



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of
Health and Social Services

OFFICE OF THE COMMISSIONER
Anchorage

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January 8, 2014

Via email & US Mail

Richard Davis, Chief Executive Officer
Central Peninsula General Hospital
250 Hospital Place
Soldotna, AK 99669

Dear Mr. Davis,

On November 4, 2013, I approved in part and denied in part Central Peninsula Hospital's (CPH) request for a Certificate of Need (CON) to construct a Specialty Clinics Building in Soldotna, Alaska. The partial approval of the CON was conditioned on CPH's submittal of, and my approval of, a revised project budget. CPH submitted a revised project budget on December 13, 2013. At my request, the CON Program contacted CPH by letter on December 24, 2013 with additional questions about CPH's revised project budget. CPH responded to those questions by letter three days later.

After reviewing the revised project budget and CPH's response to the questions from the CON Program, I have determined that the CON application has met the applicable criteria for formal approval, in part, to the satisfaction of the State of Alaska Department of Health and Social Services.

In accordance with A.S. 18.07.031-111 and 7 AAC 07.001-900, Central Peninsula Hospital is hereby authorized in part and denied in part to construct the Specialty Clinics Building in Soldotna, Alaska.

Central Peninsula Hospital is authorized to construct 87,981 gross square feet of new construction to house: an Oncology/Infusion area of twelve infusion chairs, three private rooms, a procedure room and centralized pharmacy workroom; Specialty Clinics area for Pain Management, Neurology, Orthopedics, Podiatry, General Surgery, and Spine; Undesignated Clinical Space for three to four clinical areas; Rehabilitation Space for Physical and Occupational Therapy, including a gym and five treatment rooms; and, 7,400 square feet of shelled in space. Central Peninsula Hospital is not authorized to complete activities related to its request for MRI, PET/CT, CT services or Endoscopy/Procedure Room services.

The total cost of the project is \$38,381,896 for construction, equipment, and furnishings. The anticipated completion date is December 31, 2015 with an operational date of January 31, 2016.

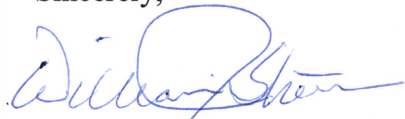
This approval is subject to the following conditions:

Approval of this certificate is conditioned on the premise that any “shelled in” or other space planned for conversion to additional surgical suites at a later date must go through the Certificate of Need process and be approved by the Department, regardless of the cost, prior to expending any funds for conversion or operation; and,

Approval of this certificate is conditioned on the premise that prior to using or converting any or all space that was dedicated to the components of the Certificate of Need application that were denied by the Commissioner—namely MRI, PET/CT, CT services and Endoscopy/Procedure Room services—which is now estimated to be 7,400 square feet in “shelled in” space, Central Peninsula Hospital must request a formal determination from the Department as to whether a Certificate of Need is required for the intended use or conversion of that space prior to expending any funds for conversion or operation.

In accordance with 7 AAC 07.080, if you are dissatisfied with this decision, you are entitled to a hearing if the request for a hearing is received in writing by the department no later than 30 days from the date of this letter.

Sincerely,



William J. Streur
Commissioner

CC: Certificate of Need Program