



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services
OFFICE OF RATE REVIEW

Certificate of Need Program
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January 9, 2015

Mr. Brian W. Durrell
Durrell Law Group, P.C.
1400 West Benson Boulevard
Suite 370
Anchorage, Alaska 99503

Re: Request for Determination 11-17-2014, Surgery Center of Wasilla, LLC

Dear Mr. Durrell,

Thank you for your letter dated November 17, 2014, and your letter dated December 31, 2014 in response to the Certificate of Need (CON) Program's request for additional information. Based on those letters, the CON Program has adequate information to issue a determination per 7 AAC 07.031.

In your letters, you formally submitted a request for determination on behalf of your client, Surgery Center of Wasilla (SCW), which is an ambulatory surgery center. The specific request is seeking a determination as to whether a CON is necessary for SCW to relocate as an ambulatory surgery center in Wasilla to a new location in the same community. The relocation will exceed \$1.5 million, and is expected to start this month and be completed in February 2016.

SCW currently has one Class B operating room with one operating table. SCW's new location will have one Class C operating room with one operating table, and two procedure rooms. The procedure rooms are limited in that they "will accommodate services limited to gastrointestinal, pain and vein stripping."

Since SCW is an ambulatory surgery center, its relocation is subject to AS 18.07.031(c). This provision states:

a person who is lawfully operating a health care facility that is an ambulatory surgical facility at a site may make an expenditure of any amount in order to relocate the services of that facility to a new site in the same community *without obtaining a certificate of need as long as neither the bed capacity nor the number of categories of health services provided at the new site is greater.* (emphasis added).

AS 18.07.031(c) clearly applies to SCW's proposed relocation, so the key issue to this determination is whether bed capacity or the number of categories of health services provided at the new site will be greater? Based on the information submitted, the answer appears to be that neither bed capacity nor categories of health services provided at the new site will be greater.

SCW will be going from a facility with one operating room to a facility with one operating room and two procedure rooms. SCW intends to offer more services in its current location and its future location:

Irrespective of the proposed relocation, SCW plans to begin providing urology, podiatry, general surgery and ophthalmology at its current location When SCW moves to the new location, SCW will continue to provide all of the current and proposed services . . . along with the addition of gastrointestinal, orthopedic, ENT, plastic surgery and gynecology service.

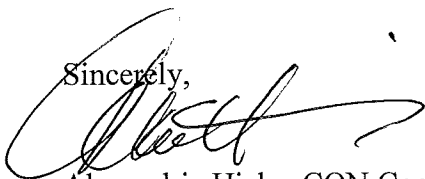
Although SCW intends to offer more services at the new location, the category of health services provided at the new site is the same. Simply put, all of these services are specialties or subsets within the category of general surgery services. Therefore, despite the increase in specialty services, there is no increase or change in the category of service.

Similar to category of service, there is no change in bed capacity as it relates to ambulatory surgery centers. Bed capacity is akin to capacity, and though there will be an additional two procedure rooms, the CON Program's requirements for capacity in an ambulatory surgery center concern general surgery services that occur in an operating room. Since there will be no additional operating rooms, there is no increase in capacity for general surgery services that take place in an operating room. Accordingly, the capacity at the new site will not be greater.

Since neither capacity nor the number of categories of health services provided at the site will be greater, SCW's proposed relocation, as described in its request for determination and additional information, does not require a CON because it appears to be a valid exercise of AS 18.07.031(c).

If you are dissatisfied with this determination, you may request reconsideration under 7 AAC 07.033. A request for reconsideration must be postmarked no later than 30 days after publication of the public notice. If you wish to revise your request for determination, or apply for a CON, please notify the CON Program immediately.

Sincerely,



Alexandria Hicks, CON Coordinator