

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
DIVISION OF HEALTH CARE SERVICES
Certificate on Need Program

SEAN PARNELL, GOVERNOR

P.O. BOX 110660
JUNEAU, ALASKA 99811-0660
PHONE: (907) 465-8616
FAX: (907) 465-6861

November 14, 2011

Certified, Return Receipt Requested

Mr. Richard Davis
Chief Operating Officer
Central Peninsula Hospital
250 Hospital Place
Soldotna, Alaska 99669

Dear Mr. Davis:

Thank you for your letter of September 30, 2011, and subsequent correspondence requesting a determination of whether a Certificate of Need (CON) is required for construction of a 585 square foot surgical suite in the Mountain Tower of Central Peninsula Hospital with a completion date of May 2012.

While the proposed construction of an additional surgery suite is reviewable by the CON program under AS 18.07, I have, after review of the cost estimates provided, determined that a CON is not required based on the following information:

1. A certified cost estimate for the project was provided by Sanderstrom Architects, LTD, dated September 26, 2011. The total cost estimate provided of \$1,067,281 is below the current threshold of \$1,350,000 that requires submission of a CON application under AS 18.07.
2. Certain cost estimates provided by Sanderstrom Architects, LTD are not expenditures outlined in 7 AAC 07.010. Estimates provided by Sanderstrom Architects but not applicable under 7 AAC 07.010 include: General Conditions-\$60,460, Contingency-\$69,529, and Escalation-\$39,863. However, even with the inclusion of these estimates, the project still does not exceed the current threshold of \$1,350,000.

If the project changes and costs related to the construction of the surgical suite, as outlined in 7 AAC 07.010, total more than the current CON threshold of \$1,350,000 (effective through July 1, 2012), or if there are changes regarding the size, number of

surgical suites, or scope of service, this office must be notified as a CON may be required.

If you are dissatisfied with this determination you may request reconsideration under 7 AAC 07.033. An appeal or request for reconsideration must be postmarked no later than 30 days after publication of the public notice.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Lawfer', with a long horizontal flourish extending to the right.

Karen Lawfer
CON Coordinator