



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

April 10, 2012

CERTIFIED MAIL # 7011 1570 0002 7802-5985

Richard Petrich  
VP Planning and Business Development  
Franciscan Health Systems  
1717 S. J Street  
P. O. Box 2197  
Tacoma, Washington 98401-2197

Dear Mr. Petrich:

Enclosed is Certificate of Need #1467 issued to Franciscan Health Systems proposing to establish a 5 bed level IIIA NICU at St. Joseph Medical Center, Tacoma, Washington.

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. 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  
310 Israel Road SE, Building 6  
Tumwater, WA 98501

Richard Petrich, VP  
Planning and Business Development  
Certificate of Need App #11-11  
April 10, 2012  
Page 2 of 2

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, 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 #1467 is issued to:**  
**Legal Name of Applicant:** Franciscan Health Systems  
**Address of Applicant:** 1717 S. J Street, Tacoma, Washington 98401-2197  
**Type of Service:** Neonatal Intensive Care Unit level IIIA  
**Facility Name:** St. Joseph Medical Center  
**Facility Address:** 1717 S. J Street, Tacoma, Washington 98401-2197

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION OF March 28, 2012 (CN App #11-11 – Neonatal Intensive Care level IIIA bed addition )**

**Project Description:**

SJMC currently provides level I and ICN level II services. This application proposes to establish a 5-bed NICU level IIIA unit. The existing ICN level II service operates on two separate floors-one with 8 beds and one with 10 beds. The proposed 5-bed NICU will be located on the 12<sup>th</sup> floor of the hospital adjacent to the existing 8 bed ICN level II Unit. The table below contains the breakdown of beds at project completion.

**St. Joseph Medical Center  
Proposed Acute Care Bed Breakdown**

Type of Service	Currently Licensed
General Medical Surgical	294
Intermediate care nursery level II	18
Neonatal intensive care nursery level III	5
Psychiatric	23
Dedicated Rehab PPS Exempt	26
<b>Total</b>	<b>366</b>

**Service Area**  
Pierce County

**Conditions**  
Conditions Identified on page 2

**Approved Capital Expenditure**  
The approved capital expenditure associated with this project is \$1,638,436.

This Certificate authorizes commencement of the project from April 10, 2012, to April 10, 2014, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: April 10, 2012

Steven Saxe  
Director, Health Professions and Facilities

This Certificate is not transferable.

## **CN #1467 Conditions**

1. Approved project as described on page one.
2. FHS-St. Joseph will provide charity care in compliance with the charity care policies provided in this Certificate of Need application, or any subsequent policies reviewed and approved by the Department of Health. FHS-St. Joseph 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 2.02 % of gross revenue and 4.41% of adjusted revenue. FHS-St. Joseph will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.