



State of Washington
Department of Health

August 3, 2015

CERTIFIED MAIL # 7014 2120 0002 7587 6170

Rick Weaver, Board Member
Heritage Grove
402 S 4th Avenue
Yakima, Washington 98902

RE: CN15-21

Dear Mr. Weaver:

Enclosed is Certificate of Need #1557 issued to Heritage Grove Corporation to construct a 97-bed Medicare and Medicaid certified skilled nursing facility 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

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

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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



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 #1557 is issued to:

Legal Name of Applicant: Heritage Grove
Address of Applicant: 402 S 4th Avenue, Yakima, Washington
Type of Service: Skilled Nursing Facility
Facility Name: Heritage Grove
Facility Address: 1120 S 48th Avenue, Yakima Washington

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED July 15, 2015, (CN App #15-21)

PROJECT DESCRIPTION:

Heritage Grove is approved to construct a 97-bed Medicare and Medicaid certified nursing facility in the city of Yakima within Yakima County by converting 97 beds banked under the full facility closure provisions of Revised Code of Washington 70.38.115(13)(b). The 97-bed skilled nursing facility upon licensure would be managed by Prestige Care, Inc. under a management services agreement. Heritage Grove will be the initial licensee of the 97-bed facility.

Service Area
Yakima County

Conditions:
See page 2

Approved Capital Expenditure

The approved capital expenditure associated with this project is \$18,665,494

This Certificate authorizes commencement of the project from August 3, 2015 to August 3, 2017, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: August 3, 2015


Steven Saxe, Director

This Certificate is not transferable.

Certificate of Need #1557

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Conditions

1. Heritage Grove agrees with the project description as stated above. Heritage Grove 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. Prior to providing services, Heritage Grove will provide copies of the listed adopted policies and agreements below for the department's review and approval.
 - Interim Management Agreement
 - Purchase and Sales Agreement
 - Operating Lease
 - Interim Operating Lease
 - Medical director credential number and Agreement

Copies of policies that have been adopted must be consistent with the draft policies provided in the application.

3. Heritage Grove will obtain Medicare and Medicaid provider numbers for Heritage Grove SNF within 60 days of the licensure of the facility.
4. Heritage Grove must maintain its Medicare and Medicaid certification throughout the life of the facility, regardless of ownership.
5. Heritage Grove and any subsequent owners of the skilled nursing facility must not develop any policies or practices that discriminate against admission of patients based on payer source.