



March 15, 2022

Senator Click Bishop, Senate Finance Co-Chair
Senate Finance Committee Members
Capitol Building
Juneau, Alaska 99801

Subject: Opposition to SB 26, Repeal of Certificate of Need

Dear Senator Bishop,

We are writing to request that you oppose legislation repealing Certificate of Need statutes. An effective CON Program is good for Alaska. It considers all the right issues: program volume, project cost, conflict of interest, and the community safety net. It prevents cherry picking of lucrative services at the expense of geographically isolated sole community hospitals such as Fairbanks Memorial Hospital and the communities they serve. It controls price inflation, prevents market saturation and unnecessary facilities and services resulting in escalating Medicaid costs to the State. Increased Medicaid costs to Alaska will result in increased pressure on all healthcare providers already struggling to serve this population through low reimbursement rates.

Historically, FHP's margin is less than 3%. Fairbanks Memorial Hospital (FMH) is the Sole Community Hospital in the Interior and responsible for providing services to all Medicaid and Medicare patients as well as 24-hour emergency medical services and emergency preparedness. Thankfully, through the dedication of Foundation Health Partners' professional and support staff, FMH was able to provide emergent and critical care to Fairbanks and Interior residents throughout the Pandemic. The alternative is unthinkable.

The Greater Fairbanks Community Hospital Foundation has a *legacy of reinvesting funds in negative margin health care needs* such mental health treatment, long-term care, victims of sexual assault, oncology, cardiology, behavioral health, and hospice services; and has expanded Medicare access to all residents through our ownership of Tanana Valley Clinic.

Certificate of Need does not prevent competition. It allows a new healthcare provider to enter the market if they can demonstrate that an additional facility is necessary to meet market demand without raising costs to consumers and the State of Alaska. Without CON, the economics of sole community hospitals like FMH will face financial uncertainty. We have provided the attached CON Issue Paper for your review.

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Thank you for your service. Please do not hesitate to contact us if you have questions or would like additional information.

Sincerely,



Shelley Ebenal, CEO
Foundation Health Partners



Jeff Cook, Board President,
GFCHF and Foundation Health Partners, LLC



Karen Perdue, Trustee & Chair Government Relations
GFCHF and Foundation Health Partners, LLC

cc: Governor Dunleavy, Randy Ruaro, Chief of Staff to Gov. Dunleavy, Commissioner Adam Crum, Interior Delegation members Senators Click Bishop, Scott Kawasaki, Rob Meyer, and Representatives Mike Cronk, Grier Hopkins, Bart LeBon, Steve Thompson, Mike Prax, Adam Wool