

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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April 13, 2010

Certified, Return Receipt Requested #7007 0710 0000 1695 2104

Paul G. Morris, Chief Financial Officer
Alaska Regional Hospital
2801 DeBarr Road
Anchorage, Alaska 99508

Dear Mr. Morris:

Thank you for your letter of March 18, 2010 and subsequent cost estimates requesting a determination on whether a certificate of need (CON) is required for the purchase, installation, and operation of a PET/CT scanner. The unit will be located on the Alaska Regional Hospital campus in leased space.

I have determined that a CON is not required under 7 AAC 07.031 based on the following information:

1. A certified cost estimate for the project was provided by Seimens Medical estimating the cost of equipment at \$640,456.
2. Renovation costs are estimated at approximately \$275,000
3. The net present value of leased space (no more than 1,500 square feet) is calculated at \$225,000.
4. The total cost estimate of \$1,140,456 is below the current threshold that requires submission of a CON application under AS 18.07.031.
5. The number of beds or square footage for the hospital is unchanged with this project.

If plans or cost estimates change regarding leased space and renovation, scope or location of the service, or equipment and the total is anticipated to be more than the current CON threshold (\$1,300,000), this office must be notified as a Certificate of Need may be required.

If you are dissatisfied with this determination you may request reconsideration under 7 AAC 07.033, or may appeal the decision under 7 AAC 07.080. An appeal or request for determination must be postmarked no later than 30 days after publication of the public notice.

Sincerely,



Karen Lawfer
Certificate of Need Coordinator