



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

July 20, 2011

CERTIFIED MAIL # 7008 1300 0000 7202 9669

Elaine Couture, Chief Executive
Sacred Heart Medical Center & Children's Hospital
101 West 8th Avenue
Spokane, WA 98204

Dear Ms. Couture:

Enclosed is Certificate of Need #1446 issued to Sacred Heart Medical Center & Children's Hospital proposing to begin performing adult pancreatic transplants.

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

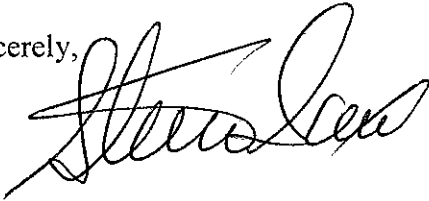
We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a



Elaine Couture, Sacred Heart Medical Center & Children's Hospital
Certificate of Need App #11-12
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form to complete and return. If you have any question, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven M. Saxe". The signature is fluid and cursive, with the first name "Steven" and last name "Saxe" clearly distinguishable.

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 #1446 is issued to:

Legal Name of Applicant: Sacred Heart Medical Center & Children's Hospital
Address of Applicant: 101 West 8th Avenue, Spokane, WA 98204
Type of Service: Adult Pancreas Transplants
Facility Name: Sacred Heart Medical Center & Children's Hospital
Facility Address: 101 West 8th Avenue, Spokane, WA 98204

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND INITIAL EVALUATION DATED JUNE 20, 2011 (CN App #11-12)

Description/Services To Be Provided:

Establish an adult pancreas transplant program within Sacred Heart Medical Center and Children's Hospital.

Service Area

Spokane County Planning Area

Conditions

1. Approved project as described above.
2. Sacred Heart 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. Sacred Heart 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 Eastern Washington Region. Currently, this amount is 1.59% of gross revenue and 3.79% of adjusted revenue. Sacred Heart will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.

Approved Capital Expenditure

The approved capital expenditure associated with this project is zero.

This Certificate authorizes commencement of the project from July 20, 2011 to July 20, 2013, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: July 20, 2011

A handwritten signature in black ink, appearing to read "Steven Saxe", is written over a horizontal line.

Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable.