



THE STATE  
*of* **ALASKA**  
GOVERNOR BILL WALKER

**Department of  
Health and Social Services**  
OFFICE OF RATE REVIEW

Certificate of Need Program  
3601 C Street, Suite 978  
Anchorage, Alaska 99503  
Main: 907.334.2464  
Fax: 907.334-2220

September 14, 2016

Ms. Sofia Yainova  
Providence Health and Services Alaska  
3760 Piper Street, Suite 3050  
Anchorage, AK 99508

RE: Request for Determination dated August 25, 2016

Dear Ms. Yainova,

In a letter dated August 25, 2016, you formally requested a determination under 7 AAC 07.031 as to whether a Certificate of Need (CON) is required to expand the services available within PAMC's Surgery Services service line. Per your letter, you state Providence Alaska Medical Center (PAMC) plans to add breast biopsy services including, without limitation, needle localization core surgical biopsy, to the existing surgical services available to PAMC patients.

Your letter also states, with an equipment lease and a services contract with Providence Imaging Center (PIC), you plan to develop a portion of your licensed hospital space to create a biopsy suite and provide the services to PAMC's outpatient population. Under your arrangement with PIC, PAMC will be responsible for providing the space, furniture and fixtures, drugs and biologicals, quality assurance oversight and certain personnel. Under this same arrangement, PIC will be leasing to PAMC certain biopsy equipment and provide a services arrangement for certain supplies, a technologist and other personnel support services.

You estimate that the start of the proposed activity will be October 1, 2016 and the completion of the project will be December 31, 2016. You plan on providing services beginning January 1, 2017.

The certified cost estimates that are considered expenditures for purposes of the CON statutory threshold under AS 18.07.031 include the following:

DESCRIPTION	EXPENDITURE
• Construction	\$ 337,874
• Equipment Lease	426,950
• Legal Fees	<u>15,000</u>
• <b>TOTAL</b>	<b>\$ 779,824</b>

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Based on the request for determination, as presented, a CON is not required for the proposed project because the expenditures at issue would not exceed the \$1.5 million statutory threshold under AS 18.07.031. Additionally, there is no change in bed count or capacity or a new category of service proposed.

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. If you wish to revise your request for determination, or apply for a CON, please notify the CON Program immediately.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alex Hicks', is written over the word 'Sincerely,'.

Alexandria Hicks, CON Coordinator