



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

June 4, 2015

CERTIFIED MAIL # 7009 0960 0000 5565 0628

Randall L. Stamper  
720 West Boone, Suite 200  
Spokane, WA 99201

RE: CN15-01

Dear Mr. Stamper:

Enclosed is Certificate of Need #1545 issued to construct a 45-bed Medicare and Medicaid certified skilled nursing facility within a continuing care retirement community in the city of Gig Harbor within 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:

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

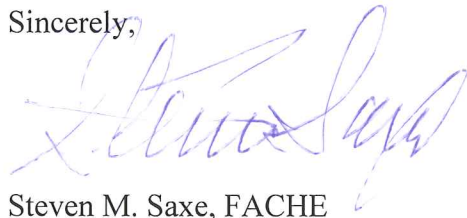
Physical Address:

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, Office of Community Health Systems

Enclosure

cc: Department of Health, Office of Investigations and Inspections  
Department of Health, Construction Review Services  
Department of Health, Office of Customer Service



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 #1545 is issued to:**

**Legal Name of Applicant:** Emerald Communities  
**Address of Applicant:** 10109 176<sup>th</sup> Circle NE, Redmond, Washington 98052  
**Type of Service:** Skilled Nursing Facility  
**Facility Name:** Heron's Key (Owner)  
**Facility Address:** 4340 Borgen Boulevard, Gig Harbor Washington 98332

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED May 12, 2015, (CN App #15-01)**

**Project Description:**

This Certificate of Need approves Emerald Communities to construct a 45 bed skilled nursing facility (SNF) as part of a Type A CCRC that will be located in the city of Gig Harbor within Pierce County. The 45 bed SNF will be constructed in phase one of the overall project. In addition to the SNF, the applicant is proposing to construct 194 private residential units (Independent Living Units, ILU) and 36 apartments for assisted Living/personal care services. In phase two, an additional 88 Independent Living Units and 32-bed memory care units.

The number of independent living units, assisted living apartments, and SNF beds is shown below:

<b>Phase</b>	<b># of Residential Homes</b>	<b># of Assisted Living Apartments</b>	<b># of Skilled Nursing Beds</b>
Phase 1	194 units	36 units <sup>1</sup>	45 beds

**Service Area**  
Pierce County

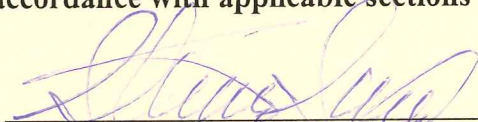
**Conditions:**  
See page #2

**Approved Capital Expenditure**

The approved capital expenditure associated with this project is \$10,885,543.

**This Certificate authorizes commencement of the project from June 4, 2015 to June 4, 2017, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.**

**Date Certificate Issued:** June 4, 2015

  
Steven Saxe, Director

**This Certificate is not transferable.**

<sup>1</sup> (includes assisted & personal care)



**Certificate of Need #1545**

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**Conditions**

1. Approval of the project description as stated above. Emerald Communities 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. Emerald Communities must provide the department with a signed copy of the Medical Director Job description consistent with the draft job description in the application.
3. Emerald Communities must also provide the name of the Medical Director and his professional license number prior to providing services at Heron's Key Skilled Nursing Facility.
4. Heron's Key Skilled Nursing Facility shall not admit a non-contractual CCRC member to the nursing home on or after the last day of the 5-year nursing home transition period.
5. Emerald Communities shall not admit any resident to any other part of the Continuing Care Retirement Community that is not a contractual member beginning from the date of the Continuing Care Retirement Community's opening.
6. Emerald Communities and Herons Key and any successor organization agrees that it will not charge the state for any Medicaid eligible services provided to the Heron's Key contractual resident.
7. Any changes made to any policies and procedures applicable to Heron's Key must remain consistent with the provisions of RCW 70.38.025(3) and 70.38.111(5)