

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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

Certified, Return Receipt Requested

November 22, 2005

Robert P. Sheehan, President and CEO
Boys & Girls Home & Family Services, Inc.
P.O. Box 1197
Sioux City, IA 51102-1197

Dear Mr. Sheehan:

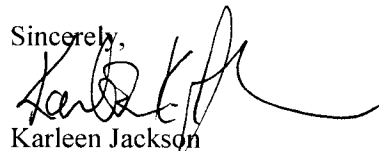
The review of the Boys & Girls Home & Family Services, Inc. application to build a 60-bed Residential Psychiatric Treatment Center (RPTC) in Fairbanks is complete. I have made the following decision after considering the findings and recommendations of the certificate of need analysis and State laws and regulations:

In accordance with provisions of A.S. 18.07.031-111 and 7 AAC 07.010-130, it has been determined that the Boys & Girls Home & Family Services, Inc. application to build a 60-bed Residential Psychiatric Treatment Center (RPTC) in Fairbanks has not met the applicable criteria for approval to the satisfaction of the State of Alaska Department of Health and Social Services.

I invite you to submit a new application for a Certificate of Need that addresses the deficiencies noted in the department's review of your previous application. Should you be interested in submitting a new application, I further suggest that you request a pre-application conference with department staff to allow you to discuss in-depth the findings and recommendations included in the enclosed report.

Under 7 AAC 07.080, if you are dissatisfied with my decision regarding this certificate of need, you are entitled to a hearing if I receive a written request no later than 30 days after you receive this notice. I have enclosed a copy of the project review document with findings and recommendations.

Sincerely,



Karleen Jackson
Commissioner

enclosures

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MEMORANDUM

To: David Pierce, Certificate of Need Coordinator
Health Planning & Facilities
Development Unit
Office of the Commissioner

From: Karleen Jackson, Commissioner
Department of Health and Social Services

Date: November 21, 2005

Subj: Certificate of Need: Concurrent Review of North Star Behavioral Health Systems and Boys and Girls Home/Family Centered Services Applications for Residential Psychiatric Treatment Facilities in Fairbanks

In accordance with 7 AAC 07.070(b), the following constitutes my statement of reasons for a decision inconsistent with the findings and recommendations you have submitted under 7 AAC 07.060 dated November 10, 2005.

BACKGROUND

Two Certificate of Need (CON) applications have been submitted to the Department of Health and Social Services for the construction of Residential Psychiatric Treatment Center (RPTC) beds in Fairbanks Alaska. Boys and Girls Home and Family Centered Services of Alaska jointly propose to construct 60 RPTC beds. North Star Behavioral Health Systems proposes to construct 30 RPTC beds.

North Star Behavioral Health Systems has also proposed, as part of the same application, to construct 30 acute psychiatric care beds co-located with their proposed RPTC beds.

The Department of Health and Social Services staff recommends approval of 44 RPTC beds based on calculations made in accordance with the mathematical formula for determining need using the methodology specified in the *Alaska Certificate of Need Review Standards and Methodologies* effective August 14, 2005.

Staff further recommends approval of 21 acute psychiatric care beds in Fairbanks conditioned upon the “decommissioning” of an equivalent number of acute psychiatric care beds elsewhere in the state. This recommendation is made in accordance with general standards for review specified in the *Alaska Certificate of Need Review Standards and Methodologies* effective August 14, 2005.

Department staff found that North Star Behavioral Health System’s application for RPTC beds failed to meet 4 out of 6 general CON standards and 2 out of 7 RPTC-specific CON review standards. North Star Behavioral Health Systems request for acute care psychiatric beds failed to meet 1 of the 6 general CON standards. The staff report did not evaluate the acute care proposal on the remaining 5 general CON standards.

Department staff found that Boys and Girls Home and Family Centered Services of Alaska’s application for RPTC beds failed to meet 4 out of 6 general CON standards and 2 out of 7 RPTC-specific CON review standards.

The Commissioner of the Department of Health and Social Services may allow an exception to one or more CON standards in accordance with 7 AAC 07.025(b).

FINDING

A need for 44 RPTC beds in Fairbanks Alaska has been demonstrated.

Both the application of North Star Behavioral Health Systems and the application of Boys and Girls Home and Family Centered Services of Alaska have failed to meet a substantial number of the CON standards required under the department’s regulations.

The department’s staff analysis recommends approval of 44 RPTC beds which differs substantially from the 30 beds requested by North Star Behavioral Health Systems and the 60 beds requested by Boys and Girls Home and Family Centered Services of Alaska. Thus approval of the staff recommendation would authorize construction of a facility very different from the facility originally proposed by either applicant. I do not have sufficient information to assess either the economic viability of the project or the changes in the nature or scope of services provided to clients that would occur as a result of development of a 44-bed facility by either applicant.

Therefore please prepare for my signature a letter to each applicant denying each application for a Certificate of Need. Please include in each letter the following:

Mr. David Pierce, CON Coordinator
re: Fairbanks RPTC Concurrent Review
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“I invite you to submit a new application for a Certificate of Need that addresses the deficiencies noted in the department’s review of your previous application. Should you be interested in submitting a new application, I further suggest that you request a pre-application conference with department staff to allow you to discuss in-depth the findings and recommendations included in the enclosed report.”

cc: James Shill, CEO, North Star Behavioral Health System
Robert P. Sheehan, President & CEO, Boys & Girls Home & Family Services Inc.
Anthony Lombardo, Deputy Commissioner, DHSS
Pat Carr, Unit Manager, Health Planning and Systems Development