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December 31, 2014

Alexandria Hicks, Coordinator  
Certificate of Need Program  
Department of Health and Social Services  
3601 C Street, Suite 978  
Anchorage, Alaska 99503-5924

Re: Request for CON Determination - Surgery Center of Wasilla, LLC

Dear Ms. Hicks:

We send this letter in response to your letter dated December 3, 2014, with respect to the pending request for determination our firm filed on behalf of Surgery Center of Wasilla, LLC ("SCW"), an Alaska limited liability company.

We confirm that during recent conference calls among Jared Kosin, you and me, DHSS has agreed that a certified estimate of the costs of the proposed project is unnecessary because the exemption set forth in AS 18.07.031(c) permits expenditure of any amount to relocate an ambulatory surgical facility. We also confirm that for purposes of our determination request, DHSS may assume that the equipment and construction costs to relocate the ambulatory surgical facility will exceed \$1.5 million.

You have requested that we provide a description of the components of health care surgical services that SCW provides at its current location and will be providing at its new location. At the outset, as we discussed, surgical services is a single category of health care services. SCW has been providing surgical services at its current location and will be providing only surgical services at its new location.

The components of surgical services that have been provided at SCW in its operating room are pain and vein stripping. Irrespective of the proposed relocation, SCW plans to begin providing urology, podiatry, general surgery and ophthalmology at its current location. SCW understands that these additional surgical service components are permitted under its current ambulatory surgery center license.

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When SCW moves to the new location, SCW will continue to provide all of the current and proposed services described above, along with the addition of gastrointestinal, orthopedic, ENT, plastic surgery and gynecology services.

The current location has one operating room with one operating table. The new location will have only one operating room with one operating table. The new location will have two procedure rooms that will accommodate services limited to gastrointestinal, pain and vein stripping. All other surgical services will be provided in the operating room.

The estimated starting date for the proposed relocation project is January 2015, and the estimated completion date for the project is February 2016.

Pursuant to AS 18.07.031(c), an entity that "is lawfully operating an ambulatory surgical facility at a site may make an expenditure of any amount in order to relocate the services of that facility to a new site in the same community without obtaining a certificate of need as long as neither the bed capacity nor the number of categories of health services provided at the new site is greater."

Based upon my involvement in a similar project involving the relocation of an ambulatory surgery center and discussions with you and Mr. Kosin, we understand that surgical services are a single category of health care service and that the number of operating tables corresponds to bed capacity. In this circumstance, SCW is a licensed ambulatory surgery center that currently provides surgical services in an operating room with one operating table. After SCW relocates to its new location, it will be a licensed ambulatory surgery center that will provide surgical services in an operating room with one operating table. The relocation neither involves an expansion in categories of health care services being provided or an increase in bed capacity. We therefore do not believe SCW's relocation will trigger the requirement to obtain a certificate of need.

We hope this information is responsive to your request for additional information. We look forward to a determination from DHSS confirming that a certificate of need is not required in this circumstance. Thank you for your cooperation and assistance.

Very truly yours,

DURRELL LAW GROUP, P.C.



Brian W. Durrell

Durrell Law Group, P.C.

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Center of Wasilla, LLC

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