

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES  
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

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November 3, 2008

**Certified, Return Receipt Requested**

Paul Morris, CFO  
Alaska Regional Hospital  
2801 Debarr Road  
Anchorage, AK 99508

Dear Mr. Morris:

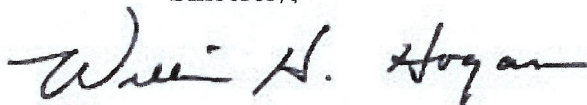
Thank you for your letter dated September 9, 2008, requesting a determination as to the need for a Certificate of Need (CON) for the purchase of three Alaska Open Imaging Centers (AOIC) facilities. In addition, you have requested a determination on whether the purchase of an MRI scanner owned by AOIC and located in Fairbanks that will be moved to Wasilla requires a CON.

The statutes and regulations are silent on the issue of the purchase or change of ownership of health care facilities. As such, the purchase of the AOIC facilities in Anchorage (6911 DeBarr Road), Soldotna (35670 Kenai Spur Highway), and Wasilla (1751 East Gardner Way, Suite B) are not expenditures under AS 18.07.031 and there is no need to obtain a CON for this transaction.

However, the issue of the purchase of the AOIC MRI scanner in Fairbanks and relocation to Wasilla is subject to CON review under AS 18.07.031 if the total costs are above the CON threshold of \$1.2 million. Upon review of the certified cost estimates submitted on October 16, 2008, I have determined that the certified cost estimate of \$973,650.00 to purchase the MRI, relocate it from Fairbanks to Wasilla, and renovate the Wasilla facility to accommodate the MRI is below the threshold established in CON statute that requires submission of a CON application. Therefore, a CON is not required.

If plans and/or costs change regarding the MRI that is being relocated from Fairbanks, and the cost increases to an amount that is over the \$1.2 million CON threshold, you must notify this office and a CON review may be required. If you are dissatisfied with this determination you may request reconsideration under 7 AAC 07.033, or may appeal this 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 of this decision.

Sincerely,



William H. Hogan  
Commissioner