



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

Office of the Commissioner

Anchorage
3601 C Street, Suite 902
Anchorage, Alaska 99503-5923
Main: 907.269.7800
Fax: 907.269.0060

Juneau
350 Main Street, Suite 404
Juneau, Alaska 99801-1149
Main: 907.465.3030
Fax: 907.465.3068

December 1, 2016

Via email & US Mail

Brian Newberry, Manager
Mat-Su Colony
1192 Draper Parkway #242
Draper, UT 84020
Brian Newberry bnewberry@fiveoakshealth.com

Nicholas Larsen, President
Maple Springs Management, LLC
1040 South Medical Drive Brigham City, UT 84302
Nick Larsen nick@maplespringsliving.com

Dear Mr. Newberry and Mr. Larsen,

The Department of Health and Social Services (DHSS) finished its review of Mat-Su Colony's (MSC) proposed Long Term Care Project, and Maple Springs Senior Living (MSSL) proposed Long Term Care Project.

As DHSS Commissioner, I find that MSC's proposed project meets the applicable CON criteria in a manner that merits approval in part. This decision is based on MSC's application meeting all of the six General Review Standards, and satisfying all service-specific review standards. I also find that MSSL's proposed project meets the applicable CON criteria in a manner that merits approval, in part. This decision is based on MSSL's application satisfying all six General Review Standards and satisfying all service-specific review standards.

MSC's proposed project in Palmer is aligned with community, state and federal health care planning. By locating services in Palmer, where no services exist currently, MSC is providing "local" access for family and residents of Palmer and also the greater Mat-Su Borough for those services.

MSSL's proposed project plan included two locations for two facilities; one facility to be located in Palmer and one facility to be located in Wasilla. In the Wasilla location, MSSL proposed 60 skilled nursing units to include 10 hospice units. In Palmer, 60 skilled nursing units were proposed with no hospice units. MSSL is the only applicant proposing Assisted Living Home beds. The CON Program does not review or approve Assisted Living Homes as they do not meet the definition of a health care facility in AS 18.07.111. Therefore, those beds were not reviewed as part of this process.

Both projects met all the General Review Standards as well as the Service Specific Review Standards as established under Sec. 18.07.041 and Sec. 18.07.043.

The State of Alaska currently has 248 skilled nursing beds located in Anchorage. The projected need for skilled nursing home beds in the defined service area of the Municipality of Anchorage/Matanuska Susitna Valley is 134 beds. The CON Program considers the three communities of Anchorage, Wasilla and Palmer to be a single service area and does not exclude one community or divide the Anchorage/Matanuska-Susitna Valley service area when calculating need. I agree with the CON's Staff Analysis that with the approval of both applicants' projects as set forth below, the communities of Wasilla and Palmer will be as equally served as the community of Anchorage is currently. And, accordingly the entire geographical service area will be covered.

The CON Staff Analysis recommends that I approve MSC for a 74 bed skilled nursing facility in Palmer. The CON Staff Analysis recommends that I approve MSSL for a 60 bed skilled nursing facility in Wasilla.

Per 7 AAC 07.070(b)(7)(A), in granting or denying a CON, the Commissioner must consider "any other special or extraordinary circumstances related to ... community access to health care[.]" I have no doubt that MSC's proposal could meet the needs of the service area. However, as Commissioner, I must consider how this CON decision will affect the entire health care system and the community's access to that health care system. See AS 18.07.041.

Based on this responsibility, and the complete and thorough applications for two equally qualified long term care projects received from both applicants, I believe that the community's access to long term care; i.e. senior nursing facilities is best accomplished by relying on construction of two long term care projects, one in Wasilla and one in Palmer.

Accordingly, under AS 18.07 and 7 AAC 07, MSC is authorized to construct a 74 bed skilled nursing facility in Palmer, Alaska. This approval is contingent on my review and approval of a revised budget, timeline, and project modifications from MSC that meet the limitations set forth above. The revised project budget cannot exceed the proposed project cost of \$20,748,517. The revised budget, timeline, and project modifications must be submitted to the department within 60 days of the date of this decision.

Mr. Brian Newberry
Mr. Nicolas Larsen
Page 3

Accordingly, under AS 18.07 and 7 AAC 07, MSSL is authorized to construct a 60 bed skilled nursing facility in Wasilla, Alaska. This approval is contingent on my review and approval of a revised budget, timeline, and project modifications from MSSL that meet the limitations set forth above. The revised project budget cannot exceed the proposed project cost of \$18,100,345. The revised budget, timeline, and project modifications must be submitted to the department within 60 days of the date of this decision.

A signed Certificate of Need will be issued to both MSC and MSSL if and when I approve the revised budget, timeline, and modifications for each project.

If you are dissatisfied with this decision, you may appeal the decision by requesting an administrative hearing in accordance with 7 AAC 07.080. The request for an administrative hearing must be received in writing by the department no later than 30 days from the date of this letter.

Sincerely,



Valerie Davidson, Commissioner

Cc: Jon Sherwood, Deputy Commissioner
Stacie Kraly, Chief Assistant Attorney General
Alexandria Hicks, CON Coordinator