

March 7, 2013

Karen Lawfer, CON Coordinator
Department of Health and Social Services
Division of Health Care Services
Certificate of Need Program

Dear Ms. Lawfer:

In follow up to your February 21, 2013 letter, outlined below are our responses. We believe that this letter fully addresses your questions.

- 1. In your letter of intent to the Department a certified cost estimate was submitted by Kumin Associates, Inc. stating the facility will be 9,700 square feet for a total construction cost of \$5,710,468. In your CON application, on page 34, it states total construction costs are \$2,803,995 for an 11,000 square foot facility (page 3). Please provide us with a modified certified cost estimate which outlines the differences between the letter of intent and the CON application.**

The total construction cost of \$5,710,468 referenced in the Letter of Intent was for the entire building and includes the following:

Landlord capital costs:	\$2,839,364
Tenant capital costs:	<u>\$2,871,104</u>
Total	\$5,710,468

Included as Attachment 1 is a certified letter from Kumin Associates confirming the above costs.

received
3-14-2013

KQ

2. In your Letter of Intent to the Department a certified cost estimate was submitted by Medical Source Systems for equipment for a total of \$2,580,474. In your CON application, on page 34, it states an equipment total of \$2,812,888. Please provide us with a modified certified cost estimate which outlines the differences between the Letter of Intent and the CON application.

The total equipment costs of \$2,812,888 include the following:

Medical Equipment:	\$2,580,474 ¹
Other Equipment:	<u>\$232,414</u>
Total	\$2,812,888

Included in Attachment 2, is a letter from Surgical Care Affiliates certifying the costs of the other equipment (estimated to be \$232,414) that was specifically not included in the Medical Source Systems cost estimate.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely,



Matt A. Heilala, DPM, member

¹ Per certified estimate from December 2012 letter of intent.

Attachment 1
Letter From Kumin Associates



KUMIN
ASSOCIATES, INC
ARCHITECTS | PLANNERS | INTERIOR DESIGNERS

March 11, 2013

Karen Lawfer, CON Program Coordinator
Health Planning & Systems Development Section
Division of Health Care Services
Department of Health and Social Services
P.O. Box 110660,
Juneau, AK, 99811-0660

Dear Ms. Lawfer:

I am writing in follow up to your February 21, 2013 letter requesting clarification of the costs contained in my December 2012 letter and the costs in the Certificate of Need application submitted by Mat-Su Valley Surgery Center, LLC proposing the establishment of an ambulatory surgery center (ASC) in Wasilla.

The total construction cost of \$5,710,468 referenced in the Letter of Intent was for the entire building and includes the following:

Landlord capital costs:	\$2,839,364
Tenant capital costs:	<u>\$2,871,104</u>
Total	\$5,710,468

With this clarification, I believe that the above information, the letter of intent and the certificate of need application are consistent.

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

Jon Stolle, AIA
Principal

Attachment 2
Letter From Surgical Care Affiliates

February 28, 2013

Karen Lawfer, CON Program Coordinator
Health Planning & Systems Development Section
Division of Health Care Services
Department of Health and Social Services
P.O. Box 110660,
Juneau, AK, 99811-0660

Dear Ms. Lawfer:

I am writing in follow up to your February 21, 2013 letter requesting clarification regarding the additional equipment costs for the proposed Mat-Su Valley Surgery Center in Wasilla.

The additional equipment costs are summarized as follows:

Additional Equipment:	\$232,414
(Includes: copier, cubicle curtains, fax, furniture, IT (hardware and software), medical gas system, nurse call, standby generator, telephone system, television system).	

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,



Chris Klassen
Vice President – Supply Chain, Purchasing, and Contracting
Surgical Care Affiliates