

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
DIVISION OF HEALTH CARE SERVICES
HEALTH PLANNING AND SYSTEMS DEVELOPMENT

SEAN PARNELL, GOVERNOR

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November 29, 2010

VIA EMAIL AND U.S. MAIL

Olinda White, Chief Financial Officer
Wrangell Medical Center
P.O. Box 1081
Wrangell, Alaska 99929

Dear Ms. White:

This letter is in response to your request for modification for the Certificate of Need (CON) for Wrangell Medical Center (WMC) dated November 15, 2010.

A modification of the CON could be considered if it were to accommodate an increase in square footage (from the original approved 39,000) for mechanical requirements and to address new 2010 AIA requirements, as discussed in our meeting of November 4, 2010. However, with the apparent inconsistencies between the CON application submitted by WMC, our meeting of November 4, 2010, and the request that was submitted on November 15, 2010, I am requesting further information and clarification in order to determine whether a modification is appropriate or whether a new CON will be required.

I have attached the Space Allocation Program dated April 8, 2010 that was presented at our November 4 meeting. Review of the space allocation addressed the potential need for an additional 5,900 square feet for mechanical equipment and to meet new 2010 AIA requirements for a total of 44,900 square feet.

Your letter of November 15, 2010 states in the progress report that "The correct estimate of square footage that should have been submitted in the original CON Application based on the conceptual plan and approved by DHSS should have been approximately 49,340 square feet" with no explanation or designs to support the statement. Your letter then goes on to request a CON modification for a facility of 56,000 square feet, again, with no explanation or design.

In order to perform a review for a modification to your current CON, I am requesting a detailed floor plan with comparison information related to what was submitted in your original CON application, what was presented on November 4, 2010, and what is presented in your letter of November 15, 2010 along with a written explanation for the need of these changes.

I am also requesting a certified estimate (as defined in 7 AAC 07.900) of costs for the building, fixed equipment (if not included in the component building cost), major movable equipment, furniture and fixtures, and other expenses used to determine total project costs. Other expenses

would include administration expense, site survey, soils investigation, materials testing, architect and engineering fees, other consultation fees, legal fees, land development and landscaping, building permits and utility assessments, and insurance if not covered in the cost of the component building.

Since the information we received on November 15 is inconsistent with information in the CON application, and also with the information presented to the Department in our meeting in Juneau November 4, 2010, the Department is unable to respond to your request for a modification at this time. Once you have submitted the information requested above, the Department can determine if a modified CON is reasonable and justified or if any additional square footage (above the approved 39,000 square feet) will require a new CON application for that additional space.

Sincerely,



Karen Lawfer
CON Coordinator

Attachments: Space Allocation Report from AHFD dated April 8, 2010 as presented during the November 4, 2010 meeting in Juneau.

Cc: Noel Rea, CEO Wrangell Medical Center
Stephen Rose, Attorney
Tim Rooney, Wrangell Borough Manager
Pat Carr
Alice Rarig
Stacie Kraly