

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
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November 27, 2007

Certified, Return Receipt Requested

Charles Franz, Chief Executive Officer
South Peninsula Hospital
4300 Bartlett Street
Homer, AK 99603

Dear Mr. Franz:

In accordance with provisions of AS 18.07.031-111 and 7 AAC 07.010-130, I have determined that South Peninsula Hospital's application and supplemental information for Homer- Hospital and Long-Term Care Remodeling and Expansion has partially met the applicable certificate of need standards for approval to the satisfaction of the State of Alaska Department of Health and Social Services.

South Peninsula Hospital is authorized to spend \$17,330,358 for remodeling and expansion of the South Peninsula Hospital with an approved completion date of December 31, 2009. Approved components of the project are: the emergency department with the exception of one exam room; the laboratory; imaging; admitting, registration, waiting area, drop-off, and parking; central sterile processing; pharmacy; dietary; housekeeping; laundry; materials management; medical records/health information management; relocation of the mobile MRI; purchase of minor equipment and furnishings; and utilities upgrades including new boilers and an oxygen generator. Components not approved are: respiratory therapy, surgery pre-and post-operative space, one emergency department exam room, the proposed three-floor South Wing, and \$1.9 million in authorized spending requested with no defined purpose, project or plan.

Under 7 AAC 07.080, if you are dissatisfied with my decision regarding this certificate of need, you are entitled to a hearing if I receive a written request no later than 4:30 PM, December 27, 2007.

The certificate authorizing expenditures for the project and a copy of the staff analysis of your application are enclosed.

Sincerely,



Karleen K. Jackson, Ph.D.
Commissioner

cc: John Williams, Mayor, Kenai Borough
Bill Streur, Deputy Commissioner, Dept. of Health and Social Services
Dr. Jay Butler, Chief Medical Officer, Dept. of Health and Social Services
Stacie Kraly, Chief Assistant Attorney General, Dept. of Law
David Pierce, Certificate of Need Coordinator, Dept. of Health and Social Services