

# 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.

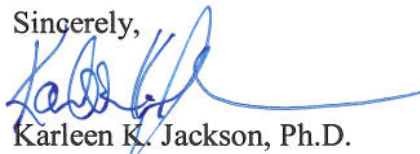
A copy of the Certificate of Need, staff analysis, and independent cost analysis commissioned by my office are enclosed.

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