

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110601
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April 1, 2008

Certified, Return Receipt Requested

John J. Williams, Borough Mayor
Kenai Peninsula Borough
144 Binkley Street
Soldotna, Alaska 99669

Dear Mayor Williams:

In accordance with provisions of AS 18.07.031-111 and 7 AAC 07.010-130, I have determined that South Peninsula Hospital's application and supplemental information for Homer- Hospital and Long-Term Care Remodeling and Expansion has met the applicable certificate of need standards for approval to the satisfaction of the State of Alaska Department of Health and Social Services.

The Certificate of Need dated 11/7/07 is modified. South Peninsula Hospital is authorized to spend \$16,300,000 for a Phase II construction to include a new Emergency Department, increased dietary and materials management warehouse space, and expanded Imaging Department. This construction commenced in June 2006 and was completed in September 2007. Phase III construction authorizes a new 18 bed single occupancy acute care wing, reconstruction of the surgical area to create an endoscopy room with no increase in the number of surgical suites, relocation of laboratory and pharmacy to the second floor, relocation and expansion of respiratory therapy, expansion of the laundry department on the first floor, addition of a fifth emergency room in the Emergency Department, and a helipad on the roof (third floor) of the new acute care wing. The total cost for Phase III is estimated at \$15,092,930 with a completion date of December 2009.

The 9,683 square foot shelled in first floor area located below the new acute care wing must have Certificate of Need staff review prior to any use of the area.

Under 7 AAC 07.080, if you are dissatisfied with my decision regarding this certificate of need, you are entitled to a hearing if I receive a written request no later than 4:30 PM, April 30, 2008.

The certificate authorizing expenditures for the project and a copy of the staff analysis of your application are enclosed.

Sincerely,



Karleen K. Jackson, Ph.D.
Commissioner

John K. Williams, Borough Mayor
South Peninsula Borough Hospital CON modification
April 1, 2008

cc: Bill Streur, Deputy Commissioner, Dept. of Health and Social Services
Dr. Jay Butler, Chief Medical Officer, Dept. of Health and Social Services
Stacie Kraly, Chief Assistant Attorney General, Dept. of Law
David Pierce, Certificate of Need Coordinator, Dept. of Health and Social Services
Colette Thompson, Kenai Borough Attorney
Walt Partridge, South Peninsula Borough Hospital Board President
Tim Navarre, Kenai Borough Chief of Staff
Craig Chapman, Kenai Borough Director