



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

December 12, 2016

CERTIFIED MAIL # 7008 1830 0002 8022 0755

Richard Petrich, Vice President  
Planning and Business Development  
CHI Franciscan Health  
1145 Broadway, #100  
Tacoma, Washington 98402

RE: Certificate of Need Application #16-39

Dear Mr. Petrich:

Enclosed is Certificate of Need #1589 issued to CHI Franciscan Health approving the addition of 32 acute care beds to St. Anthony Hospital in Pierce 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 appeal options are listed below.

Appeal Option 1:

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

Mailing Address:  
Department of Health  
Certificate of Need Program  
Mail Stop 47852  
Olympia, WA 98504-7852

Physical Address:  
Department of Health  
Certificate of Need Program  
111 Israel Road SE  
Tumwater, WA 98501

Appeal Option 2:

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

Mailing Address:

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

Physical Address:

Department of Health  
Adjudicative Service Unit  
111 Israel Road SE  
Tumwater, WA 98501

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

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

Sincerely,



Bart Eggen, Acting Director  
Office of Community Health Systems

Enclosure



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

**Certificate of Need #1589 is issued to:**

**Legal Name of Applicant:** CHI Franciscan Health  
**Address of Applicant:** 1145 Broadway, Tacoma, Washington 98402  
**Type of Service:** Acute Care Bed Addition  
**Facility Name:** St. Anthony Hospital  
**Facility Address:** 11567 Canterwood Boulevard Northwest, Gig Harbor, Washington 98332

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED NOVEMBER 29, 2016 (CN App #16-39)**

**Project Description**

St. Anthony Hospital currently operates 80 acute care beds. This certificate approves the addition of 32 acute care beds. At project completion, St. Anthony Hospital will license and operate a total of 112 acute care beds. The approved bed breakdown is shown below.

Type	Total # of Beds
Medical Surgical	112
<b>Total</b>	<b>112</b>

**Service Area**

Pierce County and surrounding communities

**Conditions**

1. Approval of the project description as stated above. CHI Franciscan 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. CHI Franciscan Health shall finance the project using cash reserves from CHI Franciscan Health as described in the application.
3. St. Anthony Hospital will provide charity care in compliance with its charity care policies reviewed and approved by the Department of Health, or any subsequent policies reviewed and approved by the Department of Health. St. Anthony 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 Puget Sound Region. Currently, this amount is 1.87% gross revenue and 4.70% of adjusted revenue. St. Anthony Hospital will maintain records documenting the amount of charity care provided and demonstrating its compliance with its charity care policies.

**Approved Capital Expenditure**

The approved capital expenditure for the 32-bed addition is \$15,601,740.

**This Certificate authorizes commencement of the project from December 12, 2016 to December 12, 2018 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.**

**Date Certificate Issued:** December 12, 2016

  
Bart Eggen, Acting Director  
Office of Community Health Systems

**This Certificate is not transferable**