

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

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

February 22, 2007

Certified, Return Receipt Requested

Kristin Erchinger
Finance Manager
City of Seward
PO Box 167
Seward, AK 99664

Dear Ms. Erchinger,

In accordance with the provisions of AS 18.07.031-111 and 7 AAC 07.010-130, the City of Seward is approved to construct a 45,100 square foot, 40-bed replacement of the existing City of Seward/Providence Wesley Care Center long-term care facility at a cost of \$28,100,000. The approved completion date is December 31, 2009.

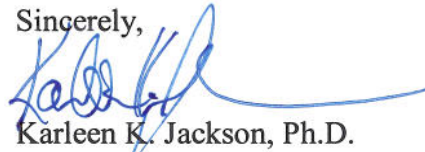
A copy of the Certificate of Need, staff analysis, and independent cost analysis commissioned by my office are enclosed.

I requested the additional cost analysis based on my concern over the capital cost of the project estimated to be \$211.67 per patient day. Although I am now satisfied that the costs are reasonable, based on the facility design, I nevertheless feel obligated to remind you of the provisions of 7 AAC 07.070(i) that states:

(i) Approval of a certificate of need does not imply any guarantee of federal, state, or private money, including Medicaid payments or grant awards, and does not imply any guarantee of profitability.

Under 7 AAC.07.080, if you are dissatisfied with my decision regarding this certificate of need application, you are entitled to a hearing if I receive a written request no later than 4:30 PM, March 26, 2007.

Sincerely,



Karleen K. Jackson, Ph.D.
Commissioner

cc: Kathy Kloster, Administrator
Providence Wesley Care Center
Tony Lombardo, Deputy Commissioner, DHSS
Pat Carr, Chief, Health Planning and Systems Development, DHSS