

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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Certified, Return Receipt Requested

January 19, 2006

George Kuykendall
Interim Administrator
Providence Alaska Medical Center
3200 Providence Drive
PO Box 196004
Anchorage, AK 99519-6004

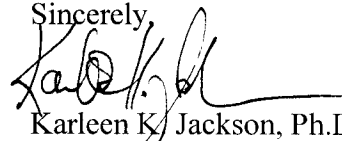
Dear Mr. Kuykendall:

Under the terms of A.S. 18.07.031-.111, the Department of Health and Social Services has completed the review and analysis of the certificate of need application to build a joint venture ambulatory surgery center in Anchorage. I have made the following decision after consideration of the findings and recommendations of the certificate of need analysis and State laws and regulations:

It has been determined that the Providence Alaska Medical Center and Advanced Pain Centers of Alaska - joint venture Certificate of Need application to build an Ambulatory Surgery Center in South Anchorage has not met the provisions of A.S. 18.07.031-111 and 7 AAC 07.010-130 to the satisfaction of the department and is therefore denied. There is currently excess surgery capacity in the region, and based on current data and recent trends, capacity is sufficient to meet increased demand for the next five years.

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 K. Jackson, Ph.D.
Commissioner

enclosures

cc: Susan Humphry-Barnett, Providence Health Systems Agency
Lisa Wolf, Director of Planning, PHSA
Anthony Lombardo, Deputy Commissioner, DHSS

Jeremy Hayes, Advanced Pain Centers of Alaska
Pat Carr, Unit Manager, Health Planning and Systems Development
David Pierce, Certificate of Need Coordinator, Health Planning and Systems Development
Jack Nielson, Executive Director, Office of Rate Review
Shelby Larsen, Administrator, Health Facilities Licensing and Certification
Ed Lamb, CEO, Alaska Regional Hospital
Jordan Herget, Assistant Administrator, Alaska Regional Hospital
Sharon Anderson, Consultant
Norman Stephens, CEO, Valley Hospital
Rod Betit, President/CEO, Alaska State Hospital & Nursing Home Association
Dee Hutchison, Administrator, Alaska Native Medical Center