



PeaceHealth
Ketchikan Medical Center

February 20, 2023

Senate Health & Social Services Committee
Alaska State Capitol
120 4th Street
Juneau, AK 99801
Senate.Health.And.Social.Services@akleg.gov

RE: Ketchikan Medical Center Opposes SB 8 / Certificate of Need Repeal

Honorable Members of the Committee,

I am writing today in opposition to SB 8, a bill that would repeal the state's certificate of need (CON) law. I concur with the letter submitted February 14th by the Alaska Hospital and Healthcare Association (AHHA), and wish to emphasize a few important points for your consideration.

Hospitals – especially nonprofits like Ketchikan Medical Center – are mission-driven to care for all, regardless of ability to pay. Hospitals also are responsible for investing in and maintaining 24/7 availability of a broad continuum of services, and for ensuring constant readiness for a wide variety of disaster scenarios.

By contrast, standalone for-profit outpatient facilities are much more likely to limit services to patients who are uninsured or who have government-based health insurance such as Medicaid or Medicare. Further, standalone facilities are not expected to invest in serving as the community's safety net provider, or for serving as a community resource during challenging circumstances.

Eliminating the state's CON program would allow for-profit companies to erode the local healthcare safety net in Alaska communities by disproportionately providing care for patients who have commercial insurance, by accepting few (if any) patients with Medicaid or Medicare coverage, and by leaving the local nonprofit to take care of patients with limited ability to pay for their care. Ultimately, this could result in the erosion of the local continuum of care, and potentially in certain circumstances to the closure of healthcare facilities on which communities rely for healthcare access.

We urge you to join Ketchikan Medical Center in opposing SB 8. If you have questions or would like to discuss, please contact me at your convenience.

Sincerely,

Chief Administrative Officer