



THE GREATER FAIRBANKS COMMUNITY
HOSPITAL FOUNDATION

Community Owner of Fairbanks Memorial Hospital, Denali Center, J. Michael Carroll Cancer Center,
Fairbanks Imaging Center, The Harry & Sally Porter Heart Center, and Tanana Valley Clinic Facilities

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Senator Mia Costello, Chair
Senate Labor & Commerce Committee
Capital Building
Juneau, AK 99811

Dear Senator Costello:

Thank you for including this letter as testimony in opposition to SB 62, Repeal of Certificate of Need. In its current form, SB 62 will dismantle the current health care system serving the Interior and Northern Alaska that has taken 40 years to establish. The Greater Fairbanks Community Hospital Foundation has a history of reinvesting revenues generated from our health care system back into the needs of our people. These investments have served the small and remote population base of Interior and Northern Alaska communities by expanding services such as long-term care, cardiology and oncology. In addition, we are able to invest in programs that, by themselves, do not cover the full cost of care. Those services include mental health treatment, sexual assault/forensic nursing, diabetic care, palliative care and hospice, to name a few. Also, Tanana Valley Clinic proudly serves all Medicare patients in the Interior who need health care.

Not unlike utility regulation that protects consumer costs by preventing duplication of services and overbuilt infrastructure such as power lines or water systems, the Certificate of Need regulatory regime, even with its imperfections, provides a framework to contain costly health care development in an economic environment that is not a typical free market.

The effect of the passage of SB 62 will create unfair competition and negatively impact the financial stability of the Fairbanks Memorial Hospital, a sole community hospital. Federal mandates require hospitals to open their doors to all those in need. If given the chance, specialty clinics and/or boutique hospitals will avoid all non-profitable services. The effect of this legislation will strain hospital finances causing this region's health care system to contract. The result will be the elimination of services, reducing immediate access to care, and forcing residents to travel at great expense to seek the care they need.

The Greater Fairbanks Community Hospital Foundation requests that you not pass this legislation as written. In these times of heightened health care debate at both the state and federal level, we ask you to proceed cautiously and to protect the current health care infrastructure and the critical services afforded our residents at Fairbanks Memorial Hospital.

Sincerely,



Jeff Cook, Board President, Greater Fairbanks Community Hospital Foundation
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cc: Senator Shelley Hughes
Senator Kevin Meyer
Senator Gary Stevens
Senator Berta Gardner
Senator Pete Kelly
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