



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

January 11, 2013

CERTIFIED MAIL #7011 1570 0002 7809 5506

Kenneth J. Martin, Chairman
Confluence Health
1201 S. Miller Street
Wenatchee, Washington 98801

Dear Mr. Martin:

Enclosed is Certificate of Need #1495 issued to Confluence Health for the Lease of Wenatchee Valley Hospital in Wenatchee within Chelan County.

The certificate is not approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

This decision may be appealed. The two appeal options are listed below.

Appeal Option 1:

You or any interested or affected person may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

Mailing Address:

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

Other Than By Mail

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



Kenneth J. Martin, Chairman
Confluence Health
January 11, 2013
Page 2 of 2

Appeal Option 2:

You or any affected person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

Mailing Address:

Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

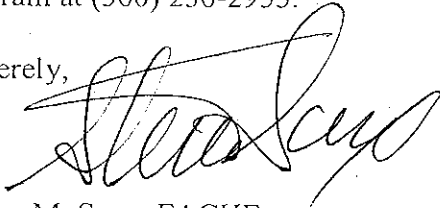
Other Than By Mail

Adjudicative Clerk Office
111 Israel Road SE
Tumwater, WA 98501

We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any question, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,



Steven M. Saxe, FACHE
Director, Health Professions and Facilities

Enclosure

cc: Linda Foss, Department of Health, Investigations and Inspections Office
Karen Stricklett, Department of Health, Customer Service Office



This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

Certificate of Need #1495 is issued to:

Legal Name of Applicant: Confluence Health
Address of Applicant: 820 North Chelan Avenue, Wenatchee, Washington 98801
Type of Service: Hospital
Facility Name: Wenatchee Valley Hospital
Facility Address: 820 North Chelan Avenue, Wenatchee, Washington 98801

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION OF DECEMBER 20, 2012, (App #13-03).

Project Description:

This project approves the lease of Wenatchee Valley Hospital in Wenatchee. At project completion, the allocation of Wenatchee Valley Hospital's 20 acute care beds is as follows:

	Number of Beds
General Medical/Surgical	14
Dedicated or PPS Exempt Rehabilitation	6
Total Number of Licensed Beds	20

Service Area

Chelan and Douglas counties

Conditions

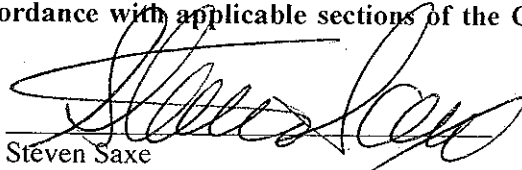
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Approved Capital Expenditure

The approved capital expenditure associated with this project is \$112,000.

This Certificate authorizes commencement of the project from January 11, 2013, to January 11, 2015, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: January 11, 2013


Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable.

Certificate of Need # 1495

Page 2.

Conditions

1. Confluence Health agree with the project description stated above. Confluence Health further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need
2. Confluence Health must submit to the department for review and approval and executed lease agreement with Wenatchee Valley Medical Center consistent with the draft agreement in the application.
3. Confluence Health will ensure that Wenatchee Valley Hospital will provide charity care in compliance with the charity care policies reviewed and approved by the Department of Health. Wenatchee Valley Hospital will use reasonable efforts to provide charity care in an amount comparable to or exceeding the average amount of charity care provided by hospitals in the Central Region. Currently, this amount is 2.01% gross revenue and 4.52% of adjusted revenue. Wenatchee Valley Hospital will maintain records documenting the amount of charity care it provides and demonstrating compliance with its charity care policies.
4. Confluence Health must submit for review and approval a copy of Confluence Health's adopted admission policy. This must be consistent with the draft provided in the application.
5. Confluence Health must submit for review and approval a copy of Confluence Health's adopted charity care policy. This policy must be consistent with the draft submitted in the application.