



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

CERTIFICATE OF NEED PROGRAM

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January 2, 2015

Dr. Andrew Mayo, PHD, CEO
North Star Behavioral Health System
2530 DeBarr Road
Anchorage, Alaska 99508

RE: Request for Determination dated December 11, 2014

Dear Dr. Mayo,

In a letter dated December 11, 2014, North Star Behavioral Health System ("NSBHS") formally requested a determination under 7 AAC 07.031 as to whether a Certificate of Need ("CON") is required for its proposed 36-bed adult acute behavioral health hospital in Anchorage, Alaska. NSBHS is specifically seeking to add a "36 bed adult acute hospital with two distinct units, both being military programs, one for dual diagnosis substance abuse / dependence and one mental health / trauma."

NSBHS currently has two facilities in Anchorage, Alaska that are relevant to this request for determination. The first is located at 1650 S. Bragaw ("Bragaw facility"), and the second is located at 1500 DeBarr Circle ("DeBarr facility"). The Bragaw facility is licensed for 36 acute psychiatric hospital beds that are utilized for adolescent behavioral health treatment ("adolescent acute beds"). The DeBarr facility is a residential psychiatric treatment center ("RPTC") that houses 60 beds (40 level 5 beds; 20 level 6 beds).

NSBHS' proposal seeks to convert its Bragaw facility into the 36-bed adult acute behavioral health hospital, relocate 30 of the Bragaw facility's adolescent acute beds to the DeBarr facility, and reduce the DeBarr facility's 60 RPTC beds to 30 RPTC beds (20 level 5 beds; 10 level 6 beds). The net effect of the proposal on the health care system is the addition of 36 adult acute behavioral health beds, the reduction of 6 adolescent acute behavioral health beds, and the reduction of 30 RPTC beds. The expected completion date is April 1, 2015, but it is contingent on various licensing issues.

The estimated cost of the proposal is \$609,692.80, and includes changes to both of the Anchorage facilities.

NSBHS Determination Request
1/2/2015

Bragaw Facility Costs

Flooring	196,637.56
Insignia/Signage	19,505.00
Mattresses	13,596.40
Labor	2,960.00
Construction	15,214.50
Furniture	114,382.49
Pyxis Machine	23,160.00
Exercise Equipment	12,880.00
Security	<u>20,683.00</u>
Total	\$419,018.53

DeBarr Facility Costs

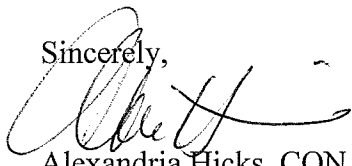
Motion Detection	41,519.44
Cabinets/Refrigerators	10,760.00
Group Room Windows	13,644.00
Doors	10,205.00
Carpet	31,568.69
Furniture	22,226.00
Pyxis Machine	22,884.00
Security Doors	<u>37,867.00</u>
Total	\$190,674.27

Total Project Costs: \$609,692.80

Based on the request for determination, a CON is not required for the proposed project, as presented, because the expenditures at issue would not exceed the \$1.5 million statutory threshold under AS 18.07.031. Please be aware, this determination only pertains to compliance with the Certificate of Need Program. Any other compliance issues (i.e. facility licensing) are outside of the scope of this determination.

If you are dissatisfied with this determination, you may request reconsideration under 7 AAC 07.033. A request for reconsideration must be postmarked no later than 30 days after publication of the public notice.

Sincerely,



Alexandria Hicks, CON Coordinator