



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Health

OFFICE OF THE COMMISSIONER

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July 16, 2026

Deborah Berini, CEO
3200 Providence Drive
Anchorage, Alaska 99508
Via email: deborah.berini@providence.org

RE: *Certificate of Need Decision – Providence Youth Behavioral Health Center Project*

Dear Ms. Berini,

After careful review of Providence Health & Services' Certificate of Need (CON) application, initially submitted on December 5, 2025, and revised on March 5, 2026, for the establishment of the Providence Youth Behavioral Health Center (PYBHC), a sixteen-bed Level 5 Residential Psychiatric Treatment Center (RPTC) for adolescents ages 12–17, the Department of Health (DOH) approves the application. This decision has been made in accordance with AS 18.07, 7 AAC 07, and the Alaska CON Review Standards and Methodologies.

After considering the DOH's records, including the application under review; the CON Program's analysis and recommendation submitted under 7 AAC 07.060; public comments received under 7 AAC 07.052; the applicable provisions of AS 18.07 and 7 AAC 07; and relevant health planning documents on file with the DOH, I have determined that the proposed Providence Youth Behavioral Health Center Project satisfies the applicable review standards. Therefore, I am hereby granting a CON for the PYBHC Project with the following specifications, pursuant to 7 AAC 07.070(a):

1. **Maximum Expenditure:** The total project value for the proposed project shall not exceed \$7,500,530, consisting of \$7,090,670 in building-space valuation and \$409,860 in capital expenses associated with the proposed activity.
2. **Bed Capacity:** Providence is approved to establish and operate sixteen (16) RPTC beds at the Providence Youth Behavioral Health Center for adolescents ages 12–17.
3. **Approved Capacity of Other Services:** This project establishes sixteen (16) RPTC beds within space previously operated as a Level 2 Crisis Recovery Center. The approval does not alter, reduce, or reallocate the approved capacity of Providence's existing inpatient psychiatric, emergency, outpatient, or other residential psychiatric treatment services. The PYBHC will operate as a distinct residential treatment program within Providence's broader behavioral health continuum and network.
4. **Completion Date:** As proposed by Providence in its application, the project will be completed and services operational on or before one month after CON approval.

The record demonstrates substantial statewide need for additional residential psychiatric treatment capacity for youth. Application of the RPTC methodology contained in the Alaska CON Review Standards and Methodologies results in a projected statewide need for 311 RPTC beds and, after accounting for 123 existing beds, a projected net need of 188 additional beds by 2030. The proposed sixteen-bed PYBHC represents a meaningful addition to available in-state capacity and is consistent with the statewide need identified through the applicable methodology.

The need for additional in-state capacity is also demonstrated by the number of Alaska youth receiving RPTC services outside the state. In developing the projected out-of-state caseload used in the CON methodology, the Department reviewed diagnostic groups for 89 youth receiving out-of-state treatment during State Fiscal Year 2025. The Department determined that most of the diagnostic groups represented among those youth, including major depressive disorder, reaction to severe stress and adjustment disorders, persistent mood disorders, and attention deficit hyperactivity disorder, could be treated in Alaska if sufficient appropriate capacity were available. Six of the 89 cases, representing approximately seven percent of out-of-state admissions, involved eating disorders requiring specialized treatment that the Department determined would continue to require out-of-state placement.

The proposed PYBHC will not eliminate the need for specialized out-of-state treatment, but it will expand the range and availability of residential psychiatric services that can appropriately be provided in Alaska. By adding sixteen in-state RPTC beds, the project will provide an additional treatment option for adolescents who might otherwise experience delayed placement, remain in emergency departments or inpatient settings while awaiting appropriate treatment, or be referred outside Alaska because appropriate in-state capacity is unavailable. The project is therefore expected to reduce reliance on out-of-state placements while allowing more Alaska youth to receive treatment closer to their families, communities, schools, and established support systems.

The record also demonstrates that the proposed project addresses a distinct gap in Alaska's existing continuum of behavioral health care for adolescents. The PYBHC is designed to provide a shorter-term, skills-based residential treatment model for youth who require a higher level of care than outpatient treatment can provide. The program will generally serve youth for approximately 30 to 60 days and will emphasize stabilization, safety, self-regulation, coping skills, family engagement, and preparation for transition to the next clinically appropriate level of care.

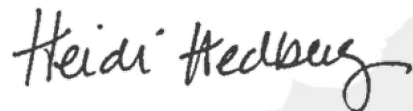
The PYBHC will complement, rather than replace, Providence's existing Providence Adolescent Residential Treatment Program (PARTP). Although both programs operate within the Level 5 RPTC service category, the record demonstrates distinct clinical roles. The PYBHC is designed as a shorter-term residential program emphasizing stabilization and the development of foundational skills through trauma-informed care and Cognitive Behavioral Therapy and Dialectical Behavior Therapy approaches. PARTP provides longer-term residential treatment focused on complex trauma recovery and intensive family systems work. Youth completing treatment at the PYBHC may transition to outpatient or other community-based services or, when clinically appropriate, to longer-term residential treatment.

Based on the demonstrated statewide need for additional RPTC capacity, the project's role in expanding access to appropriate in-state treatment and reducing reliance on out-of-state placements, and its integration with existing behavioral health services, I agree with the CON Program's recommendation and find that the project satisfies the applicable General and RPTC Service-Specific Review Standards.

Approval of this CON does not imply any guarantee of federal, state, or private funding, including Medicaid reimbursement, and does not imply any guarantee of profitability. This CON is valid only through the project completion date identified above, unless extended in accordance with 7 AAC 07.095.

If you are dissatisfied with this decision, you may appeal by requesting an administrative hearing in accordance with 7 AAC 07.080. A request for an administrative hearing must be received in writing by the DOH no later than 30 days after publication of notice of this decision.

Sincerely,



Heidi Hedberg, Commissioner

Cc: Carla MacGregor, Senior Director, Behavioral Health, Providence Alaska, carla.macgregor@providence.org
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