



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services
OFFICE OF RATE REVIEW

Certificate of Need Program
3601 C Street, Suite 978
Anchorage, Alaska 99503
Main: 907.334.2464
Fax: 907.334-2220

March 9, 2015

Larry A. Levine, M.D., President
Rehabilitation Medicine Associates, PC
d/b/a Alaska Spine Institute
3801 University Lake Drive
Anchorage, Alaska 99508

RE: Request for Determination dated January 14, 2015

Dr. Levine,

The Certificate of Need (CON) Program received your Request for Determination dated January 14, 2015. The request specifically seeks a determination for whether Rehabilitation Medicine Associates, PC d/b/a Alaska Spine Institute (Alaska Spine Institute) meets the regulatory definition for "office of private physicians", thus exempting its upcoming project from the \$1.5 million CON threshold. Alaska Spine Institute plans to add a refurbished upright MRI unit at its 3801 University Lake Drive location, and the cost of this equipment, space improvements, and installation exceeds \$3 million. On January 28, 2015, the CON Program requested additional information necessary to make its determination. Alaska Spine Institute responded with additional information on February 17, 2015.

Based on the original Request for Determination and the additional information, the CON Program is now able to provide its determination.

The total cost of the project is estimated at \$3,233,819 (\$1,683,819 for design and construction; \$1,550,000 for the refurbished upright MRI). This project exceeds the \$1.5 million statutory threshold, which means CON approval is required for the project to move forward. However, if Alaska Spine Institute is considered an office of private physicians, its project would be exempt from CON requirements per AS 18.07.111(8)(B).

Alaska Spine Institute's general medical practice is the "diagnostic and treatment of spinal care, pain management, sports medicine and rehabilitation of neuro-muscular disorders." Alaska Spine Institute appears to meet all of the criteria in 7 AAC 07.001(b)(1)-(4) for purposes of being considered an office of private physicians.

(1) Alaska Spine Institute and all of its assets are 100% owned by three licensed physicians, Dr. Larry Allan Levine, Dr. Michel L. Gevaert, and Dr. Shawn P. Johnston.

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(2) Alaska Spine Institute appears to not otherwise be a health care facility. It is worth noting that Alaska Spine Institute specifically appears not to be an Independent Diagnostic Testing Facility under 7 AAC 07.900(23) because it is not designed and equipped "solely" to perform diagnostic testing.

(3) The Alaska Spine Institute provides assessment, diagnosis, and treatment to patients on an ongoing basis that is consistent with its general medical practice.

(4) The Alaska Spine Institute holds a valid business license under AS 43.70.

Since Alaska Spine Institute appears to meet all of the criteria in 7 AAC 07.001(b), it is considered to be an office of private physicians. Therefore, Alaska Spine Institute is excluded as a health care facility under AS 18.07.111, and its proposed project is not subject to CON requirements.

If you are dissatisfied with this determination you may request reconsideration under 7 AAC 07.033 or appeal this determination under 7 AAC 07.080. A request for reconsideration must be postmarked no later than 30 days after publication of the public notice.

Thank you.

A handwritten signature in blue ink, appearing to read "Alex Hicks", is written over the typed name.

Alexandria Hicks, CON Program Coordinator