

North Star Behavioral Health System  
2530 DeBarr Road  
Anchorage, AK 99508  
(907) 258-7575  
(907) 277-7844 fax  
(800) 478-7575 toll free in Alaska



June 22, 2007

David Pierce, Certificate of Need Coordinator  
State of Alaska  
Department of Health and Social Services  
Division of Administrative Services  
Facilities and Planning Section  
P.O. Box 11-0650  
Juneau, Alaska 99811-0650

Dear Mr. Pierce:

Frontline Hospital LLC, dba North Star Hospital, intends to license the 34 beds at the existing North Star Residential Treatment Center located at 1650 Bragaw Street, Anchorage, Alaska as a specialized acute care hospital. The hospital will provide inpatient psychiatric services beginning January 1, 2008. This conversion is necessary to accommodate a critical patient care need that cannot be met with our current acute bed capacity. This need for additional acute psychiatric beds has been continuously demonstrated throughout the previous 2-3 years by chronic census demands. These needs have often exceeded our current licensed number of beds, and have created an untenable and sometimes unsafe situation. In accordance with 7AAC07.031, I am requesting a formal decision of whether a Certificate of Need (CON) is necessary to convert the facility.

The physical modifications necessary to license the Bragaw facility as a specialized acute care hospital were analyzed and determined by the architectural firm Livingston Sloan Inc. Attached to this letter is a certified construction cost estimate, listing all facility modifications. It should be noted that the certified construction cost estimate includes both required items necessary for licensing, and aesthetic items non-essential for licensing. Modifications will begin July, 2007, and be completed in time to ensure a January 1, 2008 conversion date. According to the attached estimate, the expenditures for all essential and aesthetic facility modifications will be between \$647,302 and \$789,709, far less than the threshold expenditure that would require North Star to obtain a CON.

Finally, patients currently being treated in the Bragaw Residential Treatment Center will be gradually and carefully transitioned according to their current, **expected** discharge plan.

I trust this information will provide you with the necessary detail to allow you make a determination regarding this issue. You may reach me at 907-258-7575 or [james.shill@uhsinc.com](mailto:james.shill@uhsinc.com) with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Shill".

James Shill  
Chief Executive Officer

**South Bragaw Conversion  
North Star Behavioral Health System**

**Phase I Code & Condition Investigation  
Construction Cost Estimate  
November 3, 2006**

**Prepared for:**  
**Livingston Slone, Inc.**  
2900 Arctic Blvd, Suite 300  
Anchorage, Alaska 99503  
907.562.2058



1225 E. International Airport Road, Suite 205  
Anchorage, Alaska 99518  
907.561.0790

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**Documents**

Building Condition Survey Sheets

**Notes and Assumptions**

- 1 Materials storage area will be designated near the building.
- 2 Labor rates based on Davis Bacon, 50 hours/week.
- 3 Local contractor.
- 4 Weather, logistics and construction time window has been considered.
- 5 Labor production rates based on R.S. Means, Richardson, NECA Database, and estimator experience.
- 6 It is assumed that the work will be contracted in packages that allow for the contractor to achieve reasonable productivity.

**South Bragaw Conversion**  
**North Star Behavioral Health System**  
**Prepared for Livingston Slone, Inc. by Estimations**

**Phase I Code & Condition Investigation**  
**Construction Cost Estimate**  
**November 3, 2006**

Item	Subtotals	Overhead & Profit	Contingency	Total
A-1: Medication Room	\$10,129	\$2,785	\$2,841	\$15,756
A-2: Nourishment Area	\$4,097	\$1,127	\$1,149	\$6,373
A-3: Existing Bedrooms 6-10	\$12,528	\$3,445	\$3,514	\$19,487
A-4: Existing Bedrooms 1-5, Blackout Curtains OFOI				
A-5: Cart Wash Room	\$8,455	\$2,325	\$2,372	\$13,152
A-6: Group Shower	\$6,377	\$1,754	\$1,789	\$9,919
A-7: Laundry Room	\$8,149	\$2,241	\$2,286	\$12,676
A-8: Emergency Services Intake Office	\$14,977	\$4,119	\$4,201	\$23,297
A-9: Gymnasium, FEC	\$496	\$136	\$139	\$772
M-A1: Ventilation/Heat System	\$91,670	\$25,209	\$25,713	\$142,593
M-A2: Vibration Isolation				
M-A3: Duct Lining	\$6,066	\$1,668	\$1,702	\$9,436
M-A4: Air Intakes				
M-A5: Filtration				
M-A6: Tamperproofing Air System	\$18,810	\$5,173	\$5,276	\$29,259
M-A7: Cart Wash Ventilation	\$2,272	\$625	\$637	\$3,534
M-A8: Dedicated Exhaust Ventilation for Waste Processing	\$2,272	\$625	\$637	\$3,534
Services				
M-B1: Provide Wrist Blades on Lav at Isolation Unit	\$589	\$162	\$165	\$916
M-B2: Showers and Tubs require Non Slip Surface	\$15,730	\$4,326	\$4,412	\$24,468
M-B3: Medication Room	\$2,426	\$667	\$680	\$3,774
M-B4: Nourishment Area	\$3,003	\$826	\$842	\$4,671
M-B5: Cart Wash Room	\$1,958	\$538	\$549	\$3,046
M-B6: Shower Room	\$675	\$186	\$189	\$1,050
M-B7: Laundry Room	\$1,705	\$469	\$478	\$2,652
M-B8: Emergency Services Intake Office	\$2,854	\$785	\$801	\$4,439
M-B9: Oxygen Medical Gas Area Ventilation Upgrades	\$1,737	\$478	\$487	\$2,702
M-B10: Plumbing Issues	\$9,450	\$2,599	\$2,651	\$14,699
M-B11: Fire Protection System	\$13,960	\$3,839	\$3,916	\$21,715
E-1: Emergency Generator	\$49,354	\$13,572	\$13,844	\$76,770
E-2: Nurse Call System	\$62,482	\$17,183	\$17,526	\$97,191
E-3: Emergency Treatment	\$6,113	\$1,681	\$1,715	\$9,509
E-4: Patient Rooms Night Lights	\$11,033	\$3,034	\$3,095	\$17,162
E-5: Examination Room, Exam Lights	\$5,588	\$1,537	\$1,567	\$8,692
E-6: Emergency Radio Communications System	\$14,000	\$3,850	\$3,927	\$21,777
E-7: UPS for all Computers, Security System, Nurse Call, and Radio System	\$21,270	\$5,849	\$5,966	\$33,085
E-8: Replace Toilet Room Fixtures	\$3,666	\$1,008	\$1,028	\$5,702
E-9: Replace Cover Plates on Emergency System	\$1,217	\$335	\$341	\$1,893
E-10: 3 Branch Essential Electrical System	\$92,580	\$25,460	\$25,969	\$144,008
<b>Totals</b>	<b>\$507,688</b>	<b>\$139,614</b>	<b>\$142,406</b>	<b>\$789,709</b>
	27.5%			
General Requirements	12.0%			
Bond & Insurance	2.5%			
Overhead	8.0%			
Profit	5.0%			
<b>Building Elemental Cost with OH&amp;P</b>				
	22.0%			
Estimating Contingency	15.0%			
Inflation Allowance ( 1 Year)	7%			

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**Phase I Code & Condition Investigation**  
**Construction Cost Estimate**  
**November 3, 2006**

Line No.	Description	Qty	UNITS	Unit Cost	Total Cost
1					
2	<b>A-1: Medication Room</b>				
3					
4	Cut Wall Opening	1	EA	\$235.00	\$235
5	Case Opening	1	EA	\$323.00	\$323
6	Casework & Countertops	18	LF	\$468.61	\$8,435
7	Install Pyxis Dispenser	1	EA	\$1,136.00	\$1,136
8					
9					
10					
11	<b>Subtotal:</b>				\$10,129
12					
13	<b>A-2: Nourishment Area</b>				
14					
15	Casework & Countertops	6	LF	\$468.67	\$2,812
16	Light	1	EA	\$480.00	\$480
17	Duplex Outlet	1	EA	\$262.00	\$262
18	Duplex GFI Outlet	2	EA	\$271.50	\$543
19					
20					
21					
22	<b>Subtotal:</b>				\$4,097
23					
24	<b>A-3: Existing Bedrooms 6-10</b>				
25					
26	Enlarge Door Openings	5	EA	\$439.60	\$2,198
27	Demo Doors	5	EA	\$123.20	\$616
28	Door 4'0" x 7'0" with Frame and Hardware	5	EA	\$1,942.80	\$9,714
29					
30					
31					
32	<b>Subtotal:</b>				\$12,528
33					
34	<b>A-4: Existing Bedrooms 1-5, Blackout Curtains OFOI</b>				
35					
36	<b>No Cost</b>				
37					
38					
39					
40	<b>Subtotal:</b>				
41					
42	<b>A-5: Cart Wash Room</b>				
43					
44	Partition	11	LF	\$115.55	\$1,271
45	Door 3'0" x 7'0" with Frame and Hardware	1	EA	\$1,843.00	\$1,843
46	Slope Floor	60	SF	\$19.32	\$1,159
47	Reel Hose Spray	1	EA	\$858.00	\$858
48	Sheet Vinyl Flooring (Floor & Walls)	390	SF	\$8.52	\$3,324
49					
50					
51					
52	<b>Subtotal:</b>				\$8,455

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Line No.	Description	Qty	UNITS	Unit Cost	Total Cost
53					
54	<b>A-6: Group Shower</b>				
55					
56	Replace Shower Rods	6	EA	\$111.67	\$670
57	Replace Door Closers	2	EA	\$535.00	\$1,070
58	Grab Bars and Blocking	12	EA	\$386.42	\$4,637
59					
60					
61					
62					
63	<b>Subtotal:</b>				\$6,377
64					
65	<b>A-7: Laundry Room</b>				
66					
67	Demo Partition	10	LF	\$34.60	\$346
68	Replace Flooring	120	SF	\$9.40	\$1,128
69	Patch/Repair/Paint	4	EA	\$250.75	\$1,003
70	New Dbl Doors 3'0"x7'0" with Frame and Hardware	2	EA	\$2,836.00	\$5,672
71					
72					
73					
74	<b>Subtotal:</b>				\$8,149
75					
76	<b>A-8: Emergency Services Intake Office</b>				
77					
78	Casework & Countertop	13	LF	\$468.62	\$6,092
79	Medical Storage Cabinet	1	EA	\$2,111.00	\$2,111
80	Exam Light	1	EA	\$4,227.00	\$4,227
81	Duplex Outlets, Hospital Grade	8	EA	\$318.38	\$2,547
82					
83					
84					
85	<b>Subtotal:</b>				\$14,977
86					
87	<b>A-9: Gymnasium, FEC</b>				
88					
89	FEC	1	EA	\$496.00	\$496
90					
91					
92					
93	<b>Subtotal:</b>				\$496
94					
95	<b>M-A1: Ventilation/Heat System</b>				
96					
97	Demo Roof Top HVAC Unit	1	EA	\$4,239.00	\$4,239
98	New Roof Top HVAC Unit	14,350	CFM	\$5.78	\$82,967
99	Roof Repairs	1	EA	\$2,420.00	\$2,420
100	Gas Line Extension to the Roof Top Unit	100	LF	\$20.44	\$2,044
101					
102					
103					
104	<b>Subtotal:</b>				\$91,670

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Line No.	Description	Qty	UNITS	Unit Cost	Total Cost
105					
106	<b>M-A2: Vibration Isolation</b>				
107					
108	<b>No Correction Presented</b>				
109					
110					
111	<b>Subtotal:</b>				
112					
113	<b>M-A3: Duct Lining</b>				
114					
115	Duct Lining Repairs	1	LS	\$6,066.00	\$6,066
116					
117					
118					
119					
120	<b>Subtotal:</b>				\$6,066
121					
122	<b>M-A4: Air Intakes</b>				
123					
124	<b>No Correction Required</b>				
125					
126					
127	<b>Subtotal:</b>				
128					
129	<b>M-A5: Filtration</b>				
130					
131	<b>Included in Correction Number M-A1</b>				
132					
133					
134	<b>Subtotal:</b>				
135					
136	<b>M-A6: Tamperproofing Air System</b>				
137					
138	Tamperproofing Grilles & Diffusers	50	EA	\$376.20	\$18,810
139					
140					
141					
142					
143	<b>Subtotal:</b>				\$18,810
144					
145	<b>M-A7: Cart Wash Ventilation</b>				
146					
147	Roof Top Exhaust Fan	100	CFM	\$6.81	\$681
148	Roof Penetration & Repair	1	EA	\$364.00	\$364
149	Ductwork	50	LBS	\$16.08	\$804
150	Electrical Connections	1	EA	\$423.00	\$423
151					
152					
153					
154					
155					
156	<b>Subtotal:</b>				\$2,272

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Line No.	Description	Qty	UNITS	Unit Cost	Total Cost
157					
158	<b>M-A8: Dedicated Exhaust Ventilation for Waste Processing Services</b>				
159					
160	Roof Top Exhaust Fan	100	CFM	\$6.81	\$681
161	Roof Penetration & Repair	1	EA	\$364.00	\$364
162	Ductwork	50	LBS	\$16.08	\$804
163	Electrical Connections	1	EA	\$423.00	\$423
164					
165					
166					
167					
168	<b>Subtotal:</b>				<b>\$2,272</b>
169					
170	<b>M-B1: Provide Wrist Blades on Lav at Isolation Unit</b>				
171					
172	Replace Faucet with Wrist Blade Type	1	EA	\$589.00	\$589
173					
174					
175					
176	<b>Subtotal:</b>				<b>\$589</b>
177					
178	<b>M-B2: Showers and Tubs require Non Slip Surface</b>				
179					
180	Replace Shower Base	5	EA	\$1,984.60	\$9,923
181	Replace Tub	2	EA	\$2,903.50	\$5,807
182					
183					
184					
185	<b>Subtotal:</b>				<b>\$15,730</b>
186					
187	<b>M-B3: Medication Room</b>				
188					
189	Remove Sink	1	EA	\$127.00	\$127
190	Relocate Sink	1	EA	\$578.00	\$578
191	Plumbing Changes	1	LS	\$958.00	\$958
192	Saw Cut Floor	20	LF	\$11.40	\$228
193	Concrete Remove/Replace	20	SF	\$26.75	\$535
194					
195					
196					
197	<b>Subtotal:</b>				<b>\$2,426</b>
198					
199	<b>M-B4: Nourishment Area</b>				
200					
201	Add Sink	1	EA	\$1,282.00	\$1,282
202	Plumbing Roughin	1	EA	\$958.00	\$958
203	Saw Cut Floor	20	LF	\$11.40	\$228
204	Concrete Remove/Replace	20	SF	\$26.75	\$535
205					
206					
207					
208	<b>Subtotal:</b>				<b>\$3,003</b>



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**Phase I Code & Condition Investigation**  
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Line No.	Description	Qty	UNITS	Unit Cost	Total Cost
209					
210	<b>M-B5: Cart Wash Room</b>				
211					
212	Floor Drain	1	EA	\$232.00	\$232
213	Trap Primer	1	EA	\$154.00	\$154
214	Plumbing Roughin	1	EA	\$958.00	\$958
215	Saw Cut Floor	16	LF	\$11.63	\$186
216	Concrete Remove/Replace	16	SF	\$26.75	\$428
217					
218					
219					
220					
221	<b>Subtotal:</b>				\$1,958
222					
223	<b>M-B6: Shower Room</b>				
224					
225	Lav Pipe Cover Kit	4	EA	\$168.75	\$675
226					
227					
228					
229	<b>Subtotal:</b>				\$675
230					
231	<b>M-B7: Laundry Room</b>				
232					
233	Modify Plumbing to Washer/Dryer	2	EA	\$852.50	\$1,705
234					
235					
236					
237	<b>Subtotal:</b>				\$1,705
238					
239	<b>M-B8: Emergency Services Intake Office</b>				
240					
241	Add Sink	1	EA	\$1,282.00	\$1,282
242	Plumbing Roughin	1	EA	\$958.00	\$958
243	Saw Cut Floor	16	LF	\$11.63	\$186
244	Concrete Remove/Replace	16	SF	\$26.75	\$428
245					
246					
247					
248					
249	<b>Subtotal:</b>				\$2,854
250					
251	<b>M-B9: Oxygen Medical Gas Area Ventilation Upgrades</b>				
252					
253	Connect to Exhaust System	1	EA	\$1,064.00	\$1,064
254	Duct to Floor	1	EA	\$377.00	\$377
255	Grilles	2	EA	\$148.00	\$296
256					
257					
258					
259					
260	<b>Subtotal:</b>				\$1,737

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Line No.	Description	Qty	UNITS	Unit Cost	Total Cost
261					
262	<b>M-B10: Plumbing Issues</b>				
263					
264	Clean/Repair Storm Drain	1	EA	\$2,335.00	\$2,335
265	Pipe Indirect Drain to Floor	1	EA	\$155.00	\$155
266	Remove Sanitizer	1	EA	\$339.00	\$339
267	New 6000 Watt Sanitizer	1	EA	\$2,439.00	\$2,439
268	Dishwasher Booster Heater, Removal	1	EA	\$339.00	\$339
269	Dishwasher Booster Heater, New	1	EA	\$3,139.00	\$3,139
270	Seismic Restraints	2	EA	\$352.00	\$704
271					
272					
273					
274	<b>Subtotal:</b>				\$9,450
275					
276	<b>M-B11: Fire Protection System</b>				
277					
278	Remove Heads	35	EA	\$42.31	\$1,481
279	Quick Response/Tamperproof Heads	28	EA	\$168.64	\$4,722
280	Suicide Prevention Heads	7	EA	\$140.57	\$984
281	Drain/Recharge System	1	EA	\$6,773.00	\$6,773
282					
283					
284					
285	<b>Subtotal:</b>				\$13,960
286					
287	<b>E-1: Emergency Generator</b>				
288					
289	Remove Generator	1	EA	\$2,601.00	\$2,601
290	New Generator	30	KW	\$1,453.93	\$43,618
291	Exhaust System	1	EA	\$3,135.00	\$3,135
292					
293					
294					
295	<b>Subtotal:</b>				\$49,354
296					
297	<b>E-2: Nurse Call System</b>				
298					
299	Nurse Call Base Station	1	EA	\$9,155.00	\$9,155
300	Hall Lights	10	EA	\$188.90	\$1,889
301	Bedside Call Station	27	EA	\$510.89	\$13,794
302	Ceiling Speaker Stations	10	EA	\$216.90	\$2,169
303	Toilet Room Call Station	11	EA	\$300.91	\$3,310
304	Wiring - Power	1,180	LF	\$11.13	\$13,135
305	Wiring - Signal	2,065	LF	\$9.22	\$19,030
306					
307					
308					
309					
310					
311					
312	<b>Subtotal:</b>				\$62,482

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**November 3, 2006**

Line No.	Description	Qty	UNITS	Unit Cost	Total Cost
313					
314	<b>E-3: Emergency Treatment</b>				
315					
316	Duplex Outlets, Hospital Grade	8	EA	\$318.38	\$2,547
317	Dedicated Circuits to Panelboard	2	EA	\$1,783.00	\$3,566
318					
319					
320					
321					
322	<b>Subtotal:</b>				<b>\$6,113</b>
323					
324	<b>E-4: Patient Rooms Night Lights</b>				
325					
326	Night Lights	10	EA	\$231.70	\$2,317
327	Wiring	500	LF	\$11.13	\$5,566
328	Surface Repairs	10	LS	\$315.00	\$3,150
329					
330					
331					
332					
333	<b>Subtotal:</b>				<b>\$11,033</b>
334					
335	<b>E-5: Examination Room, Exam Lights</b>				
336					
337	Exam Light	1	EA	\$4,227.00	\$4,227
338	Wiring	45	LF	\$11.13	\$501
339	Switch	1	EA	\$115.00	\$115
340	Surface Repairs	1	LS	\$745.00	\$745
341					
342					
343					
344					
345	<b>Subtotal:</b>				<b>\$5,588</b>
346					
347	<b>E-6: Emergency Radio Communications System</b>				
348					
349	Radio System with Remote Ext Antenna	1	LS	\$14,000.00	\$14,000
350					
351					
352					
353					
354	<b>Subtotal:</b>				<b>\$14,000</b>
355					
356	<b>E-7: UPS for all Computers, Security System, Nurse Call, and Radio System</b>				
357					
358	Add Small Point of Use UPS Devices	20	EA	\$1,063.50	\$21,270
359					
360					
361					
362					
363					
364	<b>Subtotal:</b>				<b>\$21,270</b>

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Line No.	Description	Qty	UNITS	Unit Cost	Total Cost
365					
366	<b>E-8: Replace Toilet Room Fixtures</b>				
367					
368	Remove Wall Mtd Fixtures	12	EA	\$67.42	\$809
369	New Fixtures	12	EA	\$238.08	\$2,857
370					
371					
372					
373					
374					
375					
376					
377					
378					
379					
380	<b>Subtotal:</b>				\$3,666
381					
382	<b>E-9: Replace Cover Plates on Emergency System</b>				
383					
384	Replace Cover Plates	120	EA	\$10.14	\$1,217
385					
386					
387					
388					
389					
390					
391					
392					
393					
394					
395					
396	<b>Subtotal:</b>				\$1,217
397					
398	<b>E-10: 3 Branch Essential Electrical System</b>				
399					
400	Panelboard	1	EA	\$3,555.00	\$3,555
401	Feeder, 225A	100	LF	\$57.51	\$5,751
402	Rewire Circuits	42	EA	\$1,365.19	\$57,338
403	Patch/Repair/Access for Wiring	16,800	SF	\$1.54	\$25,936
404					
405					
406					
407					
408					
409					
410					
411					
412					
413					
414					
415	<b>Subtotal:</b>				\$92,580
416					