

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

August 29, 2006

Certified, Return Receipt Requested

Chakri Inampudi, M.D.
Medical Director
Imaging Associates of Providence, L.L.C.
3427 East Tudor Road; Suite A
Anchorage, AK 99507

Dear Dr. Inampudi,

Enclosed is a copy of a transcript of the Court's Findings of Fact and Conclusions of Law and the proposed Preliminary and Permanent Conditional Injunction and Declaratory Judgment in the matter of Banner Health d/b/a Fairbanks Memorial Hospital/Denali Center vs. Karleen Jackson, Commissioner of Health and Social Services and Alaska Open Imaging Center, LLC (Case No. 4FA-06-1377 Civ.). As discussed in my letter to you dated August 17, 2006 I believe the Court's finding in the Fairbanks case requires Imaging Associates of Providence, LLC to submit an application for a certificate of need for its imaging facility in the Matanuska-Susitna Valley.

After reviewing the Fairbanks decision in detail, I now feel obligated to provide you with a timeline for you to submit and the department to process a certificate of need application for your Mat-Su facility. In the absence of a lawful Certificate of Need granted by the department by Tuesday, February 13, 2007, I will request the Department of Law to seek a Court order enjoining Imaging Associates of Providence, LLC from operating its Mat-Su imaging facility as of that date. February 13, 2007 is 180 days from August 17, 2006, the date you were initially notified of your obligation to apply for a certificate of need for the Mat-Su facility.

In order to provide the department with sufficient time to process a certificate of need application, I must therefore insist that you submit an application to the department no later than close-of-business Monday, October 16, 2006. Should an application be received on that date, and barring any intervening events that would dictate otherwise, I would anticipate the process to unfold as follows:

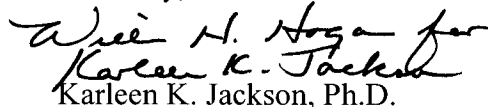
October 16, 2006	Certificate of Need Application Received
November 17, 2006	Application Declared Complete
January 16, 2007	Staff Analysis submitted to Commissioner for Decision
January 30, 2007	Commissioner's Decision

The timeline above assumes that both Imaging Associates of Providence, LLC and the department complete their work as quickly as possible and that neither the applicant nor the department will seek any additional time extensions permissible under the certificate of need program statute and regulations.

You may request reconsideration of my determination of August 17, 2006 by contacting:
Mr. David Pierce, Certificate of Need Coordinator
Department of Health and Social Services
PO Box 110601
Juneau, Alaska 99811-0601
Ph: (907) 465-3001,
Fax: (907)-465-6861
David_Pierce@health.state.ak.us

A request for reconsideration must be postmarked no later than September 18, 2006 and must be made in accordance with 7 AAC 07.033.

Your immediate attention to this matter will be appreciated.

Sincerely,

Karleen K. Jackson, Ph.D.
Commissioner

Enclosures

cc: Mr. Norman Stephens, CEO
Mat-Su Regional Medical Center

Mr. Al Parrish, CEO
Providence Health System of Alaska

Stacie Kraly, Chief Assistant Attorney General
Department of Law

Ms. Pat Carr, Chief
Office of the Commissioner/
Health Planning & Systems Development