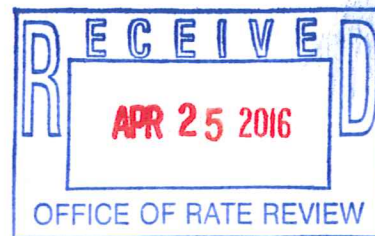




April 25, 2016

Ms. Alexandria Hicks
Coordinator, Certificate of Need Program
Department of Health and Social Services
Division of Health Care Services
3601 C Street, Suite 978
Anchorage, Alaska 99503-5924



Reference: Amended Request for Determination of Certificate of Need

Dear Ms. Hicks,

On July 27, 2015 Diagnostic Health Alaska (DHA) submitted a Request for Determination whether a certificate of need (CON) was required for a multi-modality imaging center to be located at 1751 E. Gardner Way, Suite B, Wasilla, Alaska. After requesting additional information, which DHA supplied, you determined in a letter dated September 1, 2015 that a CON was not required because the total expenditures for the Wasilla facility were below the \$1.5 million threshold under AS 18.07.031.

On advice of counsel, DHA has since determined that additional expenditures for the Wasilla facility should be included in the request for determination. Accordingly, DHA submits this Amended Request for Determination under 7 AAC 07.031 that the Wasilla facility does not require a certificate of need because the total expenditures for the facility remain below the \$1.5 million threshold.

The corrected total expenditures for the facility included in the threshold calculation under 7 AAC 07.010 are listed in the attached Table 1. They include: a CT unit, an Ultrasound unit, an X-Ray unit, an MRI unit, a C-arm, the value of the 2 year lease for the space, the cost of leasehold improvements, and the purchase of additional equipment and services to facilitate the project. We note that we have calculated the cost of the leased space for the facility as follows: the monthly rent of \$11,600, multiplied by the 24 month term of the lease, *minus* the monthly \$1,636 rent paid to DHA by subtenants for portions of the leased space. Supporting documentation for the newly added expenditures is attached for your review.

As you can see, the total expenditures for the facility remain below \$1.5 million. Accordingly we respectfully request that you confirm that DHA does not need to obtain a CON.

Please contact me with any questions you may have.

Sincerely,

David A. Joslin
Administrator, Diagnostic Health Alaska
Manager of Operations, Alliance Healthcare Radiology



Table 1

MRI		
	GE Gold Seal 1.5T 16 Channel HDXT	\$588,600.68
CT		
	GE Gold Seal Brightspeed 16	\$266,987.75
Ultrasound		
	Siemens Sequoia 512 (mfg 2003)	\$1,500.00
X-Ray Unit		
	Americorps Summit AM2	\$57,840.00
OEC C-Arm		
	GE Stenoscope 2 (mfg 1998)	\$2,000.00
Property Valuation		
	Monthly lease costs times the term of the lease (\$11,500 x 24 mos.) minus monthly rent collected from subtenant for subleased space times the term of the lease (\$1,636 x 24 mos.)	\$236,736.00
Total Leasehold Improvements		\$286,594.00
Miscellaneous		
	Radiologist Table	\$2,460.20
	Lobby Furniture	\$2,471.30
	UltraSound Table	\$7,280.20
	Procedure Table	\$5,237.34
	X-Ray Install	\$6,646.24
	<u>Total Project Expenditure</u>	<u>\$1,464,353.71</u>