

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES  
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

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September 8, 2008

## Certified, Return Receipt Requested

Mike Powers, CEO  
Fairbanks Memorial Hospital  
1650 Cowles Street  
Fairbanks, Alaska 99701-5998

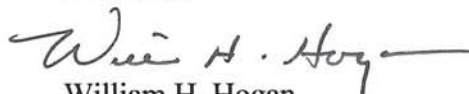
Dear Mr. Powers 

On August 19, the CON program received a letter requesting a determination as to whether Fairbanks Memorial Hospital/Denali Center was required to submit a Certificate of Need application for relocating and expanding the existing cardiology office practice from an off-site location to the hospital campus. The project would consist of renovation of 4,728 square feet of space at a cost of \$2.1 million. The project will not require a Certificate of Need for the following reasons:

- Under AS 18.07.111(8)(B) projects that are the offices of private physicians or dentists whether in individual or group practice are not subject to CON requirements;
- This project is similar to the construction of a medical office building attached to a hospital which has not required a certificate of need application in the past;<sup>1</sup>
- The physicians' group currently operating the Cardiology Clinic will continue to operate as a physician office with its own tax ID number, group NPI number for claims, Federal Medicare, Medicaid, and Tricare provider numbers, and payer contracts that are all separate from and unconnected to the hospital; and
- No major equipment will be purchased or new services started that would require a certificate of need if developed at another location outside of a hospital.

Under 7 AAC 07.033, if you are dissatisfied with my decision regarding this CON determination, you may request reconsideration if a written request is submitted to me and postmarked no later than 30 days after the public notice.

Sincerely,



William H. Hogan  
Commissioner

cc: Jack Nielson, Executive Director, Office of Rate Review  
Jane Urbanovsky, Administrator, Health Facilities Certification and Licensing  
David Pierce, Certificate of Need Coordinator  
Stacie Kraly, Assistant Attorney General

<sup>1</sup> Examples include medical office buildings connected to Alaska Regional Hospital, Providence Alaska Medical Center, Mat-Su Regional Medical Center, and Providence Valdez Hospital.