



THE STATE
of **ALASKA**
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Department of Health

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February 18, 2025

Shelley Ebenal
Chief Executive Officer
Foundation Health Partners, LLC
Fairbanks Memorial Hospital
1650 Cowles Street
Fairbanks, AK 99701

RE: *Response to Fairbanks Memorial Hospital's Certificate of Need Application for the Addition of a PET-CT Expansion Project*

Dear Ms. Ebenal,

After careful review of Fairbanks Memorial Hospital's (FMH) Certificate of Need (CON) application, submitted on August 26, 2024, for the addition of a Positron Emission Tomography – Computed Tomography (PET-CT) service line, the Department of Health (DOH) approves the application in its entirety. This decision has been made in accordance with AS 18.07, 7 AAC 07, and applicable regulations and review methodologies.

After considering the DOH's records, analysis, and recommendations submitted under 7 AAC 07.060, as well as public comments received under 7 AAC 07.052 and relevant health planning documents, DOH has determined that the proposed project satisfies the applicable review standards. Therefore, I am hereby granting a Certificate of Need for the FMH PET-CT project with the following specifications:

1. **Maximum Expenditure:** The total expenditure for the project shall not exceed \$7,400,000.
2. **Bed Capacity:** This project does not involve the addition or modification of inpatient bed capacity.
3. **Approved Capacity of Added Services:** FMH is approved to add one (1) PET-CT scanner to its existing imaging services within its nuclear medicine suite at the outpatient imaging clinic.
4. **Completion Date:** FMH anticipates that the project will be completed and services operational on or before December 31, 2026.

In making this decision, I considered the demonstrated need for PET-CT services due to the lack of an existing PET-CT provider in Fairbanks Memorial Hospital's service area. The proposed project addresses this gap in care and allows care to be provided in the service area, particularly for cardiology patients. FMH's analysis indicated that, in 2023, 2,600 patients with cardiac conditions could have benefitted from PET-CT services. Furthermore, the lack of PET-

CT services in the service areas could create further barriers to care where patients must travel hundreds of miles to and even out of state to PET-CT services, rely on inferior services in their area for their treatment, or forego services.

FMH's application evaluates alternative imaging modalities—CT (Computed Tomography), MRI (Magnetic Resonance Imaging), and SPECT (Single-Photon Emission Computed Tomography)—but concludes that these modalities are not clinically equivalent to PET-CT for the specific diagnostic needs the project aims to address. The application indicates that PET-CT is not replaceable by other modalities for the target patient population, including those with cancer, ischemic heart disease, and neurodegenerative conditions. The application also establishes financial feasibility, supported by FMH's funding strategy and revenue projects.

Additionally, I considered this project's alignment with state health planning priorities, including Alaska's Cardiovascular Health Plan, Take Heart Alaska Coalition, and other Chronic Disease Prevention and Health Promotion initiatives. On a national level, this project also aligns with the National Cardiovascular Health Program and the National Comprehensive Cancer Control Program.

The addition of a PET-CT service line at FMH is expected to enhance diagnostic capabilities in the Fairbanks North Star Borough and surrounding regions. By eliminating the need for patients to travel over 400 miles for PET-CT imaging, the project is anticipated to positively impact Alaskan's access to care, reducing travel burden and ensuring timely diagnosis and treatment for serious conditions. In particular, this benefits patients with cancer, cardiovascular diseases, and neurological conditions. Additionally, the presence of a PET-CT scanner at FMH is expected to support other healthcare providers in the service area by offering local diagnostic solutions, reducing the burden on patients and their families, and improving access to care within the community.

If you have any questions or require further assistance as you move forward with this project, please do not hesitate to contact Alexandria Hicks, Healthcare Access and Services Development Manager, at alexandria.hicks@alaska.gov.

Sincerely,



Heidi Hedberg
Commissioner
Alaska Department of Health

CC: Emily Ricci, Deputy Commissioner
Alexandria Hicks, Healthcare Access and Services Development Manager
Chris Robison, Department of Law