POTENTIAL LIABILITY FOR ACTIONS BROUGHT AGAINST LANDLORD BY TENANT'S EMPLOYEES. THIS WAIVER HAS BEEN SPECIFICALLY NEGOTIATED BY THE PARTIES TO THIS LEASE AND TENANT HAS HAD THE OPPORTUNITY TO, AND HAS BEEN ENCOURAGED TO, CONSULT WITH INDEPENDENT COUNSEL REGARDING THIS WAIVER.

Tenant shall, at its sole cost and expense, indemnify, defend and hold harmless Landlord and Landlord's subsidiaries and parent corporations, shareholders, members, managers, directors, officers, employees, partners, affiliates, and agents (collectively, the "Landlord Indemnitees") from, any claims, liabilities, costs or expenses incurred or suffered by any of the Landlord Indemnitees, based upon or relating to any claim, suit or proceeding brought by any third party against any of the Landlord Indemnitees as a result of any Hazardous Materials which are brought on the Premises or the Property by Tenant, Tenant's employees, agents, vendors, visitors or contractors. Tenant's indemnification, defense, and hold harmless obligations include, without

limitation, the following: (i) claims, liability, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other action, legal or equitable, brought by any private or public person under common law or under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), the Resource Conservation and Recovery Act of 1980 ("RCRA") or any other Federal, State, County, or Municipal law, ordinance, or regulation now or hereafter in effect; (ii) claims, liabilities, costs or expenses pertaining to the indemnification, monitoring, clean-up, containment or removal of Hazardous Materials from soils, riverbeds or aquifers including the provision of an alternative public drinking water source; (iii) all reasonable costs of defending such claims; and (iv) all other liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation. This indemnity shall survive the expiration or termination of this Lease.

Tenant shall not be liable for, and Landlord shall defend (unless Tenant waives its right to such defense, and in any event with counsel reasonably satisfactory to Tenant), indemnify, hold harmless and protect Tenant, Tenant's subsidiaries and parent corporations, its and their shareholders, members, managers, directors, officers, employees, partners, affiliates, and agents (collectively, the "Tenant Indemnitees") from any claim, demand, liability, judgment, award, fine, mechanics' lien or other lien, loss, damage, expense, penalty, charge or cost of any kind or character (including reasonable attorneys' fees and court costs) which may be made, incurred or asserted by Landlord, Landlord's agents or employees, contractors, or any third parties (including but not limited to Tenant's agents, servants or employees), to the extent caused by: (a) any labor dispute involving Landlord or its agents or contractors (but excluding labor disputes involving Tenant or its contractors, subcontractors, or agents); (b) the construction, repair, alteration, improvement, use, occupancy or enjoyment of the Building by Landlord its contractors, agents, employees and/or customers, licensees, or invitees; (c) Landlord's breach of this Lease or the acts or omissions of Landlord or its officers, directors, shareholders, employees, contractors, subcontractors, or agents; or (d) damage to property or injury to person to the extent caused by the negligence or willful misconduct of Landlord, its employees, agents, servants or representatives (the "Claims"). Notwithstanding anything to the contrary in this Section 13, nothing in this Section 13 shall relieve Tenant from responsibility for its proportionate share of its fault attributable to its negligence or willful misconduct in causing any such Claims. LANDLORD HEREBY WAIVES ITS IMMUNITY WITH RESPECT TO TENANT UNDER THE INDUSTRIAL INSURANCE ACT (RCW TITLE 51) AND/OR THE LONGSHOREMEN'S AND HARBOR WORKER ACT, AND/OR ANY EQUIVALENT ACTS AND LANDLORD EXPRESSLY AGREES TO ASSUME POTENTIAL LIABILITY FOR ACTIONS BROUGHT AGAINST TENANT BY LANDLORD'S EMPLOYEES. THIS WAIVER HAS BEEN SPECIFICALLY NEGOTIATED BY THE PARTIES TO THIS LEASE AND LANDLORD HAS HAD THE OPPORTUNITY TO, AND HAS BEEN ENCOURAGED TO, CONSULT WITH INDEPENDENT COUNSEL REGARDING THIS WAIVER.

14. **INSURANCE.** Tenant shall carry an insurance policy (or policies) that fulfills the requirements below and as provided on Exhibit F.

14.1. Worker's Compensation. Commencing on the earlier of the Commencement Date or the date Tenant first enters onto the Premises and continuing throughout the Term of this Lease and any renewal hereof, Tenant shall, at its own expense, keep and maintain in full force and effect, all required worker's compensation coverages, including employer's liability at a limit of not less than One Million Dollars ($1,000,000).

14.2. Liability Insurance. Commencing on the earlier of the Commencement or the date Tenant first enters onto the Premises, Tenant shall, throughout the Term of this Lease and any renewal hereof, at its own expense, keep and maintain in full force and effect, a policy of commercial general liability insurance on an occurrence form, including but not limited to Premises and operations; blanket contractual; products/completed operations; owners' and contractors' protective; employer's contingent liability (stop gap); personal injury; insuring Tenant's activities upon, in or about the Premises or the Building against claims of bodily injury or death or property damage or loss with a combined single limit of not less than Five Million Dollars

($5,000,000) per occurrence and Five Million Dollars ($5,000,000) in the aggregate. General aggregate shall apply on a per location basis.

In addition to such commercial general liability insurance, Tenant shall acquire umbrella liability (or "excess liability") with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) in the aggregate, and maintain such insurance throughout the Term of the Lease. Landlord, Sabey Corporation, Sabey Properties LLC, and others as required by Landlord shall be an additional insured.

Additionally, Tenant shall maintain automobile coverage with a combined single limit of not less than One Million Dollars ($1,000,000). Coverage shall apply to any owned, non-owned or hired automobiles.

14.3. Property Insurance. Tenant shall, throughout the Term of this Lease and any renewal hereof, at its own expense, keep and maintain in full force and effect special form perils coverage on Tenant's leasehold improvements, including without limitation, any improvements made by Landlord on behalf of Tenant or pursuant to a tenant allowance or credit at one hundred percent (100%) of the current replacement cost value on an agreed amount basis.

Landlord is not required to carry insurance of any kind on Tenant's improvements or on Tenant's furniture, furnishings, fixtures, equipment or appurtenances of Tenant under this Lease and Landlord shall not be obligated to repair any damage thereto or replace the same.

14.4. Insurance Policy Requirements. All policies of insurance required under this Section 14 shall be with companies reasonably approved by Landlord, except that Tenant may self insure with respect to the insurance required under Section 14.2 and Section 14.3. No insurance policy required under this Section 14 shall be cancelled or reduced in coverage except after thirty (30) days (ten (10) days for non-payment of premium) prior written notice to Landlord. All insurers shall have an A.M. Best's rating of AV or better and be licensed and admitted to do business in the State of Washington. The property and liability policies required under this Section 14 shall be written as primary policies and not contributing to nor in excess of any coverage Landlord may choose to maintain.

Tenant shall deliver to Landlord prior to occupancy or entrance onto the Premises and at least annually thereafter, copies of policies of such insurance or certificates with endorsement, evidencing the existence of the minimum required insurance and evidencing Landlord, Landlord's mortgagee, and any other persons or entities requested by Landlord to be named as additional insureds hereunder. In no event shall the limits or coverages required to be carried be considered as necessarily adequate nor limiting the liability of Tenant under this Lease.

14.5 Failure to Maintain Insurance. If Tenant fails or refuses to maintain any insurance required, Landlord may, at its option, procure the above-mentioned insurance for Landlord's benefit and/or interests and any and all premiums paid by Landlord therefor shall be deemed Additional Rent and shall be due on demand. Landlord will not be responsible to procure insurance for Tenant's interests and/or benefit.

14.6 Increased Insurance Costs. Tenant shall not keep, use, sell or offer for sale in or upon the Premises, nor conduct any operation, which may be prohibited by Landlord's insurance carriers, other than a Permitted Use. In the event of increased insurance costs to Landlord during the Term, Tenant shall also pay its prorata share of any additional premium on the insurance policy or policies that Landlord may carry for its protection against loss resulting from any insured event. In determining whether increased premiums are the result of Tenant's use of the Premises, rates and/or premiums determined by the organization and/or underwriter setting the insurance rates and/or charges on the Premises of Building or Buildings of which they are a part shall be conclusive evidence of the several items and charges which make up the insurance premium. Landlord shall deliver bills for such additional premiums to Tenant at such times as Landlord may elect, and Tenant shall immediately reimburse Landlord therefor.

14.7 Landlord Insurance. Landlord shall procure and maintain at all times during the Lease Term a policy or policies of property insurance covering loss or damage to the Building in the amount of the full replacement value thereof (exclusive of Tenant's Alterations, trade fixtures and equipment) providing protection against all perils normally included in an "all

risk" property insurance policy, including flood, but excepting peril of earthquake, and such policies as required by any lender or mortgage holder on the Building. Furthermore, upon execution of this Lease, Landlord shall send an insurance certificate to Tenant evidencing Landlord's current liability and property coverage for the Building.

14.8 Tenant's Self Insurance. Tenant shall have the right to satisfy its insurance obligations hereunder by means of self-insurance to the extent of all or part of the insurance required hereunder, but only so long as: (i) Tenant (or the affiliate providing the insurance) shall have a net worth of at least $250,000,000 and maintain a Standard and Poor's long term credit rating of BBB or better; (ii) Tenant (or the affiliate providing the insurance) shall, upon request, provide a financial statement, prepared in accordance with generally accepted accounting principles, showing the required net worth; and (iii) for purposes of the mutual waiver of claims and subrogation provided in this Lease, Tenant shall be deemed to have obtained the insurance for which Tenant is self-insuring. Tenant's right to self insure as provided above is personal to Providence Health & Services, and shall not apply to any assignee of this Lease (other than a Permitted Assignee) or subtenant of Tenant.

15. ASSIGNMENT AND SUBLETTING.

15.1. Assignment or Sublease. Subject to the provisions of this Section 15.1, Tenant shall not assign, mortgage, encumber or otherwise transfer this Lease, sublet the whole or any part of the Premises, or allow any third party to use the Premises, without in each case first obtaining Landlord's prior written consent, which consent may not be unreasonably conditioned, delayed or withheld. Tenant also acknowledges that any right of first refusal, option to extend the Term of this Lease, terminate this Lease, or any other options which Landlord has granted herein are particular to Tenant are not assignable or transferable to any assignee or sublessee under this Lease and will terminate upon any such assignment, transfer, sublease or other grant of occupancy rights with respect to the Premises, except to a Permitted Assignee.

In no event shall an assignment, subletting or other transfer of the Lease relieve Tenant of any of its obligations under this Lease. Consent to any such assignment, subletting or transfer shall not operate as a waiver of the necessity for consent to any subsequent assignment, subletting or transfer.

If such consent is requested, Landlord reserves the right to terminate this Lease, or, if consent is requested for subletting less than the entire Premises, to terminate this Lease with respect to the portion for which such consent is requested, at the proposed effective date of such subletting. Landlord shall give Tenant written notice of Landlord's intention to exercise this right within 30 days of receiving Tenant's request. Tenant shall, within 5 days thereafter, notify Landlord of Tenant's election to withdraw its request to such consent. In the event that Tenant elects not to withdraw its request, or Tenant fails to notify Landlord within the 5 day period, then Landlord has the right to pursue such termination, in which event, Landlord may enter into the relationship of Landlord and Tenant with any such subtenant or assignee, based on the rent (and/or other compensation) and the term agreed to by such subtenant or assignee and otherwise upon the terms and conditions of this Lease.

If Tenant is a corporation, any transfer of this Lease by merger, consolidation or liquidation, or any change in the ownership of a majority of its outstanding voting stock, or power to vote a majority of its outstanding voting stock, shall constitute an assignment for the purpose of this Section 15; provided, however, for the purposes of this Section 15, a public offering of stock registered with the SEC, shall not constitute a transfer. If Tenant is a partnership, limited liability company, or other entity, any transfer of this Lease by merger, consolidation, liquidation, dissolution, or any change in the ownership of a majority of the ownership and/or economic interests shall constitute an assignment for the purpose of this Section 15.

Notwithstanding the foregoing, Tenant shall have the right, without Landlord's consent, to sublet or assign the Premises or any part thereof to any subsidiary of Tenant or to any entity which controls or is under the common control of Tenant ("Permitted Assignee"). Furthermore, provided that the successor to Tenant resulting from a merger, consolidation or other corporate restructuring has a net worth of equal or greater value to Tenant just prior to such merger, consolidation or other

corporate restructuring, Landlord's consent to any such subletting or assignment shall not be required.

15.2. Documentation and Expenses. In connection with each request for an assignment or subletting Tenant shall: (i) submit in writing to Landlord the name and legal composition of the proposed subtenant or assignee, the nature of the proposed subtenant's or assignee's business to be carried on in the Premises, the terms and provisions of the proposed sublease or assignment and such reasonable financial information as Landlord may request concerning the proposed subtenant or assignee, and (ii) pay Landlord's reasonable costs of processing such assignment or subletting, including reasonable attorney's fees, upon demand of Landlord not to exceed Two Thousand Five Hundred and 00/100 Dollars ($2,500.00) in connection with any such request. Tenant shall provide Landlord with copies of all assignments, subleases and assumption instruments.

15.3. Transferee Obligations. As a condition to Landlord's approval of an assignment, any potential assignee otherwise acceptable to Landlord shall assume, in writing, all of Tenant's obligations under this Lease and Tenant and such assignee shall agree, in writing, to be jointly and severally liable for the performance of all of Tenant's obligations under this Lease. As a condition to Landlord's approval, any sublessee otherwise acceptable to Landlord shall assume, in writing, all of Tenant's obligations under this Lease as to the subleased portion of the Premises and Tenant and such sublessee shall agree, in writing, to be jointly and severally liable with Tenant for Rent and performance of all of the terms, covenants, and conditions of such approved sublease. If an assignment or sublease is consented to by Landlord, then the Tenant shall pay all costs incurred in connection therewith (including any lease commissions and lease concessions), and the assignment or sublease shall state that all payments from the assignee or sublessee shall be paid directly to Landlord. In connection with a permitted assignment or sublease, so long as the Tenant is not in default under this Lease beyond any applicable cure period, Landlord shall grant to Tenant a credit against the monthly rental due under this Lease in the amount of the rental actually received by Landlord under the assignment or sublease for that month, calculated on a per square foot basis, and based upon the portion of the Premises covered by the assignment or sublease. The maximum credit for any month under this subsection (a) shall be equal to the per square foot rental due under this Lease. (By way of example only, if the then applicable monthly rental under this Lease is $2.50 per square foot, and there is a sublease providing for monthly rental of $2.75 per square foot, then the maximum monthly credit under this subsection (a) shall be $2.50 per square foot times the number of square feet covered by the sublease, and with the credit being applicable only once the payment is received by Landlord from the sublessee.) If in any month Tenant is entitled to a credit under this subsection (a), but the credit arises after the Tenant has paid in full the rental due under this Lease for that month, then Landlord shall pay Tenant the amount of the credit within five (5) business days after the date that the payment is received by Landlord from the assignee or sublessee.

16. SIGNS. Tenant shall not inscribe any inscription, or post, place, or in any manner display any sign, graphics, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the Property at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises without first obtaining Landlord's written consent, such consent to be at Landlord's sole discretion. Any such consent by Landlord shall be upon the understanding and condition that Tenant shall remove the same at the expiration or sooner termination of this Lease and Tenant, at its expense, shall repair any damage to the Property, or any portion thereof, caused by such removal. Notwithstanding the foregoing, if Tenant is permitted to place signage on the Building such signage must be pre-approved by Landlord's architect (not to be unreasonably withheld) and must comply with local laws. The cost of such signage, maintenance, repair and operation shall be borne exclusively by Tenant.

17. LIENS. Tenant has no authority to allow any liens to be placed against the Property. Tenant shall keep its interest in this Lease, any property of Tenant located on the Property, and the Property free from any liens arising out of any work performed or materials ordered or obligations incurred by or on behalf of Tenant and Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against any liability from any such lien, including without limitation, liens arising from Tenant's Work. In the event any lien is filed against the Property, or any portion thereof, by any person claiming by, through or under Tenant, Tenant shall, upon request of Landlord and at Tenant's expense, promptly either cause such lien to be released

of record or furnish to Landlord a bond, in form and amount and issued by a surety, satisfactory to Landlord, indemnifying Landlord and the Property against all liability, costs and expenses, including attorneys' fees, which Landlord may incur as a result thereof. Provided that such bond has been furnished to Landlord, Tenant, at its sole cost and expense and after written notice to Landlord, may contest, by appropriate proceedings conducted in good faith and with due diligence, any lien, encumbrance or charge against the Property arising from work done or materials provided to and for Tenant, if, and only if, such proceedings suspend the collection thereof against Landlord, Tenant and the Property and neither the Property nor any part thereof or interest therein is or will be, in Landlord's sole judgment, in any danger of being sold, forfeited or lost.

18. BANKRUPTCY.

18.1. Assumption of Lease. In the event Tenant becomes a Debtor under Chapter 7 of the Bankruptcy Code ("Code") or a petition for reorganization or adjustment of debts is filed concerning Tenant under Chapters 11 or 13 of the Code, or a proceeding is filed under Chapter 7 of the Code and is transferred to Chapters 11 or 13 of the Code, the Trustee or Tenant, as Debtor and as Debtor-In-Possession, may not elect to assume this Lease unless, at the time of such assumption, the Trustee or Tenant has cured all defaults under the Lease and paid all sums due and owing under the Lease or provided Landlord with "Adequate Assurance" (as defined below) that: (i) within ten (10) days from the date of such assumption, the Trustee or Tenant will completely pay all sums due and owing under this Lease and compensate Landlord for any actual pecuniary loss resulting from any existing default or breach of this Lease, including without limitation, Landlord's reasonable costs, expenses, accrued interest, and attorneys' fees incurred as a result of the default or breach; (ii) within twenty (20) days from the date of such assumption, the Trustee or Tenant will cure all non-monetary defaults and breaches under this Lease, or, if the nature of such non-monetary defaults is such that more than twenty (20) days are reasonably required for such cure, that the Trustee or Tenant will commence to cure such non-monetary defaults within twenty (20) days and thereafter diligently prosecute such cure to completion; and (iii) the assumption will be subject to all of the provisions of this Lease.

18.1.1. Definition of Adequate Assurances. For purposes of this Section 18, Landlord and Tenant acknowledge that in the context of a bankruptcy proceeding involving Tenant, "Adequate Assurance" shall mean: (i) the Trustee or Tenant has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the Trustee or Tenant will have sufficient funds to fulfill the obligations of Tenant under this Lease; and (ii) the Bankruptcy Court shall have entered an Order segregating sufficient cash payable to Landlord and/or the Trustee or Tenant shall have granted a valid and perfected first lien and security interest and/or mortgage in or on property of Trustee or Tenant acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the Trustee or Tenant to cure the monetary and/or non-monetary defaults and breaches under this Lease within the time periods set forth above; and (iii) the Trustee or Tenant, at the very minimum, shall deposit a sum equal to two (2) month's Base Rent to be held by Landlord (without any allowance for interest thereon) to secure Tenant's future performance under the Lease.

18.2. Assignment of Lease. If the Trustee or Tenant has assumed the Lease pursuant to the provisions of this Section 18 for the purpose of assigning Tenant's interest hereunder to any other person or entity, such interest may be assigned only after the Trustee, Tenant or the proposed assignee have complied with all of the terms, covenants and conditions of this Lease, including, without limitation, those with respect to Additional Rent. Any person or entity to which this Lease is assigned pursuant to the provisions of the Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Any such assignee shall upon request execute and deliver to Landlord an instrument confirming such assignment.

18.3. Adequate Protection. Upon the filing of a petition by or against Tenant under the Code, Tenant, as Debtor and as Debtor-In-Possession, agree to adequately protect Landlord as follows: (i) to perform each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by Order of the Bankruptcy Court; (ii) to pay all monetary obligations required under this Lease, including without limitation, payment of Rent and Additional Rent payable hereunder which is considered reasonable compensation for the use and occupancy of the Premises; (iii) provide Landlord a minimum of thirty (30) days prior written

notice, unless a shorter period is agreed to in writing by the parties, of any proceeding relating to any assumption of this Lease or any intent to abandon the Premises, which abandonment shall be deemed a rejection of this Lease; and (iv) to perform to the benefit of Landlord as otherwise required under the Code.

19. DEFAULT.

19.1. Cumulative Remedies. All rights of Landlord in this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law in force when the default occurs or in equity. In addition to the other remedies provided in this Lease, Landlord shall be entitled to restrain by injunction (without bond) the violation or attempted violation of any of the covenants, agreements or conditions of Tenant under this Lease.

19.2. Tenant's Default; Right to Cure. The failure of Tenant to perform and cure any material obligation of Tenant as provided in this Lease within the applicable cure period shall be a default under this Lease. Tenant shall have a period of five (5) business days from the date of Tenant's receipt of written notice from Landlord to Tenant within which to cure any default in the payment of Rent. Tenant shall have a period of ten (10) business days from the date of written notice from Landlord to Tenant to cure any other default under this Lease; provided, however, that with respect to any such default which cannot be cured within such ten (10) day period, the default shall not be deemed to be uncured if Tenant commences to cure within ten (10) days and for so long as Tenant is diligently prosecuting the cure thereof, but in no event longer than ninety (90) days. If the nature of the default is one that can be cured immediately (e.g. turn off loud music, take unauthorized sign off door, etc.), Tenant will use its best efforts to cure immediately. Tenant's best efforts in connection with the foregoing shall not include incurring unreasonable costs and expenses in order to fulfill the foregoing obligation.

19.3. Landlord's Rights And Remedies. Upon the occurrence of an uncured default by Tenant, Landlord, in addition to all other rights or remedies it may have, at its option, may exercise any one or more of the following rights without further notice or demand of any kind to Tenant or any other person, except as required by applicable State law:

19.3.1. Termination of Lease. The right of Landlord to terminate this Lease and Tenant's right to possess the Premises and to reenter the Premises, take possession thereof and remove all persons from the Premises, following which Tenant shall have no further claim thereon or hereunder; provided, however, that Tenant shall remain obligated as provided in Section 19.4 below.

19.3.2. Re-entry of the Premises. The right of Landlord, without terminating this Lease and Tenant's right to possess the Premises, to reenter the Premises and occupy the whole or any part of the Premises for and on account of Tenant and to collect any unpaid Rents which have become payable, or which may thereafter become payable; provided, however, that Tenant shall remain obligated as provided in Section 19.4 below.

19.3.3. Termination After Reentry. The right of Landlord, even though it may have reentered the Premises in accordance with Section 19.3.2, to elect thereafter to terminate this Lease and Tenant's right to possess the Premises; provided, however, that Tenant shall remain obligated as provided in Section 19.4 below.

Should Landlord reenter the Premises under Section 19.3.2, Landlord shall not be deemed to have terminated this Lease or to have accepted a surrender thereof by any such reentry, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease and Tenant's right of possession. Tenant further covenants that Landlord's service of any notice pursuant to the unlawful detainer statutes of the State of Washington and Tenant's surrender of possession pursuant to such notice shall not (unless Landlord elects in writing to the contrary at the time of, or at any time subsequent to, the serving of such written notice and such election is evidenced by a notice to Tenant) be deemed to be a termination of this Lease.

19.4. Landlord's Damages. If Landlord terminates this Lease and/or Tenant's right to possession of the Premises pursuant to the terms of this Section 19, Landlord may recover from Tenant as damages, all of the following:

19.4.1. **Delinquent Rent.** The worth at the time of award of any unpaid Rent earned at the time of such termination;

19.4.2. **Rent After Termination Until Judgment.** The worth at the time of award of the amount by which the unpaid Rent that would have been earned after termination until the time of award exceeds such rent loss Tenant proves that could have been reasonably avoided;

19.4.3. **Rent After Judgment.** The worth at the time of award of the amount by which the unpaid Rent for the balance of the Lease Term after the time of award exceeds the amount of such rent loss that Tenant proves could have been reasonably avoided;

19.4.4. **Leasing Concessions.** The unamortized portion of any financial concessions incurred by Landlord on Tenant's behalf to arrange for Tenant's leasing of the Premises that Landlord conditionally waived at the commencement of the Lease in consideration of Tenant's full performance of this Lease, but which upon termination of the Lease pursuant to this Section 19 shall accrue as Rent, which costs include, but are not limited to, leasing commissions, tenant allowances and improvements (including without limitation, the actual cost of any improvements to the Premises pursuant to Exhibit C), "free rent" allowances and other such concessions in this Lease, amortized on a straight-line basis over the number of months during the Lease Term in which Tenant is obligated to pay Base Rent, and such amounts shall become immediately due and payable as Rent earned at the time of such termination of the Lease;

19.4.5. **Other Compensation.** Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its material obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, without limitation, any cost or expense incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorney fees therefor, (ii) maintaining or preserving the Premises after such default, (iii) preparing the Premises for reletting to a new tenant, including repairs necessary to the Premises for such reletting, and (iv) any other costs necessary or appropriate to relet the Premises, but expressly does not include any tenant improvement costs; and

19.4.6. **Additional or Alternative Damages.** At Landlord's election, such other amounts in addition to or in lieu of the foregoing in this Section 19.4 as may be permitted from time to time by the laws of the State of Washington; and

19.4.7. **Calculation of Damages.** As used in Sections 19.4.1 and 19.4.2, the "worth at the time of award" is to be computed by allowing interest at the rate specified in Section 4.2. As used in Section 19.4.3, the "worth at the time of award" is computed by discounting such amount at a discount rate equal to five percent (5%) per annum. All Rent, other than Base Rent, shall, for the purposes of calculating any amount due under the provisions of Section 19.4.3 be computed on the basis of the average monthly amount thereof accruing during the immediately preceding one (1) year period, except that if it becomes necessary to compute such rent before such a one (1) year period has occurred, then such rent shall be computed on the basis of the average monthly amount hereof accruing during such shorter period.

19.4.8 **Other Available Premises.** Tenant acknowledges that if Tenant is in default under this Lease and at that time any other premises in the Building or other property owned by Landlord, or an affiliate of Landlord, are available for lease, Landlord, or its affiliate, has the right to lease such other premises, and this shall not reduce Tenant's obligations under this Lease through the remaining Lease term.

19.5. **Tenant's Property.** Without limiting any of Landlord's rights under this Lease, in the event of a termination of this Lease pursuant to Section 19, any of Tenant's property which, pursuant to this Lease, may be removed by the Tenant (not including attached furniture and equipment specified on Exhibit C-1) shall be removed by Tenant within thirty (30) days upon receipt of written demand by Landlord. If not so removed by Tenant, Landlord may charge rent as a hold over tenant without consent in accordance with the provisions of Section 3.5 hereof. Should Tenant fail to remove such equipment for an additional ninety (90) days after the first notice, Tenant shall pay rent in the amount of Five Hundred (500%) percent of the monthly

Base Rent prorated daily until such removal.

19.6. No Waiver. The waiver by either party of any breach of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach thereof, or of any other term, covenant or condition contained in this Lease. Landlord's subsequent acceptance of partial rent or performance by Tenant shall not be deemed to be an accord and satisfaction or a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease or of any right of Landlord to a forfeiture of the Lease by reason of such breach, regardless of Landlord's knowledge of such preceding breach at the time of Landlord's acceptance. No term, covenant or condition of this Lease shall be deemed to have been waived by the applicable party unless such waiver is in writing and signed by such party.

19.7. Waiver of Redemption Rights. Tenant, for itself, and on behalf of any and all persons claiming through or under it, including creditors of all kinds, does hereby waive and surrender all right and privilege which they or any of them might have under or by reason of any present or future law, to redeem the Premises or to have a continuance of this Lease for the term hereof, as it may have been extended, after having been dispossessed or ejected there from by process of law or under the terms of this Lease or after the termination of this Lease as herein provided.

19.8. Default by Landlord. Landlord's failure to perform or observe any of its obligations under this Lease or to correct a breach of any warranty or representation made in this Lease within thirty (30) days after receipt of written notice from Tenant setting forth in reasonable detail the nature and extent of the failure referencing pertinent Lease provisions or if more than thirty (30) days is required to cure the breach, Landlord's failure to begin curing within the thirty (30) day period and diligently prosecute the cure to completion, shall constitute a default. If Landlord commits a default that materially affects Tenant's use of the Premises, and Tenant has provided timely written notice thereof to Landlord's mortgagee (if any and if Tenant has written notice thereof) and Landlord (and/or Landlord's mortgagee if any) has failed to commence to cure such default within thirty (30) days (or such shorter time as is commercially reasonable in the case of an emergency threatening imminent harm to persons or property), Tenant may, without waiving any claim for damages for breach of agreement, thereafter cure the default for the account of the Landlord, which cure shall be preceded by an additional written notice given at least three (3) days prior to such cure to Landlord and Landlord's mortgagee that Tenant plans to undertake the cure, and the reasonable cost of such cure shall be deemed paid or incurred for the account of Landlord, and Landlord shall reimburse Tenant for Tenant's shall present to Landlord proof of Tenant's out-of-pocket expenditures paid to third parties to effectuate such cure. Thereafter, Tenant may deduct said expenditures from the Base Rent and Additional Rent until said amount is fully recouped by Tenant.

If Landlord disputes either the necessity of the cure or the cost thereof, the matter shall be settled by arbitration administered by the Judicial Arbitration and Mediation Services of Seattle ("JAMS") in accordance with its Rules for the Real Estate Industry before a single neutral arbitrator sitting in Seattle, Washington. The arbitrator shall be a person having at least ten (10) years' experience and knowledge about commercial leasing and property management. The arbitration shall be held within sixty (60) days of Landlord notifying Tenant it disputes Tenant's cure. The costs of the arbitrator shall be shared equally by the parties. The prevailing party shall be entitled to an award of reasonable attorney's fees. The arbitrator's award shall be final and binding on the parties.

19.10. Post-Termination Services. In connection with the termination or expiration of the Lease, for any reason or for no reason, Landlord shall (i) reasonably cooperate with Tenant to minimize any adverse effect on Tenant or its affiliates or their respective users or customers, (ii) assist Tenant, at Tenant's cost and expense, with deinstallation and removal of Tenant's equipment from the Premises, to the extent Tenant requires such assistance, and (iii) perform those other obligations set forth in this Lease to be performed by Landlord upon the termination or expiration of this Lease. In no event will Tenant be allowed to occupy, use, or store any property at the Premises after the expiration or early termination of this Lease without Landlord's written consent and the terms to do so.

20. **SUBORDINATION AND ATTORNMENT.** This Lease shall be subordinate to any mortgage or deed of trust now existing or hereafter placed upon the Land, the Building or the Premises, created by or at the instance of Landlord, and to any and all advances to be made hereunder and to interest thereon and all modifications, renewals and replacements or extensions thereof ("Landlord's Mortgage"); provided, however, that the holder of any Landlord's Mortgage or any person or persons purchasing or otherwise acquiring the Land, Building or Premises at any sale or other proceeding under any Landlord's Mortgage shall continue this Lease in full force and effect and, in such event, Tenant shall attorn to such person or persons. Notwithstanding the foregoing, if a lender requires that the Lease be subordinate to any mortgage recorded after the date of the Lease affecting the Property, the Lease shall be subordinate to such mortgage if Landlord first obtains from such lender a written statement providing that so long as Tenant performs its obligations under the Lease, no foreclosure of, deed given in lieu of foreclosure of, or sale under the mortgage, and no steps or procedures, taken under the mortgage, shall affect Tenant's rights under this Lease.

Tenant shall execute, acknowledge and deliver documents, which the Holder of any Landlord's Mortgage may require and which are reasonably acceptable to Tenant to effectuate the provisions of this Section 20 within ten (10) business days of the date of Landlord's request therefor. In the event of any transfer of Landlord's interest in the Premises or in the Property, other than transfer for security purposes only, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Landlord accruing from and after the date of such transfer and such transferee shall have no obligation or liability with respect to any matter occurring or arising prior to the date of such transfer, except to the extent such obligation or liability is an on-going obligation of Landlord, such as routine maintenance. Tenant agrees to attorn to such transferee, provided transferee assumes all of Landlord's responsibilities. If any holder of any Landlord's Mortgage shall request reasonable modifications to this Lease, Tenant shall not unreasonably withhold, delay or defer its consent thereto, provided such modifications do not have a materially adverse affect on Tenant's rights hereunder.

Landlord shall provide Tenant with Non-disturbance Agreements from all existing lenders secured by the Property in a form reasonably satisfactory to Tenant.

21. **REMOVAL OF PROPERTY.** Subject to Section 19.5 and Exhibit C-1, prior to the expiration of this Lease, Tenant shall remove Tenant's personal property not permanently affixed to the Premises or as specified on Exhibit C-1, and shall pay Landlord any damages for actual injury to the Premises or Property resulting from such removal.

22. **CONDEMNATION.**

22.1. **Entire Taking.** If all of the Premises, or such portion of the Building as may be required for the reasonable use of the Premises, in Tenant's determination, are taken by eminent domain or conveyed under threat thereof, this Lease shall automatically terminate as of the date title vests in the condemning authority and all Rent, Additional Rent and other payments shall be paid to that date.

22.2. **Constructive Taking of Entire Premises.** In the event of a taking by eminent domain of a material part of but less than all of the Building, if the remaining portions of the Building cannot be economically and effectively used by Landlord (whether on account of physical, economic, aesthetic or other reasons) or if Landlord reasonably determines the Building should be restored in such a way as to materially alter the Premises, then Landlord shall forward a written notice to Tenant of such determination not more than sixty (60) days after the date of taking. The Term of this Lease shall expire upon the date specified by Landlord in such notice but not earlier than sixty (60) days after the date of such notice. If a condemning authority issues an order for immediate possession of the Premises, the Lease will terminate upon possession of the Premises by the condemning authority.

22.3. **Partial Taking.** Subject to the provisions of the preceding Section 22.2, in case of taking by eminent domain of a part of the Premises, or a portion of the Building not required for the reasonable use of the Premises in Tenant's determination, then this Lease shall continue in full force and effect, and the Rent shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced, (to the extent such reduction is reasonably

practical and economically feasible to Tenant), such Rent reduction to be effective as of the date title to such portion vests in the condemning authority. If such a reduction in the Premises is not reasonably practical and economically feasible to Tenant, then with no less than thirty (30) days prior written notice, Tenant shall have the right to terminate this Lease without further liability to Landlord. If more than twenty-five percent (25%) of the Premises is taken and Landlord cannot replace such space with space in the Building, which is mutually acceptable to Landlord and Tenant, then with sixty (60) days written notice by either party, Landlord or Tenant shall have the right to terminate this Lease.

22.4. **Awards and Damages.** Except as otherwise expressly set forth below, Landlord reserves all rights to damages to the Premises for any partial, constructive, or entire taking by eminent domain, and Tenant hereby assigns to Landlord any right Tenant may have to such damages or award, and Tenant shall make no claim against Landlord or the condemning authority for damages for termination of the leasehold interest or interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Tenant may be put for Tenant's moving expenses, business interruption or taking of Tenant's personal property (not including Tenant's leasehold interest) provided that such damages may be claimed only if they are awarded separately in the eminent domain proceedings and not out of or as part of and/or will not reduce any damages recoverable by Landlord.

23. **NOTICES.** All notices under this Lease shall be in writing and delivered in person or sent by registered or certified mail, postage prepaid, or by facsimile, or by private overnight courier to Landlord and to Tenant at their respective Notice Addresses set forth in Section 1.17 or such other addresses as may from time to time be designated by any such party in writing. Notices mailed as provided in this Section shall be deemed given and received on the date that is three (3) business days following the date of post mark, in the case of mailing, or the date of transmission confirmation by the sender's facsimile machine, in the case of facsimile transmission, or one (1) day after deposit with a private overnight courier.

24. **COSTS AND ATTORNEYS' FEES.** If Tenant or Landlord brings any action for any relief against the other, declaratory or otherwise, arising out of this Lease, the losing party shall pay the substantially prevailing party's reasonable attorneys' fees in connection with such suit, at trial and on appeal, and such attorneys' fees shall be deemed to have accrued on the commencement of such action.

25. **LANDLORD'S AND TENANT'S LIABILITY.** Notwithstanding anything in this Lease to the contrary, covenants, undertakings and agreements herein made on the part of Landlord in this Lease are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord (except Landlord's interest in the Premises and Building), but are made and intended for the purpose of binding only the Landlord's interest in the Premises and Building, as the same may from time to time be encumbered. Notwithstanding anything to the contrary herein, Landlord's maximum aggregate liability to Tenant shall be limited Landlord's interest in the Property and any available insurance proceeds. No personal liability or personal responsibility is assumed by Landlord, nor shall at any time be asserted or enforceable against Landlord or its heirs, legal representatives, successors or assigns on account of the Lease or on account of any covenant, undertaking or agreement of Landlord in this Lease. In no event shall Landlord be liable for lost profits, business interruption, incidental, economic, special or punitive damages. In no event shall any incidental, consequential, special, exemplary, speculative, or punitive damages, including without limitation any claims for loss or imputed revenues, profits, and/or business opportunities be part of any Landlord or Tenant's liability. Notwithstanding anything to the contrary herein, Tenant's maximum aggregate liability to Landlord shall be limited to the total amount of Rent payable to Landlord hereunder during the Initial Term hereof. The foregoing limitation upon Tenant's liability shall not apply to personal injury, bodily injury, environmental, health or safety obligations under Section 6.3, liens under Section 17, and tangible real property damage losses arising out of the willful misconduct, or negligence of Tenant, or breach of this Lease.

26. **LANDLORD'S CONSENT.** Except as may be provided otherwise in this Lease, whenever Landlord's consent is required under this Lease, such consent shall not be unreasonably

withheld, conditioned or delayed, provided, however, Landlord's withholding of consent due to any mortgagee's refusal to grant its consent shall not be deemed unreasonable.

27. **ESTOPPEL CERTIFICATES.** Tenant shall, from time to time upon the reasonable written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement stating: the Effective Date, Commencement Date and Expiration Date, the date the term commenced and the date Tenant accepted the Premises; the amount of Base Rent and the date to which such Base Rent and Additional Rent has been paid; and certifying such additional information as may be requested by Landlord. It is intended that any such statement delivered pursuant to this Section may be relied upon by Landlord and/or a prospective purchaser or mortgagee who may acquire an interest in, or a lien upon, Landlord's interest in the Building. If Tenant shall fail to respond within ten (10) business days of receipt by Tenant of a reasonable written request by Landlord as herein provided, Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee and to have certified that this Lease is in full force and effect, that this Lease represents the entire agreement between the parties as to this leasing, that there are no existing claims, defenses or offsets which Tenant has against enforcement of the Lease by Landlord, that there are no uncured defaults in Landlord's performance, that the security deposit is as stated in the Lease, and that not more than one month's Base Rent or Additional Rent has been paid in advance.

28. **RIGHT TO PERFORM.** If Tenant fails to pay any sum of money required to be paid by it under this Lease or fails to perform any other act on its part to be performed under this Lease, and such failure continues for ten (10) days after notice thereof by Landlord or for such additional time as is reasonably necessary, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment of sums due under this Section 28 as in the case of default by Tenant in the payment of Rent.

29. **PARKING.** Tenant shall be entitled to three (3) non-reserved parking passes per 1,000 rentable square feet, and the parking area for Tenant is shown on Exhibit E. Use of the parking stalls shall be subject to such rules and regulations, as Landlord and/or Landlord's parking operator may adopt from time to time. Parking is provided at no cost during the Initial Term of this Lease. In the event that Landlord elects to regulate parking on the Property pursuant to a parking pass system, then Landlord retains the right to impose market rate charges after the Initial Term, and such rules and regulations and to relocate the parking area within the Property, or reconfigure the parking area shown on Exhibit E, with reasonable notice to Tenant, but Landlord shall at all times continue to provide the designated number of passes to Tenant. Tenant shall pay, upon demand by Landlord, Landlord's reasonable costs incurred to stencil any changes to reserved parking stalls provided to Tenant under this Lease.

30. **AUTHORITY.** The signatories for Landlord and Tenant each represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf Landlord and Tenant, as the case may be, and that this Lease is binding upon each signatory's applicable principal in accordance with its terms.

31. **GENERAL.**

31.1. **Headings.** Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of this Lease.

31.2. **Heirs and Assigns.** All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

31.3. **No Brokers.** Except as provided in Section 1, Landlord and Tenant represent and warrant to one another that they have not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or

delivery of this Lease and Landlord and Tenant shall indemnify and hold one another harmless from and against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of the other party. In no event will a brokerage fee be paid on any renewal or Option to renew. Tenant agrees that any broker it may elect to assist in any renewal discussions or options will be compensated directly by Tenant.

31.4. Tenant's Financial Statement. Intentionally deleted.

31.5. Entire Agreement. This Lease contains all covenants and agreements between Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

31.6. Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

31.7. Force Majeure.

(A) Landlord. Except as otherwise set forth herein , Landlord shall have no liability whatsoever to Tenant on account of Landlord's inability to perform any of its obligations under this Lease, in whole or part, including to timely complete Landlord's Work, or the restoration of the Building and the Premises following damage or destruction, as a result of "force majeure," which shall include (a) strike, lockout, other labor trouble, dispute or disturbance; (b) governmental regulation, moratorium, action, preemption or priorities or other controls; (c) shortages of fuel, supplies or labor beyond Landlord's reasonable control; (d) any failure or defect in the supply, quantity or character of electricity or water furnished to the Premises by reason of any requirement, act or omission of the public utility or others furnishing the Building with electricity or water; and (e) for any other reason, whether similar or dissimilar to the above, or for Act of God, beyond Landlord's reasonable control, but shall not include failure by either party to pay any payment as of when due. If this Lease specifies a time period for performance of an obligation of Landlord to complete Landlord's Work, or the restoration of the Building and the Premises following damage or destruction, that time period shall be extended by the period of any delay in Landlord's performance caused by any of the events of force majeure described herein.

(B) Tenant. Tenant shall have no liability whatsoever to Landlord on account of Tenant's inability to timely complete Tenant's Work, or the restoration of the Tenant's Work following damage or destruction, as a result of "force majeure,".

31.8. Right to Change Public Spaces. Landlord shall have the right at any time without thereby creating an actual or constructive eviction or incurring any liability to Tenant therefor, to change the arrangement or location of such of the following as are not contained within the Premises or any part thereof: entrances, passageways, doors and doorways, corridors, stairs, toilets and other public portions of the Property. In no event, however, shall Landlord diminish any service provided by Landlord under this Lease (including but not limited to parking), make any change which reduces the area of the Premises, make any change which, on other than a temporary basis, either changes the character of the Building or materially interferes with Tenant's access to and use of the Building.

31.9. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

31.10. Building Directory and Suite Signage. In the event Landlord maintains in the lobby of the Building a directory of tenants, such directory shall not include the name of Tenant unless and in such manner as Tenant shall direct. Tenant will not be required to provide suite signage or other signage or identification. Landlord shall provide a standard Suite sign for the Premises.

31.11. Building Name. The Building will be known as Riverfront Technical Park or by such name as Landlord may designate from time to time, subject to the provisions of this Lease.

31.12. Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon paying the Rent and performing all other terms, covenants and conditions of this Lease to be performed by Tenant, may quietly have, hold and enjoy the Premises from and after the Commencement Date until the Expiration Date, subject, however, to the provisions of Section 11 (Damage Or Destruction), 21 (Condemnation). Landlord shall defend, indemnify and hold Tenant harmless from and against any and all claims, loss or causes of action that, if successful, would result in a breach of Landlord's covenant above set forth.

31.13. Survival. The representations, warranties and indemnification obligations of the parties and any other Sections or attachments of this Lease that by their nature may reasonably be presumed to survive any termination or expiration of this Lease shall survive the termination or expiration of this Lease.

31.14. Lender's Consent. The effectiveness of this Lease is contingent upon and subject to the approval of Landlord's lender.

31.15. Time. Time is of the essence of each and every provision of this Lease.

31.16. Interpretation. This Lease has been submitted to the scrutiny of all parties hereto and their counsel, if desired, and shall be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

31.17. Execution. This Lease may be executed in several counterparts and all so executed shall constitute one agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. Delivery of a facsimile or other copy of this Lease has the same effect as delivery of an original.

31.18. No Third Party Beneficiaries. This Lease and the provisions and obligations contained herein are for the exclusive benefit of Landlord and Tenant, and are not intended to benefit any other person or entity, and no such third party may make a claim arising from this Lease.

31.19. Memorandum of Lease; Confidentiality. This Lease shall not be recorded, but a memorandum of lease (which does not contain Rent or other financial or business terms) may be recorded at the request of either party in a form reasonably acceptable to Landlord and Tenant. The terms of this Lease are confidential and shall not be disclosed by either party except as required by court or administrative order, or to the parties' attorneys, advisors, lenders and brokers, who shall all be advised of its confidentiality.

31.20. Access to Books and Records. During the term of this Lease and for a period of four years after the termination hereof, Landlord shall grant access to the following documents to the Secretary of the U.S. Department of Health and Human Services ("Secretary"), the U.S. Comptroller-General and their authorized representatives: this Lease, and all books, documents and records necessary to verify the nature and costs of services provided hereunder. If Landlord carries out the duties of this Lease through a subcontract worth $10,000 or more over a 12-month period with a related organization, this subcontract shall also contain a clause permitting access by the Secretary, Comptroller-General and their authorized representatives to the related organization's books, documents and records.

31.21. Deficit Reduction Act. Landlord shall provide the items and services hereunder, if applicable, in compliance with Providence's policies relating to the Deficit Reduction Act, including Providence's Fraud and Abuse Prevention and Detection Policies, specifically, Policy PROV-ICP-711 (a copy of which is attached as Exhibit I to this Agreement). Tenant acknowledges that, as of the Effective Date, Landlord is not providing any healthcare services, nor

is billing anything related to healthcare services or under any state or federal programs related to healthcare.

31.22. Medicare/Medicaid Participation. Landlord hereby represents and warrants that neither Landlord nor its principals (if applicable) are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in any federally funded health care program, including Medicare and Medicaid. Landlord hereby agrees to promptly, but no later than fifteen (15) days of notice from any governmental authority of such actions, notify Providence of any threatened, proposed, or actual debarment, suspension or exclusion from any federally funded health care program, including Medicare and Medicaid. In the event that Landlord is debarred, suspended, declared ineligible or excluded from participation in any federally funded health care program during the term of this Agreement, this Agreement shall terminate as of the date of such debarment, suspension, declaration of ineligibility, or exclusion from participation in any federally funded health care program without further action from Tenant. Further, if Landlord fails to notify Tenant within fifteen (15) days of any notice Landlord receives of threatened or proposed debarment, suspension or exclusion from any federally funded health care program, including Medicare and Medicaid, Tenant will have the option to terminate this Lease upon fifteen (15) days written notice to Landlord. Tenant must provide such termination notice within thirty (30) days of either Landlord providing notice that it was late in timely notifying Tenant or thirty (30) days from the day Tenant discovers Landlord did not notify them in a timely fashion. Tenant will be considered in a holdover situation for financial purposes until such date as Tenant has vacated the Premises pursuant to this Lease. Landlord further understands that Providence periodically checks contracted individuals and entities against the Office of Inspector General (OIG) and General Service Administration (GSA) databases of Excluded Individuals and Entities and will notify Landlord if it discovers a match. Providence will take reasonable measures to verify that the match is the same individual or entity before taking any action to terminate any underlying agreement(s).

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

TENANT:

PROVIDENCE HEALTH & SERVICES-WASHINGTON

Date: 10/21/14

By: _____
Name: Dana Ulrich
Its: VP Real Estate & Const

LANDLORD:

RIVERFRONT TECHNICAL PARK LLC,
by Sabey Corporation, Manager

Date: 10/24/2014

By: _____
Name: Patricia A. Sewell
Its: Sr. VP, Finance

STATE OF ~~WASHINGTON~~ Oregon)
) ss.
COUNTY OF ~~KING~~ Multnomah)

On this 22 day of October, 2014, before me, the undersigned, a Notary Public in and for the State of ~~Washington~~ Oregon, duly commissioned and sworn as such, personally appeared Dana White, to me known to be the VP REC of PROVIDENCE HEALTH & SERVICES-WASHINGTON, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

WITNESS my hand and official seal the day and year in this certificate first above written.

OFFICIAL SEAL
DEBRA L MC DANIEL
NOTARY PUBLIC-OREGON
COMMISSION NO. 468922
MY COMMISSION EXPIRES JUNE 03, 2016

Printed Name: Debra McDaniel
NOTARY PUBLIC in and for the State of ~~Washington~~ Oregon
residing at Portland
My commission expires: June 3 2016

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 24th day of October, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn as such, personally appeared Patricia A. Sewell, to me known to be the Sr. VP, Finance of SABEY CORPORATION, a Washington corporation, Manager of RIVERFRONT TECHNICAL PARK LLC, the company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

WITNESS my hand and official seal the day and year in this certificate first above written.

ERIN CHRISTINE DEMPSTER NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 6-19-17

Erin Christine Dempster
Printed Name: Erin Christine Dempster
NOTARY PUBLIC in and for the State of Washington,
residing at Renton, WA
My commission expires: 6/19/17

EXHIBIT A

TO LEASE AGREEMENT

LEGAL DESCRIPTION

That portion of the Southeast quarter of Section 4, Township 23 North, Range 4 East, W.M., described as follows:

Beginning at the Southwest corner of Government Lot 11 in said Section 4;

THENCE South 89°22'06" East, along the South line of said Government Lot 11, 988.27 feet;

THENCE North 14°45'08" West, 477.09 feet to an intersection with the North line of the South 460 feet of said Government Lot 11, Section 4 and the Northeasterly margin of Primary State Highway No. 1 as established by King County Superior Court Cause No. 529021;

THENCE along said Northeasterly margin, North 14°45'08" West, 689.81 feet to the Southwesterly margin of that 200 foot Seattle Transmission line as established by Ordinance No. 82986 of the City of Seattle, as condemned in King County Superior Court Cause No. 469557;

THENCE continuing, North 14°45'08" West, along said Northeasterly margin, 22.70 feet to a point of spiral curvature;

THENCE continuing, along said Northeasterly margin along a spiral curve to the left, the chord of which bears North 15°07'51" West 152.94 feet to a point of simple curvature;

THENCE continuing along said Northeasterly margin, Northwesterly 340.67 feet along the arc of a non-tangent curve to the left, having a radius of 3,970.00 feet, the radius point, of which bears South 74°07'22" West, through a central angle of 04°55'00";

THENCE continuing North 11 °24'57" East, along said Northeasterly margin, 327.11 feet to the True Point of Beginning;

THENCE continuing North 11 °24'57" East, along said Northeasterly margin, 61.40 feet to a point of simple curve;

THENCE continuing, along said Northeasterly margin, Northwesterly 191.54 feet along the arc of a non-tangent curve to the left, having a radius of 4,190.00 feet, the radius point of which bears South 64°42'23" West, through a central angle of 02°37'39";

THENCE North 27°01'05" East, 89.78 feet;

THENCE North 48°11'59" East, 442.51 feet;

THENCE South 41 °52'02" East, 881.11 feet;

THENCE South 48°05'28" West, 406.87 feet;

THENCE North 41°52'51"West, 627.47 feet;

THENCE South 48°11'44" West, 218.98 feet, more or less, to the Point of Beginning;

(Also known as Lot 1, Boundary Line Adjustment Number L96-0002, recorded under Recording No. 9707090733).

SITUATE in the County of King, State of Washington.

EXHIBIT B

TO LEASE AGREEMENT

FLOOR PLAN OF PREMISES

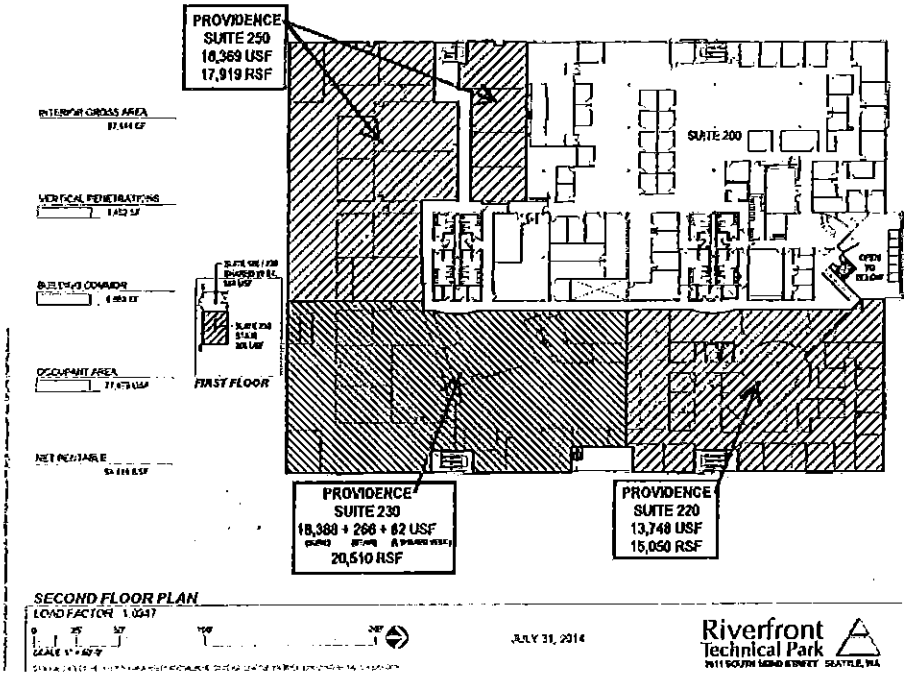
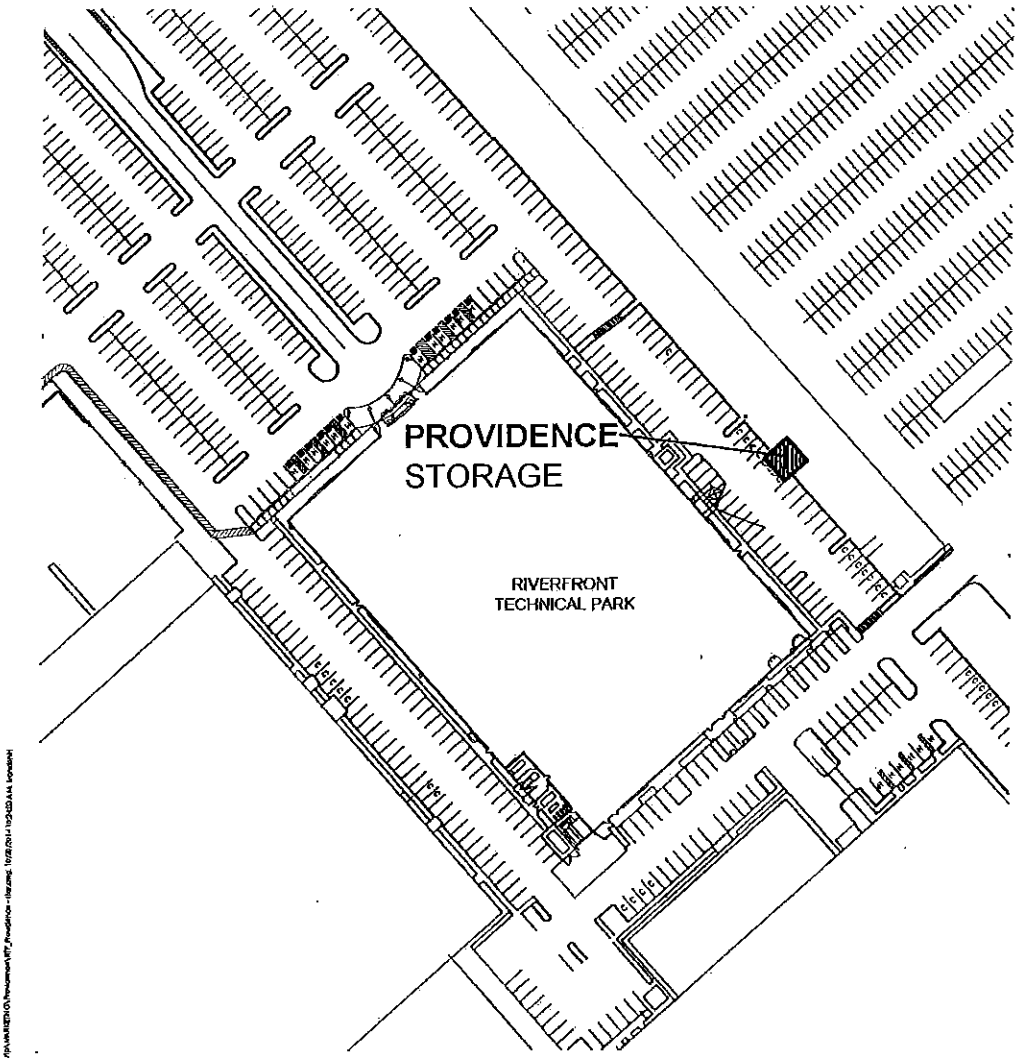


EXHIBIT B-2

TO LEASE AGREEMENT

STORAGE SPACE



SITE PLAN

0 25' 50' 100' 200' 400'

SCALE: 1" = 100'-0"

SAFEY ARCHITECTURE 12201 TUKWILA INTERNATIONAL BLVD. SUITE 400 SEATTLE, WA 98168 (206) 281-8730 FAX (206) 281-8920

Riverfront Technical Park
2811 SOUTH 102ND STREET SEATTLE, WA

EXHIBIT C

TO LEASE AGREEMENT

LANDLORD'S WORK AND TENANT'S WORK

I. IMPROVEMENTS PROVIDED BY LANDLORD

Landlord's Work to the Premises shall consist of the following:

[TBD - SUBJECT TO DELIVERY OF PLANS FROM MULVANNY AND LANDLORD APPROVAL]

Subject to above, Landlord shall deliver, and Tenant shall accept the Premises in its "AS-IS" condition and configuration as provided in the Lease. Without limiting the foregoing, Landlord shall not be required to modify or improve the existing heating, exhaust, ventilation or air-conditioning equipment, to reinforce or level the flooring of the Premises or the existing electrical system, to accommodate Tenant. Landlord shall ensure that the building systems are in working order separate from the Tenant specific improvements.

II. CONSTRUCTION OF TENANT IMPROVEMENTS

A. **Improvements Constructed by Tenant.** If any work is to be performed in connection with Tenant Improvements on the Premises by Tenant or Tenant's contractor:

(1) Such work shall proceed upon Landlord's written approval of (i) Tenant's contractor, (ii) public liability and property damage insurance satisfactory to Landlord carried by Tenant's contractor, and (iii) detailed plans and specifications for such work. Landlord's approval of the foregoing shall not be unreasonably withheld or delayed. Landlord shall have the right to require Tenant's contractor to deposit a reasonable amount to secure the close-out and clean-up of Tenant's Work.

(2) All work shall be done in conformity with a valid building permit when required, a copy of which shall be furnished to Landlord before such work is commenced, and in any case, all such work shall be performed in accordance with all applicable governmental regulations. Notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility for Tenant's failure to meet all applicable regulations.

(3) All work by Tenant or Tenant's contractor shall be scheduled through Landlord.

(4) (i) Tenant or Tenant's contractor shall arrange for necessary utility and hoisting with Landlord's contractor; (ii) Tenant shall reimburse Landlord upon demand for any sums expended by Landlord for examination and approval of plans and specifications for any and all Alterations by outside consultants (e.g. structural reviews); and (iii) Tenant shall also pay Landlord a sum equal to the actual costs incurred by Landlord's contractor for the supervision of any and all Alterations, provided that the estimate of such costs are approved by Tenant in advance.

(5) Tenant shall promptly reimburse Landlord for reasonable costs incurred by Landlord due to faulty work done by Tenant or its contractors, or by reason of any delays caused by such work, or by reason of inadequate clean-up.

(6) Landlord shall have the right to charge Tenant an administrative fee for Landlord to oversee any projects. The fee will be one-quarter of one percent (0.25%) of all hard costs. Notwithstanding the foregoing, if Sabey Construction Inc. performs Tenant Improvements, then the administrative fee will be waived.

(7) Landlord shall have the right to require that the work be bonded, or a deposit in the estimated amount of the work to be performed shall be deposited with Landlord to secure completion of the work and all lien releases.

(8) Landlord shall have the right to post a notice or notices in conspicuous places in or about the Premises announcing its non-responsibility for the work being performed therein.

(9) Landlord shall retain the right to all equipment and materials to be salvaged or demolished from the Premises.

If Sabey Construction Inc. constructs the Tenant Improvements on behalf of Tenant, Landlord acknowledges satisfaction of Paragraphs (1)(i), (1)(ii), 3, 4(i), 4(iii), 5, and 6 of this Section II.A.

B. **Tenant's Entry to Premises.** Tenant's entry to the Premises for any purpose, including without limitation, inspection or performance of Tenant Improvements by Tenant's agents, prior to the Commencement Date as specified in Section 1.9 of the Lease shall be scheduled in advance with Landlord and shall be subject to all the terms and conditions of the Lease, except the payment of Rent. Tenant's entry shall mean entry by Tenant, its officers, contractors, office planner, licensees, agents, servants, employees, guests, invitees, or visitors.

C. **Tenant's Telephone and Data Cabling.** Tenant is responsible for all of Tenant's telephone service, data cabling and computer systems. Tenant shall select Tenant's telephone system and shall coordinate installation of it and all data cabling with the Landlord.

III. RETENTION OF SABEY CONSTRUCTION INC. AS TENANT'S CONTRACTOR.

By countersignature, Tenant retains Sabey Construction Inc. as Tenant's contractor to complete the Tenant Improvements. This Exhibit C, III is independent of all other terms of this Lease and is intended to align with the Terms and Conditions of the AIA A141 Standard Form of Agreement Between Owner and Design-Builder executed on 2/24/09.

A. **Authorization to Proceed.** Upon completion of Tenant's Final Plans, Sabey Construction Inc. shall provide to Tenant written notice of the price for such improvements. Such price will include Sabey Construction Inc.'s fee as general contractor of five percent (5 %) on all costs, including general conditions. Applicable state and local taxes will also be included. Within five (5) business days of receipt of such price, Tenant shall give written authorization to complete the Premises in accordance with such Final Plans. Tenant may, prior to giving such authorization, delete any and/or all items of extra cost; however, if Tenant deems these changes to be extensive and notifies Sabey Construction Inc. thereof, Sabey Construction Inc. shall not be allowed to proceed until all changes have been incorporated in Final Plans signed by Tenant, and Tenant's written acceptance of the revised price has been received by Sabey Construction Inc. At its option, Sabey Construction Inc. may refuse to accept the authorization to proceed until all changes have been incorporated in the Final Plans signed by Tenant and written acceptance of the revised price has been received from Tenant. In the absence of such written authorization to proceed, Sabey Construction Inc. shall not commence work on the Premises and Tenant shall be responsible for any costs due to any resulting delay in completion of the Premises due to Tenant's act or omissions.

B. **Payments.** Sabey Construction Inc. shall complete Tenant's improvements in accordance with Tenant's approved Final Plans. Upon submittal of an invoice for costs if the Tenant Improvements exceed the allowance stated in Section 2.2 of the Lease, Tenant shall pay such costs (provided it has been approved in accordance with Paragraph A, above) within fifteen (15) business days after receipt of monthly progress statements from Sabey Construction Inc., the full amount of such progress billing. If payment is not received in accordance with the aforementioned payment terms on the due date as specified on the progress billing, Sabey Construction Inc. shall apply interest at the rate of 10% per annum. If payment becomes thirty (30) days past due, Sabey Construction Inc. may cease work and bill Tenant for all costs to date plus fees. Final billing shall be rendered and payable within ten (10) business days after acceptance of the Premises by Tenant in accordance with the terms of the Lease. In the event acceptance of the Premises is subject to punch list items or other repairs as provided in the Lease, a portion of the final payment equal to the cost to complete each outstanding punch list item or repairs may be retained until such punch list item is complete.

C. **Final Plans and Modifications.** If Tenant shall request any change, Tenant shall request such change in writing to Sabey Construction Inc. and such request shall be accompanied by all plans and specifications necessary to show and explain changes from the approved Final Plans. After receiving this information, Sabey Construction Inc. shall give Tenant a written price for the cost of engineering and design services to incorporate the changes in Tenant's Final Plans. If Tenant approves such price in writing, Sabey Construction Inc. shall have such Final Plans changes made and Tenant shall promptly pay Sabey Construction Inc. for this cost. Promptly upon completion of such changes in the Final Plans, Sabey Construction Inc. shall notify Tenant in writing of the cost, if any, which shall be chargeable or credited to Tenant for such change, addition or deletion. The cost for such change, whether chargeable or credited to Tenant, shall include Sabey Construction Inc.'s coordination fee equal to five percent (5%) of the amount of such charge. Tenant shall notify Sabey Construction Inc. in writing within five (5) days to proceed with such change, addition or deletion. In the absence of such notice, Sabey Construction Inc. shall proceed in accordance with the previously approved Final Plans before such change, addition or deletion was requested. Tenant shall also be responsible for any demolition work required as a result of the change.

D. **Sabey Construction Inc.'s Warranties.** Sabey Construction Inc. shall complete the Tenant Improvements in the Premises in compliance with the drawings approved in accordance with this Exhibit C and in a good and workmanlike manner. All warranties provided with such work shall be assigned to Tenant.

TENANT AND SABEY CONSTRUCTION INC. AGREE TO THE ABOVE TERMS CONTAINED IN THIS EXHIBIT C.III. AND TO THE RELATED PROVISIONS OF THE LEASE TO WHICH THIS EXHIBIT C IS ATTACHED.

TENANT:

_____

Date: 10/21/14

By: [signature]

Name: Dana White

Its: VP Real Estate + Const

SABEY CONSTRUCTION INC.

Date: _____

By: _____

Name: _____

Its: _____

EXHIBIT C-1

TO LEASE AGREEMENT

TENANT'S REMOVABLE PROPERTY

Subject to the terms and conditions of this Lease, the fixtures, improvements, furniture, equipment and other property of Tenant which may be removed by Tenant from the Premises at the expiration or earlier termination of this Lease are as set forth below in this Exhibit C-1. No other improvements or alterations shall be removed from the Premises at the expiration or termination of this Lease except as may be provided otherwise in the Lease or as may be agreed upon by Landlord and Tenant and added to this Exhibit C-1 by amendment to this Lease.

1. Upon the termination or expiration of this Lease and upon Landlord's written request, Tenant, at Tenant's expense, shall remove all cabling and wiring included within the scope of Tenant's Work, Landlord's Work, Tenant's Alterations, or which was otherwise installed by Tenant, from all interstitial/ceiling, plenum, and under floor areas.

2. Tenant may remove all computer and other equipment used by Tenant for office and/or warehouse use. All computers associated with the Building and Premises and used to operate them shall remain the property of the Landlord.

3. All personal property of Landlord is to remain the property of the Landlord upon the termination of this Lease. Landlord's Property shall include all improvements in the Building and Premises and all personal property of Landlord, except that listed in Section 1 above.

SCHEDULE 1
TO EXHIBIT C-1

[TO BE PROVIDED BY PROVIDENCE]

EXHIBIT D

TO LEASE AGREEMENT

RULES AND REGULATIONS

1. Any directory provided by Landlord for the Building will be for the display of the name and location of tenants of the Building, and Landlord reserves the right to exclude any other names from inclusion in any such directory.

2. Tenant shall not place any new or additional locks on any doors of the Premises or re-key any existing locks without the prior written consent of Landlord.

3. Landlord reserves the right to exclude or expel from the common areas any person who, in the sole judgment of Landlord, is intoxicated, under the influence of drugs or who shall in any material manner violate any of these Rules and Regulations.

4. Tenant shall not do or permit to be done within the Premises, the building or parking loading or other adjoining common areas, anything, which would unreasonably annoy or interfere with the rights of other tenants of the Building.

5. Tenant shall not permit its employees or invitees to loiter in or about the common areas or obstruct any of the parking, truck maneuvering or other common areas, or to place, empty or throw away rubbish, litter, trash or material of any nature upon any common areas.

6. No storage of materials, equipment or property of any kind is permitted outside the Premises unless otherwise approved in writing by Landlord and any such unapproved property may be removed by Landlord at Tenant's risk and expense.

7. Tenant shall not make or permit any use of the Premises which in the sole and reasonable judgment of Landlord, may be dangerous to persons or property; permit any noise, odor or vibrations to emit from the Premises which are objectionable to Landlord or other occupants of the Building; or to create, maintain or permit a nuisance or any violation of any regulation of any governmental agency thereon.

8. Tenant shall not commit or permit to be committed any waste, damage or injury to the Premises, the Building or parking, loading and other common areas adjoining and shall promptly notify Landlord in writing of such waste, damage or injury and repair the same at its expense.

9. Tenant understands that any equipment required for maintenance of the Premises is Tenant's responsibility and that Landlord has no equipment available for Tenant's use therefor (e.g. ladders or lifts for re-lamping, etc.).

10. Tenant shall use the Premises and shall operate its equipment on the Premises in a safe manner and any damage or cracks occurring in the floor of the Premises caused by Tenant shall be promptly brought to the attention of Landlord by written notice and repaired by Tenant at its expense.

11. Tenant shall not at any time display a "For Rent" sign upon the Premises.

12. Tenant agrees to cause its employees to park only in such designated areas as may be designated by Landlord from time to time for employee parking and shall abide by any rules or regulations concerning parking promulgated by Landlord, or Landlord's agent, from time to time.

13. Tenant shall use electricity and water in an economical manner and agrees to cooperate fully with Landlord to assure the most effective and economical use of utilities services as may be provided to the Building by Landlord.

14. Tenant shall keep Landlord advised of current telephone numbers of Tenant's employees who may be contacted in an emergency, i.e., fire, break-in, vandalism, etc. If Landlord

shall deem it necessary, in its sole judgment, to respond to such emergency in Tenant's behalf after contacting Tenant's designated employees, Tenant shall pay all reasonable costs incurred for services ordered by Landlord to secure or otherwise protect the Premises and the contents thereof, including a premium charge for any time spent by Landlord's employees in responding to such emergency.

15. Tenant shall not smoke, and shall cause its employees, contractors, agents and invitees to refrain from smoking, in the Building except in such areas as may be designated as smoking areas by Landlord, if any. In the event that Tenant desires to allow smoking in its Premises and such smoking is permitted under applicable laws, then Tenant, at Tenant's sole expense and subject to the requirements of Section 9 (Improvements And Alterations By Tenant), shall first take such action as may be necessary to have a smoke exhaust system installed in the Premises that is acceptable to Landlord.

16. No pets or other animals are permitted on the Property, including the Premises, at any time except: (i) dogs which are present on the Property or Premises in their capacity of providing assistance to a disabled person; and (ii) laboratory animals of tenants leasing laboratory space and pursuant to terms agreed upon by Landlord in writing prior to such animals being brought onto the Property.

17. Subject to the terms and conditions of this Lease, any cost incurred for direct services provided to Tenant beyond Normal Business Hours at Tenant's request, shall be reimbursable to Landlord or Landlord's Management Agent. Such direct costs to include after-hours labor charge for "on-call" assistance as may be requested by Tenant or Tenant's employees. A minimum three (3) hour charge shall be assessed per Tenant requested and Landlord-provided service.

EXHIBIT E

TO LEASE AGREEMENT

PARKING AREA

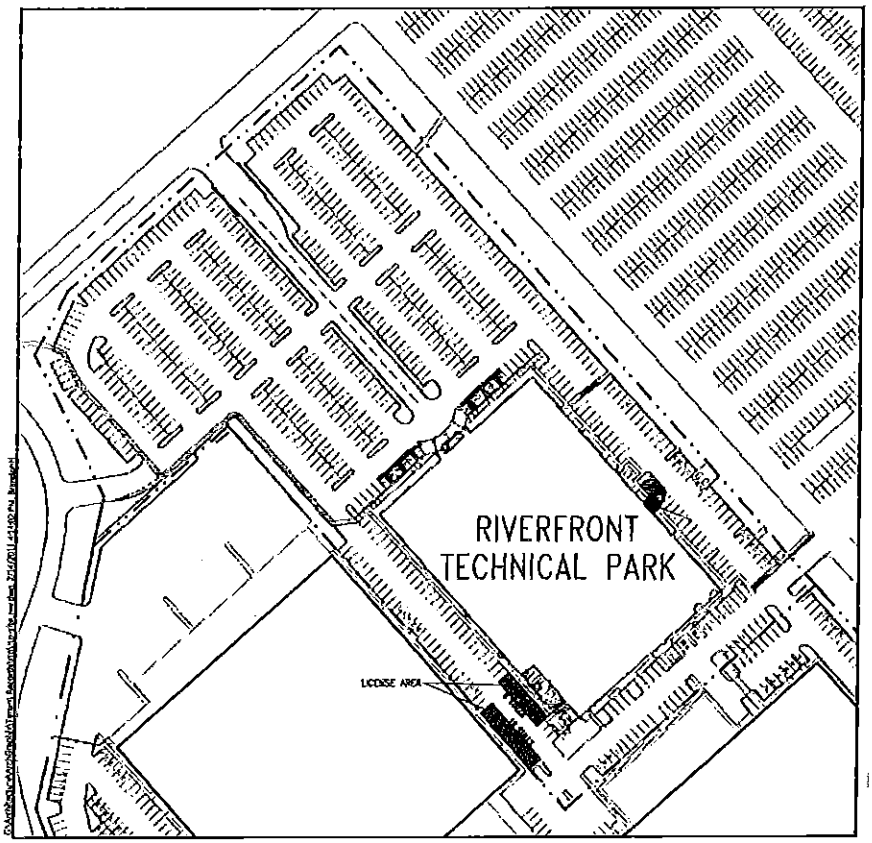


EXHIBIT F

TO THE LEASE AGREEMENT

TENANT INSURANCE REQUIREMENTS

DESIGNATED LLC: Riverfront Technical Park LLC

As a requirement of your lease agreement, evidence of insurance in the minimum amounts shown below IS REQUIRED to be delivered to us PRIOR TO COMMENCEMENT OF THE LEASE AGREEMENT. This letter contains the information your insurance agent will need to prepare the **Certificate of Insurance and Endorsement required** by Sabey Corporation. Please instruct your insurance agent to mail the certificate, INCLUDING ENDORSEMENT, to:

Sabey Corporation
ATTN: Jessi McCord (jessim@sabey.com)
12201 Tukwila International Blvd, 4th Floor
Seattle, WA 98168-5121

	TYPE OF CERTIFICATE	MINIMUM LIMIT
____	Commercial General Liability	
	- General Aggregate	$2,000,000
	- Products/ Completed Operations Aggregate	$2,000,000
	- BI and PD -- Each Occurrence	$1,000,000
	All aggregates apply on a per location basis	
____	Automobile Liability – Per Occurrence	$1,000,000
	Auto liability insurance on all (1) owned, (2) non-owned, and (3) hired vehicles	
____	Umbrella (Excess) Liability -- Per Occurrence	$1,000,000
	Umbrella (Excess) Liability – Aggregate	$1,000,000
____	Worker's Compensation – Washington State	STATUTORY
	Premium status letter from Dept. of L. & I.	
____	Stop Gap (Washington Employer's Liability)	$1,000,000

THE CERTIFICATE SHOULD ADDRESS THE FOLLOWING:

1. **Riverfront Technical Park LLC, Sabey Properties LLC and Sabey Corporation as additional insured.**
2. Show the current A.M. Bests Rating for the insurance company listed.
3. Show minimum prior cancellation notice of 45 days.
4. Show all deductibles and designate "per claim" or "per occurrence".
5. If using ACORD certificate, each appropriate box must be marked with an "X" indicating coverage provided.
6. Certificate of Liability and Umbrella must state if coverage provided is "claims made" or occurrence form.
7. Tenant's insurance to be primary to insurance carried by Sabey Corporation and its subsidiaries. Sabey's insurance to be excess and non-contributory.

DEVIATIONS FROM THE ABOVE MINIMUM REQUIREMENTS MUST BE PRESENTED AND APPROVED BY SABEY CORPORATION'S RISK MANAGER FOR REVIEW AND APPROVAL PRIOR TO AN EXCEPTION BEING GRANTED.

EXHIBIT G

TO THE LEASE AGREEMENT

TENANT & TENANT CONTRACTOR CONSTRUCTION CRITERIA

[ATTACHED HERETO]

SABEY
CORPORATION

Tenant Construction Manual

for

RIVERFRONT TECHNICAL PARK

SABEY CORPORATION

TENANT CONSTRUCTION MANUAL (TCM)

CONTENTS

SABEY CORPORATION

SABEY CORPORATION
TENANT CONSTRUCTION MANUAL (TCM)
CONTENTS

SABEY CORPORATION

I. INTRODUCTION

To our Tenants at Riverfront Technical Park:

Welcome! This Tenant Construction Manual (TCM) provides the Tenant an outline for establishing the general rules, guidelines and conditions of work within and about the Premises. The Tenant must also provide a current copy of this manual to their Contractors, Architect, Engineer(s) and Designers prior to any improvements or alterations.

In the instance that this TCM is an exhibit to the Lease, the Lease will take precedence if there are conflicts between these documents.

The general rules and conditions in this manual are to be used as a guideline and may be subject to change at the discretion of the Landlord. Additional copies of this TCM may be obtained from the Construction Coordination Manager at a cost of $25.00 each. Prior to construction, it is the Tenant's responsibility to ensure that this TCM is the most current TCM at the time of construction. An updated copy of the TCM may be requested from the Landlord's Representative at no charge.

The Construction Coordination Manager is the Landlord's Representative and contact regarding Landlord's design requirements, submittals, and construction issues.

The Tenant, at least fourteen (14) days prior to construction commencement, must provide Landlord with Submittal Documents, per section III of this TCM, for approval.

The following contacts are provided to assist with the construction phase:

OWNER
Riverfront Technical Park
c/o John Sabey
Sabey Corporation
12201 Tukwila International Blvd.
Fourth Floor
Seattle, WA 98168-5121
P 206.281.8700
F 206.282.9951

LANDLORD REPRESENTATIVE
Sabey Corporation
Ken Stickley
Facilities Manager
12201 Tukwila International Blvd.
Fourth Floor
Seattle, WA 98168-5121
P 206.281.8700
F 206.282.9951

SABEY CORPORATION

II. DESIGN CRITERIA

A. DRAWINGS

Prior to design, Tenant shall request the Landlord's most current CADD Master Background Compact Disk (CD) for the Premises. Tenant's design shall be incorporated into this Master Background. This Master Background shall also be used for as-builts of existing and constructed conditions, as required per Section VIII –Tenant's Construction Drawings / As-Builts. A copy of the as-builts in the CADD format (as originally received in the Landlord's Master Background) shall be returned to Landlord at project completion.

B. SALVAGE

Landlord reserves the right to salvage removed equipment and materials not previously designated and approved for use in the new construction. Tenant's Contractor is to coordinate with Landlord for a 'Salvage Walk-Thru' to designate materials to be salvaged. Salvageable materials may include but are not limited to: casework, carpet, doors, relites, frames, power panels and switch gear, light fixtures and HVAC equipment, grilles and registers. These materials and/or equipment will be removed by Tenant's Contractor in such a manner as to avoid damage or loss of parts or components, and will be moved to a location as directed by Landlord's Representative. All material not salvaged or reused is to be removed and disposed of off-site in a lawful manner by Tenant's Contractor.

C. SIGNAGE

Tenant/Tenant's Contractor must submit for Landlord's approval all sign posting plans prior to placement of signs in or about the property. Some posting examples include:

- Contractors Company Name / Job Sign
- Reserved Parking
- Restricted Area
- No Smoking

D. SCREEN WALLS

Tenant/Tenant's Contractor must obtain Landlord's approval for all equipment yards, storage yards, and roof top equipment and like areas, that would service Tenant's Premises. The Landlord reserves the right to request screen fencing or walls that meet the Landlord's Building standards for such areas, at Tenant's expense.

E. LANDSCAPING MITIGATION

Any Landscaping areas being removed by Tenant or Tenant's Contractor shall be replaced per Landlord's Standard Landscape Replacement Ratios. Tenant or Tenant's Contractor shall be responsible for providing and installing an approved irrigation system within Tenant's landscape area or a location approved by the Landlord. Tenant will reimburse Landlord for any landscape and irrigation mitigation.

F. DUCT PENETRATIONS

Tenant's Contractor must ensure all ducts penetrating rated walls, ceilings or shafts have fire dampers with a rating equal to the wall or ceiling being penetrated. All penetrations, including previously abandoned penetrations, will be fire sealed and caulked. When required to be tied into the Building Fire Panel, the Landlord's Fire Control contractor

shall be used for the tie-in. Fire rated integrity of all rated walls, shafts and plenums must be maintained and preserved.

G. CODE COMPLIANCE

Tenant's Contractor must comply with all federal, state, and local codes and ordinances. These include ADA (Americans with Disabilities Act) Standards, seismic stability, electrical, mechanical, fire protection, etc. codes and ordinances.

H. AIR QUALITY

Tenant's Contractor must ensure air qualities are tested and monitored for hazardous conditions within confined spaces and under slab. Tenant's Contractor must adhere to all federal and state regulations pertaining to work performed within confined spaces. Contractor is responsible to ensure that the air quality is maintained in all areas adjacent to their work area.

I. SYSTEMS COMPATIBILITY

Tenant's Contractor must ensure all mechanical work, equipment, methods, controls, etc. are compatible with and integrated into the existing Building equipment, systems and controls. Any required modification to building systems will be done by Landlord's Required Contractor at Tenant's expense. Also see section VI –Construction, Subsection L, regarding Landlord's Required Contractors.

J. TRENCHING

1. Interior Trenching

   All interior trenching shall be restored to equal or exceed the original Building specifications. All work shall be approved and inspected by the Landlord's engineer(s) at Tenant's expense.

2. Exterior Trenching

   All exterior trenching shall be cut based on the best practices of the industry. Backfilling of trenching shall be in accordance with the recommendations of the Landlord's engineer(s) at Tenant's expense.

3. Dewatering

   In trenches where dewatering is required or soils exceed the optimum moisture levels, the Landlord's engineer(s) shall review these trenches. At Tenant's expense, the engineer(s) will make recommendations and supervise the backfilling activity.

4. No reclaimed materials shall be allowed as backfill material.

K. EQUIPMENT –Mechanical, Electrical, Etc.

1. All installed electrical equipment, including concealed equipment, within the building and Tenant's Premises, must be labeled indicating the power source.
2. All roof top equipment must be labeled with Tenant's name and power source. Also label the pipes, conduits, wires, etc that feed the equipment.
3. Tenant's Contractor must label all mechanical and electrical components (concealed above ceiling) with the appropriate colored ¾" dots on the ceiling grid. The color coding system is as follows:

HVAC UNITS/EXHAUST.....BLUE

HVAC CONTROLS ..... ORANGE
WATER (SHUTOFF) ..... GREEN
GAS ..... YELLOW
FIRE SYSTEM ..... RED

L. ELECTRICAL

1. Tenant's Contractor must label all circuits at power panels and on receptacle cover plates. Use 12 point or 1/8" black letters mechanically printed on clear tape.
2. All electrical wires, conduits, etc. not in use / abandoned must be pulled back to the electrical panel or power source. Improvements or alterations to any Premises, which contain abandoned wires, must have provisions to remove the previously abandoned wire.
3. Electrical panel schedules must be updated any time additional loads or additional breakers are added.

M. HVAC

Tenant's Contractor is required to update all existing HVAC controls which are compatible to the Building. Also see section K-Equipment.

N. FIRE PROTECTION

Tenant's Contractor must modify existing fire protection systems to suit Building, including installation of strobes and other ADA compliant devices. **Testing of any audible devices must be scheduled in advance with the Landlord AND local fire department.** Also see section K-Equipment.

Sprinkler control valves must be locked in the open position.

Drain for the fire sprinkler test drain valve shall be such that it is tied into the storm drain system. A provision shall be made for the area immediately surrounding the test drain valve outlet site.

All Post Indicator Valves (PIV's) must be monitored and secured open with a padlock. During construction, the PIV's must be kept in the open position. **If this system needs to be shut for repair, modification, and/or construction, the Landlord AND local fire department must be notified at least 48 hours in advance.**

O. OCCUPANCY SIGNS

Tenant's Contractor shall provide occupancy signs conforming to applicable codes and requirements.

P. EXIT SIGNS

Tenant's Contractor shall install exit signs in the type, number and location as shown on the construction Documents, or as otherwise required by the governing agencies.

Q. DOORS

Tenant's Contractor shall ensure all new exit door hardware allows doors to be opened from the inside without key, any special knowledge, and meets ADA requirements. If the Tenant's Premises contain building equipment which requires Landlord's 24 hours access, the keying must be coordinated with Landlord.

R. INTERIOR FINISHES

All interior finishes shall comply with the most current edition of the "Uniformed Building Code."

S. PHONE/DATA INSTALLATION AND RESPONSIBILITIES

Providing phone and data services to Tenant's Premises is Tenant's direct responsibility. The Landlord will assist Tenant in coordinating the process. Tenant shall provide the Landlord, for its approval, any and all plans that may have an effect on the site or any other areas outside of Tenant's Premises. In some cases the Landlord may have installed conduits during the site construction phase, in anticipation of future tenant use. These conduits may be made available for Tenant's use upon request or be used at Landlord's request. Use of Landlord's conduits shall be subject to a user fee and shall be assessed on an individual basis.

T. FUEL STORAGE TANKS DESIGN & MAINTENANCE

All Underground Storage Tanks (UST) and Aboveground Storage Tanks (AST) shall meet or exceed Landlord, Federal, State and Local regulations and requirements. There may be a Landlord limit on AST capacity for the site, check with Landlord Representative prior to design.

U. MISCELLEANOUS PROVISIONS

Also review section 'VI –Construction'. Construction requirements should be noted on the design Documents.

III. LANDLORD'S REVIEW

A. LANDLORD'S SUBMITTAL AND APPROVAL PROCESS

Together with this Tenant Construction Manual (TCM), Tenant shall have received Landlord's electronic copy of the 'Shell'. This comprises the **"Tenant Package"**. Tenant shall carefully review this package and Tenant's Premise location as indicated on these drawings against the Lease Documents before starting any design or layout drawings.

It is Tenant's responsibility to bring any conflicts to the Landlord Representative's attention before beginning any design work. It is the Tenant's responsibility to verify that building systems are adequate to sustain their design. Approval by Landlord's Representative does not amend the Lease nor does it warrant that the design is sustainable by the building. All aspects of the improvements/work shall be submitted for Landlord approval.

The Landlord's Representative must review and approve Final Construction Documents prepared by Tenant's architect and/or engineer(s). These Final Construction Documents must be submitted with the 'Final Submittal Form' (page 20).

"A Preliminary Construction Document review by the Landlord is highly recommended." The Preliminary Construction Documents must be accompanied with the Preliminary Submittal Form (page 18).

The approval process is outlined below. All submittals shall be sent to the Landlord's Representative, Attention: Construction Coordination Manager. **All reviews are at Tenant's expense. A complete review package will cut down on review time.**

1. SUBMITTAL DOCUMENTS

a. Tenant shall submit two (2) sets of complete Construction Drawing and Specification Documents for Landlord's review and approval. The Specification Documents shall include all data for installed materials. These Drawings and Specifications comprise the Submittal Documents.

b. The Construction Drawings must clearly indicate quantity, sizes, and locations of all core drilling or sawcutting to the existing surfaces.

c. The Submittal Documents must be submitted with the Final Submittal Form (found on page 20) completed and signed:

d. Landlord shall review Tenant's submittals and return one (1) set of prints with Landlord's stamp and comments, indicating approval, or requesting additional information.

   1. Landlord's review will include review by Landlord's Architect for design integrity and for general compliance with this TCM, in addition to a review of the Building System submittals by Landlord's consultants where required.
   2. Approval of Tenant's drawings and Specifications only acknowledges conformity of it to the aesthetic design objectives and criteria of the Landlord. This approval in no way signifies that Tenant's plans comply with any ordinances, codes, laws, rules or regulations applicable to Tenant's permitted uses; nor does such approval connote any professional assessment of the quality, durability or safety of Tenant's design or of the materials to be used in construction of Tenant's leasehold improvements.
   3. Tenant shall coordinate all fire protection requirements with Landlord.
   4. Allow fourteen (14) days for submittal review.

e. If required as a result of the Landlord's review, Tenant shall resubmit their Submittal Documents with any additional or corrected information required by Landlord within twenty (20) days after Landlord's initial response, for Landlord's re-review. Allow fourteen (14) days for re-submittal review.

f. It is highly recommended, though not required, that Preliminary Submittal Documents (30% & 60% Design, etc.) be submitted for Landlord's review.

If the Submittal package is incomplete, it will NOT be reviewed. If the Submittal is <u>not</u> in compliance with the TCM or has inadequate information, it may be returned for "Revise and Resubmit." Returned Documents must be corrected and resubmitted to Landlord for approval. Submittals with minor deficiencies, but otherwise in compliance will be marked "Furnish As Corrected, Provide As Noted." A complete Submittal Document package should include all drawings for all scopes of work and specifications for all installed materials and equipment, etc. **Landlord, if exceptions are taken, will indicate approval to proceed on partial approved Documents <u>in writing</u>. All reviews are at Tenant's expense. Incomplete submittals require more review time. A complete review package will cut down on review time**

2. LANDLORD'S APPROVAL

All Documents submitted to Landlord will be stamped and a copy of the Documents will be returned to Tenant for appropriate action.

Tenant's construction must be in accordance with the corrections and annotations on the approved Documents, if any. One (1) approved set of drawings and specifications must be kept in the construction area at all times during construction.

IV. APPROVAL TO PROCEED

Construction may commence ONLY when:

A. A complete set of construction Submittal Documents has been stamped and signed as approved by the Landlord Representative.

B. The required permits have been issued by the governing jurisdiction for all work requiring permit.

C. All conditions have been met as outlined on the PRE-CONSTRUCTION MEETING CHECKLIST (page 17). Also see section 'V - Pre-Construction Requirements'.

D. Tenant/Tenant's Contractor fully understands and agrees to abide by the content of this Tenant Construction Manual.

E. Tenant has received a letter from the Landlord's Representative indicating approval to proceed with construction. If applicable, the Landlord's Review Fee has been paid.

F. CHANGES TO APPROVED SCOPE: Any modifications, including change orders, substitutions, and all slab/wall saw cutting or core drilling not on approved plans, must receive Landlord's approval before proceeding. Such modifications shall be at Tenant's expense, and include Inspection and Construction Costs, Design and/or Engineering, and Permits.

V. PRE-CONSTRUCTION REQUIREMENTS

A. PRE-CONSTRUCTION MEETING

At least ten (10) days prior to Tenant's commencement of construction, Tenant shall contact the Landlord's Representative to schedule a mandatory pre-construction meeting with Tenant's Representative and Tenant's Contractor(s). This meeting shall take place on-site. Please refer to the checklist located on page 17 of this manual, "PRE-CONSTRUCTION MEETING". This checklist must be filled out, or items provided as noted, in prior to the pre-construction meeting.

B. EMERGENCY RESPONSE PLAN

Tenant's Contractor must submit for Landlord's approval, a site-specific safety plan. The site-specific safety plan is required prior to or at the pre-construction meeting and a copy must be kept on site during construction.

C. SITE SET-UP PLAN

Tenant/Tenant's Contractor shall submit to Landlord for approval, a plan indicating the proposed location and placement of construction support areas, i.e., job trailers, portable toilets, laydown zones, storage, etc., that encroach outside of Tenant's leased Premises. Any such areas granted shall be subject to rental fees, relocation and/or terminated at Landlord's request, at no expense to Landlord. Tenant/Tenant's Contractor shall maintain such areas in a clean, safe manner at all times and shall not allow activities to occur within said areas, other than agreed to activities. A preliminary plan for Landlord review is required prior to or at the pre-construction meeting.

D. CONTRACTOR LIST

Tenant's Contractor must provide Landlord with a subcontractor list with twenty-four (24)-hour emergency phone numbers and contact names prior to or at the pre-construction meeting. Landlord reserves the right to reasonably disapprove any or all subcontractors and suppliers.

E. PRE-CONSTRUCTION INSPECTION

Tenant's Contractor must arrange a pre-construction inspection with Landlord to determine existing damage in common areas, and review options for material travel routes to and from Tenant's Premises. Landlord will document results and provide Tenant's Contractor with a pre-construction inspection report before construction starts.

F. SPACE ACCEPTANCE

By occupying the designated space for construction, Tenant shall be deemed to have accepted the Premises "AS-IS", unless otherwise notified by Landlord in writing at the time of the pre-construction meeting. By occupy the space for construction, this shall be acknowledged by Tenant that Landlord has completed the work required of it pursuant to the Lease and has agreed that Landlord is not then in default in any of its obligations under the Lease.

G. CONSTRUCTION UTILITIES CHARGE

It is agreed and understood that the utilities servicing the Premises may need to be separately metered as per the terms of the Lease. In the event the utilities are not separately metered and the cost of utilities, per the Lease, are to be a direct cost of Tenant's, an estimated per day charge will be assessed by the Landlord to Tenant during the build-out and construction phase or until such time as a permanent metering device is installed and transferred into Tenant's name. Furthermore, if Tenant has received Landlord's permission to occupy the Premises early to perform construction activity, an estimate for utilities may be assessed on a per day basis during this early occupancy period.

VI. CONSTRUCTION

A. STOP WORK

In the event Tenant's Contractor violates Landlord, city, state or federal standards or becomes involved in a labor dispute, Landlord, at its sole discretion, may order Contractor or sub-contractor to cease work immediately and to remove itself and its equipment from Landlord's properties within twenty-four (24) hours of its receipt of written notice from the Landlord.

B. CONSTRUCTION INSPECTION

Landlord reserves the right at any time to review Tenant's Contractor's construction status. Should Landlord observe a nonconformity to approved plans and specifications or provisions outlined in this Document, Landlord may request that construction halt until the question of nonconformity has been resolved.

C. SUPERVISION

Tenant's Contractor must provide a qualified on-site supervisor during all work activities.

D. ABNORMAL CONDITIONS

Tenant's Contractor shall perform all work that creates excessive noise, vibration, noxious fumes, dust and odors, outside of normal Building operating hours (7am to 6pm weekdays). Such work shall be done in a manner which best eliminates interference with other tenants or Landlord. Landlord shall be given twenty-four (24) hours notice of such work and reserves the right to reschedule, decline or monitor, such work. Landlord may require that Building security sign-in/sign-out individuals working during this time. If

additional security, fire watch, or Landlord supervision is required, it will be at Tenant's/Tenant's Contractor expense.

E. SYSTEM SHUTDOWNS

Tenant/Tenant's Contractor shall arrange all required utilities and system shutdowns through the Landlord. A minimum twenty-four (24) hour advanced notice is required. Timing of these shutdowns shall be at Landlord's discretion and may require long-term planning. Shutdown set up and recharging costs shall be at Tenant's expense. Costs associated with life safety system shutdowns and recharging, at a cost per occurrence, shall also be at Tenant's expense.

F. FIRE PROTECTION

The sprinkler system should be installed as soon as possible and be in service before introducing significant amounts of combustibles in the Premises. Tenant's Contractor shall use blanks or plugs as needed to keep at least part of the sprinkler system in service overnight.

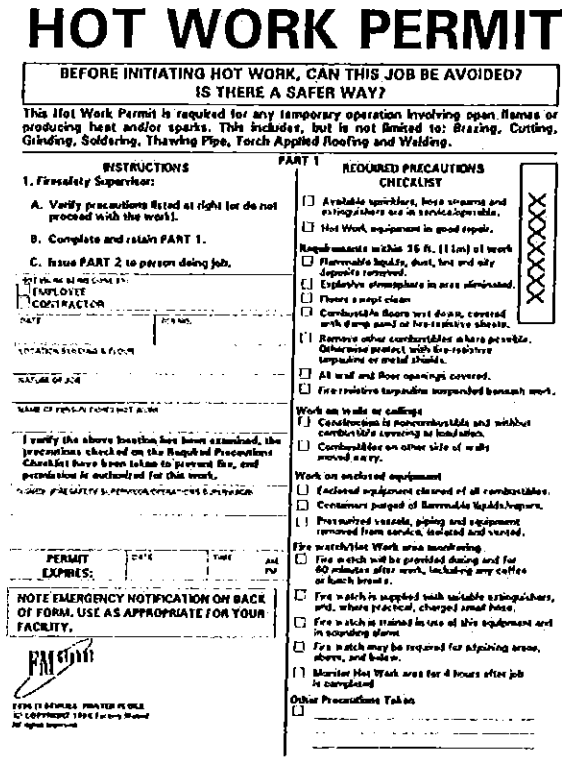
If fire protection is not in service, as soon as the hydrants are ready, provide hoses that can cover most of the area. If hoses cannot be provided, then adequate fire extinguishers shall be provided in the area. In addition, at any time and for any reason that the sprinklers are not in service, Tenant, at Tenant's expense, must provide a fire watch service during non-working hours.

G. CONSTRUCTION MEETINGS

Landlord reserves the right to attend any or all Tenant/Tenant's Contractor construction meetings. Landlord may request copies of the construction minutes pertaining to Landlord's properties.

H. CONFLICTS

Where conflicts exist between building codes, utilities' requirements, statutes, ordinances, regulatory requirements, and Landlord's requirements, the more stringent shall govern.



HOT WORK PERMIT

BEFORE INITIATING HOT WORK, CAN THIS JOB BE AVOIDED? IS THERE A SAFER WAY?

This Hot Work Permit is required for any temporary operation involving open flames or producing heat and/or sparks. This includes, but is not limited to: Brazing, Cutting, Grinding, Soldering, Thawing Pipe, Torch Applied Roofing and Welding.

INSTRUCTIONS

1. Firesafety Supervisor:

A. Verify precautions listed at right (or do not proceed with the work).

B. Complete and retain PART 1.

C. Issue PART 2 to person doing job.

PART 1

REQUIRED PRECAUTIONS CHECKLIST

- ☐ Available sprinklers, hose streams and extinguishers are in service/operable.
- ☐ Hot Work equipment in good repair.

Requirements within 35 ft. (11m) of work

- ☐ Flammable liquids, dust, lint and oily deposits removed.
- ☐ Explosive atmosphere in area eliminated.
- ☐ Floors swept clean.
- ☐ Combustible floors wet down, covered with damp sand or fire-resistive sheets.
- ☐ Remove other combustibles where possible. Otherwise protect with fire-resistive tarpaulins or metal shields.
- ☐ All wall and floor openings covered.
- ☐ Fire-resistive tarpaulins suspended beneath work.

Work on walls or ceilings

- ☐ Construction is noncombustible and without combustible covering or insulation.
- ☐ Combustibles on other side of wall moved away.

Work on enclosed equipment

- ☐ Enclosed equipment cleaned of all combustibles.
- ☐ Containers purged of flammable liquids/vapors.
- ☐ Pressurized vessels, piping and equipment removed from service, isolated and vented.

Fire watch/Hot Work area monitoring

- ☐ Fire watch will be provided during and for 60 minutes after work, including any coffee or lunch breaks.
- ☐ Fire watch is supplied with suitable extinguishers, and, where practical, charged small hose.
- ☐ Fire watch is trained in use of this equipment and in sounding alarm.
- ☐ Fire watch may be required for adjoining areas, above, and below.
- ☐ Monitor Hot Work area for 4 hours after job is completed.

Other Precautions Taken

☐

EMPLOYEE / CONTRACTOR

DATE

NAME OF JOB

I verify the above location has been examined, the precautions checked on the Required Precautions Checklist have been taken to prevent fire, and permission is authorized for this work.

PERMIT EXPIRES: DATE TIME AM PM

NOTE EMERGENCY NOTIFICATION ON BACK OF FORM. USE AS APPROPRIATE FOR YOUR FACILITY.

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I. MATERIALS

1. Tenant shall use only new, first-class materials in completing its work. All work and equipment shall be warranted for a minimum of one (1) year from date of project/improvement completion. Such warranties shall not relieve Tenant from its maintenance obligations as provided for in the executed Lease Documents.

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2. No asbestos containing materials (ACM) shall be used.

J. WELDING / HOT WORK

1. A fire extinguisher and fire watch is required in the event of any acetylene cutting or welding on Tenant's Premises. Tenant/Tenant's Contractor, prior to commencement of such work, shall obtain Landlord's written approval.

2. Request a Hot Work Permit kit from the Landlord if any hot work will be preformed.

3. Familiarize yourself with the safeguards listed on the Hot Work Permit and read the directions outlined on the wall kit.

4. Hang the Hot Work Permit Systems kit in plain view of the Tenant's Contractor fire safety supervisor, who will take responsibility for issuing the permits.

5. All material within thirty-five (35) feet of the hot work in all directions is a critical area that must be kept clear of all combustible material.

6. Periodically check the area of work after the work is done. Do not perform any hot work prior to one (1) hour before the working shift ends.

K. ON-SITE DRAWINGS

One set of plans bearing Landlord's appropriate review stamp, complete with Landlord's cover sheet and Owner's good faith inspection report attached, must be kept in Tenant's Premises at all times during construction. Tenant's Contractor must use this set of plans along with the approved building permit plans from the City as its master set(s) for building/improving Tenant's Premises.

L. LANDLORD'S REQUIRED CONTRACTORS

1. Notwithstanding any provisions of the Lease, certain construction activities that affect The Life Safety system, the Building warranties or integrity of Landlord's property, must be performed by Landlord's Contractors at Tenant's expense. **Use of any other contractor will constitute Tenant's assumed liability of the remainder of that Building system's warranty for the remainder of the existing warranty period.** Tenant or Tenant's General Contractor must contract directly with Landlord's Contractor. Names of these required contractors may be obtained from the Landlord's Representative.

These activities may include, but are not limited to, the following:

A. Penetrations or modifications to exterior walls or glazing.
B. Roof penetrations, roof equipment installation, roof modification or repair.
C. Any core drilling or penetrations of reinforced floor slabs.
D. Modifications to the Mechanical System controls.
E. Installation of and alterations to the Fire Monitoring System & Fire Sprinkler System.
F. Shutdown of Landlord-operated and maintained systems to accommodate Tenant's work.
G. Modification of utilities serving the Premises or Building(s).
H. Electrical interfaces with Landlord's smoke detection system, which may include: smoke detectors, dampered ceiling return air grill, supply fan shutdown, hood fan annunciation, etc.
I. Use of elevator to hoist oversized or heavy materials.

M. ON-SITE PARKING

On-site parking for Tenant's Contractors & Suppliers, if available, must be approved by Landlord's Representative. Parking may be subject to a rental fee.

N. INSURANCE

All Contractors, Subcontractors, Material Suppliers, etc., who directly contracts with Tenant for work on-site must have an acceptable Certificate of Insurance on file with Landlord prior to being on-site. See Required Insurance Coverage checklist on page 22 of this manual.

O. MISCELLEANOUS PROVISIONS

1. Also review section 'II - Design Criteria'. Many design criteria should be noted as conditions of construction.
2. Also refer to section 'V - Pre-Construction Requirements'.
3. Also refer to section 'VII - Housekeeping'. In addition, the following should be observed:
   - A. Where conflicts exist between building codes, utilities' requirements, statutes, ordinances, regulatory requirements, and Landlord's requirements, the more stringent shall govern.
   - B. Tenant's Contractor or Subcontractors shall not post signs without Landlord's approval.
   - C. Tenant's Contractor and Subcontractors shall comply with all parking rules & regulations as established by Landlord. Violation of parking requirements may result in fines and/or towing.
   - D. Laydown area and contractor parking on the campus may be accessed a use fee. Consult with Landlord Representative for details.
   - E. Tenant shall use only new, first-class materials in completing its work. All work and equipment shall be warranted for a minimum of one (1) year from installation. Such warranties shall not relieve Tenant from its maintenance obligations provided in the Lease.
4. There will be no smoking allowed on the Premises, including parking garages. Exceptions are in designated smoking areas only. Any Contractor setting off smoke detectors will be charged a response fee.

VII. HOUSEKEEPING AND MATERIAL HANDLING

A. CONSTRUCTION WASTE

With Landlord's consent and approval, Tenant's Contractor may locate a construction dumpster on site for use on a temporary basis. Approval will be based on the length of time and the availability of an area for locating such dumpster. In some cases Tenant's Contractor may be able to obtain a street use permit to locate a dumpster on the street. Tenant's Contractor will be responsible for removing all construction-generated trash from common areas of the Building on a nightly basis. Tenant's Contractor acknowledges that storage of any construction and or building materials outside of Tenant's space is prohibited unless Landlord's written approval has been granted. Discharge of any material into Landlord's plumbing, storm sewer system or trash containers is also prohibited.

B. MOVEMENT OF MATERIALS

The movement of construction materials may be tightly restricted during normal business hours (7am to 6pm weekdays). If available, a freight elevator may be designated upon request for construction use. Tenant/Tenant's Contractor will be responsible for protecting the elevator cab finishes as required by Landlord. Service keys and wall pads may be available upon request. Tenant's Contractor must request Landlord approval of expected large deliveries twenty-four (24) hours in advance. Use of all Landlord conveyances, such as elevators and escalators, or stairwells for material or personal use must have prior approval. Landlord's entries, common area corridors, stairwells, service accesses, loading docks, and exit pathways must remain completely open and serviceable at all times.

C. FLOOR AND WALL PROTECTION

Tenant's Contractor must provide floor and wall protection to insure finishes are protected during construction activities and to prevent material deliveries from adversely affecting the floor finish. Tenant's Contractor will be liable for resulting floor or wall damage.

D. DAILY CLEANING

Once construction begins in Tenant's Premises, cleaning of the area becomes the responsibility of Tenant and its Contractor. Work areas and travel areas (inside and out) must be maintained in a clean condition at all times.

1. Tenant's Contractors must supply and install a large carpeted walk-off mat inside the entrance of the work Premises to eliminate the tracking of dust and debris into the Building common area(s).
2. Trash must be placed in containers and removed by Tenant's Contractor to Contractor's dumpster on a daily basis. Reference VII – Section A.
3. Failure to comply will result in a deduction to the construction damage deposit or to Tenant's Contractor for Landlord's clean-up and administration fees.

E. CONSTRUCTION PRE-FILTERS

Prior to commencement of any construction activity, Tenant's Contractor will install and maintain construction pre-filters in the Buildings return air system servicing the construction area and/or floor. When construction is complete, the pre-filters shall be removed and disposed of properly off-site by Tenant's Contractor.

F. DUST BARRIERS

If construction dust becomes excessive, temporary dust barriers at demising walls in plenum spaces may be required. If requested by Landlord, Tenant's Contractor must install dust barriers at Tenant's expense. Certain detection devices are highly sensitive to dust particles, which can cause them to go into alarm. If any such devices are in or adjacent to Tenant's Premises, please consult Landlord's Representative for procedures.

G. HAZARDOUS MATERIALS

Tenant's Contractor(s) who utilize or possesses hazardous materials on the work site shall be required to develop a site-specific safety plan and a spill prevention and control plan in accordance with all applicable federal, state and local regulations. A copy of each plan must be submitted to the Landlord's Representative along with Hazardous Materials Information Sheets (HMIS) and/or Material Safety Data Sheets (MSDS) prior to bringing the hazardous materials onto the site.

H. EQUIPMENT UPKEEP

Landlord reserves the right to shutdown or remove any of Tenant's Contractor equipment showing signs of disrepair or neglect if the equipment is deemed hazardous to either life safety or environment.

I. SPOILS

Tenant's Contractor shall not store spoils on the site for more than seven (7) days. Spoils that require testing must be removed within twenty-four (24) hours of negative test results. Stored spoils must remain covered and adequately barricaded.

J. WASH OUT AREA

Tenant's Contractor will not allow any disposal on the Premises of wastewater, concrete, mortar, gypcrete or similar products that may in any way violate City, State or Federal environmental laws. All disposals shall comply with current regulations. Tenant's Contractor, if intending to set up a wash out area, shall submit a detailed collection/detention plan for Landlord's authorization and approval.

VIII. TENANT'S CONSTRUCTION DRAWINGS / AS-BUILTS

At the completion of construction, Tenant shall provide one (1) complete set of reproducible as-built drawings and one (1) CD containing all as-builts to Landlord. The CD as-built drawings shall be in the form of AutoCAD R14, or AutoCAD 2000 saved on CD. As-built drawings shall include Architectural, Structural, Civil, Mechanical, Electrical, Fire Protection, Fiber, etc.

Tenant's Contractor shall submit signed and stamped Fire Protection shop drawings to Landlord, as part of the Drawing Submittal, for approval of Landlord's Insurance Carrier.

IX. INSPECTIONS

A. INSPECTIONS BY GOVERNING AGENCIES

Tenant or Tenant's Contractor is responsible for obtaining all required inspections by governing agencies. Tenant's Contractor is responsible for correcting all deficiencies recorded by the inspectors.

B. CERTIFICATE OF OCCUPANCY

Submit a copy of final inspections or a copy of the Certificate of Occupancy to Landlord's Representative.

X. PUNCH LIST / OBERVATION BY LANDLORD

During construction of Tenant's space, Landlord's Representatives may observe periodically to determine whether construction conforms to the approved plans and specifications, and the provisions of these General Conditions for Construction. Should there be any discrepancy, Tenant's work may be halted until the problem is resolved.

Tenant's Contractor shall notify Landlord's Representative in writing within five (5) days of when work is substantially complete, and request a final inspection from Landlord. Landlord shall provide Tenant's Contractor with a written punch list, which will describe any identified construction deficiencies pursuant to the Approved Plans. Any punch list items not completed within thirty (30) calendar days of the date the punchlist was presented to Tenant may, at Landlord's option, be completed at Tenant's expense.

XI. LANDLORD'S FINAL ACCEPTANCE

In order for Tenant to receive Landlord's Final Acceptance, Tenant must, within thirty (30) days of the date Tenant opens for business, obtain and present to Landlord the following items:

A. A copy of the Certificate of Occupancy issued by the Building Department. (Food Service Tenants must also include documented approvals from the local Health Department prior to opening.)

B. Copies of all Building Permits and other required permits, indicating inspections and approvals by the appropriate agency.

C. As-built drawings of Tenant's Work (per Section VIII) in hard copy and electronic CADD file.

D. HVAC Balance Reports by an independent air balance contractor.

E. The completed punchlist initialed by Landlord's Representative.

F. Tenant's Contractor shall repair all damage to the Building created by its own work.

G. O & M manuals and warranties for all Tenant Work including installed equipment and roof top penetrations.

H. Contractor Certification of Asbestos Free Product Installation.

I. Upon completion, general contractor shall supply Landlord with Final Lien Releases and with the Sworn Statement and Indemnity from all Contractors, Subtiers, Suppliers, Laborers, Material Suppliers, etc., who contracted directly with the Tenant. These forms should be requested from the Construction Coordination Manager.

Contractor's damage deposit will be refunded upon completion of Landlord's Final Acceptance requirements.

XII. GOOD FAITH INSPECTION FOR ASBESTOS

Tenant and Tenant's Contractors must have Landlord's good faith Inspection report on the Premises prior to starting work. The Washington Industrial Safety Health Act 296-62-07707 states that before allowing or authorizing any construction, renovation, remodeling, maintenance, repair or demolition, Landlord shall perform a good faith inspection to determine whether materials to be worked on or removed contain asbestos.

The possession of the Landlord's good faith Inspection report does not indicate the exact location of all asbestos containing materials (ACM's) in the building, especially in the case of older buildings, nor does the Landlord make representation that all ACM locations in the building are known. Tenant / Tenant's Contractor(s) should proceed with caution and use safe and prudent methods and abide by all laws concerning the use, handling, abatement, transportation, discharge and storage of hazardous materials.

It is the responsibility of Tenant's Contractor to request and obtain a copy of this report and display it in the Premises in full view of all persons entering the work site. Tenant's Contractor is also responsible to disclose to Landlord's Representatives its discovery of any material that may contain asbestos or other hazardous materials not mentioned in the good faith inspection. If any ACM's are suspected, immediately stop work, and do not disturb or remove the suspect material until Landlord has performed tests and/or abatement.

PRE-CONSTRUCTION MEETING CHECKLIST:

	TENANT WORK WILL NOT BE ALLOWED TO COMMENCE WITHOUT THE FOLLOWING:
	1) LANDLORD'S CONTACT: Ken Stickley, Facilities Manager (206) 281-8700
	2) WASHINGTON STATE CONTRACTOR'S LICENSE NO.: _____
	3) CERTIFICATE OF INSURANCE FOR ALL CONTRACTORS DIRECTLY CONTRACTED W/ TENANT
	4) LANDLORD REVIEW FEE HAS BEEN PAID. AMOUNT: $_____
	5) LIST OF ALL SUBCONTRACTORS, SUPPLIERS, AND CONSULTANTS
	6) APPROVED TENANT PLANS ON-SITE
	7) CONSTRUCTION UTILITIES CHARGE (per General Conditions Paragraph G) Electric/Day _____ Elevator _____ Drain Sprinkler/Occurrence _____ Other _____ Other _____
	8) BUILDING PERMIT, OTHER PERMITS
	9) CONSTRUCTION SCHEDULE Start Date: _____ Est. Completion Date: _____
	10) PROVISIONS FOR PERMANENT ELECTRICAL POWER
	11) GOOD FAITH INSPECTION REPORT
	12) SUBCONTRACTORS (TO BE APPROVED BY LANDLORD): Fire Detection System: _____ Mechanical Controls: _____ Roof Modifications: _____ Certified Air Balance Contractor: _____ Other: _____
	13) DESIGNATED HOURS OF CONSTRUCTION
	14) MATERIAL DELIVERIES SHALL BE COORDINATED WITH LANDLORD
	15) LOCATION OF TENANT CONTRACTOR'S TRASH RECEPTACLE
	16) LOCATION FOR TENANT CONTRACTOR PARKING
	17) LANDLORD'S FIRST RIGHT OF REFUSAL FOR SALVAGE
	18) PRIOR APPROVALS REQURIED Modifications to Landlord's facilities: _____ Incidental burning, acetylene cutting, or welding: _____ Incidental concrete saw-cutting or core drilling: _____ Noxious fumes: _____ Other: _____
	19) CONSTRUCTION SAFETY – FALL PROTECTION PLAN, EMERGENCY RESPONSE PLAN, MSDS
	20) SITE SET UP PLAN –PROPOSED LAYDOWN AREAS
	21) FIRST AID KIT ON-SITE
	22) FIRE EXTINGUISHER ON-SITE
	23) OTHER:

SABEY CORPORATION

PRELIMINARY SUBMITTAL FORM

This form must be completed and attached to Tenant's Submittal package.

Date: _____

Tenant Name: _____

Tenant Address: _____

Tenant Contact / Company: _____

☐ Arch ☐ Engineer _____ (specify) ☐ Consultant _____ (specify) ☐ Other _____ (specify)

Tel. #. ( ) _____ Fax #: ( ) _____

E-mail: _____

I have reviewed the PRELIMINARY SUBMITTAL DOCUMENTS package against the attached Checklist and find it to be complete. Any required information which does not pertain to this project is clearly indicated as such on the attached checklist.

Signed: _____ Dated: _____

SUBMIT THE FOLLOWING AS A SINGLE SUBMITTAL PACKAGE TO THE TENANT CONSTRUCTION COORDINATION MANAGER:

☐ **THIS FORM** - Executed copy of this form (1 page) completed and signed

DRAWINGS - Two (2) prints each, stapled into sets. See attached for minimum content.

☐ 1. *Site Plan* - At scale sufficient to indicate the site in relation to surrounding area.

☐ 2. *Floor Plan* - at 1/8" = 1'-0" or larger scale, include structural grids, label all rooms

☐ 3. *Exterior Elevations* at 1/8" = 1'-0", and *Interior Elevations* at 1/2" = 1'-0"

☐ 4. *Civil, Structural, Mechanical, Electrical, & Plumbing Systems, etc.* Provide as applicable to new work. Show existing Building systems. Indicate new work and existing systems.

ALLOW FOURTEEN (14) DAYS FOR PRELIMINARY SUBMITTAL REVIEW.

SABEY CORPORATION

FINAL SUBMITTAL FORM

This form must be completed and attached to Tenant's Submittal package.

Date: _____

Tenant Name: _____

Tenant Address: _____

Tenant Contact / Company: _____

☐ Arch ☐ Engineer _____ (specify) ☐ Consultant _____ (specify) ☐ Other _____ (specify)

Tel. #. ( ) _____ Fax #: ( ) _____

E-mail: _____

I have reviewed the FINAL SUBMITTAL DOCUMENTS package against the attached Checklist and find it to be complete. Any required information which does not pertain to this project is clearly indicated as such on the attached checklist.

Signed: _____ Dated: _____

SUBMIT THE FOLLOWING AS A SINGLE SUBMITTAL PACKAGE TO THE TENANT CONSTRUCTION COORDINATION MANAGER:

☐ Two (2) - Prints of all DRAWINGS which show the entire scope of work, stapled into sets.

☐ One (1) - Executed copy of this form and checklist (3 pages), completed and signed

ALLOW FOURTEEN (14) DAYS FOR FINAL SUBMITTAL REVIEW.

SABEY CORPORATION

The following minimum documentation is required for the Final Submittal. Incomplete submitals will be returned.

ALL of the following information is required to be included in the final Construction Documents submitted. At a minimum, **all work must be shown**, including but not limited to core drilling plan, bolt schedule, etc.

I. ARCHITECTURAL DRAWINGS

- ☐ A. Does not Apply
- B. The following must be included:
  - ☐ 1. Site Plan - Appropriate Scale.
  - ☐ 2. Code Compliance Plans & Calculations (where applicable): Load Calcls, occupancy, egress, area of separation, etc.
  - ☐ 3. Floor Plans at 1/8" = 1'-0" or larger scale, sufficient to show design intent where floor plans may be confusing, etc.
  - ☐ 4. Elevations at 1/8" = 1'-0" or larger scale.
  - ☐ 5. Reflected Ceiling Plans at 1/8" = 1'-0" or larger scale.
  - ☐ 6. Sections and Details sufficient for construction.
  - ☐ 7. Specifications on all materials, equipment, etc. as required for scope clarification.
  - ☐ 8. Architect of Record has sealed and signed drawings.

II. CIVIL DRAWINGS

- ☐ A. Does not Apply
- B. The following must be included:
  - ☐ 1. Grading and Drainage Plan at an appropriate scale showing design intent.
  - ☐ 2. Temporary Erosion Control Plan at appropriate scale showing design intent.
  - ☐ 3. Utilities Plan at appropriate scale showing design intent.
  - ☐ 4. Engineer of Record has sealed and signed drawings.

III. STRUCTURAL DRAWINGS

- ☐ A. Does not Apply
- B. The following must be included:
  - ☐ 1. All design calculations.
  - ☐ 2. Foundation Plan at 1/8" = 1'-0" or larger scale.
  - ☐ 3. Specifications on all materials, equipment, etc. as required for scope clarification.
  - ☐ 4. Engineer of Record has sealed and signed drawings.

SABEY CORPORATION

IV. MECHANICAL DRAWINGS

☐ A. Does not Apply

B. The following must be included:

☐ 1. ALL DESIGN CALCULATIONS including State of Washington Energy Calculations.

☐ 2. HVAC Plan at 1/8" = 1'-0" or larger scale.

☐ 3. Specifications on all materials, equipment, etc. as required for scope clarification, and Equipment schedules, including controls on drawings.

☐ 4. Plumbing Plan at 1/8" = 1'-0" or larger scale. If any Building system will be tapped into, indicated where and how.

☐ 5. Details sufficient for construction.

☐ 6. Specifications on all materials, equipment, etc. as required for scope clarification.

☐ 7. Engineer of Record has sealed and signed drawings.

V. ELECTRICAL DRAWINGS

☐ A. Does not Apply

B. The following must be included:

☐ 1. One Line diagram, Load Calculations and schedules.

☐ 2. Electrical Floor Plan at 1/8" = 1'-0" or larger scale.

☐ 3. Reflected Ceiling Plan and Lighting Plan at 1/8" = 1'-0" or larger scale.

☐ 4. Lighting Budget Calculations per appropriate State Energy Code.

☐ 5. Specifications on all materials, equipment, etc. as required for scope clarification.

☐ 6. Engineer of Record has sealed and signed drawings.

VI. LANDSCAPE DRAWINGS

☐ A. Does not Apply

B. The following must be included:

☐ 1. Landscape Plan at appropiate scale to show intent.

☐ 2. Irrigation Plan at appropiate scale to show intent.

☐ 3. Specifications on all material, equipment, etc. as required for scope clarification and Details sufficient for construction.

☐ 4. Landscape Architect of Record has sealed and signed drawings.

SABEY CORPORATION

REQUIRED INSURANCE COVERAGE

As a condition of work within Riverfront Technical Park, evidence of insurance in the minimum amounts shown below IS REQUIRED to be delivered to Sabey Corporation **PRIOR TO COMMENCEMENT OF ANY WORK.** This letter contains information your insurance agent will need in preparing the **Certificate of Insurance and Endorsement.** Please instruct your insurance agent to fax a copy of the certificate INCLUDING 2nd PAGE ENDORSEMENT to: Attn –Construction Coordination Manager, RE: *(name of tenant)*, at Fax (206) 281-0920, and mail a hard copy to:

Sabey Corporation
ATTN: Construction Coordination Manager, RE: *(name of tenant)*
12201 Tukwila International Blvd, 4th Floor
Seattle, WA 98168-5121

	TYPE OF CERTIFICATE	MINIMUM LIMIT
√	**Commercial General Liability**	
	- General Aggregate	$2,000,000
	- Products/ Completed Operations Aggregate	$2,000,000
	- Bodily Injury and Property Damage -- Each Occurrence	$1,000,000
	All aggregates apply on a per project basis	
√	**Automobile Liability** – Per Occurrence	$1,000,000
	Auto liability insurance on any auto, or all owned, non-owned, and hired vehicles.	
√	**Umbrella (Excess) Liability** -- Per Occurrence	$1,000,000
√	**Stop Gap** (Washington Employer's Liability)	$1,000,000
√	**Builder's Risk or Installations Coverage/ All Risk**	Full Contract Price for Improvements
	Also Required Information	
√	**Worker's Compensation** – Washington State	STATUTORY
	Provide Premium status letter from Dept. of L. & I. OR provide L&I acct number	
	Also Required for Over-Water & out of WA State Construction	
____	**Worker's Compensation** – Projects outside Washington State	STATUTORY
____	**USL & H Worker's Compensation Employer's Liability**	STATUTORY
	(US Longshoremen and Harbor Worker's coverage.)	

THE INSURANCE CERTIFICATE IS ALSO REQUIRED TO ADDRESS THE FOLLOWING:

1. Show Riverfront Technical Park LLC and Sabey Corporation as additional insureds. Show Sabey Construction Inc. as additional insured if Sabey Construction Inc. is the general contractor.
2. Show the current A.M. Best Rating for the insurance company listed.
3. Show minimum prior cancellation notice of 45 days.
4. Show all deductibles and designate "per claim" or "per occurrence".
5. If using ACORD certificate, each appropriate box must be marked with an "X".
6. Certificate of Liability and Umbrella must state if coverage provided is "claims made" or occurrence form.
7. Insurance must state: Contractor's insurance to be primary to insurance carried by Sabey Corporation (and Sabey Construction Inc if applicable). Sabey insurance to be excess and non-contributory.

SABEY CORPORATION

EXHIBIT H

TO LEASE AGREEMENT

PROVIDENCE'S FRAUD AND ABUSE PREVENTION AND DETECTION POLICIES

Subject: Fraud and Abuse Prevention and Detection	**Policy Number:** PROV-ICP-711	
Department: Department of Integrity, Compliance and Audit Services	☐ New ☐ Revised X Reviewed	**Date:** 1/2007
Executive Sponsor: President/CEO	**Policy Owner:** VP-Legal; System Integrity Officer	
Approved by: John Koster, MD – Pres/CEO	**Implementation Date:** 9/11/2006	

Scope: All Providence Health & Services health care providers.

Purpose: To comply with all state and federal laws and regulations intended to prevent health care fraud and abuse.

Definitions: For purposes of applying this policy, the following definition applies:

1. *Agents:* Anyone directly performing services on behalf of Providence Health & Services.

Policy: Providence Health & Services will train and educate its employees, agents, and consultants as necessary to comply with all legal requirements and will work cooperatively with employees when problems are identified to resolve those problems as quickly as possible.

It is the policy of Providence Health & Services to follow all state and federal False Claims Acts, and to educate all existing employees, agents, and Consultants to the policies and procedures intended to meet those requirements, and to educate new employees/agents upon hire/engagement. Providence Health & Services will monitor and/or audit to verify that education on this System policy has been completed. Providence Health & Services expects employees, agents, and Consultants who are involved with creating and filing claims for payment for Providence services will only use true, complete and accurate information to make the claim.

It is the policy of Providence Health & Services to monitor and audit compliance with billing and coding requirements in order to detect errors and inaccuracies. Health care joint ventures in which Providence is a part owner, or Consultants or entities billing on behalf of Providence Health & Services, must also cooperate with this requirement. It is the policy of Providence Health & Services to take appropriate actions to correct any issues causing billing inaccuracies, and to adjust or repay any overpayments by government payors identified by the auditing process.

Providence Health & Services regions will create policies and procedures to comply with any applicable state-level False Claims Act requirements, and will provide education to their existing employees, agents, and consultants on those policies and procedures and will train new employees/agents upon hire/engagement. Providence Health & Services will monitor and audit to verify that education on these regional policies has been completed.

Employees, agents, and Consultants are expected to report any concerns about billing issues, or any other issue they feel is illegal or otherwise inappropriate, in accordance with the Early Reporting Policy (PROV-ICP-717). Retaliation for reporting concerns is prohibited under the Non-Retaliation Policy (PROV-HR-419). Providence expects employees, agents, and Consultants to be familiar with these policies and to follow them.

Management will be responsible for ensuring that all employees and agents are educated to the requirements of this policy and that the education is documented. The form and extent of that training will be determined by the employee or agent's function. Other employees will receive informational materials or awareness training.

Providence employees and agents who do not follow this policy may be subject to disciplinary actions, up to and including termination of employment or contractual relationships.

Requirements:

1. Health care providers are required to provide policies, education, and training for their employees and agents about the federal False Claims Act and applicable state False Claims Acts.

2. The federal False Claims Act (31 USC 3729-33) makes it a crime for any person or organization to knowingly make a false record or file a false claim with the government for payment. "Knowingly" means that the person or organization:
   a. Knows the record or claim is false, or
   b. Seeks payment while ignoring whether or not the record or claim is false, or
   c. Seeks payment recklessly without caring whether or not the record or claim is false.

3. Under certain circumstances, an inaccurate Medicare, Medicaid, VA, Federal Employee Health Plan or Workers' Compensation claim could become a False Claim. Examples of possible False Claims include someone knowingly billing Medicare for services that were not provided, billing as a covered benefit those services which are not covered or that are not medically necessary, or for services that were not ordered by a physician, or for services that were provided at sub-standard quality where the government would not pay.

4. A person who knows a False Claim was filed for payment can file a lawsuit in Federal Court on behalf of the government and, in some cases, receive a reward for bringing original information about a violation to the government's attention. Some states have a False Claims Act that allows a similar lawsuit in state court if a False Claim is filed with the state for payment, such as under Medicaid or Workers' Compensation. Penalties are severe for violating the federal False Claims Act. The penalty can be up to three times the value of the False Claim, plus fines ranging from $5,500 to $11,000 per claim.

References: Deficit Reduction Act of 2005

FIRST AMENDMENT OF LEASE AGREEMENT

This First Amendment of Lease Agreement ("First Amendment") is entered into by and between Riverfront Technical Park LLC, a Washington limited liability company ("Landlord"), as Landlord and Providence Health & Services-Washington, a Washington non-profit corporation ("Tenant"), as Tenant, under that certain Lease Agreement ("Lease"), dated October 24, 2014, by and between the parties hereto.

RECITALS

A. Landlord and Tenant desire to amend the Premises, update Tenant's Share, update Base Rent, and add an Additional Tenant Allowance, in accordance with the terms and conditions herein.

B. All of the modifications in this First Amendment are effective as of November 1, 2019 ("Lease Amendment Effective Date").

C. Except as may be expressly provided otherwise in this First Amendment, capitalized terms in this First Amendment have the meaning given such terms in the Lease.

NOW, THEREFORE, in consideration of the mutual promises contained herein, Landlord and Tenant agree as follows:

1. Amendments.

1.1 **Section 1.3 Premises** is amended as follows:

As of and from the Lease Amendment Effective Date, Premises means the space consisting of approximately 14,517, rentable square feet, which is located on the second (2nd) floor of the Building in Suite 210, the space consisting of approximately 15,186 rentable square feet, which is located on the second (2nd) floor of the Building in Suite 220, the space consisting of approximately 20,695 rentable square feet, which is located on the second (2nd) floor of the Building in Suite 230 and the space consisting of approximately 18,079 rentable square feet, which is located on the second (2nd) floor of the Building in Suite 250 for a total of approximately 68,477 rentable square feet. The Premises is depicted on the floor plan attached to this Lease as Exhibit B and is subject to recalculation in accordance with Section 2. The Premises also includes a portion of the storage space located outside the Building on the attached Exhibit B-2 ("Storage Space"). The Premises shall also include the Tenant Improvements, if any, described in Exhibit C.

1.2 **Section 1.5 Tenant's Share** is amended as follows:

As of and from the Lease Amendment Effective Date, "Tenant's Share" means forty and thirty-four hundredths percent (40.34%) calculated by dividing the rentable are of the Premises by the rentable area of the Building (approximately 169,755 rentable square feet).

1.3 **Section 1.10 Base Rent** is amended as follows:

As of and from the Lease Amendment Effective Date, all Base Rent is individually defined by the following schedules:

1.10.1 Suite 230 Base Rent. "Suite 230 Base Rent" means:

Term	Suite 230 Monthly Base Rent
02/01/15 – 04/30/15	$0.00
05/01/15 – 01/31/16	$20,510.00
02/01/16 – 01/31/17	$21,125.30
02/01/17 – 01/31/18	$21,759.06
02/01/18 – 01/31/19	$22,411.83
02/01/19 – 10/31/19	$23,084.19
11/01/19 – 01/31/20	$23,299.12
02/01/20 – 01/31/21	$23,998.09
02/01/21 – 01/31/22	$24,718.04
02/01/22 – 01/31/23	$25,459.58
02/01/23 – 01/31/24	$26,223.37
02/01/24 – 01/31/25	$27,010.07

Suite 230 Base Rent is payable as provided in Section 4.

1.10.2 Suite 220 Base Rent. "Suite 220 Base Rent" means:

Term	Suite 220 Monthly Base Rent
02/01/17 – 01/31/18	$15,966.55
02/01/18 – 01/31/19	$16,445.54
02/01/19 – 10/31/19	$16,938.91
11/01/19 – 01/31/20	$17,096.91
02/01/20 – 01/31/21	$17,609.81
02/01/21 – 01/31/22	$18,138.11
02/01/22 – 01/31/23	$18,682.25
02/01/23 – 01/31/24	$19,242.72
02/01/24 – 01/31/25	$19,820.00

Suite 220 Base Rent is payable as provided in Section 4.

1.10.3 Suite 250 Base Rent. "Suite 250 Base Rent" means:

Term	Suite 250 Monthly Base Rent
07/01/17 – 01/31/18	$19,010.27
02/01/18 – 01/31/19	$19,580.58
02/01/19 – 10/31/19	$20,167.99
11/01/19 – 01/31/20	$20,353.94
02/01/20 – 01/31/21	$20,964.56
02/01/21 – 01/31/22	$21,593.50
02/01/22 – 01/31/23	$22,241.30
02/01/23 – 01/31/24	$22,908.54
02/01/24 – 01/31/25	$23,595.80

Suite 250 Base Rent is payable as provided in Section 4.

1.10.4 Suite 210 Base Rent is added to the lease as follows:

"Suite 210 Base Rent" means:

Term	Suite 210 Monthly Base Rent
11/01/19 – 01/31/20	$16,343.72
02/01/20 – 01/31/21	$16,834.03
02/01/21 – 01/31/22	$17,339.06
02/01/22 – 01/31/23	$17,859.23
02/01/23 – 01/31/24	$18,395.00
02/01/24 – 01/31/25	$18,946.85

Suite 210 Base Rent is payable as provided in Section 4.

1.4 **Section 2.2.1 Suite 210 Tenant Allowance** is added to the Lease as follows:

Subject to the terms of this Section 2.2.1, Landlord shall provide an additional allowance ("Additional Tenant Allowance") to Tenant of up to Two Hundred Thirty-Two Thousand Two Hundred Seventy-Two and 00/100 Dollars ($232,272.00) based on Sixteen and 00/100 Dollars ($16.00) per square foot for Suite 210 for 14,517 rentable square feet, subject to recalculation as provided for in Section 2. Tenant agrees to forfeit any portion of the Suite 210 Tenant Allowance that is not used by January 31, 2019. This Suite 210 Tenant Allowance is payable to Tenant on a progress basis as Tenant completes the Suite 210 Tenant Improvements in the Premises as regulated per Exhibit C of the Lease. "Suite 210 Tenant Improvements" are be defined as any work done by Tenant to improve the Premises in Suite 210 for occupancy. Tenant shall not use any of the Suite 210 Tenant Allowance for furniture, art, or any personal property, which does not become attached real property of Landlord at the end of the Lease Term. Landlord's obligation to pay the Suite 210 Tenant Allowance is wholly conditioned upon Tenant not being in default under the terms of this Lease (subject to applicable notice and cure periods) on the date

that any payment of the Suite 210 Tenant Allowance is due. In the event this Lease is terminated prior to the payment of the Suite 210 Tenant Allowance as a result of Tenant's default hereunder, Tenant shall be solely liable for payment of any and all amounts of the Suite 210 Tenant Allowance to Tenant's contractor. Notwithstanding anything to the contrary in this Section 2.2.1, payments of the Suite 210 Tenant Allowance may be withheld by Landlord on account of any of the following problems: claims filed by third parties in connection with Tenant Improvements; damage to the Property due to Tenant or its agents, employees, contractors or subcontractors, other improvements of Tenant to the Premises; or Tenant's breach of any of its monetary obligations under this Lease. Landlord shall pay the Suite 210 Tenant Allowance only after the problems are remedied by Tenant to Landlord's reasonable satisfaction.

1.5 The following Sections are hereby deleted from the Lease:

Section 2.3.1	Expansion of Premises Suite 220
Section 2.3.2	Expansion of Premises Suite 250

2. Entire Amendment. This First Amendment sets forth the entire agreement of the parties with respect to the subject matter set forth herein and may not be modified other than by an agreement in writing signed by the parties hereto or their respective successors and interests.

3. Acknowledgement. The parties hereto each acknowledge that except as expressly modified by this First Amendment, all the terms and conditions of the Lease remain unchanged and are in full force and effect and enforceable in accordance with their terms. In the event of a conflict between the Lease and this First Amendment, the terms and provisions of this First Amendment control.

4. Execution. This First Amendment may be signed in several counterparts and all so signed constitute one amendment, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. Delivery of a facsimile or other copy of this First Amendment has the same effect as delivery of an original.

5. Exhibits. Exhibit B attached hereto is incorporated herein by this reference and amends and restates the existing Exhibit B.

6. Lender's Consent. Landlord represents and warrants that this First Amendment has been approved by any lender with approval or consent rights over the Lease or as required by any financing document affecting the Premises or Building, and that no other consents or approvals are required for its enforceability thereunder with respect to any lender or financial encumbrance.

The rest of the page is intentionally left blank; signatures to follow

DATED this 29th day of July, 2019.

TENANT:

PROVIDENCE HEALTH & SERVICES-WASHINGTON

By: _____
Name: JOHN MILNE
Its: SVP REAL ESTATE
Date: 7/16/19

LANDLORD:

RIVERFRONT TECHNICAL PARK LLC,
by Sabey Corporation, Manager

By: Patricia A. Sewell
Name: Patricia A. Sewell
Its: Chief Financial Officer
Date: July 29, 2019

STATE OF Washington)
) ss.
COUNTY OF King)

On this 16th day of July, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn as such, personally appeared John Milne, to me known to be the SVP, Real Estate of PROVIDENCE HEALTH & SERVICES-WASHINGTON, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

WITNESS my hand and official seal the day and year in this certificate first above written.

SANDRA L. MATEJKA NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 08-08-21

Sandra L Mateyka
Printed Name: Sandra L. Mateyka
NOTARY PUBLIC in and for the State of Washington, residing at Kent
My commission expires: 8/8/21

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 29th day of July, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn as such, personally appeared Patricia A. Sewell, to me known to be the Chief Financial Officer of Sabey Corporation, Manager of RIVERFRONT TECHNICAL PARK LLC, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

WITNESS my hand and official seal the day and year in this certificate first above written.

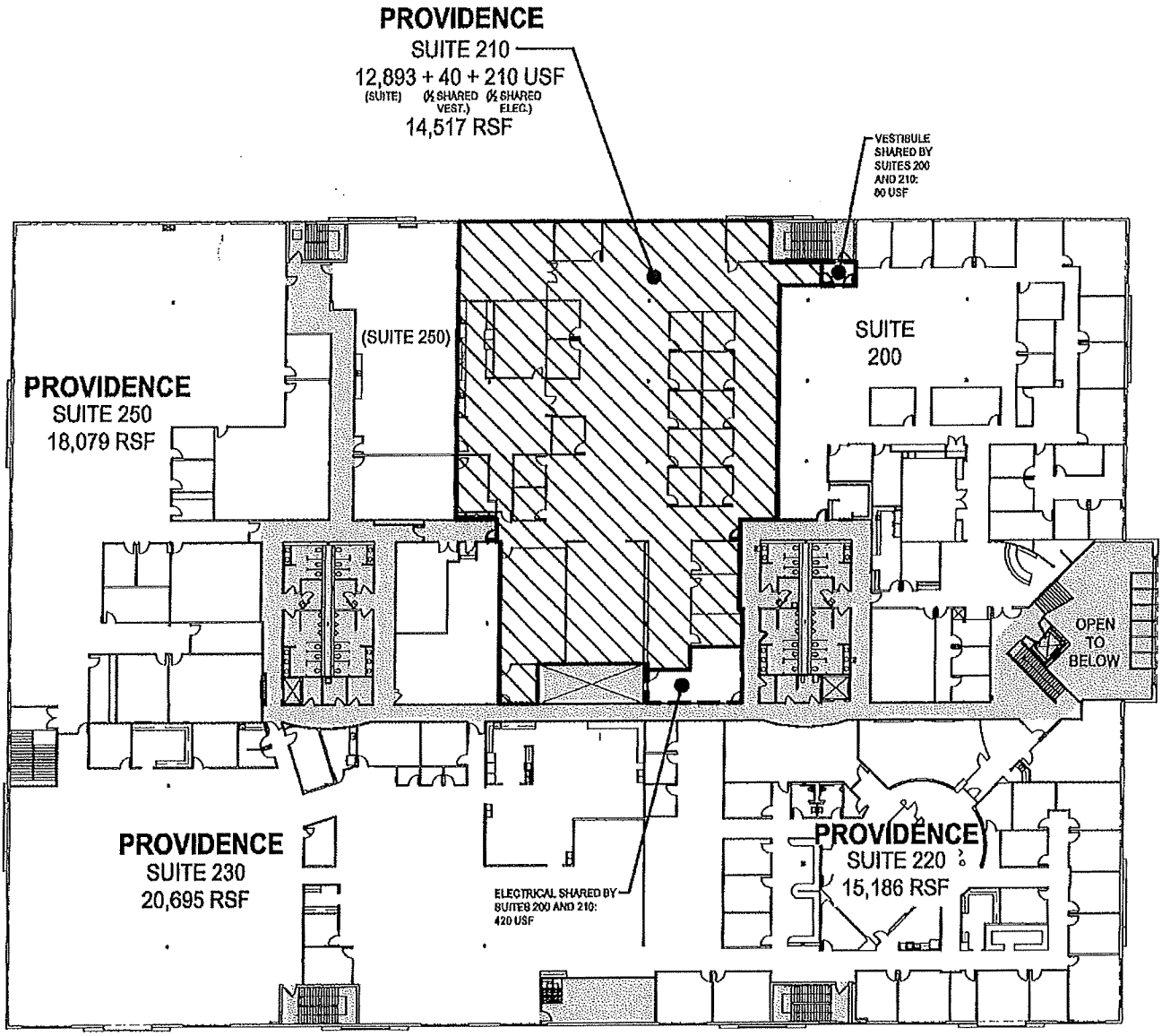
ERIN CHRISTINE DEMPSTER
Notary Public
State of Washington
My Commission Expires
June 19, 2021

Erin C. Dempster
Printed Name: Erin C. Dempster
NOTARY PUBLIC in and for the State of Washington, residing at Kent, WA
My commission expires: 6/19/21

EXHIBIT B

TO LEASE AGREEMENT

FLOOR PLAN OF PREMISES



PROVIDENCE HEALTH & SERVICES
INTERNAL RENT EXPENSE ALLOCATION

This Internal Rent Expense Allocation memorializes the allocation of "rent" as a department expense between **Providence Health & Services, Real Estate and Construction,** Riverfront Tech Park – 31895227 **("Lessor")** and Hospice of Seattle (PSCS) – 40886103 **("Lessee")**. This internal allocation serves as documentation of the Revenue / Expense process so that all parties understand the financial impact on their Monthly Variance Reports.

Internal rent expense allocation terms:

1. Location: Riverfront Technical Park, 2811 South 102nd Street, Suites 220/230/250, Seattle, WA
2. Commencement date: **11/01/2019** *(Supersedes ILA dated 07/01/2017)*
3. Termination Date: 01/31/2030, with automatic annual extensions thereafter. To align with PH&S budgeting process, Lessor shall assume Lessee's occupancy for the upcoming calendar year unless Lessee so notifies Lessor in writing by May of the previous year of Lessee's intent to vacate. If no such notice is received by Lessor, Lessee shall be obligated to pay for rent revenue as budgeted even if Lessee vacates the space. Should Lessor re-lease the space, Lessee's financial obligation for rent will cease. Exceptions to this clause require written approval from the PH&S Real Estate Committee.
4. Premises: **17,919** rentable square feet (rsf) (see Exhibit A)
5. Rental: A monthly rental as set forth below will be charged to **Hospice of Seattle (PSCS) – 40886103**. This rent includes costs associated with building signage, keys, building-specific maintenance, janitorial and utilities (excluding telephone), which Lessor shall be responsible for providing. Cleaning specifications maybe modified from time to time; contact Lessor for current specifications. Lessee is responsible for all costs associated with interior signage, interior door locks, cleaning and maintaining own furniture/equipment, tenant-specific maintenance (e.g. hanging pictures), telephone, and any remodeling.

Lease Year	Hospice of Seattle
11/01/2019 - 01/31/2020	$43,349.92
02/01/2020 - 01/31/2021	$43,769.23
02/01/2021 - 01/31/2022	$43,281.72
02/01/2022 - 01/31/2023	$43,266.86
02/01/2023 - 01/31/2024	$43,725.05
02/01/2024 - 01/31/2025	$44,196.98

Lease Year	Hospice of Seattle
02/01/2025 - 01/31/2026	$44,638.95
02/01/2026 - 01/31/2027	$45,085.34
02/01/2027 - 01/31/2028	$45,536.19
02/01/2028 - 01/31/2029	$45,991.55
02/01/2029 - 01/31/2030	$46,451.47

6. Lessor will require Lessee to complete and return a Tenant Information and Emergency Contact Form. This information is kept in a confidential file and only utilized in the event of an after-hours building emergency affecting the space. Also, Building Rules and Regulations maybe modified from time to time; contact Lessor for a current policy.

Exhibit A

Floor Plan

Exhibit 19
Letter of Financial Commitment

January 31, 2022

Eric Hernandez
Certificate of Need Program
Department of Health
111 Israel Road SE
Tumwater, WA 98501

RE: Application of Providence Health & Services – Washington d/b/a Providence Hospice of Seattle to Operate a Medicare Certified and Medicaid Eligible Hospice Agency in Pierce County, Washington, $24,438 Estimated Start-up Costs

Dear Mr. Hernandez:

Please accept this letter as evidence of financial support for Providence Health & Services – Washington d/b/a Providence Hospice of Seattle for its certificate of need application proposing to operate a Medicare certified and Medicaid eligible hospice agency in Pierce County, Washington. Start-up costs are estimated at $24,438.

Providence is pleased to commit from its reserves the funding for the estimated start-up costs required for this project. Providence has sufficient cash reserves to fund the start-up costs for the intended project.

Sincerely,

MaLisa Westlund

MaLisa Westlund
Chief Financial Officer
Providence Home and Community Care

Exhibit 20
Providence St. Joseph Health Audited Financials, 2020

Providence

CONTINUING DISCLOSURE ANNUAL REPORT

Information Concerning

PROVIDENCE ST. JOSEPH HEALTH
AND THE OBLIGATED GROUP

The Continuing Disclosure Annual Report (the Annual Report) is intended solely to provide certain limited financial and operating data in accordance with undertakings of Providence and the Members of the Obligated Group under Rule 15c2-12 (the Undertaking) and does not constitute a reissuance of any Official Statement relating to the bonds referenced above or a supplement or amendment to such Official Statement.

The Annual Report contains certain financial and operating data for the quarter ended December 31, 2020. Providence has undertaken no responsibility to update such data since December 31, 2020, except as set forth herein. This Annual Report may be affected by actions taken or omitted or events occurring after the date hereof. Providence has not undertaken to determine, or to inform any person, whether any such actions are taken or omitted, or events do occur. Providence disclaims any obligation to update this Annual Report, or to file any reports or other information with repositories, or any other person except as specifically required by the Undertaking.

TABLE OF CONTENTS

About Providence

Our Organization

Providence St. Joseph Health (Providence) is a national, not-for-profit Catholic health system comprising a diverse family of organizations driven by a belief that health is a human right. With 51 hospitals, nearly 1,000 clinics, and many other health and educational services, our health system employs more than 120,000 caregivers serving patients in communities across seven Western states – Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington. Our caregivers provide quality, compassionate care to all those we serve, regardless of coverage or ability to pay.

Continuing an enduring commitment to world-class care and serving all, especially those who are poor and vulnerable, Providence uses scale to create Health for a Better World, one community at a time. We have been pioneering health care for hundreds of years and have a history of responding with compassion and innovation during challenging health care environments, including the current pandemic. Together, we are reimagining the future of health care delivery in our communities for all ages and populations. Our strategies to diversify and modernize are enabling high-quality care at affordable prices, including through networks of same-day clinics and online care and services.

We are privileged to serve in dynamic, contiguous markets with growing populations, which has led to consistent increases in service utilization. We offer a comprehensive range of industry-leading services, including an integrated delivery system of acute and ambulatory care for inpatient and outpatient services, 29 long-term care facilities, 16 supportive housing facilities, over 8,000 directly employed providers and more than 25,000 affiliated providers, a health plan, senior care, financial assistance programs, community health investments, and educational ministries that include a high school and university.

Providence, with headquarters in Renton, Washington, and Irvine, California, is governed by a sponsorship council comprising members of its two sponsoring ministries, Providence Ministries and St. Joseph Health Ministry. We are dedicated to ensuring the continued vibrancy of not-for-profit, Catholic health care in the United States. As one of the largest health systems in the United States, our Mission and values call us to serve each person with love, dignity, and compassion, reflecting the legacy of the Sisters of St. Joseph and the Sisters of Providence.

The Mission

As expressions of God's healing love, witnessed
through the ministry of Jesus, we are steadfast in serving all,
especially those who are poor and vulnerable ®

Our Values

Compassion | *Dignity* | *Justice* | *Excellence* | *Integrity*

Our Vision

Health for a Better World

Our Promise

"*Know me, care for me, ease my way.*"

COVID-19: From Response to Vaccinations and Beyond

In early 2020, Providence admitted the first known patient with COVID-19 in the United States. Due to strategies put in place before the pandemic, Providence was uniquely prepared to respond to the ongoing rise in infections that would persist throughout the year. The health and safety of patients and caregivers remains our number one priority as we respond to the continual flow of COVID-19 cases while also meeting the other health care needs in our communities. Providence continues to pursue a three-part plan to keep caregivers and patients safe; serve those in need; and accelerate the transformation of health care. Providence's plan is comprised of these key strategies:

Respond. In the early days of the crisis, Providence developed comprehensive response plans based on predictive analytics. We made significant investments in new and innovative ways to deliver care inside and outside the hospital setting, including digitally, in the clinic and outpatient setting, and in the home. This important work prepared us for surges in our communities throughout 2020. Providence ensures the safety of our patients and caregivers by rapidly replenishing inventory of personal protective equipment (PPE) and other supplies; working with lab partners to improve access to testing with rapid turnaround times; improving the availability of promising treatments and medications and maintaining a healthy workforce ready to care for patients.

Recover. The ability to continue meeting the health needs of patients is critical. State mandates to suspend non-emergent procedures in response to the crisis meant thousands of patients had to delay care, increasing the risk of potential complications. The reduction in services also resulted in significant operating losses for Providence. In coordination with state authorities, we reopened services and saw volumes and profitability rebound variably across markets, but not to the levels we experienced prior to the pandemic. We ended the year on a surge with a combination of state mandated and voluntarily deferred procedures as we approached capacity in several ministries. Delivering these services safely is of paramount importance. A more affordable delivery model will be necessary in responding to multiple revenue pressures from economic payer shifts.

Renew. Our vision – Health for a Better World – is a roadmap for health care transformation. The investments we made in innovation prior to COVID-19 have made it possible for us to respond to the pandemic quickly and nimbly throughout 2020, including developing an artificial intelligence chat bot to triage patients virtually, scaling telehealth visits and implementing home monitoring through existing intensive care unit telemedicine services. In December 2020, the U.S. Food and Drug Administration (FDA) approved emergency use of the COVID-19 vaccines by Pfizer and Moderna. In addition to caring for high volumes of COVID-19 patients, Providence has also geared up to support mass vaccination efforts, which began with our highest- risk, front-line caregivers. We have since added mobile vaccine clinics in some states, when supply is available.

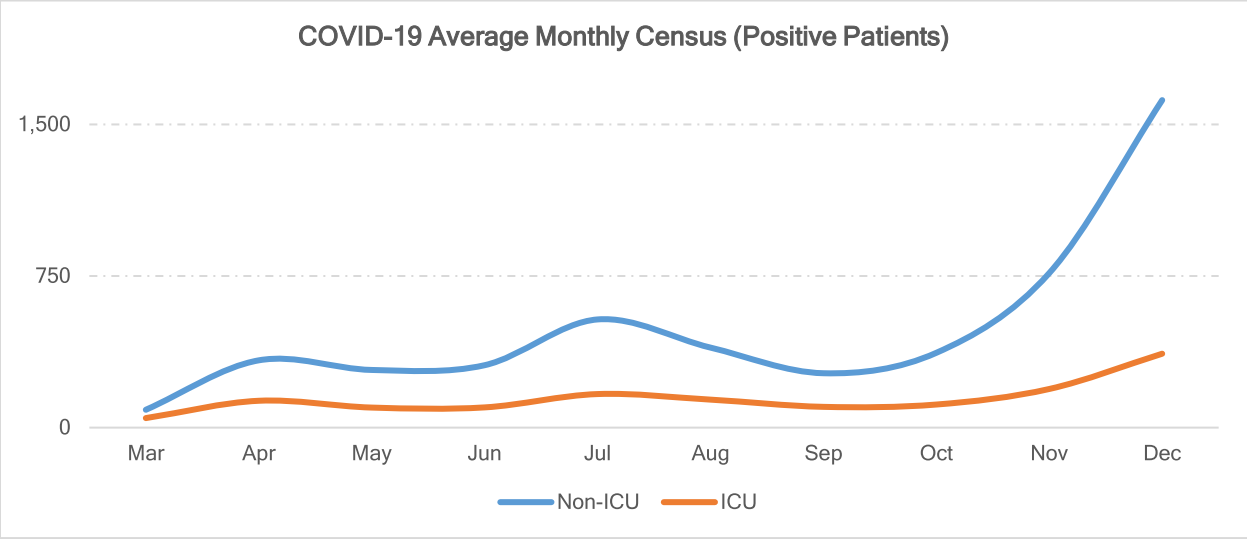
Some of the highlights of Providence's response include:

- Updating COVID-19 screening protocols in Epic across our seven states, 51 hospitals and nearly 1,000 clinics within 24 hours of admitting the first COVID-19 patient in the country.
- Dramatically accelerating our telehealth primary care services, going from an average of 50 visits a day to a peak of more than 12,000 per day, totaling more than 1.7 million virtual visits in 2020.
- Expanding our electronic intensive care unit capabilities to remotely monitor patients on home quarantine.
- Operating some of the largest clinical trials in the country for drug therapies, including Remdesivir, and antibody testing. Providence is also conducting genomics research to understand why the virus affects some people more than others.
- Launching the 100 Million Mask Challenge to spur domestic manufacturing of personal protective equipment; the campaign eventually transitioned to the American Hospital Association.
- Leveraging technology to deliver a coronavirus consumer awareness hub, assessment, and triage chatbot, urgent virtual visit platform, live testing locations, and remote patient monitoring for COVID-19 patients.
- Launching COVIDReady, an end-to-end suite of services from Ayin Solutions that assists employers in safe business reopening. This includes employee health population management for the returning

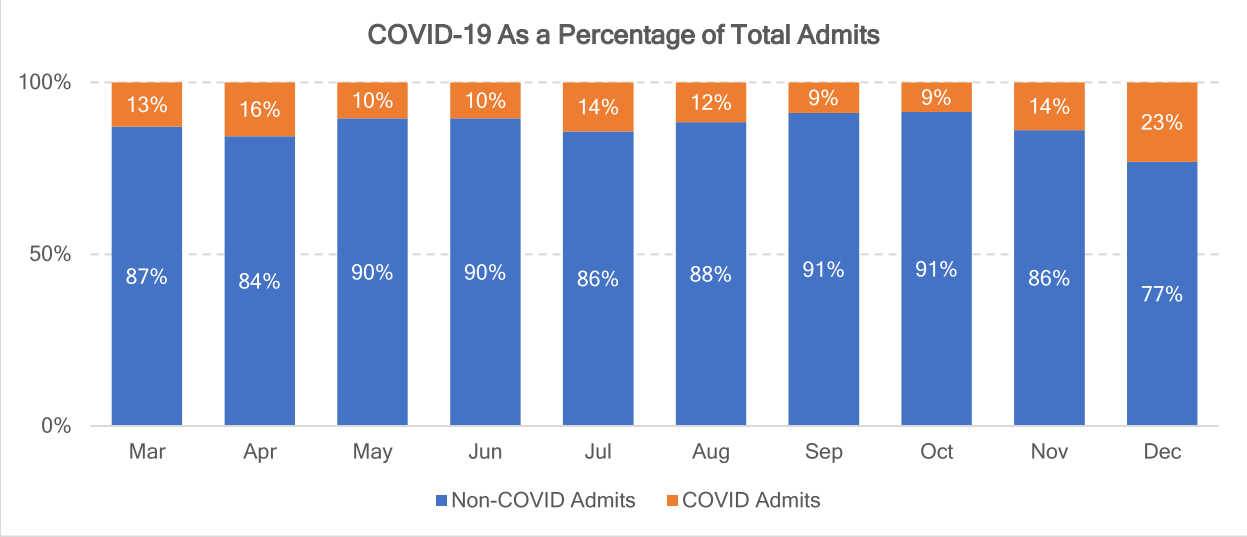
workforce, ongoing employee health assessment, COVID-19 testing, employee care coordination, technology-enabled workplace prevention monitoring, and contact tracing.

- Developing the Validate and Verify online tool to prioritize caregivers according to risk-level and facilitate vaccination scheduling for more than 200,000 Providence caregivers and affiliated providers.
- Building the COVID-19 Detection Map, using artificial intelligence and natural language processing, to visually display the current state of the pandemic by community.

Pursuant to guidance from state authorities and federal agencies including the Centers for Medicare & Medicaid Services (CMS), Providence began rescheduling non-emergent surgeries the week of March 16th, which resulted in significant declines in daily volumes. This resulted in a 40 percent decline in gross revenue by the end of the first quarter of 2020. Volumes began to stabilize through the first week of April and previously suspended non-emergent services reopened in May in coordination with state authorities. The System experienced a second peak in COVID-19 cases in the second half of July that declined in August and stabilized to 50 percent of the July peak through the end of the quarter. However, a third peak in cases began in October and continued through December. We continue to manage increases in COVID-19 cases, while maintaining access to other comprehensive care in a safe manner for both caregivers and patients. The System's average monthly COVID-19 positive patients are presented through fiscal year 2020:



The System's COVID-19 positive patients as a percentage of total admissions are presented through fiscal year 2020:



We expanded our short-term revolver capacity by $700 million and accessed private lines of credit in response to the initial increased liquidity risk arising from the crisis. Providence has received relief in the form of grants and loans from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. As of December 31, 2020, Providence received $1.6 billion in advance payments from Medicare under the CMS Advance Payment Program and $1.1 billion in total grants from the federal CARES Act, of which $957 million was recognized as revenue during the year ended December 31, 2020. The advance payments from CMS will be offset by services provided by Providence in future quarters.

Each of our regions and lines of business have developed detailed recovery plans for how to safely deliver much-needed care to patients whose procedures were delayed by the state mandates. We have taken steps to preserve our operating performance and liquidity, including reassessing current and new capital projects outside of those focused on patient and caregiver safety and COVID-19. We have also reduced discretionary spending including travel, use of third-party contractors, purchased services, and professional services. As cases continue to come online and as demand returns to pre-pandemic levels, we will balance our labor and supply costs to allow us to efficiently and safely provide the services required by our patients.

Our Mission has endured thanks to the extraordinary efforts of our caregivers. We will continue to respond to the times and be of service to our communities for many decades to come.

Our Integrated Strategic & Financial Plan

Guided by our Mission and values, Providence has developed and adopted an Integrated Strategic & Financial Plan that serves as our roadmap for accelerating progress toward our vision of Health for a Better World. Supported by three areas of strategic focus, our plan ensures integration between our strategic aspirations and financial capacity:

Strengthen the core. We are focused on delivering outstanding, affordable health care, housing, education and other essential services to our patients and communities by:

- Creating a diverse workforce reflecting the communities we serve and a caregiver experience where all caregivers are included, developed, and inspired to carry on the Mission
- Delivering safe, compassionate, high-value quality health care
- Making Providence the provider partner of choice in all our communities
- Stewarding our resources to improve operational earnings
- Fostering community commitment to our Mission via philanthropy

Be our communities' health partner. We are focused on being our communities' health partner, aiming for physical, spiritual, and emotional well-being of all. We seek to ease the way of our communities by:

- Transforming care, improving population health outcomes, and reducing health disparities, especially for poor and vulnerable populations
- Leading the way in improving our nation's mental and emotional well-being
- Extending our commitment to whole person care for people at every age and stage of life
- Engaging with partners in ensuring health equity for all by addressing systemic racism and the social determinants of health, with a focus on education, housing, and the environment
- Being the preferred health partner for those we serve

Transform our future. We are focused on responding to the signs of the times, pursuing new opportunities that transform our services. We seek to expand and sustain our Mission by:

- Diversifying sources of earnings to ensure sustainability of the ministry
- Digitally enabling, simplifying, and personalizing the health experience
- Creating an integrated scientific wellness, clinical research and genomics program that is nationally recognized for breakthrough advances
- Utilizing insights and value from data to drive strategic transformation

- Activating the voice and presence of Providence locally and nationally to improve health for all

Strategic affiliations. As part of our overall strategic planning and development process, Providence regularly evaluates and, if deemed beneficial, selectively pursues opportunities to affiliate with other service providers and invest in new facilities, programs, or other health care related entities. Likewise, we are frequently presented with opportunities from, and conduct discussions with, third parties regarding potential affiliations, partnerships, mergers, acquisitions, joint operating arrangements, or other forms of collaboration, including some that could affect the Obligated Group Members. It is common for several such discussions to be in process concurrently. System management pursues arrangements when there is a perceived strategic or operational benefit that is expected to enhance our ability to achieve the Mission and/or deliver on our strategic objectives. As a result, it is possible that the current organization and assets of the Obligated Group may change.

Providence will continue to evaluate opportunities for strategic growth. Providence does not typically disclose such discussions unless and until it appears likely that an agreement will be reached, and any required regulatory approvals will be forthcoming.

Technology Services and Solutions

Helping health care organizations drive quality and affordability while easing the way of patients and caregivers. In recent years, Providence has developed or acquired technology platforms, processes, best practices, and expertise that have improved the way the health system delivers patient care and operates administrative services. Providence launched Tegria, a new company designed to provide next generation technologies and services to the health care sector. Tegria combines select Providence investments and acquisitions into a comprehensive portfolio of solutions to accelerate technological, clinical, and operational advances in health care. Based in Seattle with offices and teams throughout the United States and Canada, Tegria combines nine operating companies into a comprehensive suite of offerings for organizations across the health care sector. Tegria is comprised of more than 2,800 strategists, technologists, service providers and scientists who currently serve more than 500 organizations across North America. Tegria will initially focus on three key initiatives–healthcare consulting and technology services, revenue cycle management solutions, and software technology and platforms.

Ambulatory Care Network

Creating best in class, lower cost health and wellness services for consumers. The Ambulatory Care Network continues to deliver on commitments to build a network of optimized, connected, lower cost ambulatory services across Providence. Currently, our Ambulatory Care Network provides more than two million visits in 330 sites across seven states, and consists of ambulatory surgery centers, imaging centers, urgent care centers, retail clinics and active wellness sites. We believe ambulatory care networks offer advantages to patients and physicians, including greater affordability, predictability, flexibility, and convenience, while offering a seamless connection to our full continuum of care. We are expanding our ambulatory care network through strategic partnerships that improve patient access and reduce costs for consumers and employers, including increased same-day access through our retail and urgent care clinics.

Population Health Management

Making a transformational shift from health care to health. Population Health models and initiatives form a vital pillar in achieving our strategic plan of transforming care, delivering value-based care, and creating healthier communities together. Our goal is to maximize the health outcomes of the people in our defined populations and communities through the design, delivery and coordination of affordable quality health care and services. We integrate solutions to improve social determinants of health, identify health disparities, and provide care management for complex patients. We are building community partnerships to increase access to health services, transportation, housing, education, food banks, mental health services, and support needed by vulnerable communities to achieve health equity.

Our Population Health Management division is composed of a family of services, including Population Health Informatics, Value-Based Care, Payer Contracting, Risk Sharing & Payments Models,

Care Management, Mental Health Improvement, and Health Equity that support our Providence regional care delivery systems; and two businesses: Providence Health Plans and Ayin Health Solutions.

Providence Health Plan ("PHP"), a 501(c)(4) Oregon non-profit health care service contractor, and Providence Health Assurance ("PHA"), a wholly owned subsidiary of PHP, are collectively referred to as the Health Plans. Providence Plan Partners ("PPP") is a 501(c)(4) Washington non-profit corporation.

The Health Plans provide services to a wide range of clients, including self-funded employers, and insurance coverage for large group employers, small group employers, individual and family coverage under the Affordable Care Act, Medicare Commercial, Medicare Advantage, Managed Medicaid risk administration, pharmacy benefits management, workers compensation services, and network access services under preferred plans. Providence Health Plan members reside in 49 states nationwide.

Ayin Health Solutions is our population health management company that provides a comprehensive suite of services to employer, payer, provider, and government clients. Ayin is a for-profit, non-risk bearing entity providing administrative and clinical services in multiple states and incorporated in Delaware.

Home & Community Care

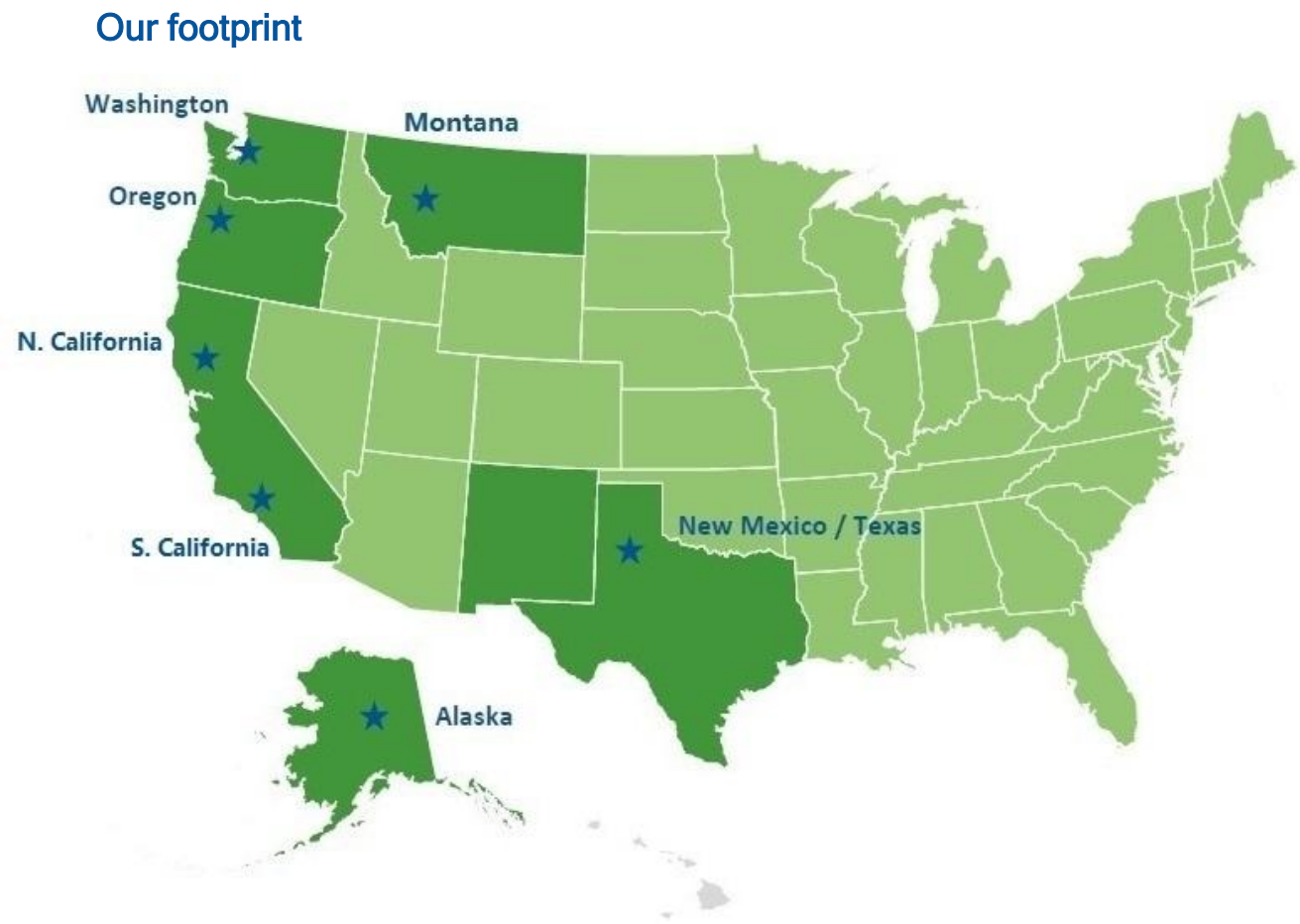
Bringing excellent medical care to the home setting. As a trusted partner for individuals and families, our community-based care and services are geared to help in times of need, aging and illness, and at the end of life. We provide a full range of post-acute services, including assisted living, skilled nursing and rehabilitation, home health, home infusion and pharmacy services, home medical equipment, hospice and palliative care, Program of All-Inclusive Care for the Elderly (PACE) locations, supportive housing, and personal home care services. As our Mission calls us to serve the most vulnerable and poor members of our community, we provide a full range of services and support more to than 30,000 patients, participants, and residents each day. The demand for these services continues to increase in the markets we serve, creating opportunities for continued growth, innovation, and investment.

Physician Enterprises

Providence's Physician Enterprise creates health for a better world by serving patients across the Western United States with quality, compassionate, coordinated care. Collectively, our medical groups and affiliate practices make up the third largest group in the country. This includes: Providence Medical Group, serving Alaska, Washington, Montana, and Oregon; Swedish Medical Group, with staffed clinics throughout Washington's greater Puget Sound area; Pacific Medical Centers in western Washington; Kadlec, serving southeast Washington; Providence St. John's Medical Foundation in Southern California; Providence Medical Institute ("PMI") in Southern California; Facey Medical Foundation ("Facey") in Southern California; St. Joseph Heritage Healthcare in Northern and Southern California; and Covenant Medical Group, and Covenant Health Partners in west Texas and eastern New Mexico.

The System is organized into the geographic regions spanning seven states across the western United States shown in the graphic below.

EXHIBIT 1.1



Region Information

The System's operating revenue share by geographic region is presented for the fiscal years ended December 31:

	Fiscal Year Ended	
EXHIBIT 1.2 - REGIONAL OPERATING REVENUE SHARE	12-31-2019	12-31-2020
Alaska	4%	4%
Swedish	11%	10%
Washington and Montana	20%	19%
Oregon	21%	19%
Northern California [1]	6%	6%
Southern California [1]	31%	32%
West Texas and Eastern New Mexico	5%	5%
Other (including Home & Community Care) [2]	2%	5%

[1] Includes recognition of revenue from California provider fee program of $754 million in 2020 and $633 million in 2019.

[2] Includes Home & Community Care entities in 2020 that previously were reported under the Oregon region and Tegria, our new technology services and solutions company launched in 2020.

Alaska

In the Alaska region, the System includes five hospitals and 22 clinics with a 31 percent inpatient market share statewide in 2019, as reported by the Alaska Health Facilities Data Reporting Program. The System's Alaska facilities are in the greater Anchorage area, with 53 percent inpatient market share, and in the remote communities of Kodiak, Seward, and Valdez, as reported by the Alaska Health Facilities Data Reporting Program. Providence Alaska Medical Center is a 401-bed acute care facility located in Anchorage and the only comprehensive tertiary referral center in the state. St. Elias Specialty Hospital, a 56-bed long term acute care hospital (the only one in the state) is also located in the Anchorage area. Three critical access hospitals are in Kodiak, Seward, and Valdez, all co-located with skilled nursing facilities.

Swedish

In the greater Puget Sound area of Washington, Swedish Health Services operates five hospital campuses: First Hill, Cherry Hill, Ballard, Edmonds, and Issaquah which are in King and Snohomish counties. The inpatient market share for Swedish was 25 percent in 2019, as reported by the Comprehensive Hospital Abstract Reporting System. Swedish also has ambulatory care centers in Redmond and Mill Creek, and a network of more than 100 primary care and specialty clinics throughout the Seattle area.

Washington and Montana

In the Washington-Montana region, the System includes 12 hospitals, with a 45 percent inpatient market share in their service areas in 2019, as reported by the Comprehensive Hospital Abstract Reporting System. The region is composed of five geographic markets: Northwest Washington, Southwest Washington, Eastern Washington, Southeast Washington, and Western Montana, with medical groups in the region employing nearly 2,500 providers. The region provides a variety of services, including home health and hospice care, primary and immediate care services, inpatient rehabilitation, skilled nursing and transitional care, and general acute care services.

Oregon

The Oregon region includes eight hospitals in Portland, Hood River, Medford, Milwaukie, Newberg, Seaside and Oregon City, with a total inpatient market share of 29 percent in their service areas in 2019, as reported by Apprise Health Insights. Providence St. Vincent Medical Center and Providence Portland Medical Center provide tertiary care to the Portland metropolitan market. The region also provides nearly 200 primary care, specialty and immediate care clinics, home health care, and housing. The Health Plans are based in Oregon, and the majority of its nearly 700,000 members live in the region.

Northern California

In Northern California region, the System serves the North Coast, Humboldt, Napa, and Sonoma communities with five hospitals, ambulatory surgery centers, urgent care centers, wellness centers, physician offices, home health, hospice, and rehabilitation sites. The acute care hospitals in Northern California had 37 percent inpatient market share in their service areas in 2019, as reported by the Office of Statewide Health Planning and Development. St. Joseph Heritage Healthcare, a medical foundation, operates clinics in the region with its contracted physician partners.

Southern California

The Southern California region includes 13 acute care hospitals in Los Angeles, Orange and San Bernardino counties, and the High Desert, with a total inpatient market share of 24 percent in their service areas in 2019, as reported by the Office of Statewide Health Planning and Development. In Los Angeles County, the System includes six acute care facilities. Our largest hospital, Providence St. Joseph Medical Center, is in Burbank. The System also includes hospitals in Mission Hills, San Pedro, Torrance, and Santa Monica. Providence Medical Foundation operates over 50 practice locations in the market, including the Facey, PMI, and Providence St. John's medical foundations. In addition, the System includes seven acute care facilities within Orange and San Bernardino counties: Apple Valley, Fullerton, Mission Viejo, Laguna Beach, Newport Beach, Irvine, and Orange. Mission Hospital is located on two campuses in Mission Viejo and Laguna Beach, and maintains the region's level II trauma center, as well as a women's center. Hoag Hospital, which also is composed of two campuses, in Newport Beach and Irvine, also includes Hoag Orthopedic Institute. St. Joseph Heritage Healthcare, a medical foundation, operates clinics in the region with its contracted physician partners.

West Texas and Eastern New Mexico

The West Texas-Eastern New Mexico region includes Covenant Health System and Covenant Medical Group. Covenant Health System and its related Texas affiliates is the market's largest health system with seven licensed hospitals; the inpatient market share was 33 percent in their service areas in 2019, as reported by Texas Health Care Information Collection. Covenant Health System operates Covenant Medical Center, Covenant Children's Hospital, Covenant Health Plainview, and Covenant Health Levelland, and Covenant Specialty Hospital, a long-term acute care facility, in addition to Grace Health System, which includes Grace Clinic and Grace Medical Center. CHS also operates Covenant Medical Group, a medical foundation physician network of employed and aligned physicians, a joint venture acute rehabilitation facility, and Hospice of Lubbock. In December 2020, Covenant Health System opened Grace Surgical Hospital, a short-stay surgical hospital that specializes in elective procedures for patients in Lubbock and the surrounding area.

Financial Information

The summary audited combined financial information as of and for the fiscal years ended December 31, 2020 and 2019, respectively, are presented below. The financial information should be read in conjunction with the audited combined financial statements of the System, including the notes thereto, and the report of KPMG LLP, independent auditors.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions, estimates and judgments that affect the amounts reported in the combined financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. System management considers critical accounting policies to be those that require the more significant judgments and estimates in the preparation of its combined financial statements, including the following: recognition of net patient service revenues, which includes contractual allowances; impairment of long-lived assets; valuation of investments; accounting for expenses in connection with restructuring activities; and reserves for losses and expenses related to health care professional and general liability risks. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ materially from those estimates.

Summary Audited Combined Statements of Operations

	Fiscal Year Ended	
EXHIBIT 2.1 - COMBINED STATEMENTS OF OPERATIONS $ PRESENTED IN MILLIONS	12-31-2019	12-31-2020
Net Patient Service Revenues	$19,883	$18,964
Premium Revenues	2,376	2,424
Capitation Revenues	1,514	1,732
Other Revenues [1]	1,252	2,555
Total Operating Revenues	**25,025**	**25,675**
Salaries and Benefits	12,172	12,646
Supplies	3,698	3,821
Purchased Healthcare Services	2,049	1,989
Interest, Depreciation, and Amortization	1,345	1,375
Purchased Services, Professional Fees, and Other	5,388	6,150
Total Operating Expenses Before Restructuring Costs	**24,652**	**25,981**
Excess (Deficit) of Revenues Over Expenses from Operations Before Restructuring Costs	**373**	**(306)**
Restructuring Costs	159	-
Excess (Deficit) of Revenues Over Expenses from Operations	**214**	**(306)**
Total Net Non-Operating Gains	1,144	1,046
Excess of Revenues Over Expenses	**$1,358**	**$740**
Operating EBIDA [2]	**$1,559**	**$1,121**
Pro Forma Operating EBIDA [3]	**$1,718**	**$1,121**

(1) Includes $957 million in grants recognized in revenue from the federal CARES Act in 2020.

(2) Includes $53 million in amortization of software as a service asset included on the balance sheet in 2020.

(3) Pro forma Operating EBIDA normalizes for restructuring costs in 2019.

Summary Audited Combined Balance Sheets

EXHIBIT 2.2 - COMBINED BALANCE SHEET $ PRESENTED IN MILLIONS	As of 12-31-2019	 12-31-2020
Current Assets:		
Cash and Cash Equivalents [1], [2]	$1,316	$3,230
Accounts Receivable, Net	2,400	2,365
Supplies Inventory	283	361
Other Current Assets	1,233	1,480
Current Portion of Assets Whose Use is Limited	702	1,228
Total Current Assets	**5,934**	**8,664**
Assets Whose Use is Limited:	10,855	11,506
Property, Plant & Equipment	10,978	11,033
Other Assets	2,785	3,451
Total Assets	**$30,552**	**34,654**
Current Liabilities:		
Current Portion of Long-Term Debt	$85	$127
Master Trust Debt Classified as Short-Term [2]	205	934
Accounts Payable	1,035	1,155
Accrued Compensation	1,145	1,453
Other Current Liabilities [1]	2,428	3,020
Total Current Liabilities	**4,898**	**6,689**
Long-Term Debt, Net of Current Portion [2]	6,393	6,061
Pension Benefit Obligation	1,094	1,203
Other Liabilities	2,292	3,985
Total Liabilities	**$14,677**	**$17,938**
Net Assets:		
Controlling Interests	14,344	14,857
Noncontrolling Interest	150	309
Net Assets without Donor Restrictions	**14,494**	**15,166**
Net Assets with Donor Restrictions	**1,381**	**1,550**
Total Net Assets	**15,875**	**16,716**
Total Liabilities and Net Assets	**$30,552**	**$34,654**

(1) Includes $1.6 billion from the CMS Advanced Payment Program in 2020.
(2) Includes $250 million in borrowings in response to the COVID-19 pandemic in 2020.

Management's Discussion and Analysis: Fiscal Year Ended December 31, 2020

Management's discussion and analysis provides additional narrative explanation of the financial condition, operational results, and cash flow of the System to assist in increasing understanding of the combined financial statements. The summary audited combined financial information as of and for the fiscal years ended December 31, 2020 and 2019, respectively, are presented below.

Results of Operations

Operations Summary

Operating earnings before interest, depreciation, and amortization ("EBIDA") were $1.1 billion for the fiscal year ended December 31, 2020, or 4.4 percent of operating revenues, compared with $1.6 billion and 6.2 percent in 2019. Deficit of revenues over expenses from operations was $306 million for the fiscal year ended December 31, 2020, compared with excess of revenues over expenses from operations of $214 million in 2019. The results include the net recognition of reimbursements from provider fee programs of $329 million (revenue of $1.1 billion and expense of $753 million) for the fiscal year ended December 31, 2020, compared with $345 million (revenue of $942 million and expense of $597 million) in 2019, primarily attributable to services performed in 2020. Volumes declined 9 percent year-over-year for the fiscal year ended December 31, 2020, driving a 5 percent decline in net patient service revenues. Net patient service revenues were $19.0 billion for the fiscal year ended December 31, 2020, compared to $19.9 billion in 2019.

The System's operating results were significantly impacted by the unprecedented decrease in patient volumes due to the COVID-19 pandemic and related service reductions during most of 2020. The impact included a significant reduction in revenue, coupled with an increase in costs incurred for PPE and pharmaceuticals, and increases in labor costs for staffing to serve those impacted by the virus, including prevention, testing, and treatment. We continued to maintain access and capacity for non-COVID-19 care despite the continued flow of COVID-19 cases, including the resurgence during the fourth quarter of 2020, where COVID-19 case levels exceeded those experienced in early 2020. Operational recovery continues to be variable and market specific as the pandemic continues across our footprint. Results also include the impact of increased staffing costs due to a work stoppage at some Swedish facilities in early 2020. The System's key financial indicators are presented for the fiscal years ended December 31:

	Fiscal Year Ended			
	AS REPORTED		PRO FORMA [1]	
EXHIBIT 3.1 - OPERATIONS SUMMARY $ PRESENTED IN MILLIONS	12-31-2019	12-31-2020	12-31-2019	12-31-2020
Operating Revenues	$25,025	$25,675	$25,025	$25,675
Operating Expenses	24,811	25,981	24,652	25,981
Excess (Deficit) of Revenues Over Expenses from Operations	214	(306)	373	(306)
Operating Margin %	0.9	(1.2)	1.5	(1.2)
Operating EBIDA	1,559	1,121	1,718	1,121
Operating EBIDA Margin %	6.2	4.4	6.9	4.4
Premium and Capitation Revenues	3,890	4,156	3,890	4,156
Net Service Revenue/Case Mix Adjusted Admits	12,099	12,922	12,099	12,922
Net Expense/Case Mix Adjusted Admits	11,980	13,110	11,892	13,110
Total Community Benefit	$1,515	1,750	$1,515	1,750
Full-Time Equivalents (thousands)	105	103	105	103

(1) Pro forma normalizes for restructuring costs in 2019.

COVID-19: Variable results over the quarters of fiscal year 2020. Operating EBIDA was $304 million for the three months ended December 31, 2020, or 4.5 percent of operating revenues, compared with $347 million and 5.5 percent for the same period in 2019. Deficit of revenues over expenses from operations was $93 million for the three months ended December 31, 2020, compared with excess of revenues over expenses from operations of $16 million for the same period in 2019. Volumes declined 7 percent quarter-over-quarter for the three months ended December 31, 2020, while net patient service revenues remained flat compared to the prior year. Net patient service revenues were $5.0 billion for both the three months ended December 31, 2020 and the same period in 2019. Among the key statistics, the three months ended December 31, 2020 showed acute patient days up 2 percent, acute admissions down 10 percent, surgeries down 10 percent, procedures down 12 percent, and emergency room visits down 21 percent from the prior year period, reflecting the continued impact of the pandemic on operations.

Volumes

Case mix adjusted admissions (CMAA) declined 9 percent for the fiscal year ended December 31, 2020, compared with the prior year driven by the events noted above. The System's key volume indicators are presented for the fiscal years ended December 31:

	Fiscal Year Ended	
EXHIBIT 3.2 - SYSTEM UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	12-31-2019	12-31-2020
Inpatient Admissions	507	447
Acute Adjusted Admissions	1,041	913
Acute Patient Days	2,464	2,340
Long-Term Patient Days	402	340
Outpatient Visits (incl. Physicians)	27,302	25,126
Emergency Room Visits	2,125	1,720
Surgeries and Procedures	699	589
Acute Average Daily Census (Actual)	6,752	6,393
Providence Health Plan Members	649	699

Operating Revenues

Operating revenues were $25.7 billion, an increase of 3 percent for the fiscal year ended December 31, 2020, compared with prior year. Operating revenues increased, despite the 5 percent decline in net patient service revenues due to premium/capitation and diversified revenue growth. The recognition of $957 million in grants from the federal CARES Act, partially but not entirely offset lower revenues from the decline in volumes.

The System's operating revenues by state are presented for the fiscal years ended December 31 (footnotes appear beneath last table):

	Fiscal Year Ended	
EXHIBIT 3.3 - OPERATING REVENUES BY STATE $ PRESENTED IN MILLIONS	12-31-2019	12-31-2020
Alaska	$877	$830
Washington	7,036	6,543
Montana	450	427
Oregon	5,207	5,137
California	9,083	9,151
Texas	1,120	1,032
Total Revenues from Contracts with Customers	23,773	23,120
Other Revenues [(2)]	1,252	2,555
Total Operating Revenues	$25,025	$25,675

The System's operating revenues by line of business are presented for the fiscal years ended December 31:

EXHIBIT 3.4 – OPERATING REVENUES BY LINE OF BUSINESS $ PRESENTED IN MILLIONS	Fiscal Year Ended 12-31-2019	 12-31-2020
Hospitals	$16,805	$16,145
Health Plans and Accountable Care	2,553	2,739
Physician and Outpatient Activities	2,865	2,728
Long-term Care, Home Care, and Hospice	1,198	1,268
Other Services	352	240
Total Revenues from Contracts with Customers	23,773	23,120
Other Revenues [2]	1,252	2,555
Total Operating Revenues	$25,025	$25,675

The System's operating revenues by payor are presented for the fiscal years ended December 31:

EXHIBIT 3.5 – OPERATING REVENUES BY PAYOR [1] $ PRESENTED IN MILLIONS	Fiscal Year Ended 12-31-2019	 12-31-2020
Commercial	$11,918	$11,331
Medicare	8,017	8,021
Medicaid	3,441	3,517
Self-pay and Other	397	251
Total Revenues from Contracts with Customers	23,773	23,120
Other Revenues [2]	1,252	2,555
Total Operating Revenues	$25,025	25,675

[1] Represents total payor net patient service revenues received, including premium and capitation revenues in accordance with ASC 606, Revenue from Contracts with Customers. Refer to Exhibit 7.3 within Exhibit 7 attached hereto for supplementary information on net patient service revenue payor mix driven by patient utilization.

[2] Includes $957 million in grants recognized in revenue from the federal CARES Act in 2020.

Operating Expenses

Operating expenses were $26.0 billion, an increase of 5 percent for the fiscal year ended December 31, 2020, compared with the same period in 2019, driven by the impacts of costs related to our response to COVID-19. Despite the System experiencing unprecedented declines in volumes as noted above, significant costs were incurred to support caregivers and to serve existing patients, including labor costs and increased PPE and pharmaceutical spend. Overall, salaries and benefits expenses increased 4 percent for the fiscal year ended December 31, 2020, compared with the prior year. Labor productivity decreased 5 percent on an adjusted occupied bed volumes basis, and medical supply costs per CMAA were higher by 10 percent, compared with the prior year. Supplies expense increased by 3 percent compared to the prior year, driven by a 9 percent increase in pharmaceutical spend and COVID-19 related expenses, and offset by a 1 percent decrease in medical and non-medical supply costs.

Non-Operating Activity

Non-operating gains totaled $1.0 billion for the fiscal year ended December 31, 2020, compared with $1.1 billion in 2019, offsetting the deficit of revenues over expenses from operations. The decrease was driven by relatively lower investment gains of $1.1 billion for the fiscal year ended December 31, 2020, compared with $1.3 billion in 2019.

Liquidity and Capital Resources; Outstanding Indebtedness

Unrestricted Cash and Investments

Unrestricted cash and investments totaled approximately $15.3 billion as of December 31, 2020, compared to $12.3 billion as of December 31, 2019. As of December 31, 2020, Providence received approximately $1.6 billion in advance payments from Medicare under the CMS Advance Payment Program and $1.1 billion in grants from the federal CARES Act, of which $957 million was recognized as revenue. The advance payments from CMS will be offset by services provided by Providence in future quarters. In response to increased liquidity risk arising from the crisis, the System expanded its short-term revolver capacity as noted above, in addition to placing a $250 million short-term bridge loan in place. Debt balances as of December 31, 2020 also reflect a $95 million draw on our revolver to fund the CHFFA 2016-B put maturity occurring October 1, 2020 and a $110 million draw to fund the CHFFA 2013-D put maturity occurring October 14, 2020. The System's liquidity is presented for the fiscal years ended December 31:

	As of	
EXHIBIT 4.1 - INVESTMENTS BY DURATION $ PRESENTED IN MILLIONS	12-31-2019	12-31-2020
Cash and Cash Equivalents [1], [2]	$1,316	$3,230
Short-Term Investments	549	1,082
Long-Term Investments	10,404	10,950
Total Unrestricted Cash and Investments	$12,269	$15,262

(1) Includes $1.6 billion from the CMS Advanced Payment Program in 2020.
(2) Includes $250 million remaining in borrowings to offset operational pressures during the COVID-19 pandemic in 2020.

The System maintains a long-term investment portfolio comprised of operating and foundation investment assets. The System's target asset allocation for the long-term portfolio, by general asset class, is presented for the fiscal years ended December 31:

	As of	
EXHIBIT 4.2 - INVESTMENTS BY TYPE	12-31-2019	12-31-2020
Cash and Cash Equivalents	2%	2%
Domestic and International Equities	45%	45%
Debt Securities	38%	38%
Other Securities	15%	15%

Financial Ratios

The System's financial ratios presented for the fiscal years ended December 31:

	As of	
EXHIBIT 4.3 - SUMMARY OF KEY RATIOS	12-31-2019	12-31-2020
Total Debt to Capitalization %	31.3	31.6
Cash to Debt Ratio %	185.9	218.2
Days Cash on Hand [1]	191	226
Maximum Annual Debt Service [2]	390	395
Cash to Net Assets Ratio	0.85	1.01

(1) Days Cash on Hand, a measure of cash in relation to monthly operating expenses, is calculated as follows: (unrestricted cash & investments) / (total operating expenses - depreciation and amortization expenses)/days outstanding during the periods).
(2) Excludes borrowings secured in response to COVID-19 as they are classified as short-term indebtedness.

System Capitalization

The System's capitalization is presented for the fiscal years ended December 31:

EXHIBIT 4.4 – SYSTEM CAPITALIZATION $ PRESENTED IN MILLIONS UNLESS NOTED	As of 12-31-2019	 12-31-2020
Long-Term Indebtedness	$6,478	$6,188
Less: Current Portion of Long-Term Debt	85	127
Net Long-Term Debt	6,393	6,061
Net Assets – Unrestricted	14,494	15,166
Total Capitalization	$20,887	$21,227
Long-term Debt to Capitalization %	30.6	28.6

System Debt Service Coverage

The System's coverage of Maximum Annual Debt Service ("MADS") on indebtedness is presented for the fiscal years ended December 31:

EXHIBIT 4.5 – SYSTEM DEBT SERVICE COVERAGE $ PRESENTED IN MILLIONS UNLESS NOTED	As of 12-31-2019	 12-31-2020
Income Available for Debt Service:		
Excess of Revenues Over Expenses	$1,358	$740
Less: Unrealized (Gains) on Trading Securities	(978)	(692)
Plus: Loss on Extinguishment of Debt	14	-
Plus: Loss on Pension Settlement Costs and Other	26	19
Plus: Depreciation	1,077	1,097
Plus: Interest and Amortization	268	278
Total	$1,765	$1,442
Debt Service Requirements: [1]		
MADS [2]	$390	$395
Coverage of Debt Service Requirements [1]	4.5x	3.7x

[1] Debt Service Requirements has the meaning assigned to such term in the Master Indenture.

[2] Excludes borrowings secured in response to COVID-19 as they are classified as short-term indebtedness.

System Governance and Management

Corporate Governance

Providence serves as the parent and corporate member of PH&S and SJHS. Providence was created in connection with the combination of the multi-state health care systems of PH&S and the SJHS, which was effective on July 1, 2016 (the "Combination"). Providence has been determined to be an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Prior to the Combination, the sole corporate member of PH&S was Providence Ministries, which acted through its sponsors, who are five individuals appointed by the Provincial Superior of the Sisters of Providence, Mother Joseph Province. Similarly, the sole corporate member of SJHS was St. Joseph Health Ministry, a California non-profit public benefit corporation. Providence Ministries and St. Joseph Health Ministry are each a public juridic person under Canon law, responsible for assuring the Catholic identity and fidelity to the Mission of their respective systems. Pursuant to the Combination, Providence Ministries and St. Joseph Health Ministry have entered into an agreement that establishes a sponsorship model through contractual obligations exercised by the parties' sponsors collectively (the "Sponsors Council"). The Sponsors Council retains certain reserved rights with respect to Providence. Among the powers reserved to the Sponsors Council are the following powers over the affairs of Providence (excluding certain affiliates, such as: Providence – Western Washington, Western HealthConnect, Swedish, Swedish Edmonds, PacMed, Kadlec, and Hoag Hospital): to amend or repeal the articles of incorporation or bylaws of Providence; the appointment and

removal, with or without cause, of the directors of Providence; the appointment and removal, with or without cause, of the President and Chief Executive Officer of Providence; the approval of the acquisition of assets, incurrence of debt, encumbering of assets and sale of certain property; the approval of operating and capital budgets, upon recommendation of the Providence Board of Directors; and the approval of dissolution, consolidation or merger. Providence has reserved rights over PH&S and SJHS, which powers may be exercised by the Board of Providence. Given the complexity of the System's governance structure, Providence routinely evaluates and considers alternative governance models to best meet the System's governance needs.

The following table lists the current members of the Board of Directors of Providence and the Sponsors Council.

Board of Directors	Term Expires (December 31)
David Olsen, Chair †	2021
Richard Blair †	2022
Isiaah Crawford, PhD ‡	2022
Lucille Dean, SP †	2021
Diane Hejna, CSJ, RN. ‡	2022
Phyllis Hughes, RSM, PhD. ‡	2022
Mary Lyons, PhD. ‡	2022
Charles W. Sorenson, M.D. Δ	2021
Michael Murphy Δ	2022
Katharin S. Dyer Δ	2022
Sr. Carol Pacini, LCM Δ	2023
Rod Hochman, M.D.	Ex-officio

Sponsors Council	Term Expires (December 31)
Ned Dolejsi	2021
Jeff Flocken	2025
Barbara Savage	2021
Bill Cox	2021
Russell Danielson	2027
Sr. Sharon Becker, CSJ	2027
Mark Koenig	2027
Sr. Margaret Pastro, SP	2028
Sr. Mary Therese Sweeney, CSJ	2028

† Not eligible for an additional term.
‡ Eligible for one additional three-year term.
Δ Eligible for up to two.

Executive Leadership Team

The following are key members of Providence's executive leadership team.

Name	Title
Rod Hochman, M.D.	President and CEO
John Whipple	Interim Executive Vice President and Chief Legal Officer
Greg Hoffman	Executive Vice President and CFO

In August 2020, Providence announced that Venkat Bhamidipati, Executive Vice President and Chief Financial Officer of the System, had submitted his resignation effective September 1, 2020. In January 2021, Greg Hoffman was named Chief Financial Officer for the System.

In September 2020, Mike Butler, President of Operations and Strategy announced his retirement. In January 2021, Mike's responsibilities were assumed by Rhonda Medows, M.D., President of Population Health and Chief Executive of Ayin Health Solutions, Amy Compton-Phillips, M.D., President of Clinical Care, Erik Wexler, President of Operations and Strategy, and Lisa Vance, President of Operations and Strategy.

In February 2021, Verona Dorch, Executive Vice President and Chief Legal Officer, passed away in Seattle. Verona joined Providence in June 2020 and onboarded in the midst of the COVID-19 pandemic. For the immediate future, Verona's responsibilities will be assumed by other leadership team members as we determine next steps. John Whipple will lead the department of legal affairs as the interim Chief Legal Officer and Deb Canales will temporarily assume responsibilities for governance.

Support Services

Corporate officers and supporting staff oversee the management activities performed on a day-to-day basis by the management staff of each region. Each regional Chief Executive oversees their management with emphasis on the service area's achievements in responding to unmet health care needs

in the community, especially the unmet needs of the poor and vulnerable, productivity, developing integrated delivery systems, meeting financial guidelines, and maintaining or increasing market share. The Chief Financial Officer of Providence and Finance staff coordinate the annual budget and multi-year forecasts of the service areas and manage the capital acquisition and management activities of the Obligated Group. Other areas in which the corporate staff provides centralized services or coordinates the activities of the service areas include legal affairs, insurance and risk management, treasury services, real estate strategy and operations, marketing, supplies management, technical support, fund-raising, quality of care, medical ethics, pastoral services, mission effectiveness, human resources, planning and policy development, and public affairs.

Obligated Group

Providence and the other entities so designated in the Glossary are currently Obligated Group Members under the Master Indenture.

Providence is the Obligated Group Agent under the Master Indenture. Under the Master Indenture, debt incurred or secured through the issuance of Obligations under the Master Indenture are the responsibility, jointly and severally, of the Obligated Group Members. Pursuant to the Master Indenture, Obligated Group Members may be added to and withdrawn from the Obligated Group under certain conditions described in the Master Indenture. Indebtedness evidenced or secured by obligations issued under the Master Indenture is solely the obligation of the Obligated Group, and such obligations are not guaranteed by, or the liabilities of, Sisters of Providence, Mother Joseph Province, any other Province of the Sisters of Providence, Sisters of St. Joseph of Orange, the Roman Catholic Church, or any affiliate of the System that is not an Obligated Group Member.

Obligated Group Utilization

The Obligated Group's key volume indicators are presented for the fiscal years ended December 31:

	Fiscal Year Ended	
EXHIBIT 5.1 - OBLIGATED GROUP UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	12-31-2019	12-31-2020
Obligated Group		
Inpatient Admissions	497	429
Acute Adjusted Admissions	982	843
Acute Patient Days	2,413	2,254
Long-Term Patient Days	392	330
Outpatient Visits (incl. Physicians)	21,402	19,410
Emergency Room Visits	2,097	1,664
Surgeries and Procedures	568	469
Acute Average Daily Census (Actual)	6,611	6,158

Obligated Group Capitalization

The Obligated Group's capitalization is presented for the fiscal years ended December 31:

	As of	
EXHIBIT 5.2 - OBLIGATED GROUP CAPITALIZATION $ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2019	12-31-2020
Obligated Group		
Long-Term Indebtedness	$6,362	$5,809
Less: Current Portion of Long-Term Debt	81	110
Net Long-Term Debt	6,281	5,699
Net Assets - Unrestricted	12,911	12,741
Total Capitalization	$19,192	$18,440
Long-Term Debt to Capitalization %	32.7	30.9

Obligated Group Debt Service Coverage

The Obligated Group's coverage of MADS on indebtedness is presented for the fiscal years ended December 31:

EXHIBIT 5.3 - OBLIGATED GROUP DEBT SERVICE COVERAGE $ PRESENTED IN MILLIONS UNLESS NOTED	As of 12-31-2019	 12-31-2020
Obligated Group		
Income Available for Debt Service:		
Excess of Revenues Over Expenses	$1,805	$1,140
Less: Unrealized (Gains) on Trading Securities	(834)	(561)
Plus: Loss on Extinguishment of Debt	14	-
Plus: Loss on Pension Settlement Costs and Other	26	19
Plus: Depreciation	999	1,001
Plus: Interest and Amortization	254	257
Total	$2,264	1,856
Debt Service Requirements: (1)		
MADS (2)	$390	$395
Coverage of Debt Service Requirements (1)	5.8x	4.7x

(1) Debt Service Requirements has the meaning assigned to such term in the Master Indenture.
(2) Excludes borrowings secured in response to COVID-19 as they are classified as short-term indebtedness.

For the fiscal year ended December 31, 2020, the audited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 81 percent and 83 percent, respectively, of the System totals. For the fiscal year ended December 31, 2019, the audited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 84 percent and 87 percent, respectively, of the System totals. Refer to Exhibit 7 for supplementary information on the Obligated Group Members.

Control of Certain Obligated Group Members

General

Providence is the sole corporate member of PH&S and SJHS. PH&S is the sole corporate member, directly or indirectly, of each of Providence - Washington, Providence - Southern California, LCMASC, Providence - St. John's, Providence - SJMC Montana, Providence - Montana, Providence - Oregon, Swedish, Swedish Edmonds, Pac Med, Western Health Connect and Kadlec, and co-corporate member of Providence - Western Washington.

SJHS is the sole corporate member of SJHNC and, as more fully described hereinafter, a corporate member of St. Joseph Orange, St. Jude, Mission Hospital, St. Mary and CHS.

Northern California Region

SJHS is the sole member of St. Joseph Health Northern California, LLC, which operates the hospital facilities known as Santa Rosa Memorial Hospital, Queen of the Valley Medical Center, St. Joseph Hospital of Eureka, and Redwood Memorial Hospital. The corporate entities of Santa Rosa Memorial Hospital, Queen of the Valley Medical Center, St. Joseph Hospital of Eureka, and Redwood Memorial Hospital, each a California nonprofit public benefit corporation (collectively, the "Hospitals") transferred their assets to SJHNC effective as of April 1, 2018. Effective December 31, 2019 the remaining corporate entities in connection with this reorganization were dissolved.

Southern California Region

In connection with the March 2013 affiliation of SJHS and Hoag Hospital, a new entity known as Covenant Health Network, Inc. ("CHN"), a California nonprofit public benefit corporation, was created. CHN

is a corporate member of Hoag Hospital and St. Joseph Orange, St. Jude, Mission Hospital and St. Mary (the "SJHS Southern California Hospitals"). CHN, The George Hoag Family Foundation (Hoag Family Foundation) and the constituent churches of the Los Ranchos Presbytery of the Presbyterian Church (USA), as represented by the Association of Presbyterian Ministers (APM), are the corporate members of Hoag Hospital. None of CHN, Hoag Family Foundation or APM is an Obligated Group Member or is obligated for payment with respect to the Bonds.

SJHS, CHN, Hoag Hospital, and the SJHS Southern California Hospitals entered into an affiliation pursuant to the terms of an Affiliation Agreement dated as of October 15, 2012 (the "CHN Affiliation Agreement"). The CHN Affiliation Agreement, which became effective as of March 1, 2013, is designed to allow SJHS and each of the SJHS Southern California Hospitals on the one hand, and Hoag Hospital on the other hand, to preserve their respective Catholic and Presbyterian heritages and identities while creating an integrated community health care delivery system. The Affiliation Agreement was amended as of June 1, 2017 and Providence became a party to the arrangement. In addition, a Supplemental Agreement and two amendments were also entered into between the parties in 2017.

CHN does not have any corporate members, and neither Providence, SJHS, its affiliates, nor Hoag Hospital have any ownership interest in CHN. CHN's governing board consists of seven members, four of whom are designated by Providence in its sole discretion from persons who are members of the governing boards of SJHS, SJHS Southern California Hospitals, St. Joseph Health Ministry and/or Sisters of St Joseph of Orange, and/or members of Providence or SJHS management. The remaining three members are designated by Hoag Family Foundation and APM, acting jointly, in their sole discretion from members of the governing board of Hoag Hospital. The CHN board provides strategic planning leadership and oversight for the Southern California region.

CHN and SJHS have certain reserved powers with respect to the governance, management, and operation of each of the SJHS Southern California Hospitals and Hoag Hospital. Some of these powers may be exercised only by a supermajority vote of the CHN Board of Directors, meaning the affirmative vote of at least three of the four members designated by Providence, and of at least two of the three members designated by Hoag Family Foundation and APM. Such reserved powers and powers that require a supermajority vote may be reviewed and revised from time to time. These reserved powers include, among others, certain actions relating to: (i) changes in articles and bylaws, (ii) certain board member and management appointments and removals; and (iii) certain hospital mergers, acquisitions, joint ventures, asset sales, cash transfers and financings. Hoag Family Foundation and APM also have reserved powers with respect to certain management and operating matters and transactions involving Hoag Hospital.

West Texas/Eastern New Mexico Region

SJHS and Lubbock Methodist Hospital System ("LMHS") are the corporate members of CHS. CHS is the sole corporate member of CMC, Covenant Levelland and Covenant Plainview. LMHS is not an Obligated Group Member and is not obligated for payment with respect to the Bonds.

CHS was formed in 1998 pursuant to an affiliation between SJHS and LMHS and its affiliates, pursuant to which CHS became the sole corporate member of certain entities previously affiliated with LMHS and, together with certain of such entities, joined the obligated group to which SJHS and its affiliates were party.

CHS is governed by a 19-member board of directors. LMHS and SJHS each appoint eight directors. SJHS also appoints the Chief Executive Officer of CHS, who is an ex-officio voting director. The CMC Chief of Staff and Covenant Children's Hospital Chief of Staff also serve as ex-officio voting directors. SJHS has extensive authority with respect to the financial affairs of CHS and its subsidiaries, including, but not limited to, the approval of budgets of CHS and its subsidiaries and selection and retention of auditors.

As part of the affiliation, SJHS, CHS and LMHS entered into an agreement that significantly restricts the ability of SJHS to sever its relationship with CHS and the entities formerly affiliated with LMHS. Under certain circumstances, it also restricts CHS and SJHS from a wide variety of transactions (the "Covered Transactions"), including: (i) certain management agreements, leases, joint ventures and other transactions that might have the effect of transferring control of Covenant Medical Center or all assets of CHS and its subsidiaries to an unrelated third party, or in a manner that voids or reduces LMHS's right, as a member, to

appoint directors; (ii) a sale, transfer or conveyance of all or substantially all of CHS' assets (including all of CHS' affiliates, taken in the aggregate); (iii) an affiliation, management agreement, lease or joint venture under which a third party acquires the right to control CHS, as a whole; or (iv) any other transaction in which the ability to appoint and remove more than 50 percent of the directors of CHS is transferred to a third party.

In the event SJHS or CHS undertakes a Covered Transaction, they are obligated to provide notice and information to LMHS and to make a "reciprocal offer" to LMHS, including an offer to purchase LMHS's membership rights in CHS and a simultaneous obligation to offer CHS' membership rights to LMHS at the same purchase price, adjusted upward by a formula that reflects the dissolution percentages Pursuant to the terms of the affiliation, the dissolution percentages are SJHS – 57 percent; LMHS – 43 percent.

Other Information

Non-Obligated Group System Affiliates

In addition to the Obligated Group Members, the System includes: health plans; a provider network; numerous fundraising foundations; Providence Ventures, Inc., a Washington corporation that invests in health care activities; Tegria, a company that provides technologies and services to the health care sector, various not-for-profit corporations that own and operate assisted living facilities and low-income housing projects, including housing facilities for the elderly; and the University of Providence formerly known as University of Great Falls, located in Great Falls, Montana. The System also includes multiple operations involving or supporting home health, outpatient surgery, imaging services and other professional services provided through for-profit and non-profit entities that are not part of the Obligated Group. These entities are organized as subsidiaries of the System, partnerships, or joint ventures with other entities. Obligated Group Members also may engage in informal alliances and/or contract-based physician relationships. Affiliates that are not Obligated Group Members are referred to in this Annual Report as the Non-Obligated Group System Affiliates. Certain Non-Obligated Group System Affiliates that are of significant operational or strategic importance and other Non-Obligated Group System Affiliates are discussed elsewhere in this Annual Report only to the extent they are viewed by System management to be of particular operational or strategic importance.

Outstanding Master Trust Indenture Obligations

As of December 31, 2020, the System had Obligations outstanding under the Master Indenture totaling $6,282,000,000. This excludes Obligations that secure interest rate or other swap transactions, bank liquidity or credit facilities. The Obligations outstanding under the Master Indenture relating to tax-exempt and taxable bond/note indebtedness are described further in the Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

Certain of the outstanding Obligations secure tax-exempt bonds previously issued for the benefit of one or more Obligated Group Members (collectively, the "Direct Placement Bonds") that were purchased directly by commercial banks. Certain other of the outstanding Obligations secure taxable loans and lines of credit previously incurred on behalf of the Obligated Group (the "Taxable Loans") from one or more commercial banks or a syndicate of banks. Certain other of the outstanding Obligations secure payment obligations relating to bank liquidity or letter of credit facilities (the "Credit Facilities") issued by credit banks to secure the payment of principal of, interest on and purchase price for certain tax-exempt and taxable bonds issued for the benefit of, or by, certain Obligated Group Members. The financial covenants relating to the Direct Placement Bonds, the Taxable Loans and the Credit Facilities are substantially consistent with the covenants in the Master Indenture. In addition to financial covenants, the Direct Placement Bonds, the Taxable Loans and the Credit Facilities include events of default that may cause an acceleration of the Obligations secured thereby, and, in turn, all Obligations secured by the Master Indenture. Certain documents relating to the Direct Placement Bonds, the Taxable Loans and the Credit Facilities containing these financial covenants and events of default are available for review on EMMA (http://emma.msrb.org).

Interest Rate Swap Arrangements

The System and/or certain of its affiliates may enter into interest rate swap contracts from time to time to increase or decrease variable rate debt exposure, to achieve a targeted mix of fixed and floating rate indebtedness and for other purposes.

At December 31, 2020, SJHS was party to seven interest rate swap agreements with a current notional amount totaling approximately $418 million and with varying expiration dates. The swap agreements require SJHS to make fixed rate payments in exchange for variable rate payments made by the counterparties. SJHS's payment obligations under such swap agreements are secured by Obligations issued under the Master Indenture.

Below is a summary of those swap agreements, including the fair value of the swaps as of December 31, 2020. Fair values are based on independent valuations obtained and are determined by calculating the value of the discounted cash flows of the differences between the fixed interest rate of the interest rate swaps and the counterparty's forward London Interbank Offered Rate curve, which is the input used in the valuation, also taking into account any nonperformance risk. Changes in the fair value of the interest rate swaps are included within non-operating gains and losses. See also the discussion under "Other Information - Interest Rate Swap Agreements" and Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

DESCRIPTION	NOTIONAL	TERM	COUNTERPARTY	RECEIVE	PAY	FAIR VALUE
Fixed Payor	$6,900,000	Jul-21	Morgan Stanley	68% of 3 Month LIBOR	3.305%	($110,000)
Fixed Payor	$170,635,000	Jul-47	MUFG Union	68% of 3 Month LIBOR	3.529%	($72,501,000)
Fixed Payor	$45,305,000	Jul-47	Wells Fargo	68% of 3 Month LIBOR	3.520%	($18,689,000)
Fixed Payor	$62,800,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	($16,206,000)
Fixed Payor	$62,850,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	($16,187,000)
Fixed Payor	$69,390,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	($17,910,000)

Entering into derivative agreements including those described above creates a variety of risks to the System. Pursuant to certain of these agreements, both SJHS and the counterparty are required to deliver collateral in certain circumstances in order to secure their respective obligations under the agreements. As of December 31, 2020, SJHS posted collateral in the amount of approximately $39,866,000. The amount of collateral delivered by SJHS over the term of the agreements could increase or decrease based upon SJHS' credit ratings and movements of United States dollar swap rates and could be substantial. Under certain circumstances, the derivative agreements are subject to termination prior to their scheduled termination date and prior to the maturity of the related revenue bonds. Payments due upon early termination may be substantial. In the event of an early termination of an agreement, there can be no assurance that (i) SJHS or any other Obligated Group Member will receive any termination payment payable to it by the provider, (ii) SJHS or any other Obligated Group Member will have sufficient amounts to pay a termination payment payable by it to the provider, or (iii) SJHS or the other Obligated Group Members will be able to obtain a replacement agreement with comparable terms. For financial reporting purposes, the System has generally not treated its swap agreements as effective hedges against the interest cost of underlying debt. To the extent that swaps are not treated as effective hedges, the System must recognize any changes in the fair market value of the swaps agreements and the related debt as non-operating gains or losses. See Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

Litigation

Certain material litigation may result in an adverse outcome to the Obligated Group. Obligated Group Members are involved in litigation and regulatory investigations arising in the course of doing business. After consultation with legal counsel, except as described below, management estimates that these matters will be resolved without material adverse effect on the Obligated Group's future consolidated financial position or results of operations.

In 2019, the U.S. Department of Justice served Swedish Health Services with a Civil Investigative Demand requesting documents pertaining to certain arrangements and joint ventures and physician organizations. Swedish is cooperating with the Department and compiling the responsive documents.

Several civil actions are pending or threatened against certain affiliates, including Obligated Group Members, alleging medical malpractice. In the opinion of management of Providence, based upon the advice of legal counsel and risk management personnel, the currently estimated costs and related expenses of defense will be within applicable insurance limits or will not materially adversely affect the financial condition or operations of the System.

In early May 2020, Hoag Family Foundation and APM, two of the three corporate members of Hoag Hospital, filed a complaint under a California Corporations Code statute seeking to involuntarily dissolve CHN, the third corporate member. The complaint seeks to remove Hoag Hospital as an Obligated Group Member. There has been no allegation that the Affiliation Agreement creating CHN has been breached, and there is no provision in the agreement for its termination or dissolution. The System believes that the complaint is without merit and believes the legal process will vindicate this position. Hoag accounts for less than 6 percent of the Obligated Group's audited total operating revenues for the fiscal year ended December 31, 2020 and less than 6 percent of the System's audited total operating revenues for the fiscal year ended December 31, 2020.

Employees

As of December 31, 2020, the System included approximately 120,000 employed caregivers (excluding Hoag), representing 103,036 FTEs. Of the total employees in the System, approximately 32 percent are represented by 19 different labor unions.

Providence management strives to provide market-competitive salaries and benefits to all employees in all markets. Management of Providence believes the salary levels and benefits packages for its employees are competitive in all the respective markets. At the same time, management understands that the health care industry is rapidly evolving. The leadership of each of the separate employers within the System is working to ensure the compensation and benefits are modern and reflect competitive market practices. This will require continued negotiations at the various employers within the System throughout 2021. In the past two years, the System has experienced strikes at different facilities, as a result of contract negotiations. In each situation, the facility operated with qualified replacement employees and experienced limited disruption to hospital operations or patient service. Management is also aware of ongoing organizing efforts by labor unions within the health care industry, including in markets where the separate employers within the System operate.

The separate employers across the System have implemented new programs and procedures for all employees, including temporary supplemental pay programs, accelerated hiring processes and procedures that support employee redeployment to ensure continued patient care during the COVID-19 pandemic, and will revisit as appropriate. In December 2020, after the Pfizer and Moderna COVID-19 vaccines received emergency use authorization from the FDA, Providence began a campaign to vaccinate its caregivers. Providence also rolled out pay programs to support caregivers who must receive their vaccine dose(s) on their days off and those who experience adverse vaccine side effects which keep them from work.

In 2020, Providence management established a social responsibility platform that includes a stronger commitment to diversity, equity, and inclusion, and has begun accelerating this important work. We updated our Integrated Strategic & Financial Plan to more clearly express our commitment to address racial disparities in health care and the social determinants of health.

Community Benefit

Informed by our community health needs assessments, we make strategic proactive investments in community-focused health and social service programs, health professions education, and research directly responding to unmet needs. In addition, we provide free and discounted care for the uninsured and underinsured to ensure vital access. We also cover the unpaid cost of Medicaid in the communities we serve.

Building on our commitment to care for those who are poor and vulnerable, we have invested $1.8 billion in community benefit in the fiscal year ended December 31, 2020, compared with $1.5 billion in 2019. Because we served more people covered by Medicaid who needed higher acuity and more complex care in 2020, our unpaid costs of Medicaid totaled $1.1 billion for the fiscal year ended December 31, 2020, compared with $816 million in 2019.

Insurance

Providence has developed insurance programs that provide coverage for various insurable risks. The program uses benchmarking and insurance analytics to guide its decisions regarding both the type of coverage it purchases and the limits of that insurance. The analytics use claims and historical data to estimate the cost and likelihood of certain events occurring such as an earthquake. The premium for an additional limit can then be compared to the probability of the event to pinpoint when the purchase of an additional insurance limit no longer provides a value to the System. The insurance team and brokers negotiate all types of insurance to obtain the most favorable terms of coverage possible. Insurers must have an A rating or better from A.M. Best to be on the System program. Management meets with its key underwriters at least once a year to obtain updates on any changes in business strategy or capacity. Providence currently self-insures a portion of its professional and general liability. Such claims are paid either through a trust arrangement or captive insurance company funded to a 75 percent confidence level based on projections from outside independent actuaries. The major lines of insurance that are renewed yearly include property, directors and officers, employment practices, auto, fiduciary, cyber liability/information security, workers' compensation, crime, and reinsurance for professional and general liability.

Retirement Plans

As described more completely under the caption "Retirement Plans" in Note 9 to the combined audited financial statements included in Exhibit 7, the System currently sponsors defined benefit and contribution plans. Although the System had certain defined benefit plans in place prior to January 1, 2010, in April 2009, the PH&S Board of Directors approved a freeze of the existing defined benefit plans, a cap on the ongoing cash balance interest credit formula, and the implementation of new defined contribution plans referenced within Note 9, all effective December 31, 2009.

The System's remaining unfunded liability with respect to the defined benefit plans decreased from approximately 61 percent at December 31, 2019 to 60 percent at December 31, 2020. The decrease in the unfunded liability occurred primarily due to a change in the valuation discount rate. The System's contribution to the defined benefit plans was approximately $113 million and $100 million at December 31, 2020 and 2019, respectively.

The System sponsors various defined contribution retirement plans that cover substantially all employees. The plans provide for employer matching contributions in an amount equal to a percentage of employee pretax contributions, up to a maximum amount. In addition, the System makes contributions to eligible employees based on years of service. Retirement expense related to these plans was $545 million and $500 million in December 31, 2020 and 2019, respectively, and is reflected in salaries and benefit expense in the accompanying combined statements of operations.

Accreditation and Memberships

The System's acute care hospital facilities are appropriately licensed by applicable state licensing agencies, certified for Medicare and Medicaid/Medi-Cal reimbursement, and (except Covenant Levelland, Providence Seward Medical Center, and Providence Valdez Medical Center) accredited by The Joint Commission. The System's five hospitals operated by Swedish Health Services are accredited by DNV. Each long-term care facility or unit is licensed by applicable state licensing agencies and is appropriately certified for Medicare and Medicaid/Medi-Cal reimbursement.

Glossary of Terms

Credit Group:	Obligated Group Members, Designated Affiliates, and Limited Credit Group Participants, and Unlimited Credit Group Participants, collectively.
Obligated Group or Obligated Group Members:	Obligated Group Members under the Master Indenture and currently: Providence PH&S Providence – Washington Providence – Southern California LCMASC Providence – Saint John's Providence – SJMC Montana Providence – Montana Providence – Oregon Providence – Western Washington Swedish Swedish Edmonds PacMed Western HealthConnect Kadlec SJHS St. Joseph Orange St. Jude Mission Hospital St. Mary Hoag Hospital SJHNC Queen of the Valley Santa Rosa Memorial St. Joseph Eureka Redwood Memorial CHS CMC Covenant Children's Covenant Levelland Covenant Plainview
Designated Affiliates:	Designated Affiliates under the Master Indenture. There are currently no Designated Affiliates.
Limited Credit Group Participants:	Limited Credit Group Participants under the Master Indenture. There are currently no Limited Credit Group Participants.
Unlimited Credit Group Participants:	Unlimited Credit Group Participants under the Master Indenture. There are currently no Unlimited Credit Group Participants.

CHS:	Covenant Health System, a Texas nonprofit corporation and currently an Obligated Group Member.
CMC:	Covenant Medical Center, a Texas nonprofit corporation and currently an Obligated Group Member.
Covenant Children's:	Methodist Children's Hospital, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Children's Hospital.
Covenant Levelland:	Methodist Hospital Levelland, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Lovelland Hospital.
Covenant Plainview:	Methodist Hospital Plainview, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Plainview Hospital.
Hoag Hospital:	Hoag Memorial Hospital Presbyterian, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Kadlec:	Kadlec Regional Medical Center, a Washington nonprofit corporation and currently an Obligated Group Member.
LCMASC:	Little Company of Mary Ancillary Services Corporation, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Mission Hospital:	Mission Hospital Regional Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
PacMed:	PacMed Clinics, a Washington nonprofit corporation and currently an Obligated Group Member.
PH&S:	Providence Health & Services, a Washington nonprofit corporation and currently an Obligated Group Member.

Providence – Montana:	Providence Health & Services – Montana, a Montana nonprofit corporation and currently an Obligated Group Member.
Providence – Oregon:	Providence Health & Services – Oregon, an Oregon nonprofit corporation and currently an Obligated Group Member.
Providence – Saint John's:	Providence Saint John's Health Center, a California nonprofit religious corporation and currently an Obligated Group Member.
Providence – SJMC Montana:	Providence St. Joseph Medical Center, a Montana nonprofit corporation and currently an Obligated Group Member.
Providence – Southern California:	Providence Health System – Southern California, a California nonprofit religious corporation and currently an Obligated Group Member.
Providence – Washington:	Providence Health & Services – Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
Providence – Western Washington:	Providence Health & Services – Western Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
Providence St. Joseph Health, Providence, we, us, our:	Providence St. Joseph Health, a Washington nonprofit corporation and currently an Obligated Group Member and the Obligated Group Agent.
Queen of the Valley:	Queen of the Valley Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Redwood Memorial:	Redwood Memorial Hospital of Fortuna, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Santa Rosa Memorial:	Santa Rosa Memorial Hospital, a California nonprofit public benefit corporation and currently an Obligated Group Member.
SJHNC:	St. Joseph Health Northern California, LLC, a California limited liability company and currently an Obligated Group Member.
SJHS:	St. Joseph Health System, a California nonprofit public benefit corporation and currently an Obligated Group Member.
St. Joseph Eureka:	St. Joseph Hospital of Eureka, a California nonprofit public benefit corporation and currently an Obligated Group Member.
St. Joseph Orange:	St. Joseph Hospital of Orange, a California nonprofit public benefit corporation and currently an Obligated Group Member.
St. Jude:	St. Jude Hospital, Inc., a California nonprofit public benefit corporation and currently an Obligated Group Member, doing business as St. Jude Medical Center.
St. Mary:	St. Mary Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Swedish:	Swedish Health Services, a Washington nonprofit corporation and currently an Obligated Group Member.
Swedish Edmonds:	Swedish Edmonds, a Washington nonprofit corporation and currently an Obligated Group Member.
System:	Providence and all entities that are included within the combined financial statements of Providence.
Western HealthConnect:	Western HealthConnect, a Washington nonprofit corporation and currently an Obligated Group Member.

Exhibit 6 – Obligated Group Facilities

Exhibit 6.1
Acute Care Facilities by Region

A list of the System's acute care facilities in each region as of December 31, 2020, each of which is owned, operated, or managed by an Obligated Group Member:

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
Alaska				
	Providence Health & Services-Washington	Providence Alaska Medical Center	Anchorage	401
		Providence Kodiak Island Medical Center [1]	Kodiak	25
		Providence Seward Medical and Care Center [2]	Seward	6
		Providence Valdez Medical Center [2]	Valdez	11
Swedish				
	Swedish Edmonds	Swedish Edmonds [1]	Edmonds	217
		Swedish Medical Center Campuses [3]:		
	Swedish Health Services	Swedish Ballard	Ballard	133
		Swedish Issaquah	Issaquah	175
		Swedish Cherry Hill	Seattle	349
		Swedish First Hill	Seattle	697
Washington and Montana				
	Providence Health & Services-Washington	Providence Centralia Hospital	Centralia	128
		Providence Regional Medical Center Everett	Everett	571
		Providence St. Peter Hospital [4]	Olympia	372
	Providence Health & Services-Washington	Providence St. Joseph's Hospital	Chewelah	65
		Providence Mount Carmel Hospital	Colville	55
		Providence Sacred Heart Medical Center and Children's Hospital	Spokane	691
		Providence Holy Family Hospital	Spokane	197
		Providence St. Mary Medical Center	Walla Walla	142
	Kadlec Regional Medical Center	Kadlec Regional Medical Center	Richland	337
	Providence Health & Services-Montana	St. Patrick Hospital	Missoula (MT)	253
	Providence St. Joseph Medical Center	Providence St. Joseph Medical Center	Polson (MT)	22
Oregon				
	Providence Health & Services-Oregon	Providence Hood River Memorial Hospital	Hood River	25
		Providence Medford Medical Center	Medford	168
		Providence Milwaukie Hospital	Milwaukie	77
		Providence Newberg Medical Center	Newberg	40
		Providence Willamette Falls Medical Center	Oregon City	143
		Providence St. Vincent Medical Center	Portland	523
		Providence Portland Medical Center	Portland	483
		Providence Seaside Hospital [1]	Seaside	25

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
Northern California				
	St. Joseph Health Northern California, LLC.	St. Joseph Hospital	Eureka	153
		Redwood Memorial Hospital	Fortuna	35
		Queen of the Valley Medical Center	Napa	200
		Santa Rosa Memorial Hospital	Santa Rosa	298
		Petaluma Valley Hospital [2]	Petaluma	80
Southern California				
	Providence Health System-Southern California	Providence St. Joseph Medical Center	Burbank	392
		Providence Holy Cross Medical Center	Mission Hills	329
		Providence Little Company of Mary Medical Center San Pedro	San Pedro	183
		Providence Tarzana Medical Center [2]	Tarzana	249
		Providence Little Company of Mary Medical Center Torrance	Torrance	327
	Providence Saint John's Health Center	Providence Saint John's Health Center	Santa Monica	266
	St. Mary Medical Center	St. Mary Medical Center	Apple Valley	213
	St. Jude Medical Hospital, Inc.	St. Jude Medical Center	Fullerton	320
		Mission Hospital Regional Medical Center Campuses [5]:		504
	Mission Hospital Regional Medical Center	Mission Hospital Regional Medical Center	Mission Viejo	
		Mission Hospital Laguna Beach	Laguna Beach	
		Hoag Memorial Hospital Presbyterian Campuses [6]:		518
	Hoag Memorial Hospital Presbyterian	Hoag Memorial Hospital Presbyterian	Newport Beach	
		Hoag Hospital Irvine	Irvine	
	St. Joseph Hospital of Orange	St. Joseph Hospital of Orange [7]	Orange	463
Texas				
	Methodist Hospital Levelland	Covenant Hospital Levelland	Levelland	48
		CHS Campuses:		381
	Covenant Health System	Covenant Medical Center	Lubbock	
		Covenant Medical Center - Lakeside	Lubbock	
		Grace Medical Center	Lubbock	155
	Methodist Children's Hospital	Covenant Children's Hospital	Lubbock	275
	Methodist Hospital Plainview	Covenant Hospital Plainview	Plainview	68
TOTAL				**11,788**

* Includes all acute care licensure categories except for normal newborn bassinettes and partial hospitalization psychiatric beds
[1] Leased by an obligated group member
[2] Managed by an obligated group member, however not a member of the obligated group
[3] Four campuses with three licenses
[4] Includes a 50-bed chemical dependency center
[5] Two campuses on one license, including 36 acute care psychiatric beds in Laguna Beach
[6] Two campuses on one license
[7] Includes 37 acute care psychiatric beds

Exhibit 6.2
Long-Term Care Facilities by Region

The System's principal owned or leased long-term care facilities as of December 31, 2020, each of which is owned, operated, or managed by an Obligated Group Member:

Region	Obligated Group Member	Facility	Location(s)	Licensed Long-Term Care Beds
Alaska				
	Providence Health & Services-Washington	Providence Kodiak Island Medical Center [1]	Kodiak	22
		Providence Seward Medical and Care Center [1]	Seward	40
		Providence Valdez Medical Center [2]	Valdez	10
		Providence Extended Care	Anchorage	96
		Providence Transitional Care Center	Anchorage	50
Washington and Montana				
	Providence Health & Services-Washington	Providence Marionwood	Issaquah	117
		Providence Mother Joseph Care Center	Olympia	152
		Providence Mount St. Vincent	Seattle	215
	Providence Health & Services-Washington	Providence St. Joseph Care Center	Spokane	113
Oregon				
	Providence Health & Services-Oregon	Providence Benedictine Nursing Center	Mt. Angel	98
		Providence Child Center	Portland	58
Northern California				
	St. Joseph Health Northern California, LLC.	Santa Rosa Memorial Hospital	Santa Rosa	31
Southern California				
	Providence Health System-Southern California	Providence Holy Cross Medical Center	Mission Hills	48
		Providence Little Company of Mary Subacute Care Center San Pedro	San Pedro	125
		Providence Little Company of Mary Transitional Care Center	Torrance	115
		Providence St. Elizabeth Care Center	North Hollywood	52
Texas				
	Covenant Health System	Covenant Long-term Acute Care [2]	Lubbock	56
TOTAL				**1,398**

[1] Lease by an obligated group member

[2] Managed or owned by an obligated group member, however not a member of the obligated group

Exhibit 7 – Supplementary Information

[ATTACHED]

Providence

EXHIBIT 7.1 - SUMMARY AUDITED COMBINED STATEMENTS OF OPERATIONS

	Ended December 31, 2020 (in 000's of dollars)		Ended December 31, 2019 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Operating Revenues:				
Net Patient Service Revenues	$ 18,964,084	17,761,749	19,882,771	18,942,163
Premium Revenues	2,423,924	280,738	2,375,699	218,721
Capitation Revenues	1,732,072	767,954	1,514,449	682,235
Other Revenues	2,554,510	2,078,110	1,252,498	1,131,482
Total Operating Revenues	25,674,590	20,888,551	25,025,417	20,974,601
Operating Expenses:				
Salaries and Benefits	12,646,320	11,001,078	12,172,125	10,867,963
Supplies	3,821,427	3,515,553	3,697,745	3,422,267
Purchased Healthcare Services	1,988,983	408,792	2,049,290	390,689
Interest, Depreciation, and Amortization	1,374,618	1,257,945	1,344,735	1,253,021
Purchased Services, Professional Fees, and Other	6,149,563	4,442,402	5,388,494	4,049,638
Total Operating Expenses Before Restructuring Costs	25,980,911	20,625,770	24,652,389	19,983,578
(Deficit) Excess of Revenues Over Expenses from Operations Before Restructuring Costs	(306,321)	262,781	373,028	991,023
Restructuring Costs	-	-	158,729	158,729
(Deficit) Excess of Revenues Over Expenses From Operations	(306,321)	262,781	214,299	832,294
Total Net Non-Operating (Losses) Gains	1,045,857	877,050	1,144,047	972,747
Excess of Revenues Over Expenses	$ 739,536	1,139,831	1,358,346	1,805,041

EXHIBIT 7.2 - SUMMARY AUDITED COMBINED STATEMENTS OF CASH FLOWS

	Ended December 31, 2020 (in 000's of dollars)		Ended December 31, 2019 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Net Cash Provided by Operating Activities	$ 3,148,727	3,525,593	963,361	2,457,092
Net Cash Used in Investing Activities	(1,741,794)	(1,129,877)	(1,474,810)	(2,325,152)
Net Cash Provided by (Used in) Financing Activities	507,062	(748,447)	230,261	(525,550)
Increase (Decrease) in Cash and Cash Equivalents	1,913,995	1,647,269	(281,188)	(393,610)
Cash and Cash Equivalents, Beginning of Period	1,316,209	633,478	1,597,397	1,027,088
Cash and Cash Equivalents, End of Period	$ 3,230,204	2,280,747	1,316,209	633,478

EXHIBIT 7.3 - SUMMARY AUDITED NET PATIENT SERVICE REVENUE PAYOR MIX

	Ended December 31, 2020 (in 000's of dollars)		Ended December 31, 2019 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Commercial	49%	48%	50%	49%
Medicare	32%	32%	32%	32%
Medicaid	16%	17%	15%	16%
Self-pay and Other	3%	3%	3%	3%

Providence

EXHIBIT 7.4 - SUMMARY AUDITED COMBINED BALANCE SHEETS

	As of December 31, 2020 (in 000's of dollars)		As of December 31, 2019 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Current Assets:				
Cash and Cash Equivalents	$ 3,230,204	2,280,747	1,316,209	633,478
Accounts Receivable, Net	2,365,360	2,183,641	2,400,037	2,255,555
Supplies Inventory	361,272	343,909	283,256	271,513
Other Current Assets	1,479,535	1,283,925	1,232,738	1,168,026
Current Portion of Assets Whose Use is Limited	1,227,531	885,284	701,720	341,065
Total Current Assets	8,663,902	6,977,506	5,933,960	4,669,637
Assets Whose Use is Limited	11,505,848	8,308,067	10,854,956	8,183,847
Property, Plant, and Equipment, Net	11,033,440	9,866,197	10,977,989	10,435,875
Other Assets	3,451,231	3,687,795	2,785,088	3,177,694
Total Assets	$ 34,654,421	28,839,565	30,551,993	26,467,053
Current Liabilities:				
Current Portion of Long-Term Debt	$ 127,107	110,353	85,111	80,924
Master Trust Debt Classified as Short-Term	933,860	933,860	205,240	205,240
Accounts Payable	1,155,330	978,443	1,034,992	909,251
Accrued Compensation	1,452,606	1,321,568	1,145,308	1,057,534
Other Current Liabilities	3,020,050	2,106,505	2,427,583	1,780,475
Total Current Liabilities	6,688,953	5,450,729	4,898,234	4,033,424
Long-Term Debt, Net of Current Portion	6,061,327	5,698,916	6,393,194	6,280,796
Pension Benefit Obligation	1,202,762	1,202,862	1,093,830	1,093,830
Other Liabilities	3,985,353	2,739,486	2,291,687	1,223,193
Total Liabilities	17,938,395	15,091,993	14,676,945	12,631,243
Net Assets:				
Controlling Interests	14,857,133	12,741,287	14,344,233	12,911,678
Noncontrolling Interests	308,509	(533)	149,783	(475)
Net Assets Without Donor Restrictions	15,165,642	12,740,754	14,494,016	12,911,203
Net Assets With Donor Restrictions	1,550,384	1,006,818	1,381,032	924,607
Total Net Assets	16,716,026	13,747,572	15,875,048	13,835,810
Total Liabilities and Net Assets	$ 34,654,421	28,839,565	30,551,993	26,467,053

Providence

EXHIBIT 7.5 - KEY PERFORMANCE METRICS

	Ended December 31, 2020		Ended December 31, 2019	
	Consolidated	Obligated	Consolidated	Obligated
Inpatient Admissions	446,966	429,199	506,581	496,847
Acute Patient Days	2,339,728	2,254,003	2,464,462	2,413,118
Acute Outpatient Visits	11,671,846	10,938,450	12,862,964	12,099,750
Primary Care Visits	12,303,694	7,740,634	13,071,341	8,418,009
Inpatient Surgeries	186,823	179,387	219,945	213,959
Outpatient Surgeries	402,611	290,006	479,339	353,617
Long-Term Care Admissions	5,742	5,324	8,056	7,664
Long-Term Care Patient Days	340,396	329,871	401,925	391,803
Long-Term Care Average Daily Census	224	195	238	210
Home Health Visits	1,150,386	730,649	1,367,849	884,553
Hospice Days	1,074,947	616,459	1,027,037	605,087
Housing and Assisted Living Days	600,757	221,764	619,485	241,802
Health Plan Members	699,076	n/a	648,865	n/a
Acute Average Daily Census	6,393	6,158	6,752	6,611
Acute Licensed Beds	11,817	11,287	11,908	11,576
FTEs	103,036	89,643	104,780	92,318
Historical Debt Service Coverage Ratio	3.92	5.04	5.11	6.56

Providence

EXHIBIT 7.6 - SUMMARY AUDITED COMBINING STATEMENTS OF OPERATIONS BY REGION

	Ended December 31, 2020 (in 000's of dollars)								
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Operating Revenues:									
Net Patient Service Revenues	$ 827,835	2,328,859	4,393,093	2,239,258	1,371,838	6,022,678	1,051,944	728,579	18,964,084
Premium Revenues	-	-	-	2,155,497	-	45	-	268,382	2,423,924
Capitation Revenues	-	-	164,833	13,897	84,880	1,467,515	-	947	1,732,072
Other Revenues	78,556	340,226	431,195	495,335	114,620	638,588	124,459	331,531	2,554,510
Total Operating Revenues	906,391	2,669,085	4,989,121	4,903,987	1,571,338	8,128,826	1,176,403	1,329,439	25,674,590
Operating Expenses:									
Salaries and Benefits	363,942	1,332,786	2,291,425	1,631,128	602,322	2,832,538	476,983	3,115,196	12,646,320
Supplies	116,823	435,031	790,085	458,934	211,773	1,125,854	222,496	460,431	3,821,427
Purchased Healthcare Services	-	1,575	98,513	1,199,513	46,147	532,284	-	110,951	1,988,983
Interest, Depreciation, and Amortization	60,591	136,387	173,151	119,149	63,670	365,351	71,034	385,285	1,374,618
Purchased Services, Professional Fees, and Other	290,545	908,395	1,632,631	1,300,061	641,321	3,337,784	388,058	(2,349,232)	6,149,563
Total Operating Expenses Before Restructuring Costs	831,901	2,814,174	4,985,805	4,708,785	1,565,233	8,193,811	1,158,571	1,722,631	25,980,911
(Deficit) Excess of Revenues Over Expenses from Operations Before Restructuring Costs	74,490	(145,089)	3,316	195,202	6,105	(64,985)	17,832	(393,192)	(306,321)
Restructuring Costs	-	-	-	-	-	-	-	-	-
(Deficit) Excess of Revenues Over Expenses From Operations	74,490	(145,089)	3,316	195,202	6,105	(64,985)	17,832	(393,192)	(306,321)
Total Net Non-Operating Losses	110,658	62,241	113,527	205,157	43,514	361,512	26,584	122,664	1,045,857
(Deficit) Excess of Revenues Over Expenses	$ 185,148	(82,848)	116,843	400,359	49,619	296,527	44,416	(270,528)	739,536

Providence

EXHIBIT 7.7 - SUMMARY AUDITED COMBINING BALANCE SHEETS BY REGION

	As of December 31, 2020 (in 000's of dollars)								
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Current Assets:									
Cash and Cash Equivalents	$ 653,274	160,306	309,764	1,317,164	147,256	(397,364)	294,938	744,866	3,230,204
Accounts Receivable, Net	123,317	297,498	500,866	211,061	157,683	824,262	159,870	90,803	2,365,360
Supplies Inventory	15,199	39,716	66,111	47,022	22,764	86,719	18,461	65,280	361,272
Other Current Assets	18,859	40,605	110,632	197,661	164,805	681,853	(4,296)	269,416	1,479,535
Current Portion of Assets Whose Use is Limited	-	-	-	-	2,326	520,753	-	704,452	1,227,531
Total Current Assets	810,649	538,125	987,373	1,772,908	494,834	1,716,223	468,973	1,874,817	8,663,902
Assets Whose Use is Limited	1,083,273	664,763	1,046,602	2,442,501	475,133	3,264,531	288,346	2,240,699	11,505,848
Property, Plant, and Equipment, Net	445,055	1,248,970	1,572,152	1,034,192	702,399	3,977,408	711,826	1,341,438	11,033,440
Other Assets	66,812	399,090	318,966	146,295	28,570	1,212,024	110,071	1,169,403	3,451,231
Total Assets	$ 2,405,789	2,850,948	3,925,093	5,395,896	1,700,936	10,170,186	1,579,216	6,626,357	34,654,421
Current Liabilities:									
Current Portion of Long-Term Debt	3,978	15,362	880	(1,154)	42,581	55,233	9,342	885	127,107
Master Trust Debt Classified as Short-Term	-	-	-	-	-	85,397	-	848,463	933,860
Accounts Payable	21,705	88,339	129,388	77,547	44,203	380,683	36,028	377,437	1,155,330
Accrued Compensation	40,763	118,183	218,920	174,861	50,813	349,476	57,158	442,432	1,452,606
Other Current Liabilities	43,632	145,657	471,536	546,595	158,649	834,317	117,367	702,297	3,020,050
Total Current Liabilities	110,078	367,541	820,724	797,849	296,246	1,705,106	219,895	2,371,514	6,688,953
Long-Term Debt, Net of Current Portion	265,274	996,932	1,109,068	133,239	306,014	1,972,710	470,489	807,601	6,061,327
Pension Benefit Obligation	-	424,361	-	9,060	-	-	-	769,341	1,202,762
Other Liabilities	95,863	426,522	387,116	255,489	141,730	898,149	137,889	1,642,595	3,985,353
Total Liabilities	$ 471,215	2,215,356	2,316,908	1,195,637	743,990	4,575,965	828,273	5,591,051	17,938,395
Net Assets:									
Controlling Interests	1,904,802	518,120	1,529,010	3,940,327	880,745	4,477,801	683,149	923,179	14,857,133
Noncontrolling Interests	382	2,023	-	(90)	-	256,324	24,142	25,728	308,509
Net Assets Without Donor Restrictions	1,905,184	520,143	1,529,010	3,940,237	880,745	4,734,125	707,291	948,907	15,165,642
Net Assets With Donor Restrictions	29,390	115,449	79,175	260,022	76,201	860,096	43,652	86,399	1,550,384
Total Net Assets	1,934,574	635,592	1,608,185	4,200,259	956,946	5,594,221	750,943	1,035,306	16,716,026
Total Liabilities and Net Assets	$ 2,405,789	2,850,948	3,925,093	5,395,896	1,700,936	10,170,186	1,579,216	6,626,357	34,654,421

Providence

EXHIBIT 7.8 - KEY PERFORMANCE METRICS BY REGION

	As of December 31, 2020							
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Consolidated
Inpatient Admissions	15,100	48,236	115,136	56,480	25,399	164,346	22,269	446,966
Acute Patient Days	110,608	271,215	643,325	302,765	138,152	748,858	124,805	2,339,728
Acute Outpatient Visits	397,038	845,909	2,933,319	3,187,522	662,322	2,999,176	646,560	11,671,846
Primary Care Visits	83,498	1,612,262	3,676,146	2,257,242	620,349	3,266,821	539,180	12,303,694
Inpatient Surgeries	7,846	22,548	53,812	25,857	7,483	62,838	6,439	186,823
Outpatient Surgeries	10,511	47,408	105,605	109,210	13,826	94,607	21,445	402,611
Long-Term Care Admissions	218	n/a	n/a	75	n/a	2,645	418	5,742
Long-Term Care Patient Days	54,439	n/a	n/a	10,507	n/a	73,039	10,525	340,396
Long-Term Care Average Daily Census	115	n/a	n/a	29	n/a	n/a	29	224
Home Health Visits	15,604	n/a	5,468	n/a	63,153	n/a	n/a	1,150,386
Hospice Days	22,505	n/a	n/a	n/a	125,452	531	67,412	1,074,947
Housing and Assisted Living Days	28,931	n/a	11,526	46,610	n/a	n/a	n/a	600,757
Health Plan Members	n/a	n/a	n/a	699,076	n/a	n/a	n/a	699,076
Average Daily Census	302	741	1,758	827	377	2,046	341	6,393
Acute Licensed Beds	482	1,571	2,833	1,484	686	3,834	927	11,817
FTEs	3,638	10,282	21,246	15,097	4,827	25,752	5,303	103,036

PROVIDENCE ST. JOSEPH HEALTH

Combined Financial Statements

December 31, 2020 and 2019

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

Independent Auditors' Report

The Board of Directors
Providence St. Joseph Health:

We have audited the accompanying combined financial statements of Providence St. Joseph Health, which comprise the combined balance sheets as of December 31, 2020 and 2019, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Providence St. Joseph Health as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Obligated Group Combining Balance Sheets and Statements of Operations Information included on pages 36 and 37 is presented for purposes of additional analysis and is not a required part of the combined

financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

KPMG LLP

Seattle, Washington
March 8, 2021

PROVIDENCE ST. JOSEPH HEALTH

Combined Balance Sheets

December 31, 2020 and 2019

(In millions of dollars)

Assets		2020	2019
Current assets:			
Cash and cash equivalents	$	3,230	1,316
Accounts receivable		2,365	2,400
Supplies inventory		361	283
Other current assets		1,480	1,233
Current portion of assets whose use is limited		1,228	702
Total current assets		8,664	5,934
Assets whose use is limited		11,506	10,855
Property, plant, and equipment, net		11,033	10,978
Operating lease right-of-use assets		1,219	1,240
Other assets		2,232	1,545
Total assets	$	34,654	30,552
Liabilities and Net Assets			
Current liabilities:			
Current portion of long-term debt	$	127	85
Master trust debt classified as short-term		934	205
Accounts payable		1,155	1,035
Accrued compensation		1,453	1,145
Current portion of operating lease right-of-use liabilities		262	267
Other current liabilities		2,758	2,161
Total current liabilities		6,689	4,898
Long-term debt, net of current portion		6,061	6,393
Pension benefit obligation		1,203	1,094
Long-term operating lease right-of-use liabilities, net of current portion		1,145	1,167
Other liabilities		2,840	1,125
Total liabilities		17,938	14,677
Net assets:			
Controlling interests		14,857	14,344
Noncontrolling interests		309	150
Net assets without donor restrictions		15,166	14,494
Net assets with donor restrictions		1,550	1,381
Total net assets		16,716	15,875
Total liabilities and net assets	$	34,654	30,552

See accompanying notes to combined financial statements.

PROVIDENCE ST. JOSEPH HEALTH

Combined Statements of Operations

Years ended December 31, 2020 and 2019

(In millions of dollars)

	2020	2019
Operating revenues:		
Net patient service revenues	$ 18,964	19,883
Premium revenues	2,424	2,376
Capitation revenues	1,732	1,514
Other revenues	2,555	1,252
Total operating revenues	25,675	25,025
Operating expenses:		
Salaries and benefits	12,646	12,172
Supplies	3,821	3,698
Purchased healthcare services	1,989	2,049
Interest, depreciation, and amortization	1,375	1,345
Purchased services, professional fees, and other	6,150	5,388
Total operating expenses before restructuring costs	25,981	24,652
(Deficit) excess of revenue over expenses from operations before restructuring costs	(306)	373
Restructuring costs	—	159
(Deficit) excess of revenue over expenses from operations	(306)	214
Net nonoperating gains (losses):		
Loss on extinguishment of debt	—	(14)
Investment income, net	1,106	1,285
Other	(60)	(127)
Total net nonoperating gains	1,046	1,144
Excess of revenues over expenses	$ 740	1,358

See accompanying notes to combined financial statements.

PROVIDENCE ST. JOSEPH HEALTH

Combined Statements of Changes in Net Assets

Years ended December 31, 2020 and 2019

(In millions of dollars)

	Without donor restrictions			
	Controlling interests	Noncontrolling interests	With donor restrictions	Total net assets
Balance, December 31, 2018	$ 12,988	168	1,235	14,391
Excess of revenues over expenses	1,313	45	—	1,358
Contributions, grants, and other	32	(63)	256	225
Net assets released from restriction	56	—	(110)	(54)
Pension related changes	(45)	—	—	(45)
Increase (decrease) in net assets	1,356	(18)	146	1,484
Balance, December 31, 2019	14,344	150	1,381	15,875
Excess of revenues over expenses	688	52	—	740
Contributions, grants, and other	(80)	107	287	314
Net assets released from restriction	53	—	(118)	(65)
Pension related changes	(148)	—	—	(148)
Increase in net assets	513	159	169	841
Balance, December 31, 2020	$ 14,857	309	1,550	16,716

See accompanying notes to combined financial statements.

PROVIDENCE ST. JOSEPH HEALTH

Combined Statements of Cash Flows

Years ended December 31, 2020 and 2019

(In millions of dollars)

		2020	2019
Cash flows from operating activities:			
Increase in net assets	$	841	1,484
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation and amortization		1,110	1,076
Loss on extinguishment of debt		—	14
Restricted contributions and investment income received		(287)	(256)
Net realized and unrealized gains on investments		(973)	(1,139)
Changes in certain current assets and liabilities		1,038	(54)
Change in certain long-term assets and liabilities		1,420	(162)
Net cash provided by operating activities		3,149	963
Cash flows from investing activities:			
Property, plant, and equipment additions, net of disposals		(978)	(1,188)
Purchases of securities, net of sales		(491)	(389)
Purchases of alternative investments and commingled funds		(653)	(604)
Proceeds from sales of alternative investments and commingled funds		680	848
Cash paid through affiliation and divestiture activities, net		(189)	(93)
Other investing activities		(111)	(49)
Net cash used in investing activities		(1,742)	(1,475)
Cash flows from financing activities:			
Proceeds from restricted contributions and restricted income		287	256
Debt borrowings		1,106	1,497
Debt payments		(850)	(1,453)
Other financing activities		(36)	(69)
Net cash provided by financing activities		507	231
Increase (decrease) in cash and cash equivalents		1,914	(281)
Cash and cash equivalents, beginning of year		1,316	1,597
Cash and cash equivalents, end of year	$	3,230	1,316
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of amounts capitalized	$	267	276

See accompanying notes to combined financial statements.

(1) Basis of Presentation and Significant Accounting Policies

(a) Reporting Entity

Providence St. Joseph Health (the Health System), a Washington nonprofit corporation, is the sole corporate member of Providence Health & Services (PHS) and the St. Joseph Health System (SJHS). PHS, a Washington nonprofit corporation, is a Catholic healthcare system sponsored by the public juridic person, Providence Ministries. SJHS, a California nonprofit public benefit corporation, is a Catholic healthcare system sponsored by the public juridic person, St. Joseph Health Ministry.

The Health System seeks to improve the health of the communities it serves, especially the poor and vulnerable. The Health System operations include 51 hospitals and a comprehensive range of services provided across Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington. The Health System also provides population health management through various affiliated licensed insurers and other risk-bearing entities.

The Health System has been recognized as exempt from federal income taxes, except on unrelated business income, under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3) and further described as a public charitable organization under Section 509(a)(3). PHS, SJHS, and substantially all of the various corporations within the Health System have been granted exemptions from federal income tax under Section 501(a) of the Internal Revenue Code as charitable organizations described in Section 501(c)(3). During 2020 and 2019, the Health System did not record any liability for unrecognized tax benefits.

(b) Basis of Presentation

The accompanying combined financial statements of the Health System were prepared in accordance with U.S. generally accepted accounting principles and include the assets, liabilities, revenues, and expenses of all wholly owned affiliates, majority-owned affiliates over which the Health System exercises control, and, when applicable, entities in which the Health System has a controlling financial interest. Intercompany balances and transactions have been eliminated in combination.

(c) Performance Indicator

The performance indicator is the excess of revenues over expenses. Changes in unrestricted net assets that are excluded from the performance indicator include net assets released from restriction for the purchase of property, plant, and equipment, certain changes in funded status of pension and other postretirement benefit plans, restricted contributions from affiliations, net changes in noncontrolling interests in combined joint ventures, and certain other activities.

(d) Operating and Nonoperating Activities

The Health System's primary mission is to meet the healthcare needs in its market areas through a broad range of general and specialized healthcare services, including inpatient acute care, outpatient services, physician services, long-term care, population health management, and other healthcare and health insurance services. Activities directly associated with the furtherance of this mission are considered to be operating activities. Other activities that result in gains or losses peripheral to the Health System's primary mission are considered to be nonoperating. Nonoperating activities include investment earnings, gains or losses from debt extinguishment, certain pension related costs, gains or losses on interest rate swaps, and certain other activities.

(e) Restructuring Costs

Restructuring costs were recorded during the year ended December 31, 2019. The amounts were comprised of severance, consulting expenses and asset impairment related to restructuring initiatives. There were no restructuring costs recorded during the year ended December 31, 2020.

(f) Use of Estimates and Assumptions

The preparation of the combined financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions are used for, but not limited to: (1) allowance for contractual revenue adjustments; (2) fair value of acquired assets and assumed liabilities in business combinations; (3) fair value of investments; (4) reserves for self-insured healthcare plans; and (5) reserves for professional, workers' compensation and general insurance liability risks.

The accounting estimates used in the preparation of the combined financial statements will change as new events occur, additional information is obtained or the operating environment changes. Assumptions and the related estimates are updated on an ongoing basis and external experts may be employed to assist in the evaluation, as considered necessary. Actual results could materially differ from those estimates.

(g) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original or remaining maturity of three months or less when acquired.

(h) Supplies Inventory

Supplies inventory is stated at the lower of cost (first-in, first-out) or market.

(i) Investments Including Assets Whose Use Is Limited

The Health System has classified all of its investments as trading securities. These investments are reported on the combined balance sheets at fair value on a trade-date basis.

Assets whose use is limited primarily include assets held by trustees under indenture agreements, self-insurance funds, funds held for the payment of health plan medical claims and other statutory reserve requirements, assets held by related foundations, and designated assets set aside by management of the Health System for future capital improvements and other purposes, over which management retains control.

(j) Liquidity

Cash and cash equivalents and accounts receivable are the primary liquid resources used by the Health System to meet expected expenditure needs within the next year. The Health System has credit facility programs, as described in Note 7, available to meet unanticipated liquidity needs. Although intended to satisfy long-term obligations, management estimates that approximately 67% and 68% of noncurrent investments, as stated at December 31, 2020 and 2019, respectively could be utilized within the next year if needed.

(k) Derivative Instruments

The Health System allows certain investment managers to use derivative financial instruments (futures and forward currency contracts) to manage interest rate risk related to the Health System's fixed-income holdings. Also, the Health System uses derivative financial instruments (interest rate swaps) to manage its interest rate exposure and overall cost of borrowing. The interest rate swap agreements do not meet the criteria for hedge accounting and all changes in the valuation are recognized as a component of net nonoperating gains (losses) in the accompanying combined statements of operations.

(l) Net Assets

Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. Amounts related to the Health System's noncontrolling interests in certain joint ventures are included in net assets without donor restrictions.

Net assets with donor restrictions are those whose use by the Health System has been limited by donors to a specific time period, in perpetuity, and/or purpose.

Net assets with donor restrictions are available for the following purposes as of December 31:

		2020	2019
Program support	$	1,242	1,046
Capital acquisition		208	228
Low-income housing and other		100	107
Total net assets with donor restrictions	$	1,550	1,381

(m) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Health System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are

reported at fair value at the date the promise to give is no longer conditional. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When the terms of a donor restriction are met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as other operating revenues in the combined statements of operations or as net assets released from restriction in the combined statements of changes in net assets.

(n) Charity Care and Community Benefit

The Health System provides community benefit activities that address significant health priorities within its geographic service areas. These activities include Medicaid and Medicare shortfalls, community health services, education and research, and free and low-cost care (charity care).

Charity care is reported at cost and is determined by multiplying the charges incurred at established rates for services rendered by the Health System's cost-to-charge ratio. The cost of charity care provided by the Health System for the years ended December 31, 2020 and 2019 was $276 and $303, respectively.

(o) Subsequent Events

The Health System has performed an evaluation of subsequent events through March 8, 2021, the date the accompanying combined financial statements were issued.

(p) New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a lease liability and a right-of-use (ROU) asset for all lease obligations with exception to short-term leases. The lease liability represents the lessee's obligation to make lease payments arising from the lease measured on a discounted basis and the ROU asset represents the lessee's right to use or control the use of a specified asset for a lease term. The lease guidance also simplifies accounting for sale-leaseback transactions. ASU No. 2016-02 was effective for the Health System beginning on January 1, 2019. In 2019, the FASB updated its guidance allowing entities to adopt the provisions of the standard prospectively without adjusting comparative periods. The Health System elected this option. The Health System elected to apply the packages of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification, and initial direct costs. Additionally, the Health System elected to apply the hindsight practical expedient, which allows entities to use hindsight in determining the lease term and in assessing impairment.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash,* which requires the amounts generally described as restricted cash and restricted cash equivalents to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Health System adopted ASU 2016-18 in 2019 and the provisions of the standard did not have an impact on the combined financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820) Changes to the Disclosure Requirements for Fair Value Measurement,* which modifies the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*. The Health System adopted ASU 2018-13 effective January 1, 2020, and the provisions of the standard did not have a material impact on the combined financial statements.

In August 2018, the FASB issued ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract,* which requires implementation costs incurred by customers in cloud computing arrangements to be deferred and recognized over the term of the arrangement, if those costs would be capitalized in a software licensing arrangement under internal-use software guidance in Accounting Standards Codification (ASC) Subtopic 350-40, *Intangibles – Goodwill and Other-Internal-Use Software.* The Health System adopted ASU 2018-15 in 2019, and the provisions of the standard did not have a material impact on the combined financial statements.

In May 2019, the FASB issued ASU 2019-06, *Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit entities,* which provides optional alternatives to goodwill and certain intangible assets acquired in a business combination. The alternatives are intended to (1) reduce the frequency of impairment tests; (2) simplify the impairment test when it is required; and (3) result in recognition of fewer intangible assets in future business combinations. The ASU also provides an alternative to amortize goodwill over ten years, or less than ten years if a shorter useful life is more appropriate. The Health System will adopt the alternatives under the ASU as of January 1, 2021 and begin to amortize goodwill over a ten-year period. The Health System does not expect the standard to have a material impact on the combined financial statements.

(q) Reclassifications

Certain reclassifications, which have no impact on net assets or changes in net assets, have been made to prior year amounts to conform to the current year presentation.

(2) Covid-19 Pandemic and CARES Act Funding

Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted on March 27, 2020, authorized $100,000 in funding to hospitals and other healthcare providers to be distributed through the Public Health and Social Services Emergency Fund (the Fund). Payments from the Fund are intended to compensate healthcare providers for lost revenues and incremental expenses incurred in response to the COVID-19 pandemic and are not required to be repaid provided the recipients attest to and comply with certain terms and conditions, including limitations on balance billing and not using this funding to reimburse expenses or losses that other sources are obligated to reimburse. The U.S. Department of Health and Human Services (HHS) initially distributed $30,000 of this funding based on each provider's share of total Medicare fee-for-service reimbursement in 2019 but announced that $50,000 in CARES Act funding (including the $30,000 already distributed) would be allocated proportional to providers' share of 2018 patient service revenue. HHS indicated that distributions of the remaining $50,000 were targeted primarily to hospitals in COVID-19 high impact areas, to rural providers, and to reimburse providers for COVID-19 related treatment of uninsured patients. The Health System received payments of approximately $1,072

from the Fund in 2020, and $957 was recognized as other operating revenue during the year ended December 31, 2020.

As a way to increase cash flow to Medicare providers impacted by the COVID-19 pandemic, the CARES Act expanded the Medicare Accelerated and Advance Payment Program. Inpatient acute care hospitals may request accelerated payments of up to 100% of the Medicare payment amount for a six-month period (not including Medicare Advantage payments), although CMS is now reevaluating pending and new applications in light of direct payments made available through the Fund. CMS based payment amounts for inpatient acute care hospitals on the provider's Medicare fee-for-service reimbursements in the last six months of 2019. Such accelerated payments are interest free for inpatient acute care hospitals and our ambulatory providers for up to 29 months, and the program currently requires CMS to start recouping the payments beginning 12 months after receipt by the provider by withholding future Medicare fee-for-service payments for claims until the full accelerated payment has been recouped. The recoupment will start at 25% for the first 11 months, and then increase to 50% for the succeeding six months. The program currently requires any outstanding balance remaining after 29 months to be repaid by the provider or be subject to an interest rate currently set at 4%. The payments are made for services a healthcare entity will provide to its Medicare patients who are the healthcare entity's customers. Therefore, they are accounted for as revenue once the services are provided to the patients. In April 2020, the Health System received approximately $1,630 of accelerated payments which have been accrued on the combined balance sheets as of December 31, 2020 in other current and other long-term liabilities. These liabilities will be reduced as payment for services recognized for claims submitted for services provided after the one-year period. As of December 31, 2020, $996 is recorded in other long-term liabilities on the combined balance sheets.

The CARES Act also provided for deferred payment of the employer portion of social security taxes between March 27, 2020 and December 31, 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. The Health System began deferring the employer portion of social security taxes in mid-April 2020. As of December 31, 2020, the Health System deferred $365 in social security taxes which are included in accrued compensation and other long-term liabilities in the accompanying combined balance sheets.

Under accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect reported amounts. Accordingly, the impact of COVID-19 has increased the uncertainty associated with several of the assumptions underlying management's estimates. COVID-19's overall impact on the Health System will be driven primarily by the severity and duration of the pandemic; the pandemic's impact on the United States economy and the timing, scope, and effectiveness of federal, state, and local governmental responses to the pandemic. Those primary drivers are uncertain and beyond management's control and may adversely impact the Health System's revenue growth, supply chain, investments, and workforce, among other aspects of the Health System's business. The actual impact of COVID-19 on the Health System's combined financial statements may differ significantly from the judgments and estimates made as of the year ended December 31, 2020.

(3) Revenue Recognition

(a) Net Patient Service Revenues

The Health System has agreements with governmental and other third-party payors that provide for payments to the Health System at amounts different from established charges. Payment arrangements for major third-party payors may be based on prospectively determined rates, reimbursed cost, discounted charges, per diem payments, or other methods.

Net patient service revenues are recognized at the time services are provided to patients. Revenue is recorded in the amount which the Health System expects to collect, which may include variable components. Variable consideration is included in the transaction price to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Adjustments from finalization of prior years' cost reports and other third-party settlement estimates resulted in an increase in net patient service revenues of $20 and $26 for the years ended December 31, 2020 and 2019, respectively.

Various states in which the Health System operates have instituted a provider tax on certain patient service revenues at qualifying hospitals to increase funding from other sources and obtain additional Federal funds to support increased payments to providers of Medicaid services. The taxes are included in purchased services, professional fees, and other expenses in the accompanying combined statements of operations and were $753 and $597 for the years ended December 31, 2020 and 2019, respectively. These programs resulted in enhanced payments from these states in the way of lump-sum payments and per claim increases. These enhanced payments are included in net patient service revenues in the accompanying combined statements of operations and were $1,082 and $942 for the years ended December 31, 2020 and 2019, respectively.

(b) Premium and Capitation Revenues

Premium and capitation revenues are received on a prepaid basis and are recognized as revenue ratably over the period for which the enrolled member is entitled to healthcare services. The timing of the Health System's performance may differ from the timing of the payment received, which may result in the recognition of a contract asset or a contract liability. The balance of contract liabilities was $30 and $24 as of December 31, 2020 and 2019, respectively and is included in other current liabilities in the combined balance sheets. The Health System has no material contract assets.

(c) Disaggregation of Revenue

The Health System earns the majority of its revenues from contracts with customers. Revenues and adjustments not related to contracts with customers are included in other revenue.

Operating revenues from contracts with customers by state are as follows for the years ended December 31:

	2020	2019
Alaska	$ 830	877
Washington	6,543	7,036
Montana	427	450
Oregon	5,137	5,207
California	9,151	9,083
Texas	1,032	1,120
Total revenues from contracts with customers	23,120	23,773
Other revenues	2,555	1,252
Total operating revenues	$ 25,675	25,025

Operating revenues from contracts with customers by line of business are as follows for the years ended December 31:

	2020	2019
Hospitals	$ 16,145	16,805
Health plans and accountable care	2,739	2,553
Physician and outpatient activities	2,728	2,865
Long-term care, home care, and hospice	1,268	1,198
Other	240	352
Total revenues from contracts with customers	23,120	23,773
Other revenues	2,555	1,252
Total operating revenues	$ 25,675	25,025

(Continued)

Operating revenues from contracts with customers by payor are as follows for the years ended December 31:

		2020	2019
Commercial	$	11,331	11,918
Medicare		8,021	8,017
Medicaid		3,517	3,441
Self-pay and other		251	397
Total revenues from contracts with customers		23,120	23,773
Other revenues		2,555	1,252
Total operating revenues	$	25,675	25,025

(4) Fair Value Measurements

ASC Topic 820, *Fair Value Measurements*, requires a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs include quoted prices (unadjusted) in active markets for identical assets or liabilities that the Health System has the ability to access at the measurement date.
- Level 2 inputs include inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

(a) Assets Whose Use Is Limited

The fair value of assets whose use is limited, other than those investments measured using net asset value per share (NAV) as a practical expedient for fair value, is estimated using quoted market prices or other observable inputs when quoted market prices are unavailable.

The composition of assets whose use is limited is set forth in the following tables:

	December 31, 2020	Fair value measurements at reporting date using Level 1	Level 2	Level 3
Management-designated cash and investments:				
Cash and cash equivalents	$ 940	940	—	—
Equity securities:				
Domestic	1,274	1,274	—	—
Foreign	491	491	—	—
Mutual funds	1,645	1,645	—	—
Domestic debt securities:				
State and federal government	1,613	1,104	509	—
Corporate	1,159	—	1,159	—
Other	851	—	851	—
Foreign debt securities	466	—	466	—
Commingled funds	132	132	—	—
Other	7	4	3	—
Investments measured using NAV	3,455			
Total management-designated cash and investments	12,033			
Gift annuities, trusts, and other	264	53	12	199
Funds held by trustee:				
Cash and cash equivalents	178	178	—	—
Domestic debt securities	232	86	146	—
Foreign debt securities	27	—	27	—
Total funds held by trustee	437			
Total assets whose use is limited	$ 12,734			

(Continued)

	December 31, 2019	Fair value measurements at reporting date using Level 1	Level 2	Level 3
Management-designated cash and investments:				
Cash and cash equivalents	$ 295	295	—	—
Equity securities:				
Domestic	1,193	1,193	—	—
Foreign	398	398	—	—
Mutual funds	1,421	1,421	—	—
Domestic debt securities:				
State and federal government	1,914	1,077	837	—
Corporate	867	—	867	—
Other	759	—	759	—
Foreign debt securities	344	—	344	—
Commingled funds	102	102	—	—
Other	33	2	31	—
Investments measured using NAV	3,628			
Total management-designated cash and investments	10,954			
Gift annuities, trusts, and other	207	53	11	143
Funds held by trustee:				
Cash and cash equivalents	156	156	—	—
Domestic debt securities	210	106	104	—
Foreign debt securities	30	—	30	—
Total funds held by trustee	396			
Total assets whose use is limited	$ 11,557			

The Health System participates in various funds that are not actively marketed on an open exchange. These investments consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Due to the nature of these funds, the NAV per share, or its equivalent, reported by each fund manager is used as a practical expedient to estimate the fair value of the Health System's interest therein. Management believes that the carrying amounts of these financial instruments, provided by the fund managers, are reasonable estimates of fair value.

(Continued)

The following table presents information, including unfunded commitments for investments where the NAV was used to estimate the value of the investments as of December 31:

	Fair value		Unfunded	Redemption	Redemption
	2020	2019	commitments	frequency	notice period
Hedge funds:					
Long/short equity	$ 598	743	—	Monthly, quarterly, semi-annually, or annually	30–120 days
Credit	272	364	—	Quarterly or annually	45–150 days
Relative value	178	201	—	Quarterly	60–90 days
Global macros	112	169	—	Monthly or quarterly	2–90 days
Fund of hedge funds	18	9	—	Quarterly	90 days
Private equity	797	579	667	Not applicable	Not applicable
Private real estate	250	185	222	Not applicable	Not applicable
Real assets	113	136	69	Monthly or quarterly	10–60 days
Commingled	1,117	1,242	—	Monthly, quarterly, or semi-annually	6–90 days
Total	$ 3,455	3,628	958		

The following is a summary of the nature of these investments and their associated risks:

Hedge funds are portfolios of investments that use advanced investment strategies, such as long/short equity, credit, relative value, global macro, and fund of hedge funds positions in both domestic and international markets, with the goal of diversifying portfolio risk and generating return. The Health System's investments in hedge funds include certain funds with provisions that limit the Health System's ability to access assets invested. These provisions include lockup terms that range up to three years from the subscription date or are continuous and determined as a percent of total assets invested. The Health System is in various stages of the lockup periods dependent on hedge fund and period of initial investments.

Private equity and private real estate funds make opportunistic investments that are primarily private in nature. These investments cannot be redeemed by the Health System; rather the Health System has committed an amount to invest in the private funds over the respective commitment periods. After the commitment period has ended, the nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets.

Real asset strategies invest in securities backed by tangible real assets, with the objective of achieving attractive diversified total returns over the long term, while maximizing the potential for real returns in periods of rising inflation. Real asset investments should provide a return in excess of inflation, and their performance should be sensitive to changes in inflation or expectations for future levels of inflation. The real asset category is made up of many different underlying sectors inclusive of agriculture, commodities, gold, infrastructure, private energy, MLPs (Master Limited Partnerships), real estate, REITs (Real Estate Investment Trusts), timberland, and TIPS (Treasury Inflation Protected Securities). Each of these sectors tends to have a high degree of sensitivity to inflation and be less correlated with traditional equities and fixed income.

Commingled describes a type of fund structure. Commingled funds consist of assets from several accounts that are blended together. Investors in commingled fund investments benefit from economies of scale, which allow for lower trading costs per dollar of investment.

(b) Unsettled Transactions

Investment sales and purchases initiated prior to and settled subsequent to the combined balance sheet date result in amounts due from and to brokers. As of December 31, 2020, the Health System recorded a receivable of $35 for investments sold but not settled and a payable of $68 for investments purchased but not settled in other current assets and other current liabilities, respectively, in the accompanying combined balance sheets. As of December 31, 2019, the Health System recorded a receivable of $300 for investments sold but not settled and a payable of $558 for investments purchased but not settled in other current assets and other current liabilities, respectively, in the accompanying combined balance sheets.

(c) Derivative Instruments

The investment managers have executed master netting arrangements with the counterparties of the futures and forward currency purchase and sale contracts whereby the financial instruments held by the same counterparty are legally offset as the instruments are settled. The following table presents gross investment derivative assets and liabilities reported on a net basis at fair value included in assets whose use is limited in the combined balance sheets as of December 31:

		2020	2019
Derivative assets:			
Futures contracts	$	762	681
Foreign currency forwards and other contracts		180	135
Total derivative assets	$	942	816
Derivative liabilities:			
Futures contracts	$	(762)	(681)
Foreign currency forwards and other contracts		(179)	(140)
Total derivative liabilities	$	(941)	(821)

The Health System also uses short-term forward purchase and sale commitments of mortgage-backed assets. The total notional derivative amount of mortgage contracts purchased and sold was $843 and $386, respectively, as of December 31, 2020. These meet the definition of a derivative instrument in cases where physical delivery of the assets is not taken at the earliest available delivery date.

(d) Investment Income, Net

	2020	2019
Interest and dividend income	$ 133	146
Net realized gains on sale of trading securities	281	161
Change in net unrealized gains on trading securities	692	978
Investment income, net	$ 1,106	1,285

(e) Assets Measured Using Significant Unobservable Inputs

Level 3 assets include charitable remainder trusts, real property, and equity investments in healthcare technology start-ups through the Health System's innovation venture capital fund. Fair values of real property were estimated using a market approach. Fair values of charitable remainder trusts were estimated using an income approach. Fair value of equity investments in healthcare technology start-ups were estimated using a combination of income and market approach.

The Health System had Level 3 purchases of $56 and $36 in 2020 and 2019, respectively. The Health System had Level 3 sales of $56 and $15 in 2020 and 2019, respectively. There were no transfers in or out of Level 3 in 2020 or 2019.

(5) Property, Plant, and Equipment, Net

Property, plant, and equipment are stated at cost. Improvements and replacements of plant and equipment are capitalized, and maintenance and repairs are expensed. The provision for depreciation is determined by the straight-line method, which allocates the cost of tangible property equally over its estimated useful life or lease term. Impairment of property, plant, and equipment is assessed when there is evidence that events or changes in circumstances have made recovery of the net carrying value of assets unlikely.

Interest capitalized on amounts expended during construction is a component of the cost of additions to be allocated to future periods through the provision for depreciation. Capitalization of interest ceases when the addition is substantially complete and ready for its intended use.

Property, plant, and equipment and the total accumulated depreciation are as follows as of December 31:

	Approximate useful life (years)	2020	2019
Land	—	$ 1,515	1,476
Buildings and improvements	5–60	10,914	10,229
Equipment:			
Fixed	5–25	1,364	1,305
Major movable and minor	3–20	6,673	6,249
Construction in progress	—	1,380	1,497
		21,846	20,756
Less accumulated depreciation		(10,813)	(9,778)
Property, plant, and equipment, net		$ 11,033	10,978

Construction in progress primarily represents renewal and replacement of various facilities in the Health System's operating divisions, as well as costs capitalized for software development.

(6) Other Assets

Other assets are summarized as follows as of December 31:

	2020	2019
Investment in nonconsolidated joint ventures	$ 341	330
Intangible assets	289	258
Goodwill	417	307
Beneficial interest in noncontrolled foundations	277	228
Other	908	422
Total other assets	$ 2,232	1,545

Goodwill is recorded as the excess of cost over fair value of the acquired net assets. Indefinite-lived intangible assets are recorded at fair value using various methods depending on the nature of the intangible asset. Both goodwill and indefinite-lived intangible assets are tested annually for impairment. Definite-lived intangible assets are amortized using the straight-line method over the estimated useful lives of the assets.

The Health System recorded no goodwill impairment for the years ended December 31, 2020 and 2019.

(Continued)

(7) Leases

The Health System enters into operating and finance leases primarily for buildings and equipment. For leases with terms greater than 12 months, the Health System records the related ROU asset and liability at the present value of the lease payments over the contract term using the Health System's incremental borrowing rate. Building lease agreements generally require the Health System to pay maintenance, repairs, and property taxes, which are variable based on actual costs incurred during each applicable period. Such costs are not included in the determination of the ROU asset or lease liability. Variable lease costs also include escalating rent payments that are not fixed at lease commencement but are based on an index that is determined in future periods over the lease term based on changes in the Consumer Price Index or other measure of cost inflation. Most leases include one or more options to renew the lease at the initial term, with renewal terms that generally extend the lease at the then market rate of rental payment. Certain lease also include an option to buy the underlying asset at or a short time prior to the termination of the lease. All such options are at the Health System's discretion and are evaluated at the lease commencement, with only those that are reasonably certain of exercise included in determining the appropriate lease term.

The components of lease cost are as follows for the year ended December 31:

		2020	2019
Operating lease cost:			
Fixed lease expense	$	282	293
Short-term lease expense		11	39
Variable lease expense		147	95
Total operating lease cost	$	440	427
Finance lease cost:			
Amortization of ROU assets	$	30	23
Interest on finance lease liabilities		22	21
	$	52	44

Supplemental cash flow and other information related to leases as of and for the year ended December 31 are as follows:

	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 282	280
Operating cash flows from finance leases	23	19
Financing cash flows from finance leases	23	14
Additions to ROU assets obtained from operating leases	189	110
Additions to ROU assets obtained from finance leases	222	7
Weighted-average remaining lease term (in years):		
Operating leases	10	9
Finance leases	18	15
Weighted-average discount rate:		
Operating leases	3.6 %	3.6 %
Finance leases	6.0 %	7.5 %

Commitments related to noncancellable operating and finance leases for each of the next five years and thereafter as of December 31, 2020 are as follows:

	Operating	Finance
2021	$ 265	38
2022	243	53
2023	225	48
2024	165	44
2025	142	44
Thereafter	622	555
	1,662	782
Less: Imputed interest	255	312
Total lease liabilities	1,407	470
Less: Current portion	262	38
Long-term portion	$ 1,145	432

(Continued)

Lease assets and lease liabilities as of December 31 were as follows:

	Classification		2020	2019
Assets:				
Operating	Operating leases ROU assets	$	1,219	1,240
Finance	Property, plant, and equipment, net		436	222
Liabilities:				
Current:				
Operating	Current portion of operating lease ROU liabilities		262	267
Finance	Current portion of long-term debt		38	31
Long-term:				
Operating	Long-term operating lease ROU liabilities, net of current portion		1,145	1,167
Finance	Long-term debt, net of current portion		432	211

(8) Debt

(a) Short-Term and Long-Term Debt

The Health System has borrowed master trust debt issued through the following:

- California Health Facilities Financing Authority (CHFFA)
- Alaska Industrial Development and Export Authority (AIDEA)
- Washington Health Care Facilities Authority (WHCFA)
- Montana Facility Finance Authority (MFFA)
- Lubbock Health Facilities Development Corp (LHFDC)
- Oregon Facilities Authority (OFA)

(Continued)

Short-term and long-term unpaid principal consists of the following at December 31:

	Maturing through	Coupon rates	Unpaid principal 2020	Unpaid principal 2019
Master trust debt:				
Fixed rate:				
Series 2005, Direct Obligation Notes	2030	5.30–5.39%	$ 33	36
Series 2008B, LHFDC Revenue Bonds	2023	4.00–5.00	5	15
Series 2009C, CHFFA Revenue Bonds	2034	5.00	91	91
Series 2009D, CHFFA Revenue Bonds	2034	1.70	40	40
Series 2011A, AIDEA Revenue Bonds	2041	5.00–5.50	123	123
Series 2011B, WHCFA Revenue Bonds	2021	3.50–5.00	11	22
Series 2011C, OFA Revenue Bonds	2026	3.50–5.00	8	11
Series 2012A, WHCFA Revenue Bonds	2042	3.00–5.00	452	462
Series 2012B, WHCFA Revenue Bonds	2042	4.00–5.00	100	100
Series 2013A, OFA Revenue Bonds	2024	5.00	33	41
Series 2013A, CHFFA Revenue Bonds	2037	4.00–5.00	325	325
Series 2013D, Direct Obligation Notes	2023	4.38	252	252
Series 2013D, CHFFA Revenue Bonds	2043	5.00	—	110
Series 2014A, CHFFA Revenue Bonds	2038	4.00–5.00	180	191
Series 2014B, CHFFA Revenue Bonds	2044	4.25–5.00	119	119
Series 2014C, WHCFA Revenue Bonds	2044	4.00–5.00	92	92
Series 2014D, WHCFA Revenue Bonds	2041	5.00	177	177
Series 2015A, WHCFA Revenue Bonds	2045	4.00	78	78
Series 2015C, OFA Revenue Bonds	2045	4.00–5.00	71	71
Series 2016A, CHFFA Revenue Bonds	2047	2.50–5.00	448	448
Series 2016B, CHFFA Revenue Bonds	2036	1.25–4.00	190	286
Series 2016H, Direct Obligation Bonds	2036	2.75	300	300
Series 2016I, Direct Obligation Bonds	2047	3.74	400	400
Series 2018A, Direct Obligation Bonds	2048	4.00	350	350
Series 2018B, WHCFA Revenue Bonds	2033	5.00	142	142
Series 2019A, Direct Obligation Bonds	2029	2.53	650	650
Series 2019B, CHFFA Revenue Bonds	2039	5.00	118	118
Series 2019C, CHFFA Revenue Bonds	2039	5.00	323	323
Total fixed rate			5,111	5,373

(Continued)

Variable rate:	Maturing through	Effective interest rate (1) 2020	Effective interest rate (1) 2019	Unpaid principal 2020	Unpaid principal 2019
Series 2012C, WHCFA Revenue Bonds	2042	0.58 %	1.46 %	$ 80	80
Series 2012D, WHCFA Revenue Bonds	2042	0.58	1.46	80	80
Series 2012E, Direct Obligation Notes	2042	0.85	2.28	221	224
Series 2016C, LHFDC Revenue Bonds	2030	0.92	2.09	31	33
Series 2016D, WHCFA Revenue Bonds	2036	1.01	2.11	86	89
Series 2016E, WHCFA Revenue Bonds	2036	0.94	2.03	86	89
Series 2016F, MFFA Revenue Bonds	2026	0.92	2.04	32	37
Series 2016G, Direct Obligation Notes	2047	0.73	2.24	100	100
Total variable rate				716	732
Wells Fargo Credit Facility	2021	2.92	2.92	205	—
Wells Fargo Credit Facility	2021	1.52	—	250	—
Unpaid principal, master trust debt				6,282	6,105
Premiums, discounts, and unamortized financing costs, net				202	231
Master trust debt, including premiums and discounts, net				6,484	6,336
Other long-term debt				638	347
Total debt				$ 7,122	6,683

(1) Variable rate debt and credit facilities carry floating interest rates attached to indexes, which are subject to change based on market conditions.

During 2019, the Health System issued $1,091 of Series 2019A, 2019B, and 2019C revenue bonds and direct obligations notes. The intended uses of funds included refinancing legacy SJHS and PHS master trust debt and repayment of outstanding lines of credit. In connection with the Series 2019A-C issuance, the Health System recorded losses due to extinguishment of debt for the amount $14 during the year ended December 31, 2019. The losses were recorded in net nonoperating gains (losses) in the accompanying combined statements of operations.

Short-term master trust debt includes debt issued with final maturity or mandatory redemption within one year of December 31, 2020 and 2019. In March 2020, the Health System placed a $250 short-term bridge loan from Wells Fargo Bank, NA with a final maturity of March 2021 and in October 2020 drew $205 from its syndicated revolver, administered by Wells Fargo Bank, with an agreement maturity of September 2021. The Health System also has $377 of debt with remarketing provisions supported by syndicated credit facilities, administered by US Bank, NA which mature in July 2021 and a mandatory redemption of $100 occurring in October 2021. The Health System intends to extend or renew the syndicated revolver arrangement.

The following table reflects classification of long-term debt obligations in the accompanying combined balance sheets as of December 31:

	2020	2019
Current portion of long-term debt	$ 127	85
Master trust debt classified as short-term	934	205
Long-term debt, classified as a long-term liability	6,061	6,393
Total debt	$ 7,122	6,683

(b) Other Long-Term Debt

Other long-term debt consists of the following as of December 31:

	2020	2019
Finance leases	$ 470	242
Notes payable	164	100
Bonds not under master trust indenture and other	4	5
Total other long-term debt	$ 638	347

(c) Debt Service

Scheduled principal payments of long-term debt, considering all obligations under the master trust indenture as due according to their long-term amortization schedule, for the next five years and thereafter are as follows:

	Master trust	Other	Total
2021	$ 1,012	49	1,061
2022	183	44	227
2023	335	44	379
2024	184	41	225
2025	500	24	524
Thereafter	4,068	436	4,504
Scheduled principal payments of long-term debt	$ 6,282	638	6,920

(Continued)

(d) Derivative Instruments

The Health System uses interest rate swap agreements to manage interest rate risk associated with its outstanding debt. As of December 31, 2020 and 2019, the Health System had interest rate swap contracts with a total current notional amount totaling $418 and $436, respectively, with varying expiration dates. The interest rate swap agreements do not meet the criteria for hedge accounting and all changes in the valuation are recognized as a component of net nonoperating gains (losses) in the accompanying combined statements of operations. Settlements related to these agreements are classified as a component of interest, depreciation, and amortization expense in the accompanying combined statements of operations. For the years ended December 31, 2020 and 2019, the change in valuation was a loss of $25 and $33, respectively, and settlements recognized as a component of interest expense were $12 and $8, respectively.

Derivative financial instruments are recorded at fair value taking into consideration the Health System's and the counterparties' nonperformance risk. The fair value of the interest rate swaps is based on independent valuations obtained and are determined by calculating the value of the discounted cash flows of the differences between the fixed interest rate of the interest rate swaps and the counterparty's forward London Interbank Offered Rate curve, which is the input used in the valuation, taking also into account any nonperformance risk. Collateral posted for the interest rate swaps consist of cash and U.S. government securities, which are both categorized as Level 1 financial instruments.

As of December 31, 2020 and 2019, the fair value of outstanding interest rate swaps was in a net liability position of $142 and $117, respectively, and is included in other liabilities in the accompanying combined balance sheets. Collateral posted in connection with the outstanding swap agreements as of December 31, 2020 and 2019 was $40 and $15, respectively. These amounts were included in other assets in the accompanying combined balance sheets.

The following tables present the fair value of swaps:

	December 31, 2020	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Liabilities under interest rate swaps	$ 142	—	142	—

	December 31, 2019	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Liabilities under interest rate swaps	$ 117	—	117	—

(Continued)

(9) Retirement Plans

(a) Defined Benefit Plans

The Health System sponsors various frozen defined benefit retirement plans. The measurement dates for the defined benefit plans are December 31. A rollforward of the change in projected benefit obligation and change in the fair value of plan assets for the defined benefit plans is as follows:

		2020	2019
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	$	2,794	2,535
Service cost		16	23
Interest cost		95	113
Actuarial loss		311	292
Benefits paid and other		(179)	(169)
Projected benefit obligation at end of year		3,037	2,794
Change in fair value of plan assets:			
Fair value of plan assets at beginning of year		1,699	1,469
Actual return on plan assets		200	299
Employer contributions		113	100
Benefits paid and other		(179)	(169)
Fair value of plan assets at end of year		1,833	1,699
Funded status		(1,204)	(1,095)
Unrecognized net actuarial loss		720	572
Net amount recognized	$	(484)	(523)
Amounts recognized in the combined balance sheets consist of:			
Current liabilities	$	(1)	(1)
Noncurrent liabilities		(1,203)	(1,094)
Unrestricted net assets		720	572
Net amount recognized	$	(484)	(523)
Weighted average assumptions:			
Discount rate		2.70 %	3.50 %
Rate of increase in compensation levels		3.00	3.50
Long-term rate of return on assets		6.25	6.50

(Continued)

Net periodic pension cost for the defined benefit plans includes the following components:

		2020	2019
Components of net periodic pension cost:			
Service cost	$	16	23
Interest cost		95	113
Expected return on plan assets		(98)	(96)
Amortization of prior service cost		—	1
Recognized net actuarial loss		38	24
Net periodic pension cost	$	51	65
Special recognition – settlement expense	$	22	19

Certain plans sponsored by the Health System allow participants to receive their benefit through a lump-sum distribution upon election. When lump-sum distributions exceed the combined total of service cost and interest cost during a reporting period settlement expense is recognized. Settlement expense represents the proportional recognition of unrecognized actuarial loss and prior service cost. Settlement expense for the years ended December 31, 2020 and 2019 is included in net nonoperating gains (losses) in the accompanying combined statements of operations.

The accumulated benefit obligation was $2,983 and $2,739 at December 31, 2020 and 2019, respectively.

The following pension benefit payments reflect expected future service. Payments expected to be paid over the next 10 years are as follows:

2021	$	193
2022		190
2023		187
2024		185
2025–2030		1,041
	$	1,796

The Health System expects to contribute approximately $110 to the defined benefit plans in 2021.

The expected long-term rate of return on plan assets is the expected average rate of return on the funds invested currently and on funds to be invested in the future in order to provide for the benefits included in the projected benefit obligation. The Health System used 6.25% and 6.50% in calculating the 2020 and 2019 expense amounts, respectively. This assumption is based on capital market assumptions and the plan's target asset allocation.

(Continued)

The Health System continues to monitor the expected long-term rate of return. If changes in those parameters cause 6.25% to be outside of a reasonable range of expected returns, or if actual plan returns over an extended period of time, suggest that general market assumptions are not representative of expected plan results, the Health System may revise this estimate prospectively.

The target asset allocation and expected long-term rate of return on assets (ELTRA) were as follows at December 31:

	2020 Target	2020 ELTRA	2019 Target	2019 ELTRA
Cash and cash equivalents	2 %	2.0 %	2 %	3%
Equity securities	45	8%–9%	45	7%–9%
Debt securities	33	2%–3%	33	3%–4%
Other securities	20	5%–9%	20	5%–11%
Total	100 %	6.25 %	100 %	6.50 %

The following table presents the Health System's defined benefit plan assets measured at fair value:

	December 31, 2020	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 76	76	—	—
Equity securities:				
Domestic	348	348	—	—
Foreign	134	134	—	—
Mutual funds	215	215	—	—
Domestic debt securities:				
State and government	409	362	47	—
Corporate	158	—	158	—
Other	18	—	18	—
Foreign debt securities	48	—	48	—
Commingled funds	143	143	—	—
Investments measured using NAV	492			
Transactions pending settlement, net	(208)			
Total	$ 1,833			

(Continued)

The following table presents the Health System's defined benefit plan assets measured at fair value:

	December 31, 2019	Fair value measurements at reporting date using Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 73	73	—	—
Equity securities:				
Domestic	293	293	—	—
Foreign	77	77	—	—
Mutual funds	128	128	—	—
Domestic debt securities:				
State and government	400	310	90	—
Corporate	129	—	129	—
Other	15	—	15	—
Foreign debt securities	49	—	49	—
Commingled funds	144	144	—	—
Investments measured using NAV	582			
Transactions pending settlement, net	(191)			
Total	$ 1,699			

The Health System's defined benefit plans participate in various funds that are not actively marketed on an open exchange. These investments consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Due to the nature of these funds the NAV per share, or its equivalent, reported by each fund manager is used as a practical expedient to estimate the fair value of the Health System's interest therein. Management believes that the carrying amounts of these financial instruments provided by the fund managers are reasonable estimates of fair value.

(Continued)

The following table presents information for investments where either the NAV per share or its equivalent was used to value the investments as of December 31:

	Fair value		Redemption frequency	Redemption notice period
	2020	2019		
Hedge funds:				
Long/short equity	$ 55	54	Monthly or quarterly	30–65 days
Credit and other	61	64	Monthly or quarterly	90 days
Real assets	1	61	Monthly	30 days
Risk parity	140	135	Monthly	5–15 days
Commingled	235	268	Monthly	6–30 days
Total	$ 492	582		

The Health System's defined benefit plans also allow certain investment managers to use derivative financial instruments (futures and forward currency contracts) to manage interest rate risk related to the plans' fixed-income holdings. The investment managers have executed master netting arrangements with the counterparties of the futures and forward currency purchase and sale contracts whereby the financial instruments held by the same counterparty are legally offset as the instruments are settled. The following table presents gross investment derivative assets and liabilities reported on a net basis at fair value included in the plans' assets as of December 31:

	2020	2019
Derivative assets:		
Futures contracts	$ 160	128
Foreign currency forwards and other contracts	3	2
Total derivative assets	$ 163	130
Derivative liabilities:		
Futures contracts	$ (160)	(128)
Foreign currency forwards and other contracts	(2)	(3)
Total derivative liabilities	$ (162)	(131)

(b) Defined Contribution Plans

The Health System sponsors various defined contribution retirement plans that cover substantially all employees. The plans provide for employer matching contributions in an amount equal to a percentage of employee pretax contributions, up to a maximum amount. In addition, the Health System makes contributions to eligible employees based on years of service. Retirement expense related to these plans was $545 and $500 in 2020 and 2019, respectively, and is reflected in salaries and benefit expense in the accompanying combined statements of operations.

(Continued)

(10) Self-Insurance Liabilities

The Health System has established self-insurance programs for professional and general liability and workers' compensation insurance coverage. These programs provide insurance coverage for healthcare institutions associated with the Health System. The Health System also operates insurance captives, Providence Assurance, Inc. and American Unity Group, Ltd., to self-insure or reinsure certain layers of professional and general liability risk.

The Health System accrues estimated self-insured professional and general liability and workers' compensation insurance claims based on management's estimate of the ultimate costs for both reported claims and actuarially determined estimates of claims incurred but not reported. Insurance coverage in excess of the per occurrence self-insured retention has been secured with insurers or reinsurers for specified amounts for professional, general, and workers' compensation liabilities. Decisions relating to the limit and scope of the self-insured layer and the amounts of excess insurance purchased are reviewed each year, subject to management's analysis of actuarial loss projections and the price and availability of acceptable commercial insurance.

At December 31, 2020 and 2019, the estimated liability for future costs of professional and general liability claims was $507 and $455, respectively. At December 31, 2020 and 2019, the estimated workers' compensation obligation was $399 and $367, respectively. Both are recorded in other current liabilities and other liabilities in the accompanying combined balance sheets.

(11) Commitments and Contingencies

(a) Commitments

Firm purchase commitments at December 31, 2020, primarily related to construction and equipment and software acquisition, are approximately $417.

(b) Litigation

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments. Compliance with these laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government monitoring and enforcement activity continues with respect to investigations and allegations concerning possible violations by healthcare providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of patient services previously billed. Institutions within the Health System are subject to similar regulatory reviews.

Management is aware of certain asserted and unasserted legal claims and regulatory matters arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Health System's combined financial statements.

(12) Functional Expenses

Operating expenses classified by their natural classification on the combined statements of operations are presented by their functional classifications as follows for the years ended December 31:

	2020								
	Program Activities					Supporting Activities			
	Hospitals	Health plans and accountable care	Physician and outpatient	Long-term care, home care, and hospice	Total programs	General and administrative	Other	Total supporting	Total operating expenses
Salaries and benefits	$ 7,049	141	2,458	687	10,335	2,042	269	2,311	12,646
Supplies	3,055	2	282	172	3,511	—	310	310	3,821
Purchased healthcare services	204	1,490	163	132	1,989	—	—	—	1,989
Interest, depreciation, and amortization	788	8	76	20	892	464	19	483	1,375
Purchased services, professional fees and other	3,122	261	1,212	134	4,729	1,268	153	1,421	6,150
Total operating expenses	$ 14,218	1,902	4,191	1,145	21,456	3,774	751	4,525	25,981

	2019								
	Program Activities					Supporting Activities			
	Hospitals	Health plans and accountable care	Physician and outpatient	Long-term care, home care, and hospice	Total programs	General and administrative	Other	Total supporting	Total operating expenses
Salaries and benefits	$ 6,932	125	2,364	695	10,116	1,924	132	2,056	12,172
Supplies	2,992	2	302	138	3,434	—	264	264	3,698
Purchased healthcare services	219	1,501	219	110	2,049	—	—	—	2,049
Interest, depreciation, and amortization	803	8	79	21	911	427	7	434	1,345
Purchased services, professional fees and other	2,784	200	1,148	152	4,284	980	124	1,104	5,388
Restructuring costs	—	—	—	—	—	159	—	159	159
Total operating expenses	$ 13,730	1,836	4,112	1,116	20,794	3,490	527	4,017	24,811

Supporting activities include costs that are not controllable by operational leadership. Health System leadership drives these costs, which benefit the entire Health System. Costs that are controllable by operational leadership are allocated to the respective program activities.

PROVIDENCE ST. JOSEPH HEALTH

Supplemental Schedule – Obligated Group Combining Balance Sheets Information

December 31, 2020 and 2019

(In millions of dollars)

	2020			2019		
Assets	**Obligated Group**	**Nonobligated, Eliminations, Other**	**Total Combined**	**Obligated Group**	**Nonobligated, Eliminations, Other**	**Total Combined**
Current assets:						
Cash and cash equivalents	$ 2,281	949	3,230	633	683	1,316
Accounts receivable	2,184	181	2,365	2,255	145	2,400
Supplies inventory	344	17	361	272	11	283
Other current assets	1,284	196	1,480	1,169	64	1,233
Current portion of assets whose use is limited	885	343	1,228	341	361	702
Total current assets	6,978	1,686	8,664	4,670	1,264	5,934
Assets whose use is limited	8,308	3,198	11,506	8,184	2,671	10,855
Property, plant, and equipment, net	9,866	1,167	11,033	10,436	542	10,978
Operating lease right-of-use assets	928	291	1,219	970	270	1,240
Other assets	2,760	(528)	2,232	2,207	(662)	1,545
Total assets	$ 28,840	5,814	34,654	26,467	4,085	30,552
Liabilities and Net Assets						
Current liabilities:						
Current portion of long-term debt	$ 110	17	127	81	4	85
Master trust debt classified as short-term	934	—	934	205	—	205
Accounts payable	978	177	1,155	909	126	1,035
Accrued compensation	1,322	131	1,453	1,057	88	1,145
Current portion of operating lease right-of-use liabilities	211	51	262	219	48	267
Other current liabilities	1,896	862	2,758	1,562	599	2,161
Total current liabilities	5,451	1,238	6,689	4,033	865	4,898
Long-term debt, net of current portion	5,699	362	6,061	6,281	112	6,393
Pension benefit obligation	1,203	—	1,203	1,094	—	1,094
Long-term operating lease right-of-use liabilities, net of current portion	858	287	1,145	898	269	1,167
Other liabilities	1,881	959	2,840	325	800	1,125
Total liabilities	15,092	2,846	17,938	12,631	2,046	14,677
Net assets:						
Net assets without donor restrictions	12,741	2,425	15,166	12,911	1,583	14,494
Net assets with donor restrictions	1,007	543	1,550	925	456	1,381
Total net assets	13,748	2,968	16,716	13,836	2,039	15,875
Total liabilities and net assets	$ 28,840	5,814	34,654	26,467	4,085	30,552

See accompanying independent auditors' report

PROVIDENCE ST. JOSEPH HEALTH

Supplemental Schedule – Obligated Group Combining Statements of Operations Information

Years ended December 31, 2020 and 2019

(In millions of dollars)

	2020			2019		
	Obligated Group	Nonobligated, Eliminations, Other	Total Combined	Obligated Group	Nonobligated, Eliminations, Other	Total Combined
Operating revenues:						
Net patient service revenues	$ 17,762	1,202	18,964	18,942	941	19,883
Other revenues	3,127	3,584	6,711	2,033	3,109	5,142
Total operating revenues	20,889	4,786	25,675	20,975	4,050	25,025
Operating expenses:						
Salaries and benefits	11,001	1,645	12,646	10,868	1,304	12,172
Supplies	3,516	305	3,821	3,422	276	3,698
Interest, depreciation, and amortization	1,258	117	1,375	1,253	92	1,345
Purchased healthcare and other services, professional fees, and other	4,851	3,288	8,139	4,441	2,996	7,437
Total operating expenses before restructuring costs	20,626	5,355	25,981	19,984	4,668	24,652
(Deficit) excess of revenue over expenses from operations before restructuring costs	263	(569)	(306)	991	(618)	373
Restructuring costs	—	—	—	159	—	159
(Deficit) excess of revenues over expenses from operations	263	(569)	(306)	832	(618)	214
Net nonoperating gains (losses):						
Loss on extinguishment of debt	—	—	—	(14)	—	(14)
Investment income, net	871	235	1,106	1,054	231	1,285
Other	6	(66)	(60)	(67)	(60)	(127)
Total net nonoperating gains	877	169	1,046	973	171	1,144
Excess (deficit) of revenues over expenses	$ 1,140	(400)	740	1,805	(447)	1,358

See accompanying independent auditors' report.

Exhibit 21
Medical Director Provider Credentials

STATE OF WASHINGTON

DEPARTMENT OF HEALTH

Olympia, Washington 98504

1/27/2022

Subject: Credential Verification

To Whom It May Concern:

This verifies the status of the Physician And Surgeon License for Smith, Bruce Cameron.

This site is a Primary Source for Verification of Credentials.

Credential Number:	MD00023254
Credential Type:	Physician And Surgeon License
First Credential Date:	08/20/1985
Last Renewal Date:	02/20/2021
Credential Status:	ACTIVE
Current Expiration Date:	05/07/2023
Enforcement Action:	No

The Washington Department of Health presents this information as a service to the public.

The absence or presence of information in this system does not imply any recommendation, endorsement, or guarantee of competence of any health care professional, the mere presence of such information does not imply a practitioner is not competent or qualified.

This site provides disciplinary actions taken and credentials denied for failure to meet qualifications. If the Enforcement Action is listed as a No, there has been no disciplinary action. It allows viewing and downloading of related legal documents since July 1998. Contact our Public Records Office for information on actions before July 1998. This information comes directly from our database. It is updated daily.

Exhibit 22
Director of Hospice, Providence Hospice of Seattle
Provider Credentials

STATE OF WASHINGTON

DEPARTMENT OF HEALTH

Olympia, Washington 98504

1/27/2022

Subject: Credential Verification

To Whom It May Concern:

This verifies the status of the Registered Nurse License for Daniek, Mackenzie L.

This site is a Primary Source for Verification of Credentials.

Credential Number:	RN00156206
Credential Type:	Registered Nurse License
First Credential Date:	08/11/2004
Last Renewal Date:	08/28/2021
Credential Status:	ACTIVE
Current Expiration Date:	10/02/2022
Enforcement Action:	No

The Washington Department of Health presents this information as a service to the public.

The absence or presence of information in this system does not imply any recommendation, endorsement, or guarantee of competence of any health care professional, the mere presence of such information does not imply a practitioner is not competent or qualified.

This site provides disciplinary actions taken and credentials denied for failure to meet qualifications. If the Enforcement Action is listed as a No, there has been no disciplinary action. It allows viewing and downloading of related legal documents since July 1998. Contact our Public Records Office for information on actions before July 1998. This information comes directly from our database. It is updated daily.

STATE OF WASHINGTON

DEPARTMENT OF HEALTH

Olympia, Washington 98504

1/27/2022

Subject: Credential Verification

To Whom It May Concern:

This verifies the status of the Social Worker Independent Clinical License for Jones, Stacey Lynn.

This site is a Primary Source for Verification of Credentials.

Credential Number:	LW60233675
Credential Type:	Social Worker Independent Clinical License
First Credential Date:	11/29/2016
Last Renewal Date:	03/07/2021
Credential Status:	ACTIVE
Current Expiration Date:	03/13/2022
Enforcement Action:	No

The Washington Department of Health presents this information as a service to the public.

The absence or presence of information in this system does not imply any recommendation, endorsement, or guarantee of competence of any health care professional, the mere presence of such information does not imply a practitioner is not competent or qualified.

This site provides disciplinary actions taken and credentials denied for failure to meet qualifications. If the Enforcement Action is listed as a No, there has been no disciplinary action. It allows viewing and downloading of related legal documents since July 1998. Contact our Public Records Office for information on actions before July 1998. This information comes directly from our database. It is updated daily.

Exhibit 23
Providence Hospice of Seattle Credentialed Staff

PROVIDENCE HOSPICE OF SEATTLE
CREDENTIALED STAFFS

EMPLOYEE NAME	POSITION DESC	CERT DESC	CERT/LIC #	ADDITIONAL CERT DESC	ADDITIONAL CERT/LIC #
ABETEW, HABETIE F	RN NURSE CLINICIAN	NURSE REGISTERED	RN60668183		
ABRAM, VERONICA R	SOCIAL WORKER MSW	SOCIAL WORKER ADV ASSOC	SA60997137		
ADAMS, COLETTE A	GRIEF SUPPORT ASSISTANT	NA	NA		
ADEME, ASKALEMARIAM A	RN NURSE CLINICIAN	NURSE REGISTERED	RN60462124		
AINSLIE, CATHERINE A	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	LW00006788		
AKWEN, ETHEL	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC61157320		
AMBAYE, MEKDES A	LPN NURSE CLINICIAN	LICENSED PRACTICAL NURSE	LP00059535		
ANDERSON, GINA R	CHAPLAIN	NA	NA		
ANDRADA, SALVADOR P	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10084123		
ANGELES, ELAINE ROSS C	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	SC60945716		
ASSEFA, KIDEST Y	CLINICAL CLERICAL ASSISTANT	NURSING ASSISTANT CERTIFIED	NC60901906		
BAKA, BANA T	HOME HEALTH AIDE	NURSING ASSISTANT CERTIFIED	NC10101860		
BAKER, JULIA S	GRIEF SUPPORT COUNSELOR	SOCIAL WORKER INDEP CL	LW60148586		
BALDERRAMA, BRIANA R	LPN HOSPICE CARE COORDINATOR	LICENSED PRACTICAL NURSE	LP60895776		
BARNHART, ALLISON B	RN TRIAGE NURSE	NURSE REGISTERED	RN00160961		
BARRETT, SARAH J	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	SC61220512		
BAURA, ERIC A	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60292986		
BEGASHAW, BAYOUSH E	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60249491		
BENNER, KIMBERLY A	RN NURSE CLINICIAN	NURSE REGISTERED	RN00101771		
BERESNEV, KAREN T	VOLUNTEER SVCS COORD	NA	NA		
BINGISSER, RENEE	RN NURSE CLINICIAN	NURSE REGISTERED	RN00167509		
BLACKWELL, KELLY M	VOLUNTEER SVCS COORD LD	NA	NA		
BOADO, TEODORO JOSE C	RN NURSE CLINICIAN	NURSE REGISTERED	RN60663316		
BOGALE, MESERAT	RN NURSE CLINICIAN	NURSE REGISTERED	RN00137537		
BOLDEN, JERVAISE	HOME HEALTH AIDE NAC	NURSING ASSIST HOSP PALLIATIVE	NC10017170	NURSING ASSISTANT CERTIFIED	NC10017170
BRACKEN, KATHRYN A	RN NURSE CLINICIAN	NURSE REGISTERED	RN00153735		
BROOKS, MARGARET	RN NURSE CLINICIAN	NURSE REGISTERED	RN60143464		
BROSAS, ROSE XANDRA C	RN NURSE CLINICIAN	NURSE REGISTERED	RN61027130		

Source: Providence Hospice of Seattle

BROWN, LISA M	VOLUNTEER SVCS COORD	NA	NA		
BROWN, RACHEL J	RN NURSE CLINICIAN	NURSE REGISTERED	RN60155848		
BROWN-ROWE, TAVIA C	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60848576		
BURKS, ALISON L	RN NURSE CLINICIAN	NURSE REGISTERED	RN60235568		
BURRELL, ANTIONETTE R	RN NURSE CLINICIAN	NURSE REGISTERED	RN60798843		
CABRERA, PERFECTO RUEL C	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60280265		
CAIN, DEBORAH J	ADMINISTRATIVE ASSISTANT	NA	NA		
CALLENDER, KRISTINA	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	LW60188778		
CARBAJAL, MIKAELA A	RN NURSE CLINICIAN	NURSE REGISTERED	RN60963882		
CARNEY, LUKE C	RN NURSE CLINICIAN	NURSE REGISTERED	RN60923571		
CAROLAN, COURTNEY K	RN NURSE CLINICIAN	NURSE REGISTERED	RN00140423		
CARR, CHRISTINA L	RN NURSE CLINICIAN	NURSE HOSPICE PALLIATIVE	RN00132858		
CASTANEDA, JUDY A	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10031666		
CATANA, FLOAREA	RN NURSE CLINICIAN	NURSE REGISTERED	RN60141523		
CHANDLER, ANITA L	RN NURSE CLINICIAN	NURSE REGISTERED	RN60185616		
CHRISTOFERSON, HOLLY J	PHYSICIAN HOSPICE	PHYSICIAN AND SURGEON LICENSE	MD00045452		
CHURCH, RICKY L	CHAPLAIN	NA	NA		
CLINE, CHERYL A	EXEC DIR HOSPICE AK/WA/OR	Marriage and Family Therapist License	CLF00002585		
COMBS, SHEILA M	RN TRIAGE NURSE	NURSE REGISTERED	RN60812300		
CRUM, GARY	DIR FOUNDATION	NA	NA		
DAHLMAN OETH, WHITNEY E	MGR CLINICAL	NURSE REGISTERED	RN60086555		
DANIEK, MACKENZIE L	DIR HOSPICE	NURSE HOSPICE PALLIATIVE	RN00156206		
DAVERMAN, KEVIN M	OCCUPATIONAL THERAPIST	OCCUPATIONAL THERPST LICENSE	OT60596922		
DAVIS, CATHERINE L	CLINICAL CLERICAL ASSISTANT	NA	NA		
DEGRATE, RITA J	RN NURSE CLINICIAN	NURSE REGISTERED	RN60655472		
DEKKER, MARGUERITE	RN NURSE CLINICIAN	NURSE REGISTERED	RN00057812		
DELOACH, NARUSSIA B	SOCIAL WORKER MSW	SOCIAL WORKER ADV ASSOC	SA61042901	SOCIAL WORKER INDEP ASSOC CL	SC61254176
DELREAL, TAHMIA M	RN NURSE CLINICIAN	NURSE REGISTERED	RN60404473		
DEMISSIE, GETACHEW Z	RN NURSE CLINICIAN	NURSE REGISTERED	RN00162316		

Source: Providence Hospice of Seattle

DEMPSEY, TERESA R	RN NURSE CLINICIAN	NURSE REGISTERED	RN60562258		
DENGE, AUDREY W	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60765354		
DERKS, RHONDA L	RN NURSE CLINICIAN	NURSE REGISTERED	RN60966599		
DESSIE, DAWIT	RN NURSE CLINICIAN	NURSE REGISTERED	RN60469268		
DEVINE, WHITNEY J	RN NURSE CLINICIAN	NURSE HOSPICE PALLIATIVE	RN00097402		
DIMOCK, LAUREN N	RN NURSE CLINICIAN	NURSE REGISTERED	RN60893481		
DOSS, RIE S	CHAPLAIN	NA	NA		
DOWDLE, TAYLOR M	VOLUNTEER SVCS COORD	NA	NA		
DOWNS, CHARIS J	RN NURSE CLINICIAN	NURSE REGISTERED	RN60850347		
DUGGAL, ANGELICA J	LPN NURSE CLINICIAN	LICENSED PRACTICAL NURSE	VERIFIED		
DUONG, SYLVIA L	CLINICAL CLERICAL ASSISTANT	NA	NA		
DURANT, MALEAH R	RN NURSE CLINICIAN	NURSE REGISTERED	RN00147996		
DUT, DEBORAH Y	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60410172		
EGLINGTON, KRISTEN	SUPV CLINICAL PHARMACIST	PHARMACIST LICENSE	PH00043127		
EICKHOFF, ANN M	RN NURSE CLINICIAN	NURSE REGISTERED	RN00131395		
ELMI, FADUMO A	RN NURSE CLINICIAN	NURSE REGISTERED	RN60673525		
ENSTAD, MARY A	RN NURSE CLINICIAN	NURSE REGISTERED	RN00107240		
EXNER, JILL M	RN NURSE CLINICIAN	NURSE REGISTERED	RN00092818		
FALK, ADRIANA	DEVELOPMENT ASSISTANT	NA	NA		
FALKNER, MARY K	MGR CLINICAL	SOCIAL WORKER INDEP CL	LW60187511		
FALL, OULIMATA	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60640532		
FLEMING, JANE	GRIEF SUPPORT COUNSELOR	COUNSELOR AGENCY AFFILIATED REGISTRATION	CG60153984		
FLOWERS, VICKIE D	ADMINISTRATIVE ASSISTANT	NA	NA		
FORTNER, DAWN N	MGR CLINICAL	SOCIAL WORKER INDEP CL	LW60693777		
FOXX, ANNALISE O	RN NURSE CLINICIAN	NURSE REGISTERED	RN61026712		
FRANCKE, PAUL F	MGR CLINICAL	NA	NA		
FREESE, SHARI L	RN NURSE CLINICIAN	NURSE REGISTERED	RN60224403	MASSAGE THERAPIST LICENSE	MA00014803
GAINES, THERESA A	RN NURSE CLINICIAN	NURSE REGISTERED	RN00122417		
GATES, LAURA E	RN NURSE CLINICIAN	NURSE REGISTERED	RN00074557		

Source: Providence Hospice of Seattle

GICHUHI, KEZIAH G	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFICATION	NC60229209		
GILLESPIE, KATHRYN A	RN NURSE CLINICIAN	NURSE REGISTERED	RN00128899		
GOODS, MICHELLE L	RN NURSE CLINICIAN	NURSE REGISTERED	RN61033901		
GREEN, MEGHAN H	RN PRACTITIONER HOSPICE	NURSE PRACTITIONER ADV RE	AP60151014	NURSE REGISTERED	RN00160328
GREY, CYNTHIA D	RN NURSE CLINICIAN	NURSE REGISTERED	RN00095855		
GRISTINA, ELIZABETH M	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	LW60560526		
GROSSMAN, FREDERICK D	CHAPLAIN	NA	NA		
GUILLEN, KIMBRELY Z	LPN HOSPICE CARE COORDINATOR	LICENSED PRACTICAL NURSE	LP00046138		
GUMBO, FESTUS F	CHAPLAIN	COUNSELOR AGENCY AFFILIATED REGISTRATION	CG60879359	NURSING ASSISTANT REGISTRATION	NA60145463
GUNDERSEN, MANDI E	SOCIAL WORKER MSW	SOCIAL WORKER ADV ASSOC	SC60589491		
HAGLER, KRISTEN E	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	LW60970167		
HAILE, KALKIDANE Y	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFICATE	NC10090746		
HALL, JENNIFER L	RN NURSE CLINICIAN	NURSE REGISTERED	RN00169598	ADV REGISTERED NURSE PRACTITIONER LIC	AP60909511
HEBRON, JOY SEGUNDINA A	RN NURSE CLINICIAN	NURSE REGISTERED	RN60797751		
HEFFELMIRE, ADRIA L	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFICATE	NC10057955	MEDICAL ASSISTANT REGISTRATION	MR61174372
HENDRICKS, PAULA	HOME HEALTH AIDE NAC	NURSING ASSIST HOSP PALLIATIVE	NC10094645	NURSING ASSISTANT CERTIFIED	NC10094645
HERNANDEZ, KARRI A	RN NURSE CLINICIAN	NURSE REGISTERED	RN60446206		
HOGAN, WILLIAM J	RN NURSE CLINICIAN	NURSE REGISTERED	RN60764123		
HUNKLER, JESSICA A	SOCIAL WORKER MSW	SOCIAL WORKER INDEP ASSOC CL	SC61179513		
HUTTO, NICOLE L	LPN NURSE CLINICIAN	LICENSED PRACTICAL NURSE	LP00053858		
HYDE, THELMA R	RN NURSE CLINICIAN	NURSE REGISTERED	RN60152206		
JACKSON, MARGARET	RN NURSE CLINICIAN	NURSE REGISTERED	RN00134716		
JALLOW, BABUCARR A	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60338555		
JANNI, JOCELYN K	RN NURSE CLINICIAN	NURSE REGISTERED	RN60802433		
JIMENEZ, ANGELINA	RN NURSE CLINICIAN	NURSE HOSPICE PALLIATIVE	RN60142656		
JIN, CATHERINE Y	PHYSICIAN HOSPICE	PHYSICIAN AND SURGEON LICENSE	MD00042812		
JONES, STACEY	DIR HOSPICE	SOCIAL WORKER INDEP CL	LW60233675		
KAMAU, GRACE N	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFICATE	NC10060470		
KAMAU, SERAH W	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFICATE	NC60237797		

Source: Providence Hospice of Seattle

KEBEDE, SEWNET T	RN NURSE CLINICIAN	NURSE REGISTERED	RN60094167		
KENYON, LORI G	RN NURSE CLINICIAN	NURSE REGISTERED	RN60107314		
KINYEKI, SELINA N	RN NURSE CLINICIAN	NURSE REGISTERED	RN60722567		
KOLTVEIT, BERIT A	RN HOSPICE NURSE RESIDENT	NURSE REGISTERED	RN61173726		
KONING, SUZANNE M	RN NURSE CLINICIAN	NURSE REGISTERED	RN60039768		
KORTH, IRENE H	RN NURSE CLINICIAN	NURSE REGISTERED	RN00155799		
KUMANGAI, KRISTINE	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	LW60160524		
KURIA, AGNES N	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60934170		
LE, KEVIN H	RN HOSPICE NURSE RESIDENT	NURSE REGISTERED	RN61169967		
LENOIR, ABEL	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10066881		
LUM, KRYSTAL C	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	SC60910738		
LYNCH, KRISTINA R	RN NURSE CLINICIAN	NURSE REGISTERED	RN00169176		
MACDONALD, JESSE E	RN NURSE CLINICIAN	NURSE REGISTERED	RN61122471		
MADISON, SARAH A	RN NURSE CLINICIAN	NURSE REGISTERED	RN61206900		
MAEGER, MARLENE	OCCUPATIONAL THERAPIST	OCCUPATIONAL THERAPIST LICENSE	OT00004598		
MALANA, LORY J	LPN HOSPICE CARE COORDINATOR	LICENSED PRACTICAL NURSE	LP00053562		
MANA'O, MOLLIE R	CHAPLAIN	NA	NA		
MANBECK-SWANSON, STEPHANIE F	MGR CLINICAL	SOCIAL WORKER INDEP CL	LW60279104		
MARQUEZ, LAURA H	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	SC61171266		
MARTIN-HOLMES, STACY J	SOCIAL WORKER MSW	SOCIAL WORKER ADV ASSOC	SA60979507		
MBIYU, LYDIA W	CLINICAL CLERICAL ASSISTANT	NA	NA		
MBUGUA, LEAH W	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60999054		
MCCOY, MELISSA P	RN NURSE CLINICIAN	NURSE REGISTERED	RN60793051		
MCDERMOTT, ANNETTE M	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60168649		
MCGRUE, COURTNEY G	SAFE CROSSING COUNSELOR	NA	NA		
MCROBERTS, CINDY M	MAJOR GIFT OFFICER	NA	NA		
MEDINA, NOELLE R	SOCIAL WORKER MSW	SOCIAL WORKER INDEP ASSOC CL	SC60840911		
MEHL, STEPHANIE	ADMISSIONS CLINICAL LIAISON	NURSE REGISTERED	RN00125228		
MIELDON, ESTHER	LPN NURSE CLINICIAN	LICENSED PRACTICAL NURSE	LP00053092		

Source: Providence Hospice of Seattle

MOREHEAD, CAITLIN G	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	LW60846194		
MORGAN, VICTORIA L	CHAPLAIN	NA	NA		
MUIGAI, KAREN W	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60168259		
MUILENBURG, MAKENZIE A	SAFE CROSSING COORIDINATOR	NA	NA		
NAHLIN, JANET E	RN NURSE CLINICIAN	NURSE REGISTERED	RN00116214		
NEW, WILLIAM K	RN PRACTITIONER HOSPICE	NURSE REGISTERED	RN60741497	ADV REGISTERED NURSE PRACTITIONER LIC	AP60752872
NEWCOMB, LAURA K	RN NURSE CLINICIAN	NURSE REGISTERED	RN00075931		
NGUYEN, ANH D	CHAPLAIN	NA	NA		
NGUYEN, KENNETH T	PHYSICIAN HOSPICE	OSTEOPATHIC PHYSICIAN & SURGEON LICENSE	OP61088631		
NJUGUNA, VICTORIA	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10078403		
OCHOLLA, CAROLYNE A	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60489336		
OJWANG, LINET A	RN NURSE CLINICIAN	NURSE REGISTERED	RN61125412		
OLUFSON-ECKEL, JULIELYNN M	RN NURSE CLINICIAN	NURSE REGISTERED	VERIFIED		
OMAR, HIBO A	RN NURSE CLINICIAN	NURSE REGISTERED	RN60216414		
OPALKA, MARILEE L	MGR CLINICAL	NURSE REGISTERED	RN00167331		
ORDONA, GABRIELA ELLEN F	SOCIAL WORKER MSW	SOCIAL WORKER ADV ASSOC	SC60659091		
PACE, SHELLY	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10015848		
PARK, NATALIE L	GRIEF SUPPORT COUNSELOR	SOCIAL WORKER INDEP ASSOC CL	SC60850431		
PEARSON, DAWN K	RN NURSE CLINICIAN	NURSE REGISTERED	RN60136564		
PERRY, JILL D	MGR ANNUAL GIVING	NA	NA		
PETERS, GAIL Y	RN NURSE CLINICIAN	NURSE REGISTERED	RN60077093		
POLLARD, TERI L	RN NURSE CLINICIAN	NURSE REGISTERED	RN60722844		
PUGH, ALAN T	SOCIAL WORKER MSW	SOCIAL WORKER INDEP ASSOC CL	SC60960843		
RAMENYA, ABIGAEL K	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC60756236		
REITER, LAUREL A	RN NURSE CLINICIAN	NURSE REGISTERED	RN00071167		
REUSSER, STEVEN K	RN NURSE CLINICIAN	NURSE REGISTERED	RN60465708		
RIDLON, KATRINA L	SOCIAL WORKER MSW OC	SOCIAL WORKER INDEP ASSOC CL	SC60282780		
RODRIGUEZ, LISSA C	SOCIAL WORKER MSW	SOCIAL WORKER ADV ASSOC	SC61169540		
RODRIGUEZ, RODOLFO	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10009131		

Source: Providence Hospice of Seattle

RUTTLEDGE, JANE S	RN NURSE CLINICIAN	NURSE REGISTERED	RN00059816		
SALINAS, REGGIELETH Z	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10087412		
SANTOS, MICHELLE B	CLINICAL CLERICAL ASSISTANT	NA	NA		
SARGENT, WENDI J	GRIEF SUPPORT COUNSELOR	MENTAL HEALTH COUNSELOR LICENSE	LH61047173		
SCHAMHART, TAMAR S	RN NURSE CLINICIAN	NURSE REGISTERED	RN60403084		
SEMKEN, PAMELA J	RN NURSE CLINICIAN	NURSE REGISTERED	RN60067652		
SHAFEL, KATHY	RN NURSE CLINICIAN	NURSE REGISTERED	RN00121171		
SHAMARIN, LORRIE	SUPV ADMIN SUPPORT SVCS	NA	NA		
SMITH, BRUCE C	MEDICAL DIRECTOR HOSPICE	MD MEDICINE	MD00023254		
SODESTROM, JEFFERY N	PROGRAM ASST SAFE CROSSINGS	NA	NA		
SPEER, DIANE D	RN NURSE CLINICIAN	NURSE REGISTERED	RN00054591		
STENSON, CANISHA	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10061202		
STEPHEN-JORDAN, PAMELA M	CHAPLAIN OC	NA	NA		
STOVER, ROBYN O	SOCIAL WORKER MSW OC	SOCIAL WORKER INDEP CL	LW60160243		
STRAND, KATHY A	SOCIAL WORKER MSW	SOCIAL WORKER INDEP ASSOC CL	SC60400589		
STUBBLEFIELD, SARAH M	RN NURSE CLINICIAN	NURSE REGISTERED	RN60070441		
SULLIVAN, SHAWNA M	SOCIAL WORKER MSW	SOCIAL WORKER INDEP ASSOC CL	SC60969725		
TERRILL, DEBORAH L	RN NURSE CLINICIAN	NURSE REGISTERED	RN00155559		
TESH, ERIN R	RN NURSE CLINICIAN	NURSE REGISTERED	RN60564212	ADV REGISTERED NURSE PRACTITIONER LIC	AP60752872
THOMAS, LLOYD P	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFICATION	NC60221578		
THOMPSON, KEANDRA L	RN NURSE CLINICIAN	NURSE REGISTERED	RN00160470		
THURSTON, KATHERINE A	HOME HEALTH AIDE NAC	NURSING ASSIST HOSP PALLIATIVE	NC60266196	NURSING ASSISTANT CERTIFIED	NC60266196
TROTTER, RACHEL M	SOCIAL WORKER MSW	SOCIAL WORKER ADV ASSOC	SC61097051		
UBER, SABINA E	RN NURSE CLINICIAN	NURSE REGISTERED	RN00082110		
UNGER, HALEY L	RN NURSE CLINICIAN	NURSE REGISTERED	RN60864256		
VALENTINE, KIM M	VOLUNTEER SVCS COORD	NA	NA		
VAN WAGENEN, THEODORA W	RN NURSE CLINICIAN	NURSE REGISTERED	RN60112437		
VAZQUEZ, OMAR	VOLUNTEER SVCS COORD	NA	NA		
WALL, PATON M	CHAPLAIN	NA	NA		

Source: Providence Hospice of Seattle

WAMBURI, ALICE M	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFICATION	NC61008572		
WARREN, SCOTT M	LPN NURSE CLINICIAN	LICENSED PRACTICAL NURSE	LP00042262		
WELCH, REGINA E	RN NURSE CLINICIAN	NURSE REGISTERED	RN00160075		
WILKINSON, TYLER J	MGR CLINICAL	NURSE REGISTERED	RN61101493		
WILLINGHAM, KRYSTAL K	RN NURSE CLINICIAN	NURSE REGISTERED	RN60591386		
WINBRINCK, KATHERINE E	SOCIAL WORKER MSW	SOCIAL WORKER ADV ASSOC	SC60829746		
WODMA, MINTESNOT Y	RN NURSE CLINICIAN	NURSE REGISTERED	RN60431854		
WOLDEKIRKOS, DEREJE A	RN NURSE CLINICIAN	NURSE REGISTERED	RN60207515		
WOLFRUM, ELISABETH M	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10068629		
YIRGA, MEAZA W	HOME HEALTH AIDE NAC	NURSING ASSISTANT CERTIFIED	NC10070461		
YOHANNES, TWODRROS M	RN NURSE CLINICIAN	NURSE REGISTERED	RN60244596		
ZACHARY, MAGGIE I	SOCIAL WORKER MSW	SOCIAL WORKER INDEP CL	LW60783599		
ZERR, TRACY L	RN NURSE CLINICIAN	NURSE REGISTERED	RN00111137		
ZHANG, PENG W	RN NURSE CLINICIAN	NURSE REGISTERED	RN60223615		

Source: Providence Hospice of Seattle

Exhibit 24
Education, Orientation and Assessment of Competency for Staff

Current Status: *Active*	**PolicyStat ID:** *7654540*

Implementation:	*08/2018*
Effective:	*02/2020*
Last Reviewed:	*02/2020*
Last Revised:	*02/2020*
Next Review:	*02/2021*
Owner:	*Penny Smith: Clinical Quality Specialist RN*
Policy Area:	*Education and Professional Development*
Ministries:	*Hospice Care Center Everett, Hospice Everett, Hospice Olympia, Hospice Seattle*
Applicability:	*Providence Home and Community Care*

Education, Orientation and Assessment of Competency for Staff

Purpose

To ensure staff competency to provide quality care to patients and their families.

Scope

All WA state Providence Hospice employees, contracted staff and volunteers.

Policy

- Every employee shall be oriented to the hospice program and the job to which he or she is assigned prior to performing job functions independently.
- All clinical staff will have competencies evaluated by an appropriately credentialed/licensed professional during orientation, annually and as needed.
- Staff will receive training and will demonstrate competency before using any new equipment or performing new procedures.
- Hospice aides are provided education and training per the policy, Hospice Aides Services
- Volunteers are provided education and training per the policy, Volunteer Program
- Verification of competency for new hires will be documented and tracked.
- The Clinical Educator(s) are responsible for assessing, creating and implementing an annual education plan in coordination with the Leadership Team and Quality Team.
- Staff are responsible for completing and recording any CE requirements required to maintain their license as related to their job function.

Procedure

New Hire Orientation Education

A. New employee orientation will include classroom instruction, training in the performance of specific skills and procedures as needed, shadowing disciplines, working with a preceptor and an opportunity to demonstrate competence in these skills and procedures.

B. The Clinical Managers(s), in coordination with the Clinical Educators and Preceptor, are responsible for assuring that each new employee undergoes appropriate orientation and that competency has been assessed and evaluated before the new employee provides patient care or performs clinical tasks independently.

All New Hire Employees will receive education on:

- Organization's mission, vision, and goals
- Integrity, Compliance, Privacy and Security
- Hospice philosophy, history and background
- Team roles
- The Hospice Benefit structure
- Compliance, Quality Assessment and Performance Improvement
- Medical Device Act
- Advance Directives
- Cultural Humility and Sensitivity
- Professional Boundaries
- Employee Self-Care and Professional Development
- Policies and Procedures with focus on:
    - Abuse, Neglect, Mistreatment and Exploitation
    - Emergency Response Plan and Hospice Care Center Emergency Preparedness Plan (per ministry)
    - Management of Patients with Suicidal Ideation
    - Physician Assisted Suicide
    - Safety and Security for Personnel
    - Infection Prevention and Control Program

Each New Hire discipline will be assessed and evaluated on clinical competency

- Initial and recurring competency assessments may include:
- Direct observation and review of clinical documentation
- Self and peer assessment
- Case presentation and discussion of clinical issues in consultation with clinical managers and IDG

- Return demonstration
- Written assessment of skills (i.e. post-test following an in-service)
- Completion of continuing education classes or in-services
- Licensure or certification

Annual and On□going Education

A. Annual education will be developed to advance practice, provide training in the performance of new skills and procedures, and meet regulatory compliance.

B. The Clinical Managers(s) are responsible for assuring that each new employee completes any mandatory education to meet regulatory compliance.

Annual All Staff regulatory education will include:

- Online Annual Regulatory Review:
  - Blood Borne Pathogens
  - Infection Control
  - Abuse and Neglect of Adults and Children
  - Emergency preparedness
  - Safety and security for personnel
- Airborne Respiratory Transmission Precautions/CAPR
- Workplace Violence Prevention
- Integrity, Compliance, Privacy and Security
- Additional mandatory in-services may be identified to address changes in regulatory guidelines or to address emerging issues in patient care.

Maintaining Records

The following records will be maintained in HealthStream:

- Annual nursing skills competency assessments
- Annual regulatory compliance education
- Non-regulatory agency sponsored education

The following records will be tracked by clinicians:

- Any education offered outside of Providence to meet licensure requirements

The following records will be tracked by Clinical Managers or designee in employee personnel file:

- New hire completed orientation plans for all staff
- New hire nursing skills competency assessments
- Annual supervisory visits for all staff

- Contracted staff records
- Ministry specific webinars or inservices

Education Assessment and Plan

A. The education plan will be developed and implemented on an annual basis.

B. Education needs are assessed based on the following:
    - New products, equipment and services
    - Staff needs assessment via survey, individual report, or discipline meetings.
    - Performance evaluations and issues identified during in-home visits, case conferences/IDG meetings
    - Quality Performance improvement data, root cause analyses, or other operational data sources.
    - High risk, high volume and/or problem prone populations or patient conditions
    - Clinical best practices or operational skill needs to improve efficiencies
    - Reinforcement of State and Federal regulatory requirements and accreditation standards

C. Clinical Educator(s) in coordination with Leadership will coordinate all training and the communication of opportunities within the agency and local or regional levels.

Continuing Education (CE)

A. CE developed by agency staff and outside community organizations will be reviewed and vetted by a member of the Hospice Quality and/or Leadership Team to ensure it is appropriate, related to job functions, improves patient care or staff self-care, and promotes professional growth, and that education will be offered to staff across ministries as appropriate.

B. Time off and reimbursement for continuing education outside the agency will be approved by employee's direct manager based on whether it is appropriate, related to job functions, improves patient care or staff self-care, and promotes professional growth.

References

Condition of Participation: 418.100 – Organization and administration of services. (g) Standard: Training. (1) A hospice must provide orientation about the hospice philosophy to all employees and contracted staff who have patient and family contact. (2) A hospice must provide an initial orientation for each employee that addresses the employee's specific job duties. (3) A hospice must assess the skills and competence of all individuals furnishing care, including volunteers furnishing services, and, as necessary, provide in-service training and education programs where required. The hospice must have written policies and procedures describing its method(s) of assessment of competency and maintain a written description of the in-service training provided during the previous 12 months.

WAC 246-335-065 Personnel, contractor and volunteer policies

WAC 246-335-525 (9) In-person orientation to current agency policies and procedures and verification of skills or training prior to independently providing patient care. Examples of skills verification include written testing, skills observation, and evidence of previous training and experience such as a certified nursing assistant training as detailed in WAC 246-841-400;

Also, annual performance evaluations include on-site observation of care and skills. Although skills are being

observed as the employee is caring for the patient, this is not meant to be a comprehensive skills verification.

WAC 246-335-425 (16) Annual performance evaluations of all personnel and volunteers providing direct patient care, including on-site observation of care and skills specific to the care needs of patients;

Attachments

SOP - HealthStream Administrator Access.docx
SOP - HealthStream Transcript Report.docx

Approval Signatures

Approver	Date
Stephanie Crow: Dir Clinical Quality	02/2020
James Knoll: Clinical Educator	02/2020

Applicability

Providence Home and Community Care

Exhibit 25
Providence Home Services Clinical Ladder Handbook

RN Clinical Ladder Program

PROVIDENCE
Hospice of Seattle

Developed by Providence Hospice of Seattle

Mackenzie Daniek, BSN, RN, CHPN, CHPCA

Mackenzie.Daniek@providence.org

Published 01/12/2021

Our Mission As expressions of God's healing love, witnessed through the ministry of Jesus, we are steadfast in serving all, especially those who are poor and vulnerable.

Our Values Compassion Dignity Justice Excellence Integrity

Our Vision Health for a Better World

Our Promise "Know me, care for me, ease my way"

Table of Contents

Clinical Ladders Explained

PURPOSE

The development and retention of competent nursing staff is a major focus of Providence Hospice of Seattle. The development of a Clinical Ladder for case managers is one approach to meet this goal. The program has been developed utilizing the Novice to Expert model applied to nursing practice by Patricia Benner. The concept of the Clinical Ladder is based upon the Synergy Model of Nursing which will assist in promoting and defining the best practices the development of a clinical nurse. The Synergy Model along with use of the Highly Reliable Tools in everyday practice describes the advancement of nurses clinically focused on case management nursing through four levels based on criteria for experience, professional practice, knowledge and skills, interpersonal relationships, commitment to patient satisfaction and leadership qualities. The levels are defined as Novice/Advanced Beginner, Competent, Proficient and Expert.

Curley, M. (1998). Patient-nurse synergy: optimizing patients' outcomes. *American Journal of Critical Care.*

Benner, P. (1984). *From novice to expert: Excellence and power in clinical nursing practice*. Menlo Park: Addison-Wesley.

OBJECTIVES

The objectives relating to nursing include:

1. To provide an advancement choice that encourages nurses to remain at the bedside
2. To provide opportunities for nurses to develop into nurse leaders if that is their choice
3. To provide a system of recognition for clinical Case Managers
4. To utilize nurses appropriately who are educationally prepared for different levels of performance
5. To differentiate between different levels of nursing competence

The ladder's objectives for the market:

1. To provide the market with a tool for recruitment and retention
2. To motivate caregivers to actively seek development
3. To motivate caregivers to actively participate in CAHPS improvement; specifically in the Overall Rating of Care
4. To aid in the reduction of turnover rates and the expenses associated with hiring new caregivers

PROCEDURE

The Levels

The Synergy Model is the framework upon which the Clinical Ladder is based. The nurse that has advanced from Novice/Advanced Beginner may seek to apply for clinical advancement by applying for RN Level II, III, or IV. The Novice/Advanced Beginner Level is a grading tool for managers to assess when the RN is ready to obtain a higher level advancement, starting at Level II. There are minimum requirements from which all three levels are built. The nurse may submit an application for the RN Level at a level that they can provide documentation for levels II, III and IV.

RN Level I – Novice/Advanced Beginner

- Has recently graduated from nursing school, has less than three years of experience, or is returning to direct patient care after a prolonged absence. This may also be a nurse transitioning to Hospice Care Practice from another specialty. At this level, the nurse seeks guidance to integrate concepts, knowledge and skills necessary to provide patient care. All nurses will begin in RN Level I.

RN Level II – Competent

- Independently provides patient care through application of the nursing process and accepts accountability for the nursing care of assigned patients. At this level, the nurse is expected to identify and implement nursing interventions and evaluate the results. RN IIs should demonstrate leadership qualities.

RN Level III – Proficient

- Coordinates and provides quality patient care through expert practice and application of the nursing process. Nurses at this level are expected to assume accountability for the nursing care outcomes for their patients and to actively participate in the development and ongoing evaluation of nursing practice on their units. These nurses provide clinical leadership by offering guidance, serving as a preceptor, and coordinating the healthcare team to meet individual patient/family needs.

RN Level IV – Expert

- This individual is sought out for guidance by staff and serves as a resource/role model for expert clinical practice on his or her unit. Nurses at this level take leadership in establishing the clinical practice standards on their unit and assume accountability for evaluating patient care outcomes based on these standards.

Excellence is demonstrated in the nurse's ability to collaborate with the healthcare team and to plan and care for complex patient and family needs. The RN IV must have either a bachelor's degree in nursing or a master's degree/master's degree in nursing.

Eligibility Requirements

The applicant must:

- RN Case Managers who manage a caseload consistently. RNs will be at an FTE of 0.5 or above.
- Not have any Performance Improvement Plans or Corrective Action within the 12 months prior to letter of intent date to be eligible to apply. Caregivers who receive a written warning, final written warning or suspension through the portfolio review date are not eligible to be approved.
- Be responsible for ensuring completion of clinical ladder
- Submit 2 references from close coworkers referencing specific adherence to the High Reliability Tones for Respect.
- Accumulate the minimum number of points:

  Points may be accumulated through:

  - Formal education
  - Experience
  - Continuing education
  - Certification/College credit (see attached development profile)
  - Professional development/role activities (see attached development profile)
  - Maintaining/exceeding productivity 80% of the time
  - Maintaining/exceeding the Overall Rating of Care Score
  - Maintaining 100% compliance standards

A caregiver who feels he/she has had their eligibility for application to the clinical ladder denied by the shared governance committee due to a factor not stated in the Letter of Intent (e.g. harassment, discrimination) shall have the right to appeal the decision by using the employee dispute resolution process. Assistance with this process may be obtained through the ministry's Human Resources Partner.

The Application Process

The applicant must first meet with their manager to discuss their desire to apply. Managerial approval must be given prior to the application process. The Manager must sign the Intent Form for each applicant.

All application packets must be completed in full and will reflect one full year of clinician activity. Applications must be submitted electronically. The Shared Governance Committee may approve a lower Clinical Ladder if criteria for upper levels are not met.

To begin rolling out the Clinical Ladder Program in 1st and 2nd quarter of 2021, Providence Hospice of Seattle will require one third of the required points with a written plan for obtaining the rest of the points within the year 2021.

The Shared Governance Committee

The purpose of the Shared Governance Committee is to maintain consistency and quality of the approval process for all applicants.

- Chair: **Macken□ie Daniek**
- Nurse Leader: □ **hitney Dahlman□Oeth**
- Quality Leader: **Penny Smith**
- Nurse Educator: □**en Lee**
- Clinical Ladder III RN:
- Clinical Ladder III RN:
- Clinical Ladder IV RN:
- Clinical Ladder IV RN:

Basic Eligibility

1- Current Licensure
2- Manager's signed letter of intent
3- Continuous employment either full-time or part-time
4- Absence of disciplinary actions causing written formal warnings within 6 months prior to application
5- Involved in Direct Patient Care as a Case Manager
6- Complete yearly mandatory requirements for department or position
7- Have 100% compliance in an audit

The Clinical Nurse Advancement Appeal Process

If the Shared Governance Committee denies an applicant's leveling criteria and the applicant is not in agreement, the applicant may appeal the decision.

Step One:

The appeal shall be submitted in writing to the Shared Governance Committee chair within seven (7) calendar days of the decision and contain specific rationale for the appeal. Appeals may not be based on rationale which is not consistent with the clinical ladder policy under which the portfolio was originally submitted. No changes shall be allowed to the original portfolio prior to the conclusion of the appeal process.

Step Two:

The review committee chair will forward the written appeal to the Chief Nursing Officer, the Human Resources Partner, and the Director of the applicant's department. The Chief Nursing Officer will review the appeal and portfolio, and within 7 calendar days forward a decision to the committee chair whether to accept the appeal or reject the appeal.

This portfolio will remain with the department director until the review committee meeting.

Step Three:

If the appeal is accepted by the CNO, the Shared Governance Committee, with the CNO and Human Resources Partner will meet to discuss the portfolio in question. This meeting will be held within 30 days of the appeal approval by the CNO. The letter of appeal must be present with the portfolio, and the Human Resources Partner will be present as a non-partial witness. The decision of the review committee will be the final decision in the appeal process. In the event of a tie vote, the Chief Nursing Officer will cast the deciding vote. The applicant will be informed of the committee's decision within seven (7) days of the final decision.

Requirements of the process and procedures have been developed by the committee and approved by the Chief Nursing Officers and Human Resources Directors. The committee will maintain utmost confidentiality with all work regarding applications and decisions made.

Bonus Awards

Once the Shared Governance Committee has approved the Clinical Ladder, incentives will be recommended as follows:

Levels	**1**	**2**	**3**	**4**
	Novice/Advanced Beginner	**Competent**	**Proficient**	**Expert**
Additional Incentives	- Baseline pay & Benefits	- $2 Shift Differential - New Badge recognizing Level - Recognition at yearly appreciation event (banner, newsletter, ect)	- $3 Shift Differential - Removed from the Weekend Rotation - $1000 education benefit - New Badge recognizing Level - Recognition at yearly appreciation event (banner, newsletter, ect)	- $5 Shift Differential - Removed from the Weekend Rotation - Removed from the holiday rotation - Ability to attend 1 annual conference of your choice focused on Hospice & Palliative Care - $1500 education benefit - New Badge recognizing Level - Recognition at yearly appreciation event (banner, newsletter, ect)
Annual Dollar Amount	**$0**	**$4160**	**$7240**	**$16,900**

Frame Work

Clinical Ladders are built to address three critical areas of Nursing Care.

Development

- No matter your role in the organization, your time and talents make a huge contribution to our vision of Health for a Better World.
- Clinical Ladders seeks to incentivize nurses who obtain higher education and certification

Outcomes

- When **outcomes** are measured and reported, it fosters improvement and adoption of best practices, thus further improving **outcomes**. Understanding **outcomes** is central in providing value and represents an opportunity for redefining veterinary **patient care**.

Engagement

- Many studies point to a strong correlation between **employee engagement** and positive outcomes. And we know that in healthcare, **staff** who are passionate about their work create better patient experiences.

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[1] See SuccessFactors for Development Opportunities

[2] Pantaleon, L. (2019). Why measuring outcomes is important in health care. *Journal of Veterinary Internal Medicine, 33*(2), 356-362. doi:10.1111/jvim.15458

[3] EnergageEnergage is a Certified B Corporation that helps organizations measure. (2020, April 03). Improving the Patient Experience Through Employee Engagement. Retrieved January 12, 2021, from https://www.energage.com/patient-satisfaction/#:~:text=Engaged%20employees%20deliver%20better%20patient,work%20create%20better%20patient%20experiences

Basic Requirements

(Cannot count points for minimum basic requirements)

Category	RN 1	RN 2	RN 3	RN 4
Years of Hospice and/or Palliative Experience	No experience in Hospice or Palliative Care	1 year	5 years	5 years
Years of experience at Providence Hospice in Washington State	None	1 years	2 years	5 years
Annual Hours of CE focused on Hospice & Palliative Nursing		15 hours	15 hours	15 hours
Education			BSN or Higher	BSN or Higher
Certification			Certified in Hospice & Palliative Nursing OR Certified in Case Management	Certified in Hospice & Palliative Nursing OR Certified in Case Management
Productivity		Meets Productivity 80% of the time	Exceeds Productivity 80% of the time	Exceeds Productivity 80% of the time

Category	RN 1	RN 2	RN 3	RN 4
Patient Experience Outcomes		Overall Rating of Care at or above Ministry Baseline	Overall Rating of Care at or above National Standards	Overall Rating of Care at or above National Standards
Case Management Teams		Case Manages 14+ patients at a time	Case Manages 14+ patients at a time	Case Manages 14+ patients at a time
Compliance		Have 100% compliance in an audit	Have 100% compliance in an audit	Have 100% compliance in an audit
Points Beyond Basic Requirements		+24 additional points	+36 additional points	+48 additional points

MINIMUM 50% OF ADDITIONAL POINTS MUST COME FROM PROFESSIONAL DEVELOPMENT PORTION OF LADDERS

Understanding Points

Points work to acknowledge higher education beyond the basic requirements, professional development, experience in hospice and palliative care and engagement within Providence Hospice of Seattle.

Education

Points for education can only be counted past the Basic requirements.

> ***for example***, if you are applying for Level 2, a BSN can count for 3 points. But if you are applying for Level 3 or 4, the BSN cannot count towards points as a BSN is a basic requirement for those levels.

Baccalaureate in Science in Nursing	**3 points**
Baccalaureate in another field	2 points
Masters in Science of Nursing	5 points
Master's Degree in another field	3 points

	Units = number of contact hours	**Points**
Contact hours (beyond basic requirements) <u>excluding</u> college courses and requirements as listed on job description	1	1
Specialty course completion (*does not count toward contact hour points or if required by job description)*	1	2
Healthcare related college classes *(must successfully complete with a grade of "C" during the previous 12 months)*	1	1
Nationally Recognized RN Certification *(mandatory for levels III & IV)*	1	5

Experience

Points for experience can only be counted past the Basic requirements.

> ***for example***, if you are applying for Level 4, your years of experience past 5 years will count towards points.

Hospice and Palliative Care Experience Conversion Chart Years to Points

RN	LPN
1-5 yrs…1 point	1-5 yrs…0.5 point
6-10 yrs…2 points	6-10 yrs…1 point
11-15 yrs…3 points	11-15 yrs…1.5 points
16-20 yrs…4 points	16-20 yrs…2 points
21-25 yrs…5 points	21-25 yrs…2.5 points
26+ yrs…6 points	26+ yrs…3 points

Providence Hospice Experience

RN	LPN
1-5 yrs…1 point	1-5 yrs…0.5 point
6-10 yrs…2 points	6-10 yrs…1 point
11-15 yrs…3 points	11-15 yrs…1.5 points
16-20 yrs…4 points	16-20 yrs…2 points
21-25 yrs…5 points	21-25 yrs…2.5 points
26+ yrs…6 points	26+ yrs…3 points

Professional Development

Minimum 50% of additional points must come from professional development portion of ladders

Areas	Points Allotted
Evidence Based Practice Presentations	4 Points Each
Teaching / In-Service	8 points max per class
Teams/Projects	6 points max/year/team
Professional Nursing Organization	1 point for 1st membership
	3 points each additional membership
	2 points per activity
	5 points for office held
Community Service	1 point per 2 hours
VIA Nominee	2 points
VIA Winner	5 points
Other Award Nominee	2 points
Other Award Winner	5 points
Expanded Roles	
Charge/Team Leader	10 points
Precepting New Hires	1 point for each staff (max of 4 points)
Mentor	0.5 point for each staff (max of 4 points)
Cross-Training & working in other roles	0.5 points for 4 hours Level II: 2 pt max Level III: 4 pt max Level IV: 6 pt max
Process Improvement	6 points per project

Evidence-Based Nursing Practice Activities

Every RN must document participation in Evidence-Based Practice per level of requirements. All of the following options must be accompanied by two evidence-based references.

A. Contribution of two or more evidence-based articles/sources on a **RELATED TOPIC** for one staff education opportunity within your department (posted with sign-in sheet with header paragraph discussing relevancy to department/practice). **Include copies of articles and sign-in sheet**.

B. Conduct a discussion using at least once current evidence-based reference. This may occur in the following settings – journal club, hospital council meeting, outside your unit staff meeting, or professional organization meeting. Include the following in your documentation:
   a. Relevancy of topic to department/practice
   b. Sign-In sheet of participants
   c. Objectives for the activity
   d. Evaluation tally sheet
   e. Copy of the evidence-based article
   f. Brief personal evaluation of activity (lessons learned)

C. Complete a poster that highlights current evidence-based nursing practice. Include the following in your documentation:
   a. Relevancy of topic to department/practice
   b. Copies of evidence-based sources (at least two)
   c. Objectives of the poster
   d. Brief personal evaluation of the activity (lessons learned)
   e. Copy of poster via a PowerPoint file or PDF
   f. Copies of the Poster Evaluation Tool and Poster Tally Sheet

D. Revise and implement a clinical policy or procedure using current evidence-based practice literature or research. Include the following in your documentation:
   a. Need for the new or revised education resource
   b. New or revised education resource
   c. Copies of evidence-based sources (at least two)
   d. Department approval for hospice-specific revisions

E. Develop and implement a patient education resource or edit and implement an existing patient education resource using evidence-based practice literature or research. Include the following in your documentation:
   a. Need for the new or revised education resource
   b. New or revised education resource
   c. Copies of evidence-based sources (at least two)
   d. Department approval for unit-specific revisions

F. Provide staff education on a relevant topic using evidence-based practice literature or research. Include the following in your documentation:
   a. Relevancy of topic to department/practice
   b. Sign-in sheet of participants
   c. Objectives for the activity
   d. Evaluation tally sheet
   e. Copies of the evidence-based sources (at least 2)
   f. Brief personal evaluation of activity (lessons learned)

G. Completion of a research class at the college level. Transcript must be provided.

H. Primary investigator for an IRB approved research study in progress for at least six months or completed in the current year.

I. Formal poster at a state or national conference or podium presentation outside facility. This poster must be first approved by the manager/director.

J. Acceptance of an article for nursing publication.

Application

Checklist

Date of Application:

_____

☐ **Letter of Intent** signed by a Manager

Which Manager?

_____

☐ **2 letters of recommendations** from peers showing how you follow the High Reliability Tones of Respect

☐ **Date started at Providence Hospice of Seattle** _____

☐ **CE Tracker**

☐ **All Healthstreams complete**

☐ **Resume**

☐ **Certification**

- Accrediting Body?

  _____
- Specialty

  _____
- Date of expiration

  _____

☐ **Total Number of Professional Development Points** beyond basic requirements _____

- *For the 1st cohort starting in 2021… Applications with 1/3rd of required points and a plan to obtain the rest of the points within 12 months will be accepted*

- If only 1/3rd of points are being submitted, what is plan to obtain the rest of the points within the next 12 months?

  Click or tap here to enter text.

☐ **Productivity Graph** (Appendix A – Obtain from your Manager)

☐ **SHP Scorecard** (Appendix B – Obtain from your Manager)

Letter of Intent

Employee Name

Click here to enter text. This RN meets the eligibility requirements, has attended all mandatory in-service training for the prior year, has a satisfactory performance evaluation and is without any performance improvement plans or corrective action for the last year. This RN understands the importance of a Highly Reliable Organization and it's role in quality patient care as evidenced by incorporating the Highly Reliable Tools in their day to day practice. This RN uses Providence's mission, vision and value statements to enhance the planning of patient care.

The employee is eligible to submit an application for the Providence Hospice of Seattle Clinical Ladder.

☐ **Approved**

☐ **Declined** **Reason:** Click here to enter text.

Click here to enter text. Click here to enter a date.
Manager Signature **Date**

Click here to enter text. Click here to enter a date.
Caregiver Signature **Date**

I am striving to obtain (check 1) Clinical Ladder:

☐ Level II ☐ Level III ☐ Level IV

I understand that if I do not meet the criteria for the level I am striving for, it is possible for me to receive a lower level if I fulfill those requirements.

Caregiver Email Address: Click here to enter text.

Attention Applicant: Complete this form and photocopy. Include a copy in your portfolio and submit a copy to the Shared Governance Email.

Department Manager: Place completed form in the caregiver's unit specific file.

2 Letters of Recommendation

All applicants need to submit 2 letters of recommendations from peers attesting to examples of the applicant following the **High Reliability 5 Tones of Respect**.

Letters can come from anyone except for Clinical Managers. Examples include:

- Physicians
- ARNPs
- Volunteer Services
- Grief Support Services
- Team Members
- Other departments you've worked with

Smile and greet others; say "Hello"	***Introduce using preferred names and explain roles***	***Listen with empathy and intent to understand***	***Communicate positive intent of our actions***	***Provide opportunities for others to ask questions***

Recommendation letter format: what to include

Your letter of recommendation should include five items:

1. **A brief introduction** that states who you are, your relationship to the applicant and your personal experience or expertise.
2. **An overview** of the applicant's strengths as you've experienced them and as they relate to the recipient.
3. **A personal story** that elaborates on one to two traits the applicant possesses.
4. **A closing statement** that summarizes why the individual you are recommending would be a good fit for the opportunity.
5. **A signature** that includes your name and contact information.

Guidelines for Completing the Clinical Ladder Application

I. Formal Education

The highest academic level actually completed.

II. Experience

- Section A: Experience at a Providence Hospice Ministry as a RN Clinician from the date of hire
- Section B: Experience in Hospice & Palliative Nursing prior to employment at a Providence Hospice Ministry. Experience as a LPN prior to becoming a RN can be counted for half the points.

III. Continuing Education/Certification/College Courses

- This component addresses areas of continuing education, college courses and national certification.
    - Section A: Continuing Education Contact Hours (See page 13)
        - The staff nurse should attach evidence of contact hours. Some courses do not grant contact hours, but qualify for credit in the clinical advancement credits.
          Credit is awarded for specialty course completion beyond ministry competency.
    - Section B: Healthcare related college classes (See page 13)
    - Section C: Nationally Recognized RN Certification in Hospice and Palliative Care or Case Management (See page 13)
        - National and state certifications will vary. If contact hours are required to maintain certification, credit is given for the certification and the credit hours. Proof of membership should be provided. College courses are those leading to advanced degree in Nursing. Only courses actually completed at the time of application will be considered.

***NOTE: Mandatory in-services are not applicable since they are required of all staff. Any in-service or class that is a condition of employment is not applicable, i.e., CPR, Annual Healthstreams or Discipline Specific Meetings*.**

IV. Professional Development/Role Model

- This component has eight sections:
    1. Evidence Based Practice
    2. Teaching-Clinical Instruction or In-Services
    3. Ministry Based Councils/Short-term Teams or Project Meetings
    4. Professional Nursing Organizations
    5. Expanded Role
    6. Community Service
    7. Service Excellence
    8. High Reliability Tools

Many professional activities and unit projects are explained on the forms. Managers will approve on a retrospective basis. Additional forms may be copied as needed.

Professional Role Model gives credit to those employees who demonstrate status in regards to outstanding work.

I. Formal Education

Name: Click here to enter text. Team: Click here to enter text. Date: Click here to enter a date.

A. Check the highest Nursing degree held (and a related field if applicable):

☐ Baccalaureate Degree in Nursing 3 Points..... Click here to enter text.

☐ Baccalaureate Degree in Another Field..... 2 Points Click here to enter text.

☐ Master's Degree in Nursing ------- 5 Points..... Click here to enter text.

☐ Master's Degree in Another Field 4 Points..... Click here to enter text.

You may not count points for the minimum degree required for the level you are seeking

Total Points..... Click here to enter text.

II. Experience

<table>
<tr><th></th><th></th><th>Years</th><th>Points</th></tr>
<tr><td>A.</td><td>Years of experience at a Providence Hospice of Seattle</td><td></td><td></td></tr>
<tr><td></td><td>Years of experience at another Washington Providence Hospice Ministry (Sound or Snohomish)</td><td></td><td></td></tr>
<tr><td>B.</td><td>Experience in Hospice & Palliative Nursing prior to employment at a Providence Hospice Ministry.</td><td></td><td></td></tr>
<tr><td></td><td>Years as a RN</td><td></td><td></td></tr>
<tr><td></td><td>Years as a LPN</td><td></td><td></td></tr>
<tr><td></td><td>Hospice and Palliative Care Experience Conversion Chart Years to Points
<table>
<tr><th>Years as an RN</th><th>Years as an LPN</th></tr>
<tr><td>1-5 yrs…1 point</td><td>1-5 yrs…0.5 point</td></tr>
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<tr><td>11-15 yrs…3 points</td><td>11-15 yrs…1.5 points</td></tr>
<tr><td>16-20 yrs…4 points</td><td>16-20 yrs…2 points</td></tr>
<tr><td>21-25 yrs…5 points</td><td>21-25 yrs…2.5 points</td></tr>
<tr><td>26+ yrs…6 points</td><td>26+ yrs…3 points</td></tr>
</table></td><td colspan="2"></td></tr>
<tr><td colspan="3">Total Points</td><td></td></tr>
</table>

III. Continuing Education/Certification/College Courses

		Units	Points
A.	Contact hours (beyond basic requirements) **excluding** college courses and requirements as listed on job description Units = number of contact hours 1 contact hour = 1 point		
B.	Specialty course completion (*does not count toward contact hour points or if required by job description)* 1 unit = number of courses completed 1 course = 2 points		
C.	Healthcare related college classes *(must successfully complete with a grade of "C" during the previous 12 months)* 1 unit = number of credits course assigned 1 credit = 1 point		
D.	Nationally Recognized RN Certification *(mandatory for levels III & IV)* 1 unit = 1 certification 1 certification = 5 points		
Total Points			

IV. Professional Development

		Points – Enter from Worksheet
1.	Evidence-Based Nursing Practice	
2.	Teaching – Clinical Instruction or In-Services	
3.	Short-term Teams or Project Meetings	
4.	Professional Nursing Organizations	
5.	Expanded Role	
6.	Community Service (healthcare related)	
7.	Service Excellence/Award Winner	
Total Points		

1. Evidence Based Nursing Practice (4 points for each additional EBP over basic requirement for level)

   EBP Activity Letter Total Points Click or tap here to enter text.

   EBP Activity Letter Total Points Click or tap here to enter text.

   EBP Activity Letter Total Points Click or tap here to enter text.

2. Teaching (must be taught to a minimum of 4 people)

Length of Class	**Points**
15-29 minutes	2 points
30-59 minutes	4 points
60-119 minutes	6 points
>119 minutes	8 points
20 points max per year, all inclusive	

Title of Program: Click or tap here to enter text.
Target Audience: Click or tap here to enter text.
Date of Program: Click or tap to enter a date.
Length of Program: Click or tap here to enter text.
Repeat Classes: Click or tap here to enter text.
Objectives: Click or tap here to enter text.
Tally Sheet Attached: ☐
Attendance Record Attached: ☐
Total Points ..... Click or tap here to enter text.

Title of Program: Click or tap here to enter text.
Target Audience: Click or tap here to enter text.
Date of Program: Click or tap to enter a date.
Length of Program: Click or tap here to enter text.
Repeat Classes: Click or tap here to enter text.
Objectives: Click or tap here to enter text.
Tally Sheet Attached: ☐
Attendance Record Attached: ☐
Total Points ..... Click or tap here to enter text.

Title of Program: Click or tap here to enter text.
Target Audience: Click or tap here to enter text.
Date of Program: Click or tap to enter a date.
Length of Program: Click or tap here to enter text.
Repeat Classes: Click or tap here to enter text.
Objectives: Click or tap here to enter text.
Tally Sheet Attached: ☐
Attendance Record Attached: ☐
Total Points ..... Click or tap here to enter text.

3. Short-term Teams or Project Meetings

Must attend 75% of the meetings

Council Name: Click or tap here to enter text.				Frequency of Meetings: Click or tap here to enter text.			W ☐	BIM ☐	M ☐	Q ☐	
Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Date	**Date**	**Date**	**Date**	**Date**	**Date**	**Date**	**Date**	**Date**	**Date**	**Date**	**Date**
Time	**Time**	**Time**	**Time**	**Time**	**Time**	**Time**	**Time**	**Time**	**Time**	**Time**	**Time**
*	*	*	*	*	*	*	*	*	*	*	*

*E – Excused
A - Absent
P – Present
C – Cancelled
N – No Meeting
R – Sent Replacement

Hours of Participation	Points
2-4 hours	1 point
5-7 hours	2 points
8-11 hours	3 points
12-15 hours	4 points
15+ hours	5 points
Council Chair	+2 points
7 points max/year per council	

Description of Participation: Click or tap here to enter text.

Description of Participation: Click or tap here to enter text.

Description of Participation: Click or tap here to enter text.

4. Professional Nursing Organizations:

Membership Only (1 point for the first membership – 3 points for each additional membership **no maximum**)
Name of Organization: Click or tap here to enter text.
Attach copy of membership

Name of Organization: Click or tap here to enter text.
Attach copy of membership

Name of Organization: Click or tap here to enter text.
Attach copy of membership

Active Membership (2 points per activity **no maximum**)
Name of Organization: Click or tap here to enter text.
Attach copy of membership
Briefly describe this activity: Click or tap here to enter text.

Active Membership (2 points per activity **no maximum**)
Name of Organization: Click or tap here to enter text.

Attach copy of membership
Briefly describe this activity: Click or tap here to enter text.

Active Membership (2 points per activity **no maximum**)
Name of Organization: Click or tap here to enter text.
Attach copy of membership
Briefly describe this activity: Click or tap here to enter text.

Chair, Board Member or Officer (5 points each office held)
Name of Organization: Click or tap here to enter text.
Attach copy of membership
Briefly describe the office held and responsibilities: Click or tap here to enter text.

Total Points .....Click or tap here to enter text.

5. Expanded Role
    a. Charge Nurse/Team Leader
    Manager/Director Signature
    _____ 10 points

    b. Preceptor
        i. Has completed the Preceptor Program: Date Click or tap to enter a date.
        ii. Clinical preceptor for new caregivers
            Name of new Caregiver:
            _____

            Name of new Caregiver:
            _____

            Name of new Caregiver:
            _____

Name of new Caregiver:

_____

Name of new Caregiver:

_____

c. Mentor (performs regularly in informal situations where a new staff, float staff or student may be need assistance – Not responsible for Orientee goals, objectives or evaluations)

Name of new Caregiver/Student/Fellow:

_____

Name of new Caregiver/Student/Fellow:

_____

Name of new Caregiver/Student/Fellow:

_____

Name of new Caregiver/Student/Fellow:

_____

Name of new Caregiver/Student/Fellow:

_____

d. Cross Training/Teamwork (0.5 points per five hours)
Actively demonstrates cross training as needed
Teaching a class will not count as cross training/teamwork. Teamwork is any flexibility outside of your usual role (ex: Case Manager does admissions… Case Manager helps with Triage… Case Manager helps with after hours)

Non-Case-Manager Role: _____
Number of Hours: _____
Total Points: _____

Non-Case-Manager Role: _____
Number of Hours: _____

Total Points: _____

Non-Case-Manager Role: _____
Number of Hours: _____
Total Points: _____

Non-Case-Manager Role: _____
Number of Hours: _____
Total Points: _____

e. Actively participates in preparing and/or assessing yearly competencies as approved by Manager/Director and Educator. (2 points each)

Date of Yearly Competency: Click or tap to enter a date.

Date of Yearly Competency: Click or tap to enter a date.

Total Points: _____

f. Active involvement in performance improvement projects as approved by Manager/Director (2 points each)

Project: _____
Date of Project: Click or tap to enter a date.
Brief description of Project: Click or tap here to enter text.

Project: _____
Date of Project: Click or tap to enter a date.
Brief description of Project: Click or tap here to enter text.

Project: _____
Date of Project: Click or tap to enter a date.
Brief description of Project: Click or tap here to enter text.

Total Points: Click or tap here to enter text.

6. Community Service (healthcare related): 2 points per 5 hours

   Name of Community Service: Click or tap here to enter text.
   Date of Community Service: Click or tap to enter a date.
   Number of Hours: Click or tap here to enter text.
   Short Description of Benefit to the community: Click or tap here to enter text.

   Name of Community Service: Click or tap here to enter text.
   Date of Community Service: Click or tap to enter a date.
   Number of Hours: Click or tap here to enter text.
   Short Description of Benefit to the community: Click or tap here to enter text.

   Name of Community Service: Click or tap here to enter text.
   Date of Community Service: Click or tap to enter a date.
   Number of Hours: Click or tap here to enter text.
   Short Description of Benefit to the community: Click or tap here to enter text.

   Name of Community Service: Click or tap here to enter text.
   Date of Community Service: Click or tap to enter a date.
   Number of Hours: Click or tap here to enter text.
   Short Description of Benefit to the community: Click or tap here to enter text.

   Total Points: Click or tap here to enter text.

7. Service Excellence (1 point for being nominated… 5 points for with an Awardee)
   Points granted for nominations and awards for Values in Action, Nursing Institute Awards or other Providence St. Joseph Awards that show excellence in serving the Mission & Core Values

   Name of the Award: Click or tap here to enter text.
   Date of the Award: Click or tap to enter a date.
   Nomination: ☐ Awardee: ☐

Name of the Award: Click or tap here to enter text.
Date of the Award: Click or tap to enter a date.
Nomination: ☐ Awardee: ☐

Name of the Award: Click or tap here to enter text.
Date of the Award: Click or tap to enter a date.
Nomination: ☐ Awardee: ☐

CE Tracker

Date of CE	**Activity Name**	**Activity Location**	**Activity Description**	**Hours**	**Type of verification of attendance** (includes certificates, history of classes, transcripts, ect)
1/1/2020	*Course 1: Comprehensive Pain Assessment*	*www.capc.org*	*Conducting a comprehensive pain assessment to guide safe and effective treatment.*	*1 hr*	*CAPC Certificate of Completion*

Healthstream Completion

Go to Healthstream

Using your Snipping Tool, Take a picture of your **To-Do List** that is completed and paste it below:

Resume

Enter your Resume in the box below (attach additional pages at the end):

Certification

Enter a snapshot of your certification from the ANCC or HPNA below:

Productivity Graph

Enter a snapshot of your Productivity Graph in the box below:

SHP Scorecard

Enter a snapshot of **Page 1** of your SHP Scorecard in the box below:

Resources

hrforcaregivers.org

Providence offers a comprehensive benefits package designed to support your health and well-being. This overview reviews your options and how to enroll. Explore the HR portal at **hrforcaregivers.org** to learn about all your options, use tools to help you choose the benefits that are right for you and enroll in or decline coverage through the benefits enrollment system.

Some Benefits to support your development include:

- Free access to the Centers for the Advancement of Palliative Care (CAPC)
- Free membership to the National Hospice and Palliative Care Organization (NHPCO)
- EdAssist
- Education money from Providence Hospice of Seattle
- Reduced tuition from the University of Providence degree and certificate programs
- Access to top educators, Jen Lee and James Knoll

EdAssist

caregiver.edassist.com

What is the tuition reimbursement program?

The purpose of this program is to enhance caregiver career development through higher education and acquiring applicable technical or professional skills in order to improve their potential for future growth and movement within the organization. The tuition reimbursement program offers financial reimbursement to eligible caregivers who take educational courses to improve current skills, learn new skills to support them in their current role or to enhance their potential for advancement.

How much tuition reimbursement can I receive?

Reimbursement levels vary depending on which policy you follow, check your specific policy located under Knowledge Articles on the HR Service Portal.

Which educational programs qualify for tuition reimbursement?

Under the policy, coursework must be job-related to be eligible for reimbursement. Eligible caregivers may seek tuition reimbursement approval for the following types of education: Undergraduate Degree Programs (Associate's, Bachelor's) Graduate Degree Programs (Master's, Doctorate) Individual Courses for College Credit Professional or Technical Certifications/Re-certifications (caregivers need to successfully complete/earn their certification before they can be reimbursed) General Education Degree ("G.E.D.")

Which educational programs do not qualify for tuition reimbursement?

Under your policy, the following courses/programs are ineligible: Continuing Education Programs [Continuing Medical ("CM"), Continuing Education Units ("CEUs")] (exception--CEUs toward a certification/re-certification are eligible upon successful completion of the exam and earning the certification) Seminars/Workshops/Conferences Certificate Programs (All of these may be covered separately through individual department budgets.)

Providence Hospice of Seattle has a separate benefit to use for Continuing Education Units. The amount of the benefit varies depending where you are in the Clinical Ladder Program.

What expenses are covered by the program?

Tuition reimbursement will be given for the following covered expenses, up to the caregiver's annual reimbursement maximum, provided that the caregiver meets all other eligibility requirements:

- Tuition (Instructional Fee)
- Books
- Graduation Fee (excluding cap and gown)
- Lab Fee
- Registration Fee
- Technology Fee

What expenses are not covered by the tuition reimbursement program?

License Fee

Can I get reimbursed for my student loans through the tuition reimbursement program?

No. We are not offering a student loan repayment program at this time.

How do I get started and apply to participate in the tuition reimbursement program?

We suggest you start by having a conversation with your Core Leader about your career goals and what you hope to achieve by enrolling in a course or a degree program and whether you are eligible for tuition reimbursement. Next, you can access the Bright Horizons-EdAssist Solutions site under the External Links section on the HR Service Portal and submit an application for reimbursement. Do not forget, EdAssist offers free educational and financial counseling, which could be very helpful before enrollment in a course or degree program. You are encouraged to take full advantage of this great resource.

Are there any grade requirements for getting reimbursed?

Caregiver must successfully complete the course(s) by achieving a minimum grade of "C" or a "pass/certification" for non-graded courses. Masters' degree courses and above require a passing grade of "B" or greater.

University of Providence

uprovidence.edu

The University of Providence (UP) provides a variety of opportunities for caregivers and their dependents to receive an education conveniently and affordably. As an employee benefit, benefits-eligible Providence St. Joseph Health and partner organization caregivers, their spouses and eligible dependents qualify for **special pricing for University of Providence programs.**

The **School of Health Professions** offers many programs aimed at furthering caregivers' careers and expanding their education. Online programs are designed for busy individuals who want to earn their degree in a flexible environment. Many of these programs are based online, with little or no travel required. Programs include:

Nursing

- BSN Program
- RN to BSN Completion Program
- Master of Science in Nursing, Nurse Educator
- Master of Science in Adult-Gerontology Primary Care Nursing

Health Programs

- Applied Health Informatics Certificate
- Medical Assistant Certificate
- Pharmacy Technician Certificate
- Associate of Applied Science in Surgical Technology
- Master of Healthcare Administration
- Master of Science in Infection Prevention & Epidemiology

Overview and costs

- Program information
- Program costs

Hospice and Palliative

Nurses Association

advancingexpertcare.org

The Hospice and Palliative Nurses Association **(HPNA)** is an important resource for education, certification and engagement in excellent end of life care. Providence Hospice of Seattle Nurses can use their education benefit to be reimbursed for membership as well as certification materials.

Providence Hospice of Seattle will cover the costs of certification including:

- Education benefit that will cover books and preparation classes
- Test fee after successful passing of the test

HPNA offers the following resources to prepare for the certification exam:

- **Candidate Handbook** with full information about how to apply and prepare for the certification exam
- **Core Curriculum for the Registered Nurse** offers information in all aspects of hospice and palliative registered nursing practice.
- **Conversations in Palliative Care** is a collection of common clinical problems that are of great concern to nurses as they struggle to provide the most competent and compassionate care possible to their patients.
- **Competencies for the Registered Nurse** describe the explicit intellectual, interpersonal, technical, and moral competencies necessary for specialty palliative nursing practice.
- **Study Guide** for the Registered Nurse is a companion textbook to the Core Curriculum for the Hospice and Palliative Registered Nurse.
- **POLARIS** is a new state-of-the art eLearning resource for hospice and palliative nurses. *POLARIS* provides 13 modules that are designed to offer essential practice knowledge for early career hospice and palliative nurses.
- **Certification Review Courses** are designed to assist with preparation for the HPCC certification examination by highlighting self-identifying topics that require further preparation and study.

In addition, HPNA offers ongoing Online Continuing Education courses that are available for free to HPNA members.

Center for the Advancement

of Palliative Care

capc.org

As you may know, the Center for the Advancement of Palliative Care (**CAPC**) offers over 45 online learning modules that offer ***FREE*** CE credit upon completion of these informative, interactive and user-friendly modules. If you haven't done so already please take a few minutes to register for this ***FREE*** account paid for by the Providence St. Joseph Health.

How to Register (You will only need to register once):
1.Go to **CAPC.org** and click on the **Login/Create Account** in the upper right-hand corner.
2.Select the name of your **Providence St. Joseph Health ministry** from the drop-down menu (you may need to search by city).
3.Enter your **Providence St. Joseph Health work email** and create a password.
4.Answer all questions.
5.Continue to **Clinical Training** (this is where all the online courses are located).
6.All subsequent visits, click on **login**.

Top Modules:

All of the courses in the CAPC clinical curriculum are relevant for those who work with seriously ill patients.
We recommend that first time users complete the following two modules:

- Advance Care Planning Conversations
- Pain Management: Putting It All Together

Please be sure to check out the rest of the online modules in topics such as:

- Symptom Management
- Communication Skills
- Pain Management
- Preventing Crises Through Whole-Patient Care

Top Modules for Non-Prescribers:

For all non-prescribers we highly suggest completing the following two modules:

- Advance Care Planning Conversations
- Comprehensive Pain Assessment

For Case Managers we suggest:

- Patient Factors that Influence Prescribing Decisions
- Care Coordination
- Supporting the Family Caregiver: The Burden of Serious Illness

For Registered Nurses we suggest:

- Delivering Serious News
- Patient Factors that Influence Prescribing Decisions
- Assessing Risk for Opioid Substance Use Disorder
- Opioid Trials: Determining Design,
  Efficacy and Safety

National Hospice and Palliative Care Organization

nhpco.org

The National Hospice and Palliative Care Organization **(NHPCO)** enhances and expands access to care that addresses holistic health and the well-being of communities

All caregivers are able to obtain a free membership to the NHPCO. Through this membership caregivers can access:

- Newsletters with updates to Hospice and Palliative Care
- Advocacy Groups that work with legislatures to expand access to Hospice and Palliative Care
- Continuing Education through online classes and webinars
- Tip sheets to explain the regulatory and quality requirements of Hospice
- Steering Committees that you can join through **MyNHPCO** that roll out education and tools to Hospices across the United States
- Annual conferences to bring forth innovative ideas from Hospices across the nation

American Nurse Credentialing Center

nursingworld.org/ancc

The American Nurses Credentialing Center **(ANCC)** credentials both organizations and individuals who advance nursing. Whether you want to boost your career prospects or achieve international recognition for your health care organization, do not settle for less than the recognized authority in nursing credentialing.

The ANCC is the primary source for nursing specialties including **Case Management**. ANCC offers books, manuals and online courses to help you prepare for certification in your preferred specialty.

Some certifications available through ANCC include:

- Nursing Case Management (CMGT-BC)
- Informatics (RN-BC)
- Pain Management (PMGT-BC)
- National Healthcare Disaster Certification (MHDP-BC)
- Gerontological Nursing (GERO-BC)
- *Many many more*

For other Certifications consider:

- Wound Care
    - Wound, Ostomy & Continence Certification Board
    - American Board of Wound Management
    - National Alliance of Wound Care and Ostomy
- IV Care
    - Infusion Nurses Certification Coorporation (INCC)

Exhibit 26
Quality Assessment and Performance Improvement Program

Current Status: *Active*	**PolicyStat ID:** *8858205*

Implementation:	*05/2017*
Effective:	*11/2020*
Last Reviewed:	*11/2020*
Last Revised:	*03/2020*
Next Review:	*11/2021*
Owner:	*Penny Smith: Clinical Quality Specialist RN*
Policy Area:	*Quality & Risk Management*
Ministries:	*Hospice Care Center Everett, Hospice Everett, Hospice Olympia, Hospice Seacrest, Hospice Seattle, Hospice St. Joseph, Hospice St. Mary High Desert, PTC Hospice, PTC Palliative Care*
Applicability:	*Providence Home and Community Care*

Quality Assessment and Performance Improvement (QAPI)

Purpose

To define the components of Quality Assessment and Performance Improvement (QI) Program Plan for implementing, and maintaining an effective, ongoing hospice-wide data-driven Quality Assessment and Performance Improvement (QAPI) program including a community based palliative performance improvement plan (when applicable).

Policy

- To achieve continuous quality improvement the ministry will plan, design, measure, assess and improve important processes.
- To support quality improvement efforts, leaders will ensure that effective communication, ongoing staff education, collaboration and problem solving occur.
- Ministry leaders work collaboratively with Quality leaders to prioritize improvement activities and provide appropriate resources in order to achieve strategic direction and goals.
- The ongoing measurement of outcomes will lead to the identification of opportunities to improve all hospice and community based palliative services.
- This plan sets the framework for the Hospice QAPI program by blending the Mission, Vision, Values, cultural beliefs, service standards and strategies with national and state recognized entities including, but not limited to: The Centers for Medicaid and Medicare Services (CMS), National Hospice and Palliative Care Organization (NHPCO) and Washington State Hospice and Palliative Care Organization (WSHPCO).
- Providence Home and Community Care (HCC) Community Ministry Board ensures that the Hospice QAPI Program reflects the complexity of the ministry and services, involves all hospice services including services furnished under contract or arrangement, focuses on indicators related to improved palliative outcomes and takes actions to demonstrate improvement in performance.

- The written Hospice QAPI Program Plan will be reviewed and revised as determined to be appropriate in coordination with ministry wide strategic planning activities.
- An annual evaluation of the QAPI Program Plan will be conducted by the HCC Community Ministry Board.

General Principles Supporting Performance Improvement

The following set of principles guides the development and implementation of structures and methodologies for improving quality.

- All quality efforts must be based upon and support the Mission, Vision, Values and strategies of the ministry
- Performance improvement is every employee's responsibility
- Improvement of quality of care provided and activities that impact patient health and safety are the primary focus
- Maintain a coordinated agency-wide program for the surveillance, identification, prevention, control and investigation of infectious and communicable diseases
- Goal of process redesign is to create simple, effective systems with decreased redundancy, enhanced patient safety and customer satisfaction
- Self-assessment will be completed on a periodic basis to identify opportunities for improvement which may include, but are not limited to: review of current documentation, patient care, direct observation of clinical performance, operating systems, and interviews with patients and/or staff
- Data will be used to identify, prioritize, implement, and evaluate performance improvement projects to improve the quality of services provided to hospice patients.
- Impact of the program will be assessed on an ongoing basis by comparing data at different points in time and action taken based on that comparison.
- [12]The number and scope of annual performance improvement projects is based on the patients' needs and internal organization needs. The projects reflect the scope, complexity, and past performance of the organization's services and operations.
- Results of performance improvement activities will be shared to the governing board.

Performance Improvement (Quality) Objectives

The Performance Improvement Plan is designed to:

- Ensure that the focus is on high quality and safe patient/family care that is provided by all hospice care disciplines including support services.
- Collect, monitor, and evaluate information to identify and pursue opportunities to improve all ministry functions and to achieve service excellence.
- To identify, track, and improve processes that impact patient health and safety: including identification of infectious and communicable disease problems, patient outcomes, services, work processes, satisfaction (internal and external), sentinel events, and adverse events to ensure improvement.
- Meet state and federal regulatory and accreditation standards.

Procedure

Program Structure and Oversight

Responsibility for the oversight of the QAPI Program and results ultimately resides with the HCC Community Ministry Board which is the governing body that is responsible for ensuring the following:

- Designation of one or more individuals who are responsible for operating the program.

- Ensuring ongoing program for quality improvement and patient safety is defined, implemented, and maintained.
- [2]Prioritizing the identified improvement opportunities and ensures data collection on performance improvement projects.
- [1]Approval of the priority, frequency and detail of data collection.
- [10]Ensuring that the program takes action to address and make measurable improvement to problem areas in patient care and operations and when it does not achieve or sustain planned improvements.
- [11]Ensuring that all improvement actions are evaluated for effectiveness and that the program is evaluated annually.

There is also a collaborative responsibility for the QAPI Program that is shared between the HCC Community Ministry Board with the Vice President of Hospice, the Vice President of Quality, the quality leader and the ministry director. The HCC Community Ministry Board may delegate specific responsibility to the Vice President of Hospice, the Vice President of Quality, Quality Director, and/or the ministry Director.

The Hospice Quality Committee is comprised of a quality leader, ministry director, medical director, managers representing all patient care functions of the ministry, and clinical staff representatives.

- Identified performance improvement activities are tracked and analyzed.
- [13]Document the performance improvement projects are being conducted, the reasons for conducting these projects, and the measurable progress achieved.
- Review of documentation of performance improvement projects.
- Assessment of measurable progress achieved toward goals for the identified projects.
- Investigation and analysis of sentinel events and adverse events.
- Recommendations or options for systematic change to prevent recurrence of sentinel events and adverse events.
- Coordination of reporting results to the ministry staff.

The ministry results of QAPI activities are provided by the Quality Director to the Vice President of Quality who coordinates the presentation of this data as determined to be appropriate to the following Providence groups:

- Quality Team Leadership
- HCC Pre Board Quality Committee

Process

[9]Hospice wide improvement opportunities are identified and prioritized based on the Mission, Vision, Values, the needs of the hospice population, internal ministry needs, scope, complexity, and past performance of the hospice's services and the results of data analysis.

Data Collection

[7]Data is collected to improve processes and outcomes and to monitor the effectiveness and safety of services and the quality of care. Data is selected from valid, reliable performance measures based on evidence-based national guidelines or, in the absence of such guidelines, expert consensus, and in the absence of both, a review of the health care literature. Data is collected timely, accurately, completely, uses consistent data sets, definitions, codes, classifications, and terminology and is relevant to the program.

[8]The data is analyzed and compared to internal data over time to identify levels of performance, patterns, trends, and variations and to improve and sustain performance. The data is evaluated for variables that affect outcomes and the quality of the data collection is monitored through inter rater reliability.

The following are examples of data collected:

- High risk, high volume, or problem-prone areas specific to incidence, prevalence, and severity of problems.
- Patient Safety: sentinel events and [6]adverse patient events, [3]significant medication errors, [4]significant adverse drug reactions
- Patient services and all activities that impact patient/family care include but are not limited to the following: physician services, pharmaceutical services, nursing services, medical social work services, hospice aide services, counseling services, volunteers, administrative services, contract services, patient rights, infection control, clinical records, and durable medical equipment (DME).
- Clinical and operational benchmarking systems.
- [5]Patient perception of the safety and quality of care, treatment, or services delivered by the organization: Hospice CAHPS (Consumer Assessment of Healthcare Providers and Systems) survey results, Community Based Palliative Care Patient Satisfaction Survey.
- Regulatory requirements for quality.
- Palliative outcomes and quality of care.
- Outcome data drives the need to implement quality and performance improvement efforts in order for the ministry to achieve goals and ensure alignment with the Mission, Vision and Strategies.

Charter

Clinical and operational performance improvement efforts are approved and chartered by the leadership team. The project manager is responsible for developing the project charter with the project leader and Vice President Sponsor. A charter includes:

1. What performance are we are trying to improve? (Basic explanation of the issue/area for improvement)
2. Why are we trying to improve this?
    a. Identify reason for the improvement
    b. Describe how project/process is related to actual care outcomes, process of care, patient/family satisfaction levels, hospice operations, or other performance indicators
    c. Describe the trend or pattern of historical performance prior to the improvement initiative
    d. Report current performance statistic
3. How will we initiate, lead and implement change? (Identify methodology and tools planned in initiative (i.e. multidisciplinary workgroup)
4. When will we know we have successfully implemented change?
    a. Describe the indicators used to measure and monitor the success of the plan, indicate when, how often and who will be responsible for monitoring
    b. Estimate the timeline of the project and when you expect to see results

Project Roles

Project Sponsor

- Sponsors the project by providing leadership level guidance and support
- Establishes the project as a strategic priority for the ministry
- Assigns the necessary resources for project participation
- Establishes project boundaries
- Approves the project charter
- Receives status updates and results from the project leader and lead directors

Project Facilitator

- Works with project sponsor & steering committee to prepare charter and submits the charter to the Quality Committee for review
- Leads team in establishing performance measures to quantify desired project
- Develops project plan to achieve desired results as outlined in the charter
- Plans and facilitates project team meetings
- Provides training to project team members as needed
- Identifies possible synergies across multiple projects and departments
- Communicates project status and results to project sponsor
- Ensures project results are sustainable and continuous improvement mechanisms are in place prior to project conclusion
- Assures team members attend meetings and complete action items
- Updates project sponsor as part of establishing reporting mechanisms

Steering Committee

- Assists project leader and project sponsor with development of project charter and performance measures
- Works closely with project facilitator by providing subject matter expertise and leadership guidance
- Communicates project strategic importance to directors, managers and project team members
- Helps project facilitator ensure that project results are sustainable and continuous improvement mechanisms are in place

Project Team Members

- Cross-functional representatives from within/across the ministry
- Educated on project goals and change methodology to be undertaken
- Provide subject matter expertise and job specific knowledge
- Work as a team to complete action items and achieve desired goals

Performance Improvement Tools

The ministry may use a variety of performance improvement tools to support the improvement project and optimize desired outcomes.

- Providence Operational Excellence Tools.
- The Plan-Do-Study-Act (PDSA) cycle: the ministry may test a change – by making changes and then reflecting on the consequences of those changes:
  - PLAN a test of change on a small scale
  - DO carry out the test as planned.
  - STUDY the results based on the test.
  - ACT based on what was learned from studying the results (i.e. What worked and what didn't? What can the ministry do that will results in an improvement (actions)?
- Process Mapping & Flow Diagrams: display the steps in an operation showing sequence, decision points, variance and bottlenecks.
- Affinity Diagrams: A tool generating a large volume of ideas and classifying the ideas by subject matter.
- Tree Diagrams: A diagram outlining the sequence of steps that need to be taken to reach a specific goal.
- Matrix Diagrams: Relations between various aspects of two characteristics, using symbols to visually display the strength of the relationship.
- Pareto Diagrams: A method for prioritizing problems using a bar graph displaying which factors contribute

to a problem or issue.
- Cause and Effect Diagram: A tool for carefully analyzing what causes lead to a particular effect.
- Histograms: A graph for displaying how a particular characteristic varies when it is measured many times.
- Scatter Diagrams: A diagram that displays how one characteristic is related to another.
- Control Charts: A line graph of a characteristic showing changes over time and their impact on the state of control of a process.
- Brainstorming: A method of generating creative ideas in a team.
- Ideal State Design: A method to design a process from the beginning without consideration existing limitations and barriers but working toward achieving the ultimate goal.
- Six Sigma: A statistical quality measure and improvement method that focuses on the control of a process to the point of +/- six sigma (standard deviations) from a centerline, or 3.4 defects per million items. The objective of Six Sigma is to reduce process output variation.

Outcomes

Outcome Definitions:

- Outcomes: Results of care provided
- Palliative Outcomes: Results of palliative care provided

Success of the ministry Quality Program will be measured by achieving and sustaining improvements in the following:

- Selected patient care outcomes, process of care, hospice ministry operations, or other performance indicators identified as priority goal(s) for the year
- Patient/family satisfaction identified as priority goal(s) for the year
- Patient Report Card for patients and/or from the Hospice CAHPS survey results for families
- Regulatory compliance as evidenced by state licensure surveys and Medicare Condition of Participation surveys
- Sentinel event and adverse feedback and learning throughout the hospice
- A culture that supports active involvement of leaders and staff in performance improvement initiatives

References

Joint Commission: [1]**PI.01.01.01 EP1 & EP23, [2]PI.01.01.01 EP2 & PI.03.01.01 EP1, [3]PI.01.01.01 EP12, [4]PI.01.01.01 EP13, [5]PI.01.01.01 EP14 & EP38 & PI.03.01.01 EP13 , [6]PI.01.01.01 EP24, [7]PI.01.01.01 EP37 & PI.02.01.01 EP10 , [8]PI.01.01.01 EP39 & PI.02.01.01 EP4, EP16 &17 , [9]PI.02.01.01 EP8,[10]PI.03.01.01 EP2 & EP4,[11]PI.03.01.01 EP3, [12]PI.03.01.01 EP8, [13]PI.03.01.01 EP9,**

Help Desks Available to Providers:

? HospiceQualityQuestions@cms.hhs.gov (Quality Help Desk): For questions about HIS and general questions about the HQRP program, reporting requirements, quality measures, reporting deadlines, and questions related to the content of Hospice CASPER QM Reports, Hospice Compare and Hospice Provider Preview Reports.

? Mdcn.mco@palmettogba.com (CMSNet Help Desk): For questions about registering for the CMSNet User ID, to have access to QIES ASAP.

? Help@qtso.com or 1-877-201-4721 (QIES Help Desk): For questions about HIS record completion and submission processes, or for technical questions. This group also handles questions for users who are registering for the QIES User ID, issues with the HART training modules, and technical support for problems

while using the HART software. This help desk also assists with access issues to CAHPS® Hospice Preview Reports.

? HospiceQRPReconsiderations@cms.hhs.gov (Reconsideration Help Desk): For reconsideration requests and follow-up questions if the facility has received a CMS determination of noncompliance letter.

? Hospicecahpssurvey@hsag.com or 1-844-472-4621: For technical assistance with the CAHPS® Hospice Survey, contact the CAHPS® Hospice Survey Project Team.

? Hospicesurvey@cms.hhs.gov: For communication with CMS regarding

Attachments

2018 Evaluation and 2019 QAPI Plan.pptx
Hospice QAPI Committee Charter.docx
QAPI_Intro_New_Members.pptx
Quarterly Medical Director Compliance Review.docx
Standard Operating Procedure (SOP): Hospice Item Set (HIS) Quality Review

Approval Signatures

Approver	Date
Stephanie Crow: Dir Clinical Quality	11/2020

Applicability

Providence Home and Community Care

Exhibit 27
Combined Balance Sheet for All Proposed Projects in This Year's Review Cycles

Providence Hospice of Seattle Balance Sheet Pro Forma, 2021-2025

With Project (As Is + Pierce)

	2021	2022	2023	2024	2025
ASSETS					
Current Assets:					
Cash and Cash Equivalents	1,315,980	1,342,311	1,424,224	1,480,470	1,534,604
Accounts Receivable (Net)	3,334,153	4,979,429	5,283,294	5,491,945	5,692,759
Supplies Inventory	641,587	667,930	681,288	694,912	708,810
Total Current Assets	**5,291,720**	**6,989,670**	**7,388,806**	**7,667,327**	**7,936,173**
Property and Equipment:					
Fixed Assets	*7,803,864*	*7,808,682*	*7,813,500*	*7,818,318*	*7,823,136*
Less Accumulated Depreciation	*(4,042,042)*	*(4,046,860)*	*(4,051,678)*	*(4,051,678)*	*(4,051,678)*
Net Property and Equipment	**3,761,822**	**3,761,822**	**3,761,822**	**3,766,640**	**3,771,458**
Other Assets	-	-	-	-	-
Total Assets	**9,053,542**	**10,751,492**	**11,150,628**	**11,433,967**	**11,707,631**
LIABILITIES AND CAPITAL					
Current Liabilities:					
Accounts Payable & Accrued Expenses	458,262	484,275	510,454	529,506	548,102
Accrued Compensation	1,942,779	2,053,059	2,164,043	2,244,812	2,323,650
Total Current Liabilities	**2,401,041**	**2,537,334**	**2,674,497**	**2,774,318**	**2,871,752**
Long-Term Liabilities	-	-	-	-	-
Total Liabilities	**2,401,041**	**2,537,334**	**2,674,497**	**2,774,318**	**2,871,752**
Net Assets	**6,652,501**	**8,214,158**	**8,476,131**	**8,659,649**	**8,835,879**
Total Liabilities and Net Assets	**9,053,542**	**10,751,492**	**11,150,628**	**11,433,967**	**11,707,631**

Source: Providence Hospice of Seattle

Please note that Providence does not hold a balance sheet at the facility level, and Providence does not routinely use facility level balance sheets as part of its financial analysis when evaluating new business ventures. With that said, for purposes of this Application and to satisfy the Department's questions relating to a balance sheet, Providence has prepared a balance sheet. This balance sheet was solely created for the Department's review of this Application.

Providence Hospice of Seattle Balance Sheet Pro Forma, 2021-2025

Both Projects Approved (As Is + Pierce + Spokane)

	2021	2022	2023	2024	2025
ASSETS					
Current Assets:					
Cash and Cash Equivalents	1,315,980	1,342,311	1,445,384	1,522,888	1,598,069
Accounts Receivable (Net)	3,334,153	4,979,429	5,360,208	5,646,127	5,923,443
Supplies Inventory	641,587	671,550	704,730	741,925	779,137
Total Current Assets	**5,291,719**	**6,993,290**	**7,510,322**	**7,910,940**	**8,300,649**
Property and Equipment:					
Fixed Assets	*7,803,864*	*7,841,308*	*7,846,126*	*7,850,944*	*7,855,762*
Less Accumulated Depreciation	*(4,042,042)*	*(4,048,220)*	*(4,061,200)*	*(4,069,362)*	*(4,077,524)*
Net Property and Equipment	**3,761,822**	**3,793,088**	**3,784,926**	**3,781,582**	**3,778,238**
Other Assets	-	-	-	-	-
Total Assets	**9,053,541**	**10,786,378**	**11,295,248**	**11,692,522**	**12,078,887**
LIABILITIES AND CAPITAL					
Current Liabilities:					
Accounts Payable & Accrued Expenses	458,262	484,275	515,611	539,849	563,574
Accrued Compensation	1,942,779	2,053,059	2,209,419	2,309,420	2,415,466
Total Current Liabilities	**2,401,041**	**2,537,334**	**2,725,030**	**2,849,269**	**2,979,040**
Long-Term Liabilities	-	-	-	-	-
Total Liabilities	**2,401,041**	**2,537,334**	**2,725,030**	**2,849,269**	**2,979,040**
Net Assets	**6,652,501**	**8,249,044**	**8,570,218**	**8,843,253**	**9,099,847**
Total Liabilities and Net Assets	**9,053,541**	**10,786,378**	**11,295,248**	**11,692,522**	**12,078,887**

Source: Providence Hospice of Seattle

Please note that Providence does not hold a balance sheet at the facility level, and Providence does not routinely use facility level balance sheets as part of its financial analysis when evaluating new business ventures. With that said, for purposes of this Application and to satisfy the Department's questions relating to a balance sheet, Providence has prepared a balance sheet. This balance sheet was solely created for the Department's review of this Application.