



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

January 15, 2014

CERTIFIED MAIL #7011 2000 0000 5081 8807

Martin Schweinhart, SVP-Operations
CHS/Community Health Systems
4000 Meridian Boulevard
Franklin, Tennessee 37067

Dear Mr. Schweinhart:

Enclosed is Certificate of Need #1522 issued to CHS/Community Health Systems approving the purchase of Toppenish Community Hospital located in Yakima 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

Other Than By Mail:
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:

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

Other Than By Mail

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,



Steven M. Saxe, FACHE
Director, Community Health Systems

Enclosure

cc: Department of Health, Investigations and Inspections 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 #1522 is issued to:

Legal Name of Applicant: CHS/Community Health Systems
Address of Applicant: 4000 Meridian Boulevard, Franklin, Tennessee 37067
Type of Service: Acute Care Hospital
Facility Name: Toppenish Community Hospital
Facility Address: 504 West 4th Avenue, Toppenish, Washington 98948

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION OF JANUARY 9, 2014. (App #14-12)

Project Description:

This certificate approves the merger and affiliation between CHS/Community Health Systems and Health Management Associates, including its affiliate Yakima HMA, LLC. The merger and affiliation results in the change of ownership for Toppenish Community Hospital located in Yakima County.

Toppenish Community Hospital is a 63-bed Medicare and Medicaid acute care hospital that provides acute care services to the residents of Toppenish and surrounding communities. The breakdown of the 63 acute care beds is shown below.

**Toppenish Community Hospital
Licensed Beds as of December 31, 2013**

Type	# of Beds
Medical/Surgical	63
Total	63

Service Area

Yakima County and surrounding communities

Conditions

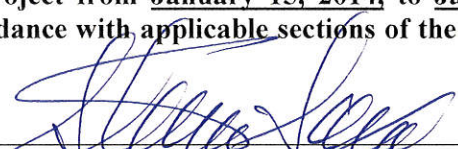
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Approved Capital Expenditure

The approved capital expenditure for the purchase of Toppenish Community Hospital and its operations is \$29,000,000.

This Certificate authorizes commencement of the project from January 15, 2014, to January 15, 2016, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: January 15, 2014


Steven Saxe, Director
Community Health Systems

This Certificate is not transferable.

Certificate of Need #1522

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Conditions:

1. Approval of the project description as stated above. CHS/Community Health Systems 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. CHS/Community Health Systems agrees to continue services identified in the application at Toppenish Community Hospital for a minimum of ten years.
3. By February 28, 2014, CHS/Community Health Systems will provide to the department for review and approval copies of the charity care policy to be used at Toppenish Community Hospital. The charity care policy will be reviewed and approved by the Department of Health's Hospital and Patient Data Systems office.
4. Under the CHS/Community Health Systems ownership, Toppenish Community Hospital will provide charity care in compliance with the charity care policy referenced above, or any subsequent policies reviewed and approved by the Department of Health. CHS/Community Health Systems will use reasonable efforts to provide charity care at the Toppenish Community Hospital in an amount comparable to or exceeding the average amount of charity care provided by hospitals in the Central Region. Currently, this amount is 2.15% for gross revenue and 4.92% for adjusted revenue. Toppenish Community Hospital will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.
5. Annual budgets, as required by WAC 246-454-030, submitted by CHS/Toppenish Community Hospital must include budgeted charity care amounts of at least the regional average amount of charity care provided by hospitals in the Central Region.
6. Within 60 days of completion of the class action lawsuits related to the amount of charity care provided at Toppenish Community Hospital, CHS/Community Health Systems must provide the documentation showing the final outcome of the lawsuit to the Department of Health's Certificate of Need Program.