



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

August 25, 2011

CERTIFIED MAIL # 7009 2250 0001 8669 3239

Robert Minor, Vice President of Development
Universal Health Services, Inc.
110 Westwood Place, #100
Brentwood, Tennessee 37027

RE: CN #11-29

Dear Mr. Minor:

Enclosed is Certificate of Need #1451 issued to Universal Health Services, Inc. approving the purchase Fairfax Hospital located in Kirkland, within Washington State.

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

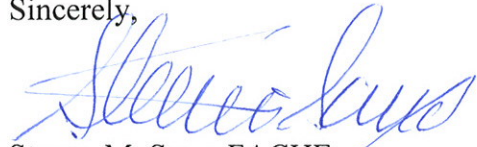
We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.



Robert Minor, Vice President of Development
Universal Health Services, Inc.
August 25, 2011
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If you have any question, 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 #1451 is issued to:

Legal Name of Applicant: Universal Health Services, Inc.
Address of Applicant: 110 Westwood Place, #100
Brentwood, Tennessee 37027
Type of Service: Acute Care Hospital
Facility Name: Fairfax Hospital
Facility Address: 10200 Northeast 132nd Street
Kirkland, Washington 98034

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED AUGUST 9, 2011 (CN App #11-29)

Project Description:

Universal Health Services, Inc. is approved to purchase Fairfax Hospital located at 10200 Northeast 132nd Street in Kirkland, within King County. The hospital is currently a Medicare and Medicaid provider and holds a three-year accreditation from the Joint Commission. Universal Health Services, Inc. intends that Fairfax Hospital would continue participation in both the Medicare and Medicaid programs, and maintain all services currently offered by the hospital after the purchase.

Fairfax Hospital operates with two separate licenses in Washington State. The type of license and number of beds are summarized below.

Type of License	Number of Beds
Alcohol and Chemical Dependency Hospital	24
Psychiatric Hospital	133
Total Number of Licensed Beds	157

Service Area

King County and surrounding areas

Conditions on the attached page

Approved Capital Expenditure

The approved capital expenditure associated with this project is \$65,038,047.

This Certificate authorizes commencement of the project from August 25, 2011 to August 25, 2013, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: August 25, 2011

Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable.

Certificate of Need #1451
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Conditions

1. Approved project description as stated on page one.
2. Fairfax Hospital 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. Fairfax Hospital 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 King County Region. Currently, this amount is 1.42% for gross revenue and 2.51% for adjusted revenue. Fairfax Hospital will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.
3. By September 30, 2011, Universal Health Services, Inc. will provide to the department for review and approval a revised and adopted Admission Policy. The revised and adopted Admission Policy will include language to ensure that any patient requiring care will be accepted for treatment regardless of race, creed, gender, national origin or religious preference.

Approved Costs:

The estimated capital expenditure for all 25 healthcare facilities included in the transaction with Universal Health Services is \$3,100,000,000; of that amount, \$65,038,047 is related to the purchase of Fairfax Hospital.