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CHI Franciscan Health takes next step to invest more than half a billion dollars in Olympic Peninsula area

CHI Franciscan continues commitment to improve health care in Kitsap County, Olympic Peninsula and west Pierce County

(BREMERTON, Washington) – Oct. 31, 2016 – CHI Franciscan Health took another significant step toward its commitment to expanding and improving health care in Kitsap County and Olympic Peninsula. The premier health care system formally submitted a Certificate of Need (CON) application to the Washington State Department of Health requesting regulatory approval to build a new, state-of-the-art hospital at Harrison Medical Center-Silverdale. The CON follows a Letter of Intent (LOI) that CHI Franciscan submitted in August 2016 as part the regulatory requirement process for filing a CON application.

"We are committed to meeting the needs of our communities by establishing the most efficient and innovative health care system throughout the peninsula," said Chief Executive Officer Ketul J. Patel, CHI Franciscan Health. "Our investment into our Silverdale campus will transform the way individuals and families receive care and ensure access to a premier facility close to home."

CHI Franciscan's investment will transform Harrison Medical Center-Silverdale into a state-of-the-art hospital that can accommodate more world-class outpatient medical and surgical services. The expanded Silverdale campus focuses on patient comfort with private rooms, more space for families and visitors, and quieter registration and lobby areas. The Kitsap County community benefits too with improvements to a community walking trail.

The medical center will serve the community with acute care services such as heart care, a Level III trauma center, a cancer center and many other services to care for patients in the community versus patients needing to travel outside of the Olympic Peninsula area. CHI Franciscan hopes to begin caring for patients at the new medical center beginning in 2019.

CHI Franciscan is also investing in health care in Bremerton, too, and plans to open a 30,000 square foot outpatient clinic with primary care and urgent care services. The clinic will be part of Harrison Medical Center's new medical residency program, which the health care center plans to launch in 2017.

At this time, the plan to move beds involves a phased approach to parallel the construction and expansion of Silverdale. Phase one will involve the transfer of 168 inpatient beds while retaining 74 acute licensed beds on the Bremerton license until the expansion is complete. The estimated cost of

phase one is \$283 million, with phase two projected to cost \$201 million. In all, CHI Franciscan Health expects to invest more than \$530 million to further enhance the health care services in Kitsap County and the Olympic Peninsula. This investment also includes building an additional floor with 32 beds at CHI Franciscan Health's St. Anthony Hospital in Gig Harbor.

CHI Franciscan anticipates that the Department of Health will make a decision on the CON application in mid-2017.

About CHI Franciscan Health

CHI Franciscan Health is a nonprofit health system based in Tacoma, Washington with a team of more than 12,000 doctors, nurses and staff that provide expert, compassionate medical care at eight acute care hospitals and approximately 200 primary and specialty care clinics in Pierce, King and Kitsap counties. This includes St. Anthony Hospital, Gig Harbor; St. Clare Hospital, Lakewood; St. Elizabeth Hospital, Enumclaw; St. Francis Hospital, Federal Way; St. Joseph Medical Center, Tacoma; Harrison Medical Center, Bremerton and Silverdale; Highline Medical Center, Burien; and Regional Hospital, Burien. Started in 1891 by the Sisters of St. Francis of Philadelphia, today CHI Franciscan Health is one of the largest health systems in Washington state. The system spans more than 1,100 acute care beds, a credentialed medical staff of more than 2,201 including more than 800 employed physicians providing specialties in cardiovascular care, cancer care, orthopedics and sports medicine, neurosciences and women's care. CHI Franciscan's mission focuses on creating healthier communities, including caring for the poor and underserved. In 2016, the organization provided \$156 million in community benefit, including \$9 million in charity care. More information: www.chifranciscan.org.

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