



RECEIVED

MAR 05 2010
Office of the Commissioner
DHSS - Juneau

March 05, 2010

William H. Hogan, Ph.D.
Office of the Commissioner
350 Main Street, Room 404
PO Box 110601
Juneau, Alaska 99811-0601

RE: NICU Level III for Alaska Regional Hospital

Dear Commissioner Hogan:

Alaska Regional Hospital (ARH) is planning a project consisting of a two to three bed NICU Level III unit. This would involve remodeling of existing space and the acquisition of medical equipment to support this service. It is believed a Certificate of Need is not required due to the expenditure threshold being under \$1.25 million for 2010. This project would complement ARH's existing NICU Level II by adding a higher level of service, Level III, but would not change the existing bed capacity of the facility.

The project consists of renovating approximately 1,615 square feet located in the existing NICU department and installing equipment needed for this level of service. The renovation cost has been estimated at \$299,640 with equipment cost estimated at \$395,814. The total cost of the project is estimated at \$695,454. Attached are the related estimates.

ARH will start construction for this project after a determination is made from the Department. The construction and installation of equipment will take approximately 120 days with the anticipated start of the service by 2011.

If a certificate of need is required for this project, ARH will continue planning efforts and begin preparing an application for a certificate of need.

Thank you for your attention to this matter.

Sincerely,

Paul G. Morris
Chief Financial Officer
Alaska Regional Hospital

Alaska Regional Hospital

Tenant improvement Projects

Costs are based on preliminary needs study and work with hospital staff. All numbers include 10% soft costs in estimate.

3rd Floor (main tower)

| | | | |
|-------------|----------|----------|------------|
| NICU | 2,724 SF | \$110/SF | \$ 299,640 |
|-------------|----------|----------|------------|

Alaska Regional Hospital
Preliminary Capital Listing for a NICU Level III

| Item | Vendor | Estimated Pricing |
|---------------------------------|-----------------------------------|-----------------------------|
| Ventilators | Covidien | \$ 85,403.10 |
| Oscillator | Carefusion | \$ 54,340.00 |
| Bed - Giraffe | GE | \$ 105,612.30 |
| Monitors | Philips | \$ 55,444.00 |
| Vapotherm | Tri-anim | \$ 14,400.00 |
| IV Pumps | Hospira | \$ 18,464.25 |
| Syringe Pumps | Smiths Medical Instrumentation | \$ 19,650.00 |
| GEM Premier 4000 - Blood gas/CO | Lab | \$ 17,500.00 |
| Shipping | | <u>\$ 25,000.00</u> |
| Total | | <u><u>\$ 395,813.65</u></u> |