



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of
Health and Social Services

Certificate of Need Program

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Main: 907-754-3428
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January 28, 2022

Shelley D. Ebenal, CEO
c/o Krissy.Floyd@foundationhealth.org
Foundation Health Partners
1650 Cowles Street
Fairbanks, AK 99701

RE: Request for Determination dated January 21, 2022-Additional Information Required

Dear Ms. Ebenal,

Thank you for your letter dated January 21, 2022, requesting a determination whether a certificate of need (CON) is necessary for your proposed project in Fairbanks. Based on the information in the letter the CON Program does not have adequate information to issue a determination per 7 AAC 07.031.

In your letter you formally request a determination as to whether the Fairbanks Imaging and Breast Center (FIBC) requires a CON to purchase a new CT scanner to replace an existing CT scanner at its existing facility. In your letter you stated the CT scanner to be replaced was originally purchased on May 31, 2005, and as of December 31, 2021, the lifespan of the CT scanner has reached the end of its useful life and the associated service warranties expired.

Per your request, FBIC considers the purchase of a new CT scanner to replace the existing, outdated scanner, to be a routine replacement per 7 AAC 07.900 (34)(A)(B), Definitions, which defines routine replacement of equipment:

- (A) means the regular, customary, ordinary, or usual replacement of worn out, broken, or obsolete equipment;
- (B) does not include replacement of medical equipment that increases the technological capacity of the equipment or facility so long as the increase does not result in a change in the scope of services that are being provided.

The following costs were submitted for the department's consideration:

TOTAL PROJECT COSTS: **\$2,404,191**

<u>CT Shell Space Buildout Design costs:</u>	<u>89,714</u>
CT Shell Design/Construction	76,053
Construction Administration	13,661

<u>Equipment Costs:</u>	<u>1,746,000</u>
CT Scanner	1,628,000
Contrast Power Injector	40,000
Patient Lift	22,000
IT Storage	56,000
<u>Chiller Design and Construction Costs:</u>	<u>31,425</u>
Chiller Design and Documents	24,510
Construction Administration	6,915

CT Shell Space Buildout Construction Costs: **537,052**

FIBC is an independent diagnostic testing facility (IDTF) and subject to 7 AAC 07.031, Request for determination of whether a certificate of need is required, which states:

- (a) A request for determination must contain
- (1) a clear, complete, and current description of the proposed activity, including a description of each component of the activity proposed to be undertaken;
 - (2) *a certified estimate of the total cost of each proposed component of the activity listed in 7 AAC, as applicable, for the entire activity; and*
 - (3) an estimated starting date and completion date for the proposed activity.

Your letter requesting a determination contained a list of equipment, CT shell space design costs, CT shell construction costs, chiller design construction, and costs associated. You did not, however, provide certified estimates for the costs submitted. Copies of invoices, estimates, and quotes from the vendor(s) for identified equipment and services on the list provided are necessary to complete the determination. Please provide this requested documentation.

Additionally, your letter did not provide sufficient information regarding the elements associated with the purchase of the new CT scanner. Specifically, the a) contrast power injector, b) patient lift, and c) IT storage. Can you please confirm that these elements are necessary and customary equipment to support the function of the replacement CT scanner, and that these items, to include the new CT scanner, would not demonstrate an increase in technological capacity?

Once you have supplied this additional information, the department will respond with its determination in short order.

Please let me know if you have any questions.

Sincerely,



Alexandria Hicks
CON Program Coordinator