



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of
Health and Social Services**

Division of Health Care Services
Certificate of Need Program

350 Main Street, Room 510
P.O. Box 110660
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Main: 907.465.8616
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March 12, 2013

Certified, Return Receipt Requested #7007 0710 0000 1695 2203

Dr. Thomas Kramer, President
Alaska Heart Institute
3841 Piper Street
Suite T-100
Anchorage, Alaska 99508

Dear Dr. Kramer,

Thank you for your letter of April 2, 2012 and follow-up letter of December 13, 2012 regarding the determination of whether a certificate of need (CON) is required for construction of an ambulatory surgery center at 3220 Providence Drive, Suite E3-063 in Anchorage, Alaska.

I have, after review of the cost estimates and the information provided in your letters, 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 total \$982,254.64. This is based on a net present value of leased space and leased equipment costs of \$668,334.64, purchase of an anesthesia machine for \$33,250.00 and leasehold improvements of \$280,670.00. This total is below the current threshold of \$1,400,000 that requires submission of a CON application under AS 18.07.031.

The net present value of the leased space and the leased equipment is based on the assertion that Alaska Heart Institute, doing business as Alaska Cardiology Surgery Center, will be licensed as a separate entity and will operate no more than 52 days per year. This assertion was presented to the Department in both your April 2, 2012 and your December 13, 2012 letters.

Should Alaska Cardiology Surgery Center operate more than 52 days per year, this determination would no longer be valid.

Dr. Thomas Kramer
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If the project changes regarding the size, number of suites, scope of services provided, days of operation per year, or costs related to the construction of the surgical center, this office should 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.

Sincerely,

A handwritten signature in dark ink, appearing to read 'K. Lawfer', followed by a long horizontal line extending to the right.

Karen Lawfer
CON Coordinator

Cc: Kelly McGee, via e-mail
David H. Shoup,
Tindall, Bennett, and Shoup