

Lawfer, Karen S (HSS)

From: Tim Schoenberg [tschoenberg@libertydialysis.com]
Sent: Tuesday, December 30, 2008 3:24 PM
To: Lawfer, Karen S (HSS)
Cc: Ryan Pardo
Subject: Progress Report for Liberty Dialysis
Attachments: Liberty Dialysis-Alaska LLC Progress Report 2008.pdf

Karen,

Attached is the 2008 progress report for Liberty Dialysis. Please let us know if you have any questions.

Happy New Year

Tim

Tim Schoenberg
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PERIODIC PROGRESS REPORT

Name and Address of Applicant or Certificate Holder: **Liberty Dialysis – Alaska LLC**

Project Description: **12 station dialysis facility in Anchorage**

Date Certificate of Need Issued: **February 13, 2008**

Approved Cost: **\$1,879,080**

Period: **February 13, 2008 to December 31, 2008**

1. *Is the project fully obligated? (An obligation is defined as an enforceable contract for acquisition, construction, or lease of a capital asset; or, in the case of donated property, the date on which the gift is completed in accordance with applicable state law.) If not, explain. If yes, indicate the nature and date of all obligations incurred to date. If the project is not fully obligated, indicate the cost and the date those obligations will be incurred.*

Liberty has entered into a lease for space located at 901 E Dimond Blvd., Anchorage, AK. In addition, Liberty has engaged a general contractor to complete the interior improvements of the space for the clinic. In addition, Liberty has already acquired the majority of the necessary equipment through its national contracts. Please see section 2 below for a detailed breakdown of amounts incurred to date.

2. *What are all expenditures by category (e.g., land fees, construction, etc.) made to date on the project? Attach expense sheet that compares the proposed costs to the expenses for the reporting period, as well as all expenses since the certificate of need was issued.*

Expenses:

Categories on Exhibit C Section VIII B	Submitted amount	Costs Incurred to Date
General Construction (TIs)	1,325,000	745,637
Permits	14,330	14,049
Fixed Equipment	92,000	90,000
Movable Equipment	346,800	290,000
Architect	66,250	125,091
Administrative exp	25,000	11,000
Additional inspections	2,000	
Insurance	2,700	3,569
Legal Fees	5,000	
Total	1,879,080	1,279,345

3. *What is the anticipated completion date (operational date)? How does this differ from the project schedule submitted in the certificate of need application? Please explain any significant differences in the schedules. How will future milestones in the schedule be affected?*

Completion is currently anticipated on or before March 31, 2008. This completion date is approximately three months later than anticipated due to delays in obtaining all necessary building permits for the tenant improvements. We do not anticipate any substantial additional issues that will effect the completion date.

4. *In the case of construction projects, has the construction started and what has been completed to date (e.g., footings, foundations, etc.)? What percentage of total construction is complete?*

The facility is located in an existing building and all construction activities relate to tenant improvements to the leased space to accommodate a state-of-the-art dialysis facility. The status of improvements as of mid-December were:

Electric service is 15% complete;
Plumbing rough is 100% complete;
Electrical rough in is 100% complete;
Metal stud wall framing is 100% complete;
Soffits are 100% framed;
Drywall is 98% complete;
Wall insulation is 100% complete;
Taping is 60% complete;
R/O Piping installation is 50% complete;
Sprinkler head relocation is 95% complete;
Wall priming is 1% complete;
Electrical rough-in for lighting is 10% complete;

5. *Are construction/project activities progressing in conformance with the scope of the project approved by the Commissioner? Explain any variations (e.g., in size or type of construction).*

Construction is progressing in accordance with the approved scope of the project.

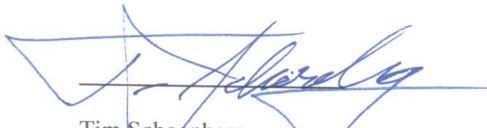
6. *Is the projected final project cost currently within the limits approved by the Commissioner? If the project is complete, please submit a final capital budget. Include a documentation of expenses that has been certified by a general contractor, equipment supplier, and/or other authorized representative who can objectively confirm the expenses.*

We currently believe that project costs will be within the limits approved by the Commissioner.

7. *Are there any changes in the services or programs from those that were originally proposed and approved? If so, please indicate those changes.*

There have been no changes in the anticipated scope.

I hereby certify that the statements made in this report are correct to the best of my knowledge and belief.



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December 30, 2008

Certificate of Need Program
Health Planning and Systems Development Unit
Office of the Commissioner
Department of Health and Social Services
P.O. Box 110601
Juneau, Alaska. 99811-0601