STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110601 JUNEAU, ALASKA 99811-0601 PHONE: (907) 465-3030 FAX: (907) 465-3068

October 18, 2007

Certified, Return Receipt Requested

Charles Franz, Chief Executive Officer South Peninsula Hospital 4300 Bartlett Street Homer, AK 99603

Dear Mr. Franz:

I have received the staff analysis and recommendations of your pending certificate of need application. In order to make an informed decision, I require the following additional information.

Should the new southeast wing not be approved, please provide certified cost estimates, including a listing of individual assets anticipated to be purchased and related estimated depreciation, to locate the following functions in existing space:

- Respiratory Therapy
- Relocation of the Mobile MRI
- Surgery Pre-Operative and Post-Operative Space
- Heli-Pad

Please provide the additional information by 4:30 PM, Friday, November 2, 2007.

Sincerely

Karleen K. Jackson, Ph.D.

Commissioner

cc: Honorable John Williams, Mayor

Kenai Peninsula Borough

Dr. Jay Butler, Chief Medical Officer Department of Health and Social Services

David Pierce, Certificate of Need Coordinator Department of Health and Social Services