



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Department of Health

OFFICE OF THE COMMISSIONER

**Anchorage**

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Thursday, April 24, 2025

Melanee Tiura, Administrator  
Providence Valdez Medical Center  
911 Meals Avenue  
P.O. Box 550  
Valdez, AK 99686

RE: *Final Decision on Certificate of Need Application*  
*Providence Valdez Medical Center – Long-Term Care Expansion*

Dear Ms. Tiura,

After careful review and consideration of the Certificate of Need application submitted by Providence Valdez Medical Center (PVMC) for the proposed Long-Term Care Services Expansion, I, Commissioner Hedberg, hereby approve a Certificate of Need for the project in its entirety.

PVMC's approved project includes the conversion of four existing acute care beds into four long-term care (LTC) beds, with accompanying renovations and new construction to support expanded LTC operations. The proposed expansion will address documented community need driven by demographic shifts, including an aging population. The Department finds that the project effectively supports appropriate levels of care for residents of the Valdez and greater Chugach Census Area, where PVMC serves as the only hospital-based LTC provider.

The approved project includes a maximum expenditure of \$8,015,587. Upon completion, PVMC will operate 14 LTC beds (increased from 10), 6 acute care beds (reduced from 10), and 1 obstetric bed, with the total licensed bed count remaining at 21. The approved construction and renovation are expected to be completed by May 2026.

This approval is based on a comprehensive review of the application, analysis conducted by the Department of Health's (DOH) Certificate of Need (CON) Program under 7 AAC 07.060, recommendations from the Department's contractor Myers and Stauffer under 7 AAC 07.070(c), public comments received under 7 AAC 07.052, and applicable regulatory standards of 7 AAC 07. These materials demonstrate that the project meets all applicable General and Service-Specific Review Standards under 7 AAC 07.060 and 7 AAC 07.085. Key considerations in this determination include:

- High historical occupancy rates (97–98%) for LTC beds from 2021–2023;
- Demonstrated regional LTC bed need based on population projections and service area trends;

- Community support as evidenced by public comments and local planning documents, including the 2024–2026 Community Health Improvement Plan.

The project is not expected to significantly alter regional healthcare costs or utilization, but rather to enhance the availability and quality of LTC services. In keeping with the goals of Alaska’s Medicaid program, this project promotes access to the appropriate level of care and supports continuity for aging residents close to their families and communities.

The Department recognizes the value of this investment in the healthcare infrastructure of rural Alaska and the long-standing service mission of PVMC. This approval reflects the State’s continued commitment to supporting appropriate, high-quality, and locally responsive healthcare for all Alaskans. 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](mailto:Alexandria.Hicks@alaska.gov).

Sincerely,



Commissioner  
Department of Health

cc: Emily Ricci, Deputy Commissioner  
Alex Hicks, Healthcare Access and Services Development Manager  
Leah Farzin, Department of Law

