

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF HEALTH CARE SERVICES
HEALTH PLANNING AND SYSTEMS DEVELOPMENT

SEAN PARNELL, GOVERNOR

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March 22, 2011

Certified, Return Receipt Requested

J. Thomas Grissom, M.D.
3066 E. Meridian Park Loop, Suite #1
Wasilla, AK 99654

Dear Dr. Grissom:

Thank you for your letter of December 29, 2010 regarding the determination of whether a certificate of need (CON) is required for construction of an ambulatory surgery center at 3066 E. Meridian Park Loop in Wasilla.

I have, after review of the cost estimated provided in your letter, determined that a CON is not required based on the following information:

1. The proposed surgical center is a facility that is reviewable by the CON program if the cost of the project exceeds the dollar threshold under AS 18.07.031
2. Certified cost estimates for the project estimate construction costs at \$477,149 and equipment costs of \$81,496 for a total cost estimate of \$558,645 which is below the current threshold of \$1,300,000 that requires submission of a CON application under AS 18.07.031.

Construction costs were based on documentation provided by Howdie, Inc. which stated the total value of the portion of the facility to be used for the surgical center was \$362,546 and tenant improvements (including design and permitted) were \$114,603.

Equipment costs were based on documentation provided by Dr. Robert Martin (\$15,200) in a contract with you and a Surgery Center Services of America estimate (\$66,296).

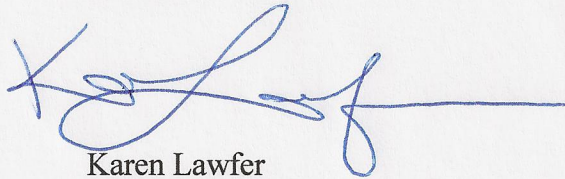
The cost of disposals from Alaska Vein Care (\$30,000) and Interventional Pain (\$32,253) were not included in the estimated cost for the facility used to determine if a CON is required as defined in 7 AAC 07.010.

If the project changes and costs related to the construction of the surgical center, as outlined in 7 AAC 07.010, total more than the current CON threshold or if there are changes regarding the size, number of surgical suites, or scope of service, this office must be notified as a CON may be required.

If you are dissatisfied with this determination you may request reconsideration under 7 AAC 07.033. A request for reconsideration must be postmarked no later than 30 days after publication of the public notice.

J. Thomas Grissom, M.D.
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Sincerely,

A handwritten signature in blue ink, appearing to read 'Karen Lawfer', with a long horizontal line extending to the right.

Karen Lawfer
CON Coordinator