

Jody Simpson

Subject: FW: SB 26, Repealing the Certificate of Need - YES

Jody Simpson

Chief of Staff
Office of Senator David Wilson
Senate Health and Social Services Committee
Senate District D
Alaska State Capitol, Room 121
Juneau, Alaska 99801
Tel: (907)465-2661
Toll-Free: 1-800-862-3878
Jody.Simpson@akleg.gov

shss@akleg.gov

From: Gary Zepp <Gary.Zepp@akleg.gov>
Sent: Thursday, March 25, 2021 10:39 AM
To: Jody Simpson <Jody.Simpson@akleg.gov>
Subject: Fwd: SB 26, Repealing the Certificate of Need - YES

From: [REDACTED]
Date: March 25, 2021 at 10:37:55 AM AKDT
To: Gary Zepp <Gary.Zepp@akleg.gov>
Subject: SB 26, Repealing the Certificate of Need - YES

Thank you for the opportunity to express my very strong support of repealing the Certificate of Need requirements especially for diagnostic/imaging businesses. It really is David vs Goliath. My story: single mom, woman owned business of commercial rentals. In June 2001, I signed a 5 year lease with an Imaging Company "A". Ten years later, after a very successful operation (expanding in 3 other locations), Company "A" sold their business to Company "B". In good faith, I signed a 5 year lease (9/1/2011 – 8/31/2016) with Company "B". In March 2015, Company "B" breached their lease and moved to new facilities. Fortunately, Company "C" saw a business opportunity to expend into a move-in ready imaging facility (lead/copper lined walls, etc.) and signed a 2 year lease October 2015 – September 2017. Immediately, November 16, 2015, Company "B" filed a lawsuit (3AN-15-10815CI) against Company "C" and then another lawsuit against a radiologist August 2, 2016 (3AN-16-08053CI). This was nothing short of bullying and using the CON as their weapon. The lawsuits dragged on until March 13, 2018 and June 9, 2017 respectively. Company "C" won the battle but lost the war! In the meantime Company "C" could not operate fully until lawsuit was finalized. As everyone knows, the opening days are critical for a successful business. Why would there need to be a CON for Company "C" imaging business when one had operated at the same location successfully for a decade? There are too many exceptions to the existing CON regulations that it becomes "the good old boys club" and no one else can get in. As for my business, I had to hire an attorney to respond to Company "B" deposition. The cost to me was nearly \$3000 in attorney fees, incredible amount of time creating a timeline of conversations, texts and emails and the anxiety of will I be next in a frivolous lawsuit. I talked with Company "C"'s contractor and he said it cost his company about forty thousand dollars to respond to the depositions. Now, that might be hearsay, but

the fact remains it costs everyone something when free enterprise is not allowed to move unhindered with basic economics of supply and demand. The end of the story is not a "happy ever after". When Covid-19 shut down everything in March 2020, the parent company of Company "C" decided to close the doors in my commercial building. I truly believe, if the bullying had not occurred through lawsuits, Company "C" would have had a better foundation to sustain the shut downs, They would still be in business and everyone, from the janitor to myself and all the outer businesses we support would be benefiting. It's time to level the playing field as it is impossible to police what goes on behind closed doors with the current CON.

Thank you!