

**HB**

**407**

**(File 2)**

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March 11, 2002

Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99801-1182

Dear Representative Coghill:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

The challenge of providing optimal access to healthcare in the unique and fragile sole-community hospital towns of Alaska is of great concern to me. I am concerned that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

I think the current CON system is fair and competitive. If a service can prove it is needed in the community, then a CON can be obtained. It doesn't give any preference to one applicant over another – each of the alternate proposals is evaluated and the best one is granted a CON and authorization to proceed.

Although SB 256 looks good on paper, after reviewing the issue I believe it would do more harm than good. Competition in most industries is a good thing, but changing the existing CON policy wouldn't create a positive competitive market in this case. Since the introduction of the new providers into markets is likely to create excess capacity, it is also likely to result in higher prices rather than lower ones. I urge you not to pass SB 256.

Thank you for your consideration of this perspective.

Sincerely,



Randy Stone  
PO Box 56474  
North Pole, AK 99705  
(907) 488-4013

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 11, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies:

It is my understanding that there are several bills being considered which could change the requirements for a Certificate of Need here in the state. I am opposed to these bills as I do not feel they would be a benefit to our community.

The current CON process provides that our community gets only the facilities and services that we need to provide quality health care here in the interior. Should the current threshold of \$1,000,000 be lifted I believe it will allow other parties to cherry pick services we currently have in place and weaken our overall ability to provide the healthcare we need.

I am in favor of a reasonable level of state oversight for the establishment of new programs and services. The current CON process does this well. HB407 would eliminate the need for this in communities with a population base greater than 55,000. Again this would only weaken our health care in the long run.

I would hope that you would support the opposition of HB407, HB485 and SB256 and allow our community to continue to provide the services we need.

Thank you for your consideration of this perspective.

Sincerely,



Murray Johnson

1351 Gilmore Trail  
Fairbanks, Alaska 99712

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative John Davies  
State Capitol  
Juneau, AK 99801-1182

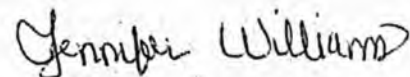
Dear Mr. Davies,

I am writing to tell you I oppose legislation currently under consideration concerning changing the Certificate of Need process. (SB 256, HB 407 and HB 485)

I believe that increasing the CON threshold of \$1,000,000 or eliminating the need for a Certificate of Need in larger communities will seriously place our community and our community hospital at risk.

Our community is fortunate to have a Cancer Treatment Center and an adequate inpatient mental health facility because the hospital was able to provide these services. It is well known they do not pay for themselves and must be subsidized by the hospital. Without a viable, non-profit hospital the needs of the community will not be met. If you make it easy for profit seekers to take away the viable services of the hospital, our community will most definitely suffer.

Sincerely,



Mrs. Jennifer Williams  
2652 Doc John Drive  
Fairbanks, Ak. 99709

Copies to:

Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 25, 2002

Jennifer House  
1951 Gilmore Trail  
Fairbanks, Ak 99712

Representative John Coghill  
State Capitol, Room 102  
Juneau, Alaska 99801

Dear Representative Coghill:

I am writing to express my concerns and opposition to HB 407 and any other legislation proposed to change or diminish the effectiveness of our Certificate of Need laws.

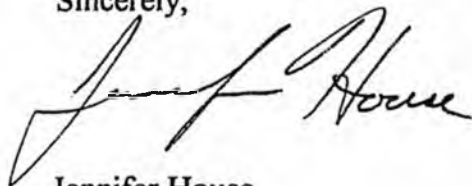
I believe you have introduced this legislation with the best of intentions – specifically, you believe that by eliminating CON requirements, competition will be increased and the consumer will benefit. But the reality is that healthcare, unlike retail industries, is not a consumer driven market. Consumers of healthcare services are relatively uninformed and they don't control the type and amount of services consumed – physicians control the consumption of these services. Eliminating CON laws will open the floodgates for specialty providers to carve out and provide profit rich services that are already being provided in the community. Allowing this redundancy of services will increase the cost of healthcare for all consumers. In particular, you need to consider the severe nursing shortage that healthcare providers are currently contending with. Adding unnecessary providers, which will increase the demand for a shrinking supply of nurses, will only serve to intensify this crisis and significantly increase the cost of recruiting and retaining nurses.

Here in Fairbanks we are fortunate to have our community hospital structure, in which all residents of Fairbanks can participate. We have a hospital that provides a wide array of services developed in response to need and within financial constraints. As a result, our community has inpatient mental health services and public inebriant programs, even though these services are not profitable. Eliminating CON laws weakens our community hospital system and ensures that consumers will have even less influence over healthcare in the future.

I would strongly urge you consider the long lasting implications of this proposed legislation. Instead of pushing this legislation through with limited information- I would ask that you defer this action and instead invest some time familiarizing yourself with the uniqueness of healthcare economics. I believe returning to Fairbanks and holding public hearings with your constituents would provide you some insight as to what is truly in the best interest of the community that you represent.

Thank you for taking the time to consider my concerns.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer House". The signature is written in black ink and is positioned above the printed name.

Jennifer House

Cc:

Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman of House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

Dear Representative Coghill:

Certain aspects of HB 407 may have merit and should be considered by our local legislators and community. I urge you to table this legislation until review by Fairbanks and other effected communities, so that accomplished and sound decisions can be made.

Sincerely,

*David McNary* <sup>mma</sup>

David McNary  
PO Box 10088  
Fairbanks, AK 99710  
907-457-2737

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

Dear Representative Coghill:

The legislation set forth in HB 407 will eventually destroy the ability to provide the level of health care that Fairbanks Memorial Hospital now provides to the Fairbanks Community.

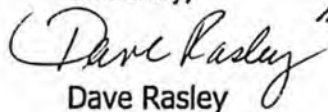
Programs such as mental health, Denali Nursing Center and many other services that Fairbanks Community Hospital now provides will not be provided because the real money producing services will have been cherry picked from the hospital by those who are only interested in making more money at the expense of the Fairbanks Community.

You do not see any of those people who want to change the CON language, as it is now, wanting to open a mental health clinic or a long term nursing facility because they know it does not make a profit.

The real issue is more profit in some ones bank account as opposed to the overall health care for the Fairbanks Community.

I sincerely wish you to not tamper with the CON language as it is now written.

Sincerely,

  
Dave Rasley

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
~~Representative Fred Dyson, Chairman House HESS~~

MARCH 25, 2002

REPRESENTATIVE JOHN COGHILL  
STATE CAPITOL, Room 102  
JUNEAU, AK 99801  
PHONE 907-465-3719  
FAX 907-465-3258

DEAR REPRESENTATIVE COGHILL,

I HAVE GRAVE CONCERNS ABOUT YOUR BILL (HB 407) CONCERNING THE CON LAW. HB 407 WILL HAVE A DETRIMENTAL EFFECT ON THE HEALTHCARE SYSTEM IN FAIRBANKS AND I AM NOT SURE THAT YOU REALLY UNDERSTAND WHY THIS MIGHT BE.

HEALTHCARE IS NOT LIKE SELLING GASOLINE, THERE COMPETITION MIGHT BRING PRICES DOWN. IN HEALTHCARE SOME PROCEDURES OR SERVICES SUPPORT THE MANY ITEMS THAT DON'T PAY BUT MUST NEVERTHELESS BE PROVIDED. IF THOSE PAYING PROCEDURES ARE "CHERRY PICKED", WHO PAYS FOR THOSE LESS LUCRATIVE SERVICES, THE SERVICES MUST STILL BE PROVIDED AND THE HOSPITAL WILL STILL HAVE TO DO THEM.

FAIRBANKS MEMORIAL HOSPITAL HAS BEEN SUPPORTED BY THE COMMUNITY SINCE INCEPTION, IT HAS BEEN A GOOD STEWARD OF THAT SUPPORT, ITS AVERAGE CHARGES ARE LESS THAN ANYWHERE IN THE STATE AND ITS AMBULATORY SURGERY RATES ARE GENERALLY LESS THAN THOSE IN ANCHORAGE WHERE MORE COMPETITION EXISTS. IF COMPETITION WORKED IN HEALTHCARE THEY SHOULD BE LESS. IT DOESN'T WORK

WHY DO YOU WANT TO CUT THE LEGS OFF OF A GREAT COMMUNITY PROVIDER?

SINCERELY

JON WINDQUIST  
752 POWELL BLVD  
FAIRBANKS, AK 99712



907-457-2203

cc: Interior Delegation  
Rep. Fred Dyson

MARCH 25, 2002

REPRESENTATIVE JOHN COGHILL  
STATE CAPITOL, ROOM 102  
JUNEAU, AK 99801

DEAR REPRESENTATIVE COGHILL:

WITH REGARD TO THE PROPOSED CHANGES  
TO THE CERTIFICATE OF NEEDS REQUIREMENTS  
AS PROPOSED BY S.B. 256 AND H.B. 407 -

I DISAGREE STRONGLY WITH THESE BILLS.  
THE CHANGES PROPOSED, IF PASSED, WILL DESTROY  
OUR FAIRBANKS COMMUNITY HOSPITAL.


OUR LOCAL FOUNDATION BOARD BELIEVES  
THAT OVER THE LAST 30 YEARS WE HAVE BEEN  
ABLE TO PROVIDE ADEQUATE SERVICES IN HEALTH  
CARE FOR THIS COMMUNITY. THE SERVICES,  
PROVIDED IN OUR HOSPITAL ARE NOT ONLY ADEQUATE,  
BUT AT LOWEST COST IN THE STATE.

TO ALLOW OTHERS TO COME INTO OUR TOWN  
AND "CHERRY-PICK" SERVICES FROM THIS FACILITY  
IS JUST PLAIN WRONG.

I WOULD ENCOURAGE YOU AND THE OTHER  
MEMBERS OF THE FAIRBANKS DELEGATION TO DO  
ALL IN YOUR POWER TO KILL THESE BILLS.

WE ON THE FAIRBANKS HOSPITAL FOUNDATION  
BOARD APPRECIATE ALL YOU DO FOR THIS AREA,  
PLEASE DON'T LET US DOWN IN THIS EFFORT.

THANK YOU,



S.C. "STEVE" STEPHENS  
FOUNDATION BOARD PRES.

cc: FBX DELEGATION

FRED DYSON

CHMN. HOUSE HESS

March 25, 2002

Representative John Coghill  
State Capitol, Rm 102  
Juneau, Ak 99801

Dear Representative Coghill:

This is to express strong opposition to HB 407. The proposed legislation to change to CON is bad for health care in Fairbanks. Be very clear that this is all about some individuals who want to make large profits. It has nothing to do with providing choice or better quality of care.

Fairbanks Memorial Hospital is a community hospital. It is charged with the responsibility to provide quality care to patients regardless of how well these services are reimbursed. If entrepreneurial physicians and clinics are allowed to construct outpatient surgical and imaging centers they will siphon off those services that help the hospital provide services that are poorly reimbursed. You don't see these groups standing in line to provide mental health services and home medical equipment.

The Public has not had adequate opportunity to hear both sides of this issue and realize how it might impact them. Don't hide behind the competition is good for business argument that has no relevance here. Bring this issue home to Fairbanks, provide an open discussion and let the hard questions be asked.

Eric C. Hatten  
992 Willow Grove Rd,  
Fairbanks, Alaska 99712  
907-457-3925

CC Senters Pele Kelly  
Gary Wilken  
Jana Thernault  
Representatives John Daines  
Jim Whitaker  
Hugh Fale  
Jeanette Lane  
Joe Hayes  
Fred Dixon

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

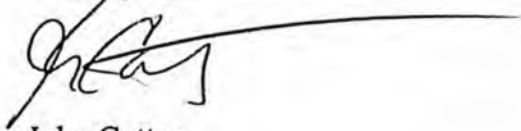
Dear Representative Coghill,

I am writing you with my concerns on the proposed SM256 an HB407. I do not believe that either bill serves the needs of the Fairbanks community.

Fairbanks Memorial Hospital serves the community efficiently and professionally and does so in a cost effective manner. By allowing business to remove services from the hospital, the financial base of the hospital is threatened. Doing away with CON will significantly increase healthcare costs. Weakening the CON law will lead to excess capacity and higher overall prices, even if prices decrease in a few sub-markets.

When other hospitals in the lower 48 changed their CON, they found themselves facing shortages in specialized staff. These staff shortages are directly related to a decrease in healthcare quality. Currently there is a national shortage of many hospital professions, allowing a change in the CON law will severely aggravate this situation.

Thank you,



John Cotter  
794 Quasar Dr.  
Fairbanks, AK 99712  
(907)457-1562

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

Judy Bogard  
652 Goldstreak  
Fairbanks, AK 99712  
907-479-4808

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March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

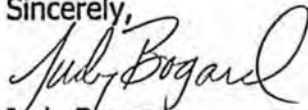
Dear Representative Coghill:

I'm writing you today regarding the Certificate of Need program and SB 256 and HB 407. The current CON program has served Alaska well, and particularly Fairbanks. Over the past six years, several building projects at Fairbanks Memorial Hospital have been reviewed through the CON process. This has produced an assurance of the soundness of the business plan and the need for the particular services in our community. The scrutiny of the CON program is a community's assurance that services and buildings will not just be put into business if a true need does not exist.

In a community such as Fairbanks the current changes being considered to the CON program would be devastating. Our hospital, Fairbanks Memorial provides many services which do not pay for themselves due to current reimbursement, such as mental health, home health care and long term care. These services are provided because the hospital board and administration believe it is the right thing to do for our community members. These services are supported by the more profitable services also provided by the hospital, such as imaging, specific outpatient surgeries and pharmacy. If the hospital were to lose some of its more profitable services because an individual opened a surgicenter in Fairbanks and "cherry picked" these services, then the hospital would not be able to make mental health, home care, long term care available in our community. This means no one would be providing these services and the community would suffer.

I am asking that no changes be made to the CON process, SB256 and HB 407 need to be stopped. The present CON process is serving Alaska well and has a sound track record of working effectively. As a Fairbanks resident, my concern on this issue is paramount. I will be contacting your office today to speak with you, as I cannot stand by and allow legislature to move forward on bill, which would be so harmful to my community.

Sincerely,



Judy Bogard

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 7, 2002

Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99807-1182

Dear Representative Coghill,

This letter is in regards to bills are SB 256, HB 407 and HB 485.

If the Certificate of Need laws are relaxed, the community healthcare programs will be streamlined. If this happens it would become very difficult to find a facility willing to operate the needed, yet non-revenue generating, programs. I am specifically concerned about the high rate of alcoholism in Fairbanks. Who would be willing to pick up the tab for this care if everyone is looking to make a profit? There is certainly no profit to be made there.

I urge you to strengthen the existing Certificate of Need laws by opposing SB 256.

Thank you for your consideration.

Sincerely,

*Melanie Fretwell, RD*

Melanie Fretwell, RD  
1305 B Bastogne Ct.  
Ft. Wainwright, Alaska 99703

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair House HESS

March 7, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

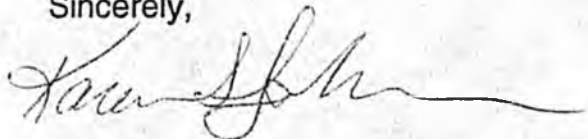
Dear Representative Davies:

There are several bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407, and HB 485.

If the CON policy is changed and other facilities are opened, how will a patient decide where he or she will be treated? In health care, I can't really choose what to buy and what not to buy. I listen to my physician's advice. If this physician can come by some personal gain by sending me to a facility that may not provide me the best quality of care, the consequences could be very serious.

I ask that you take my perspective under serious consideration.

Sincerely,



Karen Johnson  
P.O. Box 60416  
Fairbanks, AK 99706

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative Hugh Tate  
State Capitol  
Room 416  
Juneau, AK 99801

Dear Representative Tate,

Please consider, at minimum, maintaining our existing Certificate of Need laws. Certificates of Need guarantee that unnecessary facilities are not built. This does not mean that providers are not allowed to provide services they can show are needed. Please continue to require that all providers interested in offering substantial health services demonstrate that a real need exists in our community before any new service is introduced. Please oppose SB 256.

Thank you for your consideration.

Sincerely,

Molly A. Owen-Palmer  
515 Panovana Dr.  
Fairbanks, AK 99712  
456-8557

cc: Interior Delegation  
Senator Lyda Green  
Chair, Senate HESS  
Representative Fred Dyson  
Chair, House HESS

March 8, 2002

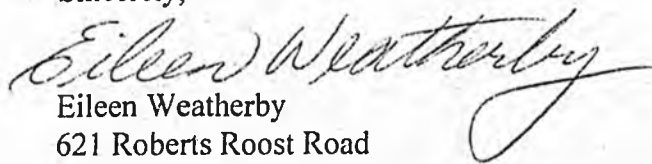
Representative Gene Therriault  
State Capitol  
Room 121  
Juneau, AK 99801

Dear Representative Therriault:

I am concerned about the bills being considered this legislative session that relate to the current Certificate of Need laws. Although I'm a fierce advocate of competition in its purest form, raising the CON threshold merely allows specialty service providers to selectively pick the more lucrative cases. This leaves community hospitals bearing the burden of providing care for the indigent and infirm without the ability to offset those expenses. This isn't competition—this is elitism. Please don't let this happen in our community.

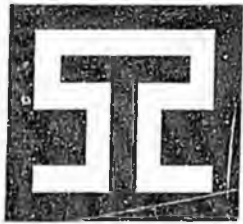
Thank you for your consideration in this matter.

Sincerely,



Eileen Weatherby  
621 Roberts Roost Road  
Fairbanks, AK 99712  
907-488-9741

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS



# Tanana Valley Clinic

Family Medical Care  
Since 1959

March 8, 2002

Representative Fred Dyson  
State Capital, Room #104  
Juneau, AK 99801-2199

Dear Representative Dyson:

A few weeks ago when we met to discuss the proposed changes to the State's Certificate of Need law, you requested information on the fiscal impact of eliminating the law in other states. I have assembled several citations regarding the subject. The following information is summary in nature – I will be obtaining the complete text of the articles this week and will provide you with them as soon as possible.

"There is no evidence of a surge in acquisition of facilities or in costs following removal of CON regulations." Conover CJ, Sloan FA. *"Does Removing Certificate of Need Lead to a Surge in Health Care Spending?" Journal of Health Politics, Policy and Law* 23, No. 3 (June 1998): 455-481.

"Our examination of states that repealed CON provides evidence of a surge in supply in some states, at least immediacy following repeal, which suggests that CON indeed restricted supply of some services. ....any such surges are temporary and are often the result of a supply level that was lower than the national rate before repeal. ....In addition, initial surges are sometimes followed by periods of shakeout and stabilization. Therefore, while short term supply increases do appear at times after CON repeal, such surges have been

**OBSTETRICS & GYNECOLOGY**

Karl B. Benwick, M.D.  
Doris K. Heilman, M.D.  
Richard C. Hess, M.D.  
Nigel D. Weyant, M.D.  
Thad Deitz, PA-C  
Amy Holladay, ANP

**SURGERY**

Joe Lieberman, M.D.  
David Wiegley, M.D.

**INTERNAL MEDICINE**

Arva Chiu, M.D.  
Cina Escobar, M.D.  
Linda L. Garro, M.D.  
Kronoth C. Starks, M.D.

**PEDIATRICS**

Martin E. Bergeson, M.D.  
J. Timothy Frote, M.D.  
Michelle Hacc, M.D.  
Nancy J. Skelton, M.D.  
Marionna D. Woodward, M.D.  
Judy Kuehnert, ANP

**FAMILY PRACTICE**

B.J. Albrecht, M.D.  
Vicky Darling, U.O.  
Donald Ives, M.D.  
Hunter LaBine, M.D.  
Corynn Laubkow, M.D.  
Charles Strasser, M.D.  
Jean M.W. Tilgner, M.D.  
Philip Crapp, PA-C  
Scott Conover, PA-C  
Stephanie Gibb, PA-C  
Eric McElroy, PA-C  
Deanna Rogers, PA-C

**ORTHOPAEDICS**

Richard H. Cobble, M.D.  
Jim Thmas, M.D.  
Laura Catalano, PA-C

**ADMINISTRATION**

Brian Stachura, Administrator  
Marionna D. Woodward, M.D., Medical Director  
Cathy Martin, Chief Financial Officer

insufficiently studied to determine if there are any persistent effects on cost....”  
*Effects of Certificate of Need and Its Possible Repeal* – Report 99-1, page 13,  
State of Washington, Joint Legislative Audit and Review Committee, January 8,  
1999.

“CON laws, born out of an effort to control cost, may actually increase health care costs by suppressing competition, as noted by Department of Health Executive Director Dr. Ed Thompson in his 1995 response to PEER questions. A Daniel N. Mendelson and Judith Arnold study, based on extensive empirical analysis of hospital costs, concluded that CON programs have not held down hospital costs. These researchers also found no evidence of increased costs in the initial twelve states that repealed CON requirements” *Former Mississippi Governor Kirk Fordice, in an address to the Mississippi Legislature, 1999*, from the Mississippi state web page ([www.govoff.state.ms.us/main/gc/gc020299.html](http://www.govoff.state.ms.us/main/gc/gc020299.html));

I hope that you find the above citations useful in your upcoming HESS Committee hearings on Certificate of Need. I will send you the complete text of the articles as soon as I get them. Please let me know if I can be of further assistance with this matter. I look forward to meeting with you again as the HESS committee prepares for hearings on the CON law.

Sincerely,



Brian Slocum, FACMPE  
Administrator

Rep John Davies  
State Capital Bldg  
Jamez, Al. 99801

Dear John,

I urge you to strengthen, not  
weaken the existing coalition of  
lawyers, by opposing HB 407 and HB 485

I think the current CAD system is  
an adequate competition for the  
community. If a service can prove it is  
better or substantially than a CAD, can be  
obtained. Each of the proposals for the  
evaluation fairly and the best one granted  
a CAD.

Again please do not support  
HB 407 and HB 485.

Sincerely,  
Pat Leavelle  
4525 Woodman Dr  
Sambrook, Al 99709  
11-1-96

March 7, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB256, HB407, HB485.

The current CON regulations are fair. If there's no need, then the community needs to be able to say "no". If there is a need then we should be able to have a say in who gets to build it.

It's not a normal business. How can health care be cheaper in the long run if we let the providers (physicians) themselves build the facilities and buy equipment without showing somebody that they have done their homework and that it is really needed? Maybe they just want it and are planning to have us pay for it.

Thank you for taking the time to consider my opinion.

Sincerely,

Dorothy Mormon  
300 Howland Rd. #2  
Fairbanks, AK. 99712-1533  
907-457-1411

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate Hess  
Representative Fred Dyson, Chair, Senate Hess

March 7, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies:

There are several bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407, and HB 485.

Changing the CON requirements will encourage a greater number of smaller, self-interested providers. Competition will over a period of general usage increase health care cost to the patient due to staffing considerations and less cost absorption. While the bottom line will appear to be stable, the actual cost to the patient in dollars spent will increase while actual care expertise will decrease resulting from a lack of technically qualified technologists and providers.

Raising or eliminating the CON threshold will have the effect of diluting the quality of healthcare for the above stated reasons. The current CON policy ensures that the government has a say in who and how the community healthcare is provided. I believe that this policy is fair and competitive. I say this being an individual with over 20 years experience in health care provision and management.

Please take under advisement my opinions.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip E. Shenk". The signature is written in a cursive style with a large initial "P" and "S".

Philip E. Shenk (ARRT)(MR)  
519 Keeling Road  
North Pole, Alaska 99705-5032

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies:

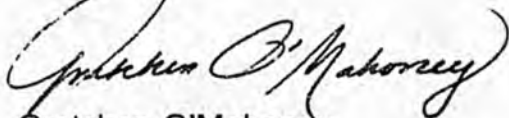
There are several bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407, and HB 485.

As a new resident to the beautiful state of Alaska, I cannot begin to stress the importance of these not being passed and implemented. I have lived in several locations where this was utilized. Everyone automatically believes that this "competition" will bring down the cost of healthcare. I can assure you that it does not, in fact it is the opposite. The market becomes so saturated that there is not enough business for all of the providers. In order for the providers to survive, it drives the cost of healthcare up, not down.

I implore you to give serious consideration to not pass these bills.

Thank you for your consideration of my opinion.

Sincerely,



Gretchen O'Mahoney  
212 Wedgewood Drive  
Fairbanks, AK 99709

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Senator Pete Kelly  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Senator Kelly

I am writing to ask you to oppose several bills that are currently before the legislature this session. These bills would allow changes to the Certificate of need process that exists here in the state of Alaska. More specifically I am talking about HB 407, HB 485 and SB 256.

It is my perception that these bills would allow parties to duplicate services in a market that for the most part is having it's needs fulfilled.

My concern over these bills is related to the long term healthcare services for the people in the interior of Alaska. I believe competition is a needed item in certain markets. However it does not make sense in this one. We have the lowest cost healthcare in the state with our present system and provide services that have a real need not just ones that are money makers. This has been accomplished with our current system.

One of my concerns stems from the availability of healthcare personnel. There is a nationwide shortage of nurses and other healthcare employees. By introducing duplicate services the already strained system could be forced to operate with less personnel per facility and this would result in lower quality healthcare.

I think that our present system has provided us with the services we need. If a service can prove it is needed in the community it should go thru the current CON process. This process doesn't give any preference to one party or the other. They are all evaluated and the best one is granted authorization to proceed.

Please show your support for this community by opposing these bills and allowing a system that works work the way it should.

Sincerely,



Ed Gerhauser

3010 Davis B14  
Fairbanks, Alaska 99709

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Dyson, Chair, House HESS

March 5, 2002

Rep. John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Rep. Davies,

I am concerned about the proposed amendments being considered in this legislative session that would weaken the current Certificate of Need laws.

Small communities in Alaska need STRONGER C.O.N. laws not weaker ones.

'Healthy competition' does not benefit the people of rural Alaska in this situation. What it does is drive up the cost of healthcare and can necessitate that smaller hospitals must drop less profitable services, such as; mental health, hospice, long-term care and home care.

I urge you to not weaken the quality of the health care currently available to the people of Alaska by not weakening the current C.O.N. laws.

Thank you for your kind consideration of this point of view.

Sincerely,



Patrick Schooley  
207 Steeihead Rd.  
Fairbanks, Alaska 99708  
907 455 4744

CC: Interior Delegation  
Senator Lyda Green, Chair Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 10, 2002

Representative John Coghill  
State Capitol  
Room 415  
Juneau, AK 99801-1182

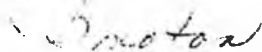
Dear Representative Coghill:

I am writing you to express my opinion on some bills that are going before the legislature in it's current session. More specifically I am referring to SB256, HB 407 and HB 485. It is my understanding that these bills would amend our current Certificate of Need requirements in the state of Alaska. I am against changing the current process and do not feel this would be a benefit to our community.

Should the current process be amended as proposed in the above bills I think it would weaken our ability to provide services with a true need that are not profitable. I have lived in this community for over twenty years and have seen many changes to the services provided here. If SB 256 is passed then the health resources will be poisoned by for profit centers that have no compassion for the people living here in the interior.

Please consider the effect the proposed bills will have for us here going into the future and do not let them pass.

Sincerely,



Joan Moton  
PO Box 58044  
Fairbanks, Alaska 99711

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Dyson, Chair, House HESS

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

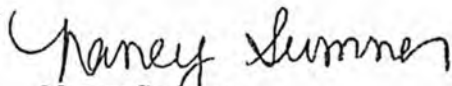
Dear Representative Coghill,

It is my opinion the CON should remain in place. Without demonstrating true need community hospitals risk losing their fiscally strong services which in turn help alleviate the losses of other services, such as Mental Health, Home Health Care.

I feel the CON regulations are fair. The Con has never stood in the way of this community receiving the health care we need.

Thank you for your time.

Sincerely,



Nancy Sumner  
601 Carlcrosman Way  
North Pole, AK 99705  
(907) 490-2464

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 6, 2002

Representative Hugh Fate  
State Capitol  
Room 416  
Juneau, AK 99801-1182

Dear Representative Fate,

I am writing to you about the bills being considered this legislative season related to amending the current Certificate of Need laws. Those bills are SB 256, HB 407 and HB 485.

I understand that changing the laws might allow an outside group to open an Outpatient Surgery Clinic here in Fairbanks, even though one may not be needed. Fairbanks Memorial Hospital is a community hospital, involved in the community in a non-profit role. I feel that a for profit provider is more interested in revenues than the best interest of the patients.

I urge you to strengthen existing Certificate of Need laws by opposing SB 256.

Thank you for your time and consideration.

Sincerely, *Judith Davis*

Judith Davis  
1097 Vicki Lane  
North Pole, AK 99705

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative John Davies  
State Capitol  
Juneau, AK 99801-1182

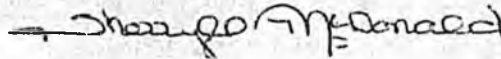
Dear Mr. Davies:

I am writing to tell you I oppose legislation currently under consideration concerning changing the Certificate of Need process. (SB 256, HB 407 and HB 485)

I believe that increasing the CON threshold of \$1,000,00 or eliminating the need for a Certificate of Need in larger communities will seriously place our community and our community hospital at risk.

Our community is fortunate to have a Cancer Treatment Center and an adequate inpatient mental health facility because the hospital was able to provide these services. It is well known they do not pay for themselves and must be subsidized by the hospital. Without a viable, non-profit hospital the needs of the community will not be met. If you make it easy for profit seekers to take away the viable service of the hospital, our community will most definitely suffer.

Sincerely,



Sherryl McDonald  
1440 Pickering Drive  
Fairbanks, AK. 99709

Copies to:  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 11, 2002

Senator Gene Therriault  
State Capitol, Room 121  
Juneau, AK 99801

Dear Senator Therriault:

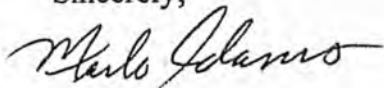
I urge you to oppose Senate Bill 256. If the Certificate of Need process is eliminated then many unneeded facilities will most likely be constructed.

This in turn will cause an excess of care facilities, which will drive costs to patients up and quality of care will certainly suffer.

Please take into consideration what is stated above as you make your decision regarding SB 256.

Thank you for your time and consideration.

Sincerely,



Marlo Adams

Cc: Interior Delegation  
Senator Lyda Green  
Representative Fred Dyson

**WILLIAM H. DOOLITTLE, MD FACP**  
**P.O. Box 71046**  
**Fairbanks, Alaska 99707-1046**  
**Telephone: (907)456-8881**  
**FAX:(907)456-2047**  
**Email: doolittle@ptialaska.net**

March 25, 2002

Representative John Coghill  
State Capitol Room 102  
Juneau, AK 99801

Dear Representative Coghill,

Thank you for listening to me last week in regard to HB 407. I still encourage that this bill not advance. Based on 35 years of experience in health care in Fairbanks, I feel very strongly that legislation that alters the present Certificate of Need represents a clear, if not immediate, risk to health care in Fairbanks and its environs.

The economics of Health Care do not conform to the usual model of competition in business, since the only "business" attraction is the few services in health care that can be profitable. There is no competition for the services where the margins won't carry new construction and new equipment costs. For-profit Health Care Providers profit from picking off these few services, and take their money and run. The One Hospital Community has a hospital that must continue to provide the marginal or losing services, and must remain open and staffed when the For-Profits go home at night. The single community hospital must continue to take the complicated cases from the For-Profit Centers when the day is done, and it must provide the wide array of services for which reimbursement is marginal, and where there is no For-Profit group clamoring to share. The result is pretty apparent. There has to be a decrease in the services offered by the hospital. To the extent that some of these services may be offered in a modified form, accreditation may suffer and the attractiveness of the hospital to new physicians being recruited to the community will change.

The Fairbanks area does not have a burgeoning population, or high expectation of monster new industry. CON as it now stands, is designed to protect the health care delivery potential for communities just like ours. It might not be required in larger cities. The only constant in health care in Fairbanks over the past 30 years has been the Hospital. Clinic operations have come and gone, and first one then another is the largest. The CON as it now stands has protected the community of Fairbanks from compromised services while providing a standard for progress. Please, don't tinker with what has been successful over time. The insidious deterioration in health care services wrought by the contemplated changes will become apparent in your lifetime, but probably not mine. The recovery will not come to pass until your grandchildren reach maturity.

Thank you for your efforts on behalf of the interior of Alaska. Please help us with this.

Sincerely,



William H. Doolittle, M. D.

Cc: Senator Pete Kelley  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House Hess

March 25, 2002

Ouida S. Paden  
2090 Ravenwood Avenue  
Fairbanks, AK 99709

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

Dear Representative Coghill,

I am writing with respect to House Bill 407, affecting the Certificate of Need (CON) program. I strongly oppose the amendments as outlined in this bill.

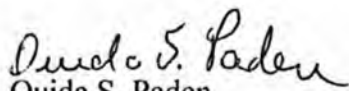
In particular I oppose the amendment to section 1, subpart (a)4, regarding expenditure and population limits for health care facility construction. The proposed amendment would eliminate the requirement for a certificate of need in an organized borough with a population greater than 55,000. I believe this amendment will allow construction of projects with no demonstrated need, such as private, for-profit surgery centers, or radiology facilities, to name a few. This, in turn, may directly lead to shortages in specialized staff for the facilities, and increases in hospital costs related to running multiple facilities below capacity.

Certificates of need ensure that unnecessary facilities are not built. If there is no need, then the community should be able to say "no" to new construction. Conversely, if there is a need, the community should have a say in who profits from such construction. The current CON program is fair, and provides a forum for public involvement in decisions to expand capacity and to make major investments in healthcare technology.

Fairbanks Memorial Hospital was built with great effort and sacrifice by many citizens of our community. Its viability should not be placed at risk by construction of unnecessary health care facilities. Thank you very much for taking my opinions into consideration when deliberating on this legislation.

Something of this importance should have public hearings, I feel.

Sincerely,

  
Ouida S. Paden

CC: Fred Dyson

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK. 99801

Dear Rep. Coghill,

I am in favor of a reasonable level of state oversight of the establishment of new programs. However if the current CON regulations are changed or worse eliminated the results would have a negative impact on the Fairbanks Community and the only interior hospital that has effectively served this community since 1972.

The population in the City of Fairbanks and the surrounding North Star Borough is not large enough to support the unnecessary facilities that would spring up if the current CON regulations are changed or eliminated. Research has shown that in states with no CON the quality of care declines after the CON is removed. The study done by the University of Iowa shows that hospitals in non-CON states have lower patient levels but higher treatment costs per patient.

I oppose HB 407 and respectfully request that you strengthen not weaken our CON regulations so that the Interior population will have access to the high quality of care that already exists locally.

Thank you for consideration of this perspective.  
Sincerely,

Marty O'Loe  
3825 Ridgeview Dr.  
Fairbanks, AK. 99709-2717

Home ph. 907-474-4056  
work ph. 907-458-5491

CC: Interior Delegation  
Senator Lyda Green Chair Sen. HESS  
Rep. Fred Dyson Chair House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

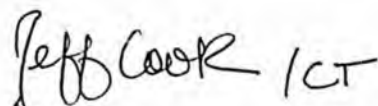
Dear Representative Coghill,

I urge you to delay all action for this session on Certificate of Need (CON) legislation. The CON has worked well for nearly 20 years and Fairbanks has benefited with outstanding health care. If you feel the CON needs attention, please bring the issue home and hold hearings this summer and fall so the people most impacted by HB 407 can be heard in the community you represent.

The changes in the CON will negatively impact Fairbanks Memorial Hospital (FMH). I sit on the board and Executive Committee for the FMH Foundation. We have provided services no one else would provide. We have provided cancer treatment and psychiatric care. We have not just provided the most profitable services that will be promoted in the future by those who will benefit from your proposed changes to the CON.

Thank you for your attention to my concerns. You can contact me days at 488-5104 or evenings at 457-6066, if you have questions. I truly believe the best interests of your constituents will be served by delaying all action on HB 407 this session.

Sincerely,

Handwritten signature of Jeffrey J. Cook in black ink, with the initials 'JCT' written to the right of the signature.

Jeffrey J. Cook  
458 Terrace Drive  
Fairbanks, AK 99712

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

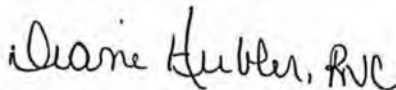
Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

Dear Representative Coghill,

This is in regards to Senate Bill 256 / House Bill 407, which affects Certificate of Need legislation.

If the legislation is changed as proposed, it will harm our community hospital, Fairbanks Memorial Hospital (FMH) and in turn, it will harm the community. The hospital provides care to all people, regardless of their ability to pay for services. Medicare/Medicaid, other payors and charity care have a large impact on maintaining the viability of our hospital. It has been shown over time by studies that the hospital is able to provide the needed services for our community. To allow other groups to come in and try to provide only high paying services, the hospital's needed revenue will be negatively affected. This in turn will affect the hospital's ability to keep other, lesser paying services available. The hospital has demonstrated over time the partnership it values with our community. Management staff serve on various boards, hospital staff are one of the largest contributors to the communities United Way, plus they volunteer for a great variety of activities in the community, from health fairs to baseball coaches. By maintaining the Certificate of Need, unnecessary and for profit business does not take away from one of our community's wonderful assets, our hospital. I strongly urge you to consider the overall financial impact this has on the hospital and the people of our community.

Sincerely,



Diane Hubler, RNC  
P.O. Box 82542  
Fairbanks, AK 99708  
(907)479-5001

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801


Dear Representative Coghill:

I am writing today asking you to oppose HB 407. The current language of this bill is not the answer for meeting the needs of the Fairbanks community. If this is a subject that you personally feel strongly about, then please kill it this session and bring it back home so you can gather data and make the best decision for Fairbanks.

The Bill (HB 407) allows for profitable services to be cherry picked. We, as a community, must protect these hospital-based revenues. These services: surgery, radiology, pharmacy, and laboratory provide the funds necessary to support inpatient nursing, mental health services, long term care, charity care, and home care. These are the types of services our community expects their community hospital to provide. Please, please do not get sucked in by those that claim Fairbanks would benefit from the model of competition that HB 407 would promote.

As a Fairbanks resident since 1969, I have watched this community grow and mature. I am proud to be a product of the local public school system and a graduate of the University of Alaska Fairbanks. I have been employed both by the Tanana Valley Clinic and Fairbanks Memorial Hospital and have been witness to the excellent care that both entities provide to their patients. I care deeply about the future of this community, as I know you do. Please consider heavily the long term effects of this bill. It will not meet the needs of the Fairbanks consumer. I encourage you and your peers to study this issue in earnest.

Sincerely,



Jim Lynch  
105 Bentley Drive  
Fairbanks, AK 99701  
Hn# 907-479-7514  
Wk# 907-458-5575

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
~~Representative Fred Dyson, Chairman House HESS~~

March 25, 2002

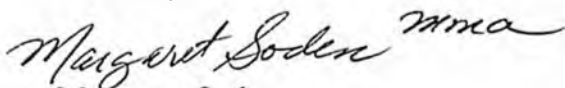
Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

Dear Representative Coghill:

I think the current Certificate of Need system is fair and competitive. If a services is needed in Fairbanks, then the CON can be obtained and doesn't give any preference to any applicant because all application are evaluated and the best one is granted a CON and may proceed with the project.

Perhaps it will be determined that the service is not needed, then no CON is granted to any applicant. Fairbanks Memorial provides many services that are not profit generating (mental health, home health care, Medicare and Medicaid) and would be harmed if profit-making services are siphoned off by profit-seeking entities who would only offer table services. Please reconsider your support for this legislation.

Sincerely,



Margaret Soden  
PO Box 61328  
Fairbanks, AK 99706  
907-479-6793

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol Room 602  
Juneau, AK 99801

Dear Representative Coghill:

I am writing out of concern of SB256 + HB407.  
Health Care is a complex market unlike any other... especially in Alaska.  
These bills will weaken the state's oversight of health care, will not lower  
prices & will increase state expenditures. Unneeded facilities will be  
built, profitable (non medicare/medicaid) patients will be diverted to  
them, resulting in less profitable patients cared for only @ FMH.  
Fairbanks Memorial Hospital (FMH) is a community owned & operated  
hospital. It has provided top quality care at the lowest cost  
within Alaska. Why would you even consider jeopardizing this  
vital service?

When other states changed their CON laws in the manner that  
is currently being proposed in SB256 + HB407, they found themselves  
facing shortages in specialized staff such as nurses + pharmacists.  
These staff shortages were directly linked to a decrease in healthcare  
quality. Another serious problem that occurred was an increase  
in hospital costs related to running multiple facilities far below  
capacity.

There is a nationwide shortage of nurses & other health care  
personnel. I'm worried that the new services that would start  
up under a revised CON policy like the one you're suggesting  
might skimp on the quality & quantity of their staff just  
to keep it open.

Please do not allow this to happen to our community!

Cc: Senators: Pete Kelly  
Gary Wilken  
Gene Theriault  
Representatives: John Davis  
Jim Whilaker  
Hugh Fate  
Jeanette James  
Joe Hayes  
~~\_\_\_\_\_~~

Thank you,

Karen Losinski  
3479 Sharon Rd  
North Pole, AK 99705  
j.losinski@ucsalaska.net  
907 488-5518

March 26, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

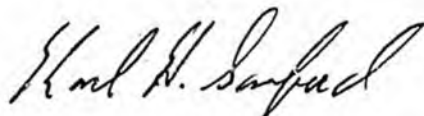
Dear Representative Coghill,

I would like to address HB 407 currently being sponsored by you. This bill is contrary to the state of Alaska's own determination that no additional surgery beds are needed. This came after a review by the state CON reviews in 1999.

It is obvious that the driving force behind this bill is to "cherry pick" our local hospital. If this bill passes, there will be irreparable harm done to healthcare in Fairbanks.

During a time when the state is looking to save dollars, this will no doubt increase the expenditure in the state budget. Losses in jobs and financial reimbursement will have an impact that will have many secondary effects in our community. I urge you and the other Legislators to not pass HB 407.

Thank you,



Karl Sanford

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

Dear Representative Coghill,

If SB 256 or HB407 move forward into legislation, I believe the community of Fairbanks ultimately will be hurt. The government needs to maintain control over the CON process as it is currently doing. Some industries need regulation to prevent a decline in pricing, quality, access, education and research.

We need a strong CON law in Alaska to provide a measure of discipline to the market. By loosening the standards, you will open the door to a host of problems. I urge you to consider strengthening the CON, lowering the cost threshold and requiring more projects to be reviewed instead of only a handful.

Sincerely,



Carol Barnett  
1696 Dredgeview Drive  
Fairbanks, AK 99712  
(907)455-7456

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

Dear Representative Coghill:

I am writing this letter regarding the legislation affecting Certificate of Need legislation (House Bill 407). I am opposed to any changes to the current Certificate of Need process.

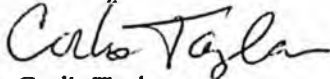
I understand representative Coghill that you are concerned with competition. The cost of healthcare is too high not just in Fairbanks but in the entire country. As a Fairbanksan, I know that Fairbanks Memorial Hospital is the lowest cost provider in the state-7% lower than Providence and 20% lower than Alaska Regional-both hospitals are competitive in a larger market. Your proposed legislation hurts Fairbanks and will have a tremendous financial impact for the community and for the state.

Unlike other businesses in healthcare, I can't choose what to buy and what not to buy. I listen to physician's advice. I am afraid that I will end up getting advice because the physician will gain personally by the options he or she is suggesting.

If there is going to be competition in healthcare then let it be fair competition. If I am in a car accident on the Park's Highway, I am willing to bet Fairbanks Memorial Hospital will be the only facility open at 2 am to provide needed trauma surgery. That is what a community hospital does. A surgery center would not provide a competitive choice—they wouldn't be open.

As a representative of the Interior, I am counting on you to give serious consideration to House Bill 407 and how it will truly affect the residents in this area. I do not support HB 407. The current CON regulations are fair and are important for small communities.

Sincerely,



Corlis Taylor  
1335 Viewpointe Dr.  
Fairbanks, AK 99709  
907-479-3224

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

Dear Representative John Coghill:

I am very concerned about the proposed changes outlined in House Bill 407 and SB 256 affecting requirements for a Certificate of Need. I am confident that a careful review of the details will show that the proposed changes are not in the best interest of the Fairbanks community. Please consider the following points:

**The elimination of C.O.N. in communities with populations greater than 55,000. C.O.N.'s do not prohibit or restrict services—C.O.N.'s ensure that providers build only when a genuine need can be demonstrated thus protecting against unnecessary duplication and fragmentation. In 1999 the State of Alaska determined that there was no need for an additional outpatient surgery center in Fairbanks. If a genuine need existed I would be supportive of another facility. As the building manager of the Medical Dental Arts Building at 1919 Lathrop St. I am in a unique position as I interface with many private practice physicians and yet am an employee of FMH. The Fairbanks community has a very unique and very healthy community run non-profit hospital that is committed to the well being of the citizens of Fairbanks and the Interior. One must consider the possible negative impact of unnecessary duplication of services that could occur if the safeguards of C.O.N.'s are removed. Currently FMH costs and pricing run lower than those in Anchorage. Other states have found that similar changes to the C.O.N.'s raised hospital costs and drained specialized staff. We already face a national shortage in nursing. One must consider the inevitable drain of staffing.**

The simplistic first glance response would reason that lessening the C.O.N. would eliminate "red tape" and boost competition with the hopeful result of driving down prices...but the facts spell out a different outcome. There is substantial documentation that proves that it is in the best interest of the Fairbanks community to keep the C.O.N. safeguards intact. FMH/DC has a proven commitment to the community: who else could run a Home Medical Equipment Department at a loss solely out of a sense of responsibility to the community? Programs for Mental Health, Senior Care and Alcohol Treatment are very much needed in this community. Again, FMH has come through for us all with programs that are not profitable but vital! I hate to think that the proposed C.O.N. changes could negatively impact our current health care network with unnecessary inflationary pressures. As a concerned citizen I urge you to meet with community leaders and take the time to consider the complexities surrounding the issues. Thank you.

Sincerely,



Brad Clark 458-5144w 457-5473h  
3000 Moose Mt Rd  
PO BOX 81368  
Fairbanks AK 99708

Cc: The Interior Delegation  
Representative Fred Dyson, Chairman House HESS

March 7, 2001

Representative John Davies  
State Capitol  
Room 415  
Juneau, Ak. 99801-118?

Dear Representative Davies:

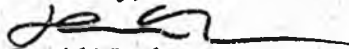
There are a number of bills being considered this legislative session to amending the Current Certificate of Need Laws, including SB 256, HB 407 and HB 485.

It is a great concern of mine living in a single provider community setting that adequate and accessible healthcare is available to its entire people. If lifting the current CON threshold of \$1,000,000.00 or, eliminating the Certificate of Need in communities larger than 55,000.00 residents; will erode the health of our community hospitals.

I urge you to strengthen not weaken the existing laws by opposing HB 256 or require providers interested in opening new health care services in a community show a real need exists. Community hospitals will be placed at great risk of loosing fiscal stability which places in harms way such programs as mental health, hospice, home care and charity programs for uninsured residents.

Thank you for your time and thought concerning this most important health care issue that is being placed before the Alaska State Legislature-second session.

Sincerely,



David Naylor  
P.O. Box 82848  
Fairbanks Ak. 99708  
907-479-7949

March 7, 2002

Representative Jeanette James  
State Capitol  
Room 214  
Juneau, AK 99801-1182

Dear Representative Jeanette James:

I am concerned about a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I am in favor of a reasonable level of state oversight of the establishment of new health care programs. The government should ensure that there is a good chance that the project can be built for a reasonable amount of money, that it can be staffed appropriately, that it is likely to have the volumes necessary to achieve economies of scale, and a likely prospect of producing good outcomes. The existing CON program does these things now, and I think it would be a big mistake to try an untested experiment of allowing programs to spring up wherever providers think they can make some money.

It would be very detrimental to our community to make it easy for others to open a health care facility accepting only those patients with high paying insurance coverage. The existing facilities would be left with only those patients with little or no health benefits causing undue financial hardship and disruption to our community.

Thank you for your support.

Sincerely,



Norman D. Cement  
3986 Sharon Rd  
North Pole, AK 99705  
488-6075

CC: Interior Delegation

Senator Lyda Green, Chair, Senate HESS

Representative Fred Dyson, Chair, House HESS

March 11, 2002

Representative John Coghill  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Coghill:

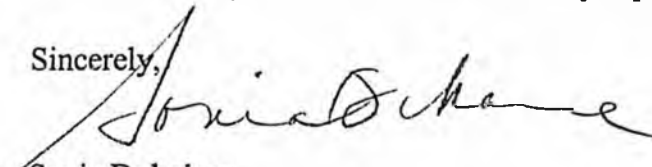
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

The choice of providing healthcare in the small community hospital towns of Alaska is of great concern to me. I am concerned that increasing the current CON threshold of \$1,000,000 or, worse yet, diminishing the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

I urge you not to weaken, but to strengthen the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering additional health services demonstrate a real need exists in a community before any new type of service (such as an arr:bulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Sonia Duhaime  
105 Faulk County Rd  
Fairbanks, AK. 99709  
907-479-7293

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative Hugh Faite  
State Capitol  
Juneau, AK 99801-1182

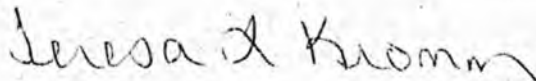
Dear Mr. Faite:

I am writing to tell you I oppose legislation currently under consideration concerning changing the Certificate of Need process. (SB 256, HB 407 and HB 485)

I believe that increasing the CON threshold of \$1,000,00 or eliminating the need for a Certificate of Need in larger communities will seriously place our community and our community hospital at risk.

Our community is fortunate to have a Cancer Treatment Center and an adequate inpatient mental health facility because the hospital was able to provide these services. It is well known they do not pay for themselves and must be subsidized by the hospital. Without a viable, non-profit hospital the needs of the community will not be met. If you make it easy for profit seekers to take away the viable service of the hospital, our community will most definitely suffer.

Sincerely,



Teresa Kromm  
P.O. Box 80827  
Fairbanks, AK. 99708

Copies to:

Senator Lyda Green, Chair, Senate HE.  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative Hugh Fate  
State Capitol  
Room 416  
Juneau, AK 99807-1182

Dear Representative Fate,

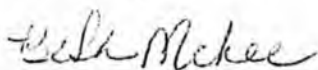
I am not a person who is in favor of government control. However, I feel that I must write to you regarding SB 256.

Competition in most industries is a good thing. However, studies have shown that competition in healthcare actually causes an increase in cost, rather than a decrease. Changing the CON requirements will encourage more for-profit, self-serving providers. My concern is that the not-for-profit facility will suffer financially. If that happens, where will they get the funding for the less profitable, but very necessary programs, such as alcohol and mental health treatment?

I ask that you withdraw your proposed amendment to the CON statute.

Thank you for your time and consideration.

Sincerely,



Beth McKee  
P.O. Box 74366  
Fairbanks, Alaska 99709

March 7, 2002

Senator Pete Kelly  
State Capitol  
Room 518  
Juneau, AK 99801-1182

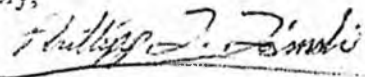
Dear Senator Pete Kelly:

I am writing to you out of concern for the community I live in and you represent. I am specifically concerned about a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I understand that several doctors in the Anchorage area want to build a surgical center in our community. I suspect their plan is to biased off the patients with high paying insurance benefits and leave the other patients on Medicare, Medicaid or no insurance for the clinics already here. I strongly object to this. I firmly believe that the requirement of a Certificate of Need (CON) will prevent these leaches to our community. If there's no need for a facility, yet a group of doctors builds one, I know that there's a potential conflict of interest there. If they tell me to go to their facility, how am I going to know that they're saying that because it's the best thing for me?

Thank you for your listening.

Sincerely,



Phillipp Losinski  
3479 Sharon Rd  
North Pole, AK 99705  
(907) 488-5518

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Senator Gary Wilken  
State Capitol  
Juneau, AK 99801-1182

Dear Mr. Wilken,

I am writing to tell you I oppose legislation currently under consideration concerning changing the Certificate of Need process. (SB 256, HB 407 and HB 485)

I believe that increasing the CON threshold of \$1,000,000 or eliminating the need for a Certificate of Need in larger communities will seriously place our community and our community hospital at risk.

Our community is fortunate to have a Cancer Treatment Center and an adequate inpatient mental health facility because the hospital was able to provide these services. It is well known they do not pay for themselves and must be subsidized by the hospital. Without a viable, non-profit hospital the needs of the community will not be met. If you make it easy for profit seekers to take away the viable services of the hospital, our community will most definitely suffer.

Sincerely,  
  
Danny Williams

2652 Doc John Drive  
Fairbanks, Ak. 99709

Copies to:  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies:

There are several bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407, and HB 485.

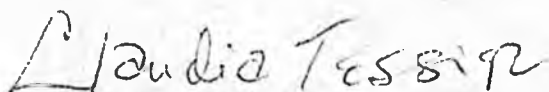
Changing the CON requirements will encourage a greater number of smaller, self-interested providers. If the provider is "for profit" the best interests of the patients may not be the most profitable. When you jeopardize your health care, the consequences could be of a very grave nature.

Raising or eliminating the CON threshold will have the effect of diluting the quality of healthcare. The current CON policy ensures that the government has a say in who and how the community healthcare is provided. I believe that this policy is fair and competitive.

Please take under advisement my opinions.

Thank you.

Sincerely,



Claudia Tessier  
439 Fairway Drive  
Fairbanks, AK 99709

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies:

There are several bills being considered this legislative session related to amending the current Certificate of Need laws, including SE 256, HB 407, and HB 485.

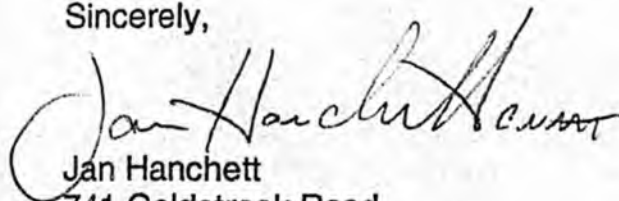
Intelligent oversight is provided by the current CON process. It provides a forum for the public's involvement in decisions to expand capacity and to make major investments in healthcare technology.

I am in favor of a reasonable level of state oversight of the establishment of new programs. The government should ensure that there is a good chance that the project can be built for a reasonable amount of money, that it can be adequately staffed, and that the overall outcomes will be favorable. The existing CON program does these things now. I think that it would be a serious mistake to allow programs to be implemented wherever providers think they can make a monetary gain.

I hope that you give my thoughts some serious consideration.

Thank you.

Sincerely,



Jan Hanchett  
741 Goldstreak Road  
Fairbanks, AK 99712

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

John Coghill  
Room 518  
State Capitol  
Juneau, AK 99801-1182

Dear Mr. Coghill,

My parents and I adamantly oppose legislation related to the changing the Certificate of Need process – specifically SB 256, HB 407 and HB 485.

Sincerely,



Michael G. Smith  
1293 Rangeview Road  
Lakloey Hill  
North Pole, AK 99705

cc:

Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Mr. Joe Hayes  
Room 422  
State Capitol  
Juneau, AK 99801-1182

Dear Mr. Hayes,

This letter is to tell you that I **oppose** current legislation to change the **Certificate of Need** process.

The current CON regulations are fair. If there's no need, then the community needs to be able to say "no." And if there is a need, then we should be able to have a say in who gets to build it.

Certificates of Need ensure that unnecessary facilities are not built. If there's no need for a facility, yet a group of doctors builds one, I know that there's a potential conflict of interest there. If they tell me to go to their facility, how am I going to know that they're saying that because it's the best thing for me?

Thanks,



Jakki Stern  
1915 Ada, Apt 1  
Fairbanks, AK 99701

cc:

Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

**WILLIAM H. DOOLITTLE, MD FACP**  
**P.O. Box 71046**  
**Fairbanks, Alaska 99707-1046**  
**Telephone: (907)456-8881**  
**FAX:(907)456-2047**  
**Email: [doolittle@ptialaska.net](mailto:doolittle@ptialaska.net)**

March 25, 2002

Representative John Coghill  
State Capitol Room 102  
Juneau, AK 99801

Dear Representative Coghill,

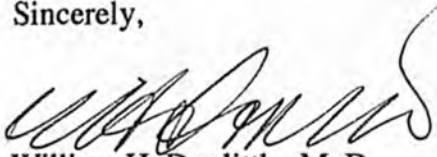
Thank you for listening to me last week in regard to HB 407. I still encourage that this bill not advance. Based on 35 years of experience in health care in Fairbanks, I feel very strongly that legislation that alters the present Certificate of Need represents a clear, if not immediate, risk to health care in Fairbanks and its environs.

The economics of Health Care do not conform to the usual model of competition in business, since the only "business" attraction is the few services in health care that can be profitable. There is no competition for the services where the margins won't carry new construction and new equipment costs. For-profit Health Care Providers profit from picking off these few services, and take their money and run. The One Hospital Community has a hospital that must continue to provide the marginal or losing services, and must remain open and staffed when the For-Profits go home at night. The single community hospital must continue to take the complicated cases from the For-Profit Centers when the day is done, and it must provide the wide array of services for which reimbursement is marginal, and where there is no For-Profit group clamoring to share. The result is pretty apparent. There has to be a decrease in the services offered by the hospital. To the extent that some of these services may be offered in a modified form, accreditation may suffer and the attractiveness of the hospital to new physicians being recruited to the community will change.

The Fairbanks area does not have a burgeoning population, or high expectation of monster new industry. CON as it now stands, is designed to protect the health care delivery potential for communities just like ours. It might not be required in larger cities. The only constant in health care in Fairbanks over the past 30 years has been the Hospital. Clinic operations have come and gone, and first one then another is the largest. The CON as it now stands has protected the community of Fairbanks from compromised services while providing a standard for progress. Please, don't tinker with what has been successful over time. The insidious deterioration in health care services wrought by the contemplated changes will become apparent in your lifetime, but probably not mine. The recovery will not come to pass until your grandchildren reach maturity.

Thank you for your efforts on behalf of the interior of Alaska. Please help us with this.

Sincerely,



William H. Doolittle, M. D.

Cc: Senator Pete Kelley  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House Hess

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

Dear Representative Coghill,

I am writing to make an appeal to stop legislation eliminating the Certificate of Need (CON) in the State of Alaska.

Fairbanks Memorial Hospital has consistently provided services to this community that are desperately needed, but are not reimbursed. We have identified the need for adolescent psychiatric beds in Fairbanks, to allow families to remain close in this time of difficulty. Our ability to subsidize this type of unprofitable service is dependent on those services, such as surgery and imaging, which are reimbursed. Elimination of the CON will essentially kill any chances of providing this service in the future.

This only gives one example of the loss of vital services in every community in the State of Alaska. Please consider the impact elimination of the CON will have on our people.

Thank you for your consideration to this matter.

Sincerely,



Jana Walters  
P.O. Box 81293  
Fairbanks, AK 99708  
(907)458-5319

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

Dear Representative Coghill,

I urge you to oppose HB 407 regarding "Certificate of Need". The present system for CON works well, and should be left alone.

Fairbanks Memorial Hospital (FMH) offers complete care and subsidizes some costs from it's revenue from operations. To allow private groups to selectively undercut FMH would severely undermine the benefit of FMH to the Fairbanks community.

At the very least, at the next session (2003-4), schedule hearings in the Fairbanks area so that the public can have input.

Sincerely,

*William Mendenhall /ct*

William Mendenhall  
1907 Yankovich Rd.  
Fairbanks, AK 99709

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone 907-465-3719  
Fax: 907-465-3258

Dear Representative Coghill:

Certificates of Need (CON) is necessary to ensure fairness.

The Fairbanks Community currently has a hospital which provides programs such as mental health, home care, cancer treatment and inebriate care. By eliminating the CON process, other groups will set up business here, taking the few areas which help the hospital generate money which support these other programs. Surgery centers generate money, inebriate care doesn't. Who will take care of this community problem?

This is an issue which affects Fairbanks. Let the people of Fairbanks know about it. Bring it home and let's talk about it.

Sincerely,

Carol Swinburn  
2256 Jack Street  
Fairbanks, AK 99709  
907-458-8825

cc: Senator Pete Kelley  
Senator Gary Wilken  
Senator Gene Theriault  
Representative John Davis

Representative Jim Whitaker  
Representative Hugh Fata  
Representative Jeanette Jones  
Representative Joe Hayes  
~~Representative Fred Dyson, Chairman House HESS~~

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

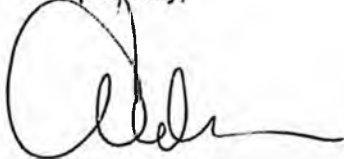
Dear Representative Coghill:

I am writing you regarding my opposition to HB-407. I believe that my community benefits greatly from the Certificate of Need (CON) process. CON limits the potential for abusing the monopoly power that providers, both hospitals and physicians, have to the consumer. Both of these entities need to be regulated by being required to present well designed business planning and proof of need to justify providing new facilities in my community. By ensuring that our community gets only the facilities that we need, the CON helps to maintain the volumes necessary to ensure services are delivered to each patient consistent with the highest possible quality standards.

The CON process has never stood in the way of this community getting the healthcare it needs, but it has stood in the way of getting infrastructure that we do not need. If Fairbanks Memorial Hospital (FMH) were not an efficient, accountable entity in my community their position would be different on this issue as are the proponents of this bill. Because the hospital takes on all the burdens of my community that other entities are not willing to provide since there is no profit in these services ie mental health, long term care, etc., please do not allow these other entities to "cherry pick" my community hospital.

I truly believe that the hand of government in the form of a CON is necessary in a community the location and size of mine. We as a community have not truly been heard from on this very sensitive issue. Travel to Juneau is not as easy for some of us as it is for others. If you are not convinced of this please kill this bill for now and bring the issue back home so that the voice of my community can be heard on this issue.

Respectfully,



---

Joe Walden  
2418 Englewood Court  
Fairbanks, AK 99709  
907-474-8484

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, Alaska 99801  
Phone 907-465-3719  
Fax 907-465-3258

Dear Representative Coghill

I would like you to re-consider your House bill 407. It would be a mistake to, in effect, eliminate the C.O.N. requirement. If there really were a need it would already be allowed under the current laws.

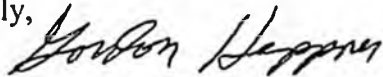
This bill would harm Fairbanks Memorial Hospital, in that it would allow doctors to take the well-insured or wealthy patients to their facility and leave the uninsured and poor to the hospital. The profitable cases at the hospital now offset the costs of money loosing cases and average out the picture.

Since the hospital is a non-profit hospital, no money will be pocketed at the expense of another. Also any extra money is put back into the community, upgrading and expanding the hospital to better serve the community.

Since we, as patients, have very little, if any, say when it comes to where we get tests or surgeries done, a doctor would naturally take us to "his " facility, unless we had no insurance or could not pay.

I think you need to look at the big picture on this bill and leave the C.O.N law as is. It has worked just fine up to this point.

Sincerely,



Gordon Heppner  
Box 55203  
North Pole, Alaska 99705  
907-488-6355

Cc: Interior Delegation  
Representative Fred Dyson, Chairman House HESS

March 7, 2002

Representative Jeanette James  
State Capitol  
Room 214  
Juneau, AK 99801-1182

Dear Representative Jeanette James:

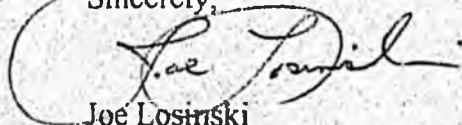
I am writing to you as a voting, tax paying citizen residing in the community you represent. I am quite concerned about a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

When other states changed their CON laws in the manner that is currently being proposed in SB 256, they found themselves facing shortages in specialized staff. These staff shortages were directly linked to a decrease in healthcare quality. Another serious problem that occurred was an increase in hospital costs related to running multiple facilities far below capacity.

By raising the threshold, you will be eliminating CON review for all but the most expensive programs. These are the very programs where the planning is most likely to be the most thorough, and where consequently, the value of outside CON review the least effective. We need to be concerned about the smaller programs, where a provider might be playing a hunch or making a bet. I think that the threshold should remain where it is, or perhaps lowered, so that we don't have providers spending money on things we don't need.

Thank you for your consideration.

Sincerely,



Joe Losinski  
3479 Sharon Rd  
North Pole, AK 99705  
(907) 488-5518

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative Hugh Fate  
State Capitol  
Room 416  
Juneau, AK 99807-1182

Dear Representative Fate,

I am writing to you regarding the bills being considered this legislative season related to amending the current Certificate of Need laws. Those bills are SB 256, HB 407 and HB 485.

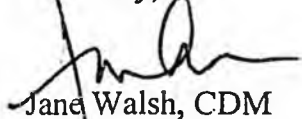
I urge you to consider leaving the current Certificate of Need laws as they are. The current laws protect small community hospitals, such as Fairbanks Memorial Hospital. With changes to the law, this hospital could be in danger of losing the strong programs that "keep the doors open."

By ensuring that our community has only the facilities that it needs, the Certificate of Need laws help to maintain the volumes necessary to ensure a variety of high quality services are available to all people.

I urge you to strengthen the existing Certificate of Need laws by opposing SB 256.

Thank you for your time and consideration.

Sincerely,



Jane Walsh, CDM  
1097 Vicki Lane  
North Pole, Alaska 99705  
907-490-2379

March 7, 2002

Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99807-1182

Dear Representative Coghill,

This letter is in regards to bills being considered this legislative season related to amending the current Certificate of Need laws. Those bills are SB 256, HB 407 and HB 485.

If SB 256 is passed, I fear the healthcare market in Fairbanks will be flooded with for-profit facilities, gleaning the high revenue outpatient surgeries from the hospital. If this were to happen, where would Fairbanks Memorial Hospital get it's funding for the less profitable, yet very necessary programs, such as mental health, hospice and home care?

Fairbanks Memorial Hospital plays a vital role in promoting good health and wellness. Passing SB 256 threatens the quality and variety of health care that this hospital provides.

I urge you to strengthen the existing Certificate of Need laws by opposing SB 256.

Thank you for your consideration.

Sincerely,



Laurie Struthers, RD  
1319 3<sup>rd</sup> Avenue  
Fairbanks, Alaska 99701  
907-455-6314

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair House HESS

March 7, 2002

John Coghill  
Room 102  
State Capitol  
Juneau, AK 99801-1182

Dear John,

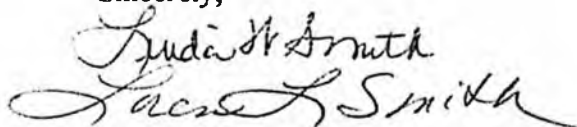
Loren and I continue to vigorously oppose legislation related to the changing the Certificate of Need process – specifically SB 256, HB 407 and HB 485.

We cannot understand why the legislature would even consider making it easier for already overpaid physicians to take away some of the few services provided by the hospital that pay for themselves, specifically imaging and out-patient surgery services.

Our 26-year-old son had serious mental health needs during the 90's. I lived in terror that he would need to be admitted to the hospital mental health unit at a time all beds were full. You may not be aware that if beds were full, patients at risk for harming themselves were sent to the jail to be kept under lock and key.

Thankfully, the hospital had the funds to enlarge their mental health unit and my worst-case scenario was never realized. Unfortunately, we cannot say that for all of your constituents. Please, please do not take away the hospital's ability to continue to look out for those who cannot pay or services that do not pay for themselves – such as the Cancer Treatment Center, Home Care, Charity Program, Denali Center, etc.

Sincerely,

Handwritten signatures of Loren and Linda Smith in cursive script.

Loren and Linda Smith  
1293 Rangeview Road  
Lakloey Hill  
North Pole, AK 99705

cc:

Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Pete Kelly  
Room 518  
State Capitol  
Juneau, AK 99801-1182

Dear Pete,

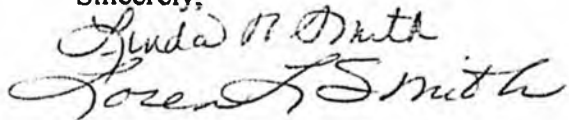
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Sincerely,



Loren and Linda Smith  
1293 Rangeview Road  
Lakloey Hill  
North Pole, AK 99705

cc:

Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

**Subject: Victory! Anti-choice Judicial Nominee Charles Pickering Defeated!**

**Date: Fri, 15 Mar 2002 12:23:55 -0800 (PST)**

**From: Planned Parenthood Action Network <actionnetwork@rc.plannedparenthood.org>**

**To: Wes\_Keller@legis.state.ak.us**

*Free  
FYI*

Dear Wes,

In a very real display of the power of grassroots, Judge Charles Pickering's nomination was defeated yesterday in the Senate Judiciary Committee. This is a very exciting and hard fought victory. When this battle began, very few thought there was any chance to defeat the nomination. Through incredible grassroots efforts, including tens of thousands of letters to the Senate Judiciary Committee, and patch-through phone calls with a visible message strategy, the seemingly impossible became a clear victory. The vote was ten to nine.

Thanks to all of you who contributed to the 42,000 messages generated through the Planned Parenthood Action Network. Your voice was a critical factor in this important defeat.

For further updates on this and other judicial nominations, visit our website at <http://www.saveROE.com>

~~~~~  
Encourage others to promote and protect reproductive health rights by joining the Planned Parenthood Action Network at <http://www.plannedparenthood.org/action/join.asp>

~~~~~  
You received this message because wes\_keller@legis.state.ak.us is a member of the Planned Parenthood Action Network. You can change your personal information (such as email or street address) by visiting our online profile editor at <http://www.plannedparenthood.org/action/profile.asp>

To unsubscribe from this mailing list, send an email to [actionnetwork@rc.plannedparenthood.org](mailto:actionnetwork@rc.plannedparenthood.org) from wes\_keller@legis.state.ak.us with the word "remove" in the subject line. If you have questions or comments about this alert, please send an email to [actioncenter@ppfa.org](mailto:actioncenter@ppfa.org).

~~~~~

March 8, 2002

Senator Pete Kelly  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Senator Kelly

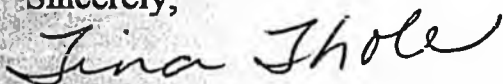
I am writing as a long term resident of Fairbanks. The purpose of this letter is to ask for your support opposing a couple of bills before the legislature this session. These bills would change the Certificate of Need process as it currently exists in the state of Alaska. The specific bills I am talking about are SB 256, HB 407 and HB 485.

I firmly believe that the process as it exists now is a fair and just process. The current CON process requires that all providers interested in offering substantial health services show a real need exists in a community before any new category of service is allowed to be introduced to a community. Should this be taken away I think it will have a negative long term effect on the quality and type of services provided here in the interior.

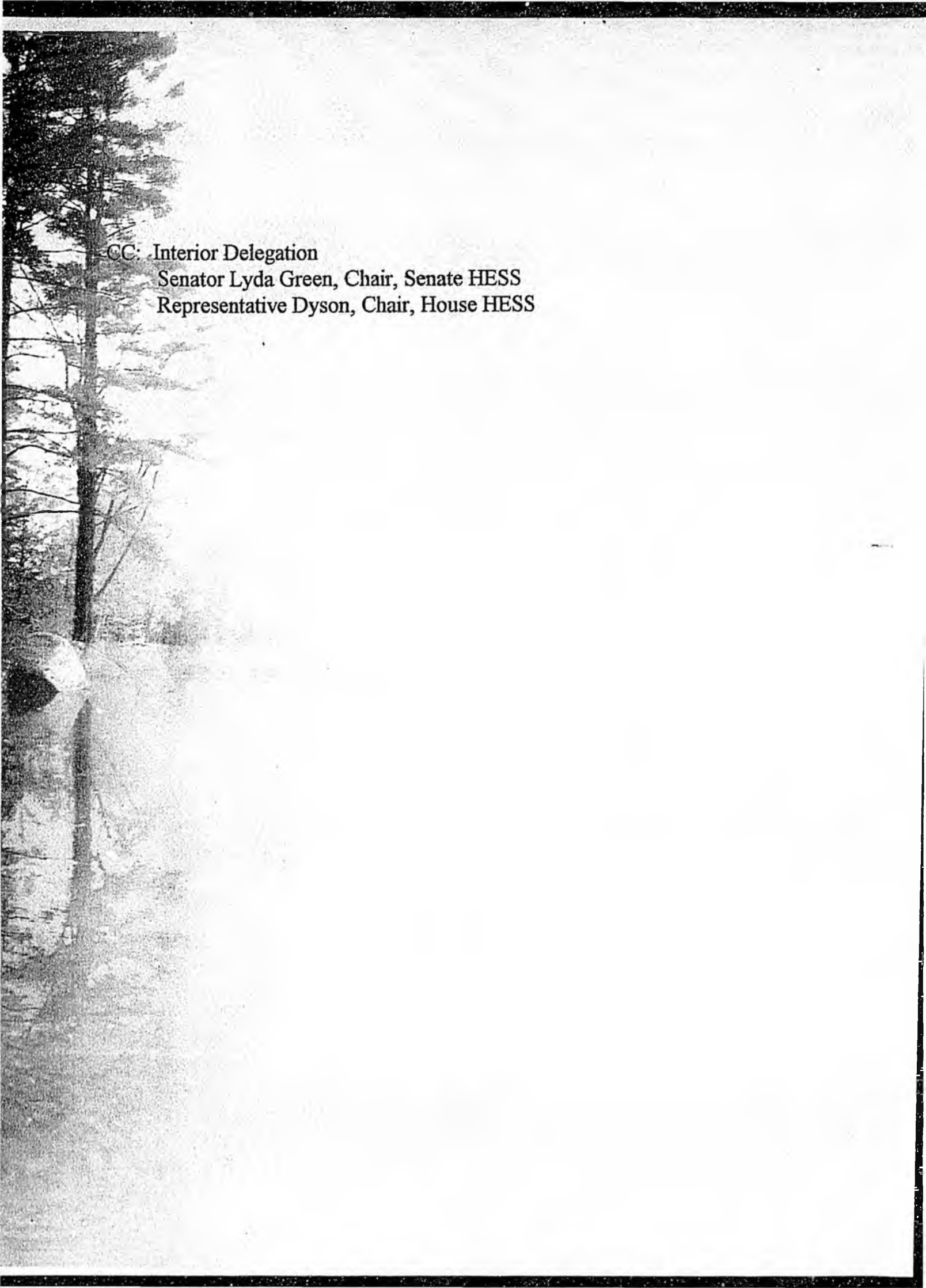
If anything the current dollar limit (\$1,000,000) needs to be lowered to require more projects to be reviewed.

Please show your support for this community by opposing these bills and allowing a system that works work the way it should.

Sincerely,



Tina Thole  
1357 Gilmore Trail  
Fairbanks, Alaska 99712



CC: Interior Delegation

Senator Lyda Green, Chair, Senate HESS

Representative Dyson, Chair, House HESS

March 8, 2002

Senator Gene Therriault  
State Capitol  
Room 121  
Juneau, AK 99801-1182

Dear Senator Therriault:

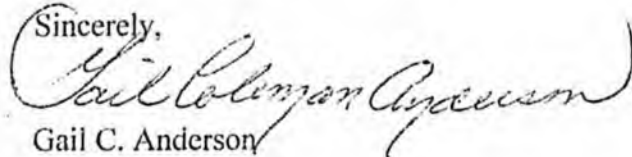
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I think the current CON system is fair and competitive. If a service can prove it is needed in the community, then a CON can be obtained. It doesn't give any preference to one applicant over another – each of the alternate proposals is evaluated and the best one is granted a CON and authorization to proceed. Changing the CON requirements will encourage a greater number of smaller, self-interested providers. If the provider is "for profit" the best interests of the patients may not be the most profitable.

I urge you to strengthen – not weaken – the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Gail C. Anderson  
845 Birch Hill Road  
Fairbanks, Alaska 99712  
(907) 452-5880

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

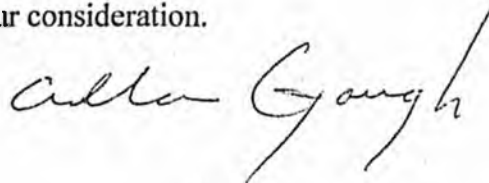
Representative Jeanette James  
State Capitol  
Room 214  
Juneau, AK 99801

Dear Representative James:

I am concerned about the bills being considered relating to the current Certificate of Need laws. I fear that lifting the current CON threshold will jeopardize the health of Alaska's community hospitals. By raising the threshold, CON review would be eliminated for all but the most expensive programs, which are already well researched. Allowing niche service providers to selectively pick health-care consumers leaves community hospitals bearing the burden of providing care for the indigent without the ability to offset those expenses. Please don't let this happen in our state.

Thank you for your consideration.

Sincerely,



Allan Gough  
2316 Ptarmigan  
North Pole, AK 99705  
907-488-5899

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

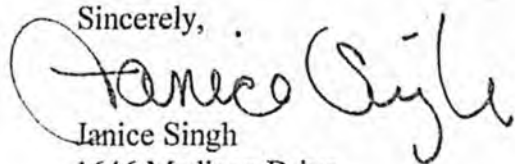
Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99801

Dear Representative Coghill:

I am concerned that lifting the current CON threshold will jeopardize the health of Alaska's community hospitals. By raising the threshold, you will be eliminating CON review for all but the most expensive programs, which are already well researched. Allowing the unmonitored establishment of niche services leaves community hospitals bearing the burden of providing care for the indigent without the ability to offset those expenses. Please don't let this happen in our community.

Thank you for your consideration.

Sincerely,



Janice Singh  
1646 Madison Drive  
Fairbanks, AK 99709  
907-474-3455

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Senator Gary Wilken  
State Capital  
Room 514  
Juneau, AK 99801

Dear Senator Wilken:

I have become aware of three pieces of legislation being considered for this legislative session, dealing with the Certificate of Need (CON) process (SB 256, HB 407, and HB 485).

I am concerned about the possibility of the CON process being eliminated in communities with a population of less than 55,000. This process was designed to protect communities from "diluted" forms of health care resources. When unplanned growth occurs in health care options, it saturates markets, stretches much needed resources too thin and result in a lower quality of care.

I am concerned not only about maintaining the high quality health care standards that we have in the Interior, which I truly believe will be jeopardized by passage of these bills, but I am also concerned that not-for-profit facilities (like FMH) will suffer financially. If that happens, who is going to fund programs like mental health care, cancer treatment, and alcohol treatment?

I have always received personalized, quality, professional care at our hometown hospital and I'm very proud that we have such a fine facility in Fairbanks. To consider relaxing the CON process, to me, will be detrimental to communities like Fairbanks. Though I do not like the state making rules and regulations that challenge my way of life here in the Last Frontier, in this case, it is much needed to protect our quality healthcare system for the greater good.

I ask you to consider very carefully your decision on this very important issue and urge you to leave the CON process as it is.

Thank you for your consideration on this issue.

Sincerely,



Hal Meyer  
4250 Aspenwood Drive  
Fairbanks, AK 99709  
907-474-8520

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

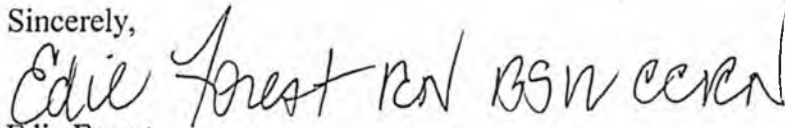
Representative Gene Therriault  
State Capitol  
Room 121  
Juneau, AK 99801

Dear Representative Therriault:

I am concerned about the bills being considered this legislative session that relate to the current Certificate of Need laws. I fear that lifting the current CON threshold will jeopardize the health of Alaska's community hospitals. By raising the threshold, CON review would be eliminated for all but the most expensive programs, which are generally well-researched in the first place. Allowing specialty service providers to selectively pick the more lucrative cases leaves community hospitals bearing the burden of providing care for the indigent and infirm without the ability to offset those expenses. Please don't let this happen in our community.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Edie Forest RN BSN CCRN".

Edie Forest  
15.1 CHSR  
Two Rivers, AK 99712  
907-488-2436

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 9, 2002

Senator Gary Wilkin  
State Capitol  
Room 514  
Juneau, AK 99801-1182

Dear Senator Wilkin:

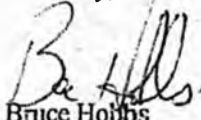
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

If the SB 256 is passed, then the market will be flooded with for-profit facilities. My concern is that the not-for-profit facilities will suffer financially. If that happens, where will they get the necessary funding for the less profitable, yet necessary programs, such as mental health and alcohol treatment?

By ensuring that our community gets only the facilities we need, the CON helps to maintain the volumes necessary to ensure services are delivered to each patient consistent with the highest possible quality standards.

Thank you for your consideration of this perspective.

Sincerely,



Bruce Hobbs  
P.O. Box 83911  
Fairbanks, Alaska 99708

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Senator Pete Kelley  
State Capitol  
Room 518  
Juneau, AK 99801-1182

Dear Senator Kelley:

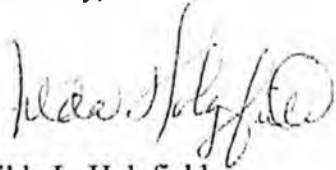
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I am in favor of a reasonable level of state oversight of the establishment of new programs. The government should ensure that there is a good chance that the project can be built for a reasonable amount of money, that it can be staffed appropriately, that it is likely to have the volumes necessary to achieve economies of scale, and a likely prospect of producing good outcomes. The existing CON program does these things now, and I think it would be a big mistake to try an untested experiment of allowing programs to spring up wherever providers think they can make some money.

I urge you to strengthen – not weaken – the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Nilda L. Holyfield  
1223 Wildrose Ave.  
Fairbanks, Alaska 99701  
(907) 452-6373

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Senator Pete Kelly  
State Capital  
Room 518  
Juneau, Alaska 99801-1182

Dear Senator Kelly

I have concerns about a number of bills being considered in this legislative session. Those bills are related to amending the current Certificate of Need laws (bills SB 256, HB 407, and HB 485).

Certificates of Need (CON) ensure that unnecessary facilities are not built. If there's no need for a facility, yet a group of doctors builds one, I know that there's a potential conflict of interest there. If they tell me to go to their facility, how am I going to know that they're saying that because it's the best thing for me?

The current CON regulations are fair. If there's no need, then the community needs to be able to say "no." And if there is a need, then we should be able to have a say in who gets to build it.

Thank you for considering my comments and I urge you to defeat the bills and support the current CON laws for the protection of the residents of Fairbanks as well as the rest of the State.

Sincerely,

*Connie Moore*

Connie Moore  
P.O. Box 74784.  
Fairbanks, Alaska 99707  
907-479-5145

CC. Interior Delegation

Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 9, 2002

Representative Joe Hayes  
State Capitol  
Room 422  
Juneau, AK 99801-1182

Dear Representative Hayes

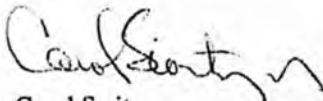
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

When other states changed their CON laws in the manner that is currently being proposed in SB 256, they found themselves facing shortages in specialized staff. This staff shortage was directly linked to a decrease in healthcare quality. Another serious problem that occurred was an increase in hospital costs related to running multiple facilities far below capacity.

We need a strong CON law in Alaska to provide a measure of discipline to the market. By loosening the standards, you will open the door to a host of problems. I urge you to consider strengthening the CON, lowering the cost threshold and requiring more projects to be reviewed instead of only a handful.

Thank you for your consideration of this perspective.

Sincerely,



Carol Switzer  
2256 Jack Street  
Fairbanks, Alaska 99709  
907-458-8825

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 5, 2002

Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99801-1182

Dear Representative Coghill:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

The challenge of providing optimal access to healthcare in the unique and fragile sole-community hospital towns of Alaska is of great concern to me. I am concerned that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

The current CON regulations are fair. If there's no need, then the community needs to be able to say "no." And if there is a need, then we should be able to have a say in who gets to build it.

Thank you for your consideration of this perspective.

Sincerely,



John Cotter  
794 Quasar Drive  
Fairbanks, AK 99712

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative Jim Whitaker  
State Capitol  
Room 411  
Juneau, AK 99801-1182

Dear Representative Whitaker:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

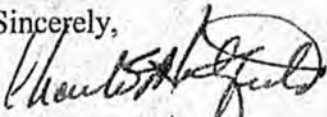
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Intelligent oversight is provided by the current CON process. It provides a forum for the public's involvement in decisions to expand capacity and to make major investments in healthcare technology. Where good planning can be demonstrated, the current CON policy is not an impediment. Where there is not good planning, the current CON policy provides a reasonable check on the unrestrained proliferation of unnecessary services.

I urge you to strengthen – not weaken – the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Charles E. Holyfield  
1223 Wildrose Ave.  
Fairbanks, Alaska 99701  
(907) 452-6373

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative Gary Wilken  
State Capitol  
Room 514  
Juneau, AK 99801-1182

Dear Representative Wilken:


You are known for your attention to the statewide impact of passing any legislation. I strongly recommend you evaluate proposed changes to the Certificate of Need program in SB 256, HB 407 and HB 485.

These changes will effectively remove the CON process. This process is specifically designed to protect the consumer from unsafe practices and huge increases in healthcare costs. The CON has never stood in the way of this community getting the healthcare it needs, but it has stood in the way of getting infrastructure that we don't need.

Please make a thorough evaluation of these bills before letting them move through our legislative system. What may seem a small thing now could have major impacts on the long-range healthcare availability to all Alaskans.

Thank you for keeping the best interests of all Alaskan's in the forefront.

Sincerely,



Marionette D. Stock  
485 Ballaine Rd  
Fairbanks, AK 99709

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99801

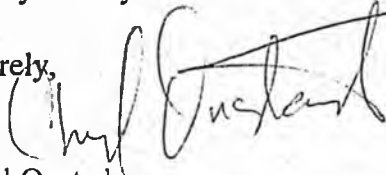
Dear Representative Coghill:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I am concerned that lifting the current CON threshold would place our state's community hospitals in financial jeopardy. If specialty services are allowed to avoid the CON process and pluck the high payors from the market, community hospitals will be at great risk of losing their fiscally strong programs. This will leave them struggling to provide the sorely needed but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services. Please don't let this happen to our community.

Thank you for your consideration of this perspective.

Sincerely,



Cheryl Onstad  
1308 28<sup>th</sup> Ave.  
Fairbanks, Alaska 99701  
907-457-1852

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies,

I wanted to let you know how I feel about SB256, HB407 and HB485. These bills, which deal with healthcare and Certificates of Need, are being debated and voted on this week and I am keeping a close eye on what happens.

By changing the existing law, you would encourage a number of new, for-profit healthcare clinics. If these clinics were owned by the doctors, which they would most likely be, then the doctors would be faced with the dilemma of how to increase their savings accounts while practicing good medicine. I worry that either my family or myself will undergo unnecessary treatment, just because my insurance will pay for it.

Please do not pass SB256, HB407 and HB485. Thank you for your time. Keep up the good work.

Very truly yours,



Clover Tiffany  
P.O. Box 329  
Ester, AK 99725

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Senator Pete Kelly  
State Capitol  
Room 518  
Juneau, AK 99801

Dear Senator Kelly:

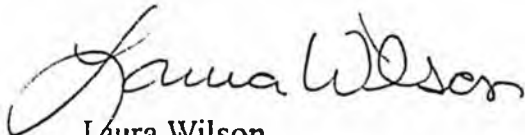
There are a number of bills being considered this legislative session related to amending the current Certificate of Needs laws, including SB 256, HB 407 and HB 485.

The challenge of providing optimal access to healthcare in the unique and fragile sole-community hospital towns of Alaska is of great concern to me. I am concerned that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

I urge you to strengthen - not weaken - the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Laura Wilson  
1162 Kiowa Ct Rd  
North Pole, AK 99705  
907-488-0163

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Senator Pete Kelly  
State Capitol  
Room 518  
Juneau, AK 99801

Dear Senator Kelly:

There are a number of bills being considered this legislative session related to amending the current Certificate of Needs laws, including SB 256, HB 407 and HB 485.

The challenge of providing optimal access to healthcare in the unique and fragile sole-community hospital towns of Alaska is of great concern to me. I am concerned that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

I urge you to strengthen - not weaken - the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Mark Roberts  
2618 Lee Ln  
North Pole, AK 99705  
907-488-0163

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 5, 2002

Senator Gene Therriault  
State Capitol  
Room 121  
Juneau, AK 99801-1182

Dear Senator Therriault:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

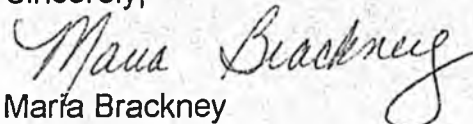
The challenge of providing optimal access to healthcare in the unique and fragile sole-community hospital towns of Alaska is of great concern to me. I am concerned that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

The CON has never stood in the way of this community getting the health care it needs, but it has stood in the way of it getting infrastructure that we don't need.

Certificates of Need (CON) ensure that unnecessary facilities are not built. If there's no need for a facility, yet a group of doctors builds one, I know that there's a potential conflict of interest there. If they tell me to go to their facility, how am I going to know that they're saying that because it's the best thing for me?

Thank you for your consideration of this perspective.

Sincerely,



Marfa Brackney  
1923 Parham-McCormick  
North Pole, AK 99705  
907-488-0959

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99801

Dear Representative Coghill:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws and I am concerned regarding their unintentional consequences.

I am concerned that lifting the current CON threshold of \$1,000,000 will jeopardize the health of our state's community hospitals. By raising the threshold, you will be eliminating CON review for all but the most expensive programs. These are the programs where planning is most thorough but where outside CON review the least valuable. We need to be concerned about the smaller programs where a provider might be playing a hunch, thus increasing the risk to which the community is exposed. I think that the threshold should remain where it is so that we don't have providers spending money on things we don't need.

Thank you for your consideration of this perspective.

Sincerely,



Barbara Czopek  
1216 28<sup>th</sup> Ave.  
Fairbanks, AK 99701  
907-456-1827

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative Jim Whitaker  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Whitaker:

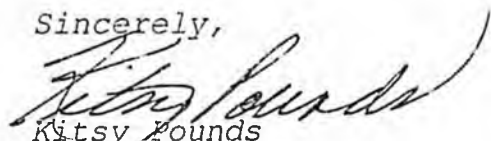
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I believe that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will cause more harm than good.

Competitive markets, even for specific services, will not be created in Alaska by the addition of several new providers of services. The action of other factors make it impossible. And, since the introduction of the new providers into markets is likely to create excess capacity, it is also likely to result in higher prices rather than lower ones. Please do not pass SB 256.

Thank you for your consideration of this perspective.

Sincerely,



Kitzzy Pounds  
929 15<sup>th</sup> Ave, #2  
Fairbanks, AK 99701  
(907) 452-5852

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Senator Gary Wilken  
State Capitol  
Room 514  
Juneau, AK 99801-1182

Dear Senator Wilken:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

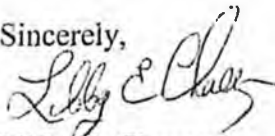
I don't see how the current CON regulations are anti-competitive. We all know that patients and doctors aren't equal players in the game of healthcare. When I go to the doctor, I don't know what I need, how much it should cost, or even which specialist is the best for my particular need. I rely on my doctor to tell me, and I don't want the doctor's opinion to be influenced by how he or she will financially benefit.

I agree that health care is a very imperfect market where other controls are required. CON is one of them. Your proposal effectively abolishes CON for all but the very largest projects, and this is a mistake.

I urge you to strengthen – not weaken – the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Libby E. Chavez  
1211 Grenac Road  
Fairbanks, Alaska 99709  
(907) 479-6328

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative Jeanette James  
State Capitol  
Room 214  
Juneau, AK 99801-1182

Dear Representative Jeanette James:

I am writing to you out of concern about a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I agree that health care is a very imperfect market where other controls are required. CON is one of them. Your proposal effectively abolishes CON for all but the very largest projects, and this is a mistake.

There is a nationwide shortage of nurses and other health care personnel. I'm worried that the new services that would start up under a revised CON policy like the one you're suggesting might be forced to skimp on the quality of their staff just to keep it open.

It's not a normal business. How can health care be cheaper in the long run if we let the providers (physicians) themselves build facilities and buy equipment without showing somebody that they've done their homework and it's really needed? Maybe they just want it. And they're going to get all of us to pay for it. In health care, I can't really choose what to buy and what not to buy. I listen to the physician's advice. I'm afraid that I'll end up getting tainted advice because the physician will gain personally by the option he or she is suggesting.

Thank you for your support.

Sincerely,

*Christy Everett*  
2308 Robinson Circle  
North Pole, AK 99705  
482-8361

CC: Interior Delegation

Senator Lyda Green, Chair, Senate HESS

Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies:

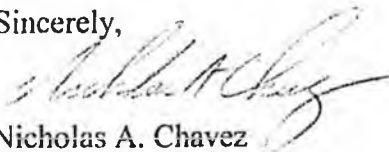
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I think the current CON system is fair and competitive. If a service can prove it is needed in the community, then a CON can be obtained. It doesn't give any preference to one applicant over another – each of the alternate proposals is evaluated and the best one is granted a CON and authorization to proceed. Changing the CON requirements will encourage a greater number of smaller, self-interested providers. If the provider is “for profit” the best interests of the patients may not be the most profitable.

I urge you to strengthen – not weaken – the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Nicholas A. Chavez  
1211 Grenac Road .  
Fairbanks, Alaska 99709  
(907) 479-6328

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative John Davies  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Davies:

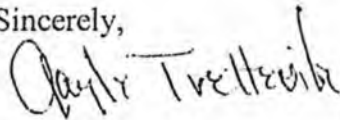
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I am concerned that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will create more problems than good.

Competition in most industries is a good thing, but changing the existing CON policy would not create a positive competitive market. There simply is not enough volume to support additional, duplicative services. This increased supply would lead to higher prices, not lower, as the conventional model of competition would imply. To pass SB 256 would be to increase supply and therefore increase cost.

Thank you for your consideration of this perspective.

Sincerely,



Gayle Trettevik  
2672 Bonanza Trail  
Fairbanks, AK 99709  
907/452-3292

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Senator Gary Wilken  
State Capital  
Room 514  
Juneau, Alaska 99801-1182

Dear Senator Wilken,

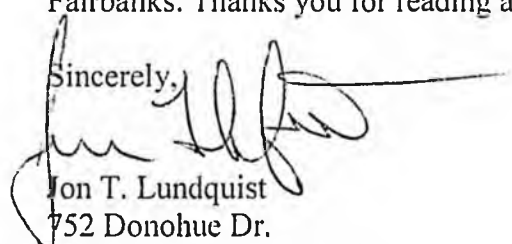
I have concerns about a number of bills being considered in this legislative session. Those bills are related to amending the current Certificate of Need laws (bills SB 256, HB 407, and HB 485).

I believe that there is a need for strong CON laws to prevent unnecessary facilities from being built. In Fairbanks we have a non-profit community hospital that has maintained some of the lowest prices, if not the lowest, in the state for services. They have been very responsive to community needs to the point of putting in services that don't necessarily pay for themselves, but are direly needed by the community. If unneeded Facilities are allowed to come into the community and allowed to undermine the Hospital that this community has worked so hard to build it would be a great disservice to the people living here.

A strong CON law that preserves the current threshold allows review of projects before they are built and for Fairbanks this is what we need. These laws would not preclude someone from building a facility if they can show a need was present in the community. The CON law helps avoid the unneeded facilities and the problems they cause, such as having two underutilized facilities causing inefficiencies and driving costs up not bringing them down.

I urge you to oppose changes in the current CON laws to protect the people of Fairbanks. Thanks you for reading and considering my perspective on this subject.

Sincerely,



Jon T. Lundquist  
752 Donohue Dr.  
Fairbanks, Alaska 99712  
907-457-2203

CC. Interior Delegation

Senator Lyda Green. Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 9, 2002

Senator Gary Wilkin  
State Capitol  
Room 514  
Juneau, AK 99801-1182

Dear Senator Wilkin:

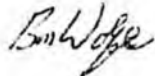
This letter is written to express my feelings on the bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

The current CON regulations are fair. If there's no need, then the community needs to be able to say NO. And if there is a need, then we should be able to have a say in who gets to build it.

We're not talking about providers not being allowed to provide services that they can show are needed. The current CON rules let them do that already. We are talking about a proposal to allow providers to build facilities without having to show that they are needed. The doctors will tell us where to go for services - we won't really decide for ourselves what's best, because we won't know.

Thank you for your consideration of this important issue.

Sincerely,



Ben Wolfe  
593 Terrace Drive  
Fairbanks, Alaska 99709

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99801

Dear Representative Coghill:

There are a number of bills being considered this legislative session related to amending the current Certificate of Needs laws, including SB 256, HB 407 and HB 485.

The challenge of providing optimal access to healthcare in the unique and fragile sole-community hospital towns of Alaska is of great concern to me. I am concerned that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

I urge you to strengthen - not weaken - the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



Jerry Wilson  
1162 Kiowa Ct Rd  
North Pole, AK 99705  
907-488-0163

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 7, 2002

Representative Jeanette James  
State Capitol  
Room 214  
Juneau, AK 99801-1182

Dear Representative Jeanette James:

I am writing to you out of concern about a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I agree that health care is a very imperfect market where other controls are required. CON is one of them. Your proposal effectively abolishes CON for all but the very largest projects, and this is a mistake.

There is a nationwide shortage of nurses and other health care personnel. I'm worried that the new services that would start up under a revised CON policy like the one you're suggesting might be forced to skimp on the quality of their staff just to keep it open.

In health care, I can't really choose what to buy and what not to buy. I listen to the physician's advice. I'm afraid that I'll end up getting tainted advice because the physician will gain personally by the option he or she is suggesting.

Thank you for your support.

Sincerely,



2299 Freedom Rd  
North Pole, AK 99705

488-3216

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative John Coghill  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Coghill:

I am writing you to ask for your support concerning bills that are currently before the legislature this session. These bills would allow changes to the Certificate of need process that exists here in the state of Alaska. I am specifically interested in HB 407, HB 485 and SB 256.

My concern over these bills is related to the long term healthcare services for the people in the interior of Alaska. I believe competition is a needed item in certain markets. However it does not make sense in this one. We have the lowest cost healthcare in the state with our present system and provide services that have a real need not just ones that are money makers.

If I understand these bill correctly they would take away/amend the current CON process and allow other entities to come in and provide duplicate services that would erode our ability to provide the services we need here in our community. I am not saying that providers would not be allowed to provide services that they can show are needed. Our current CON process let them do that already. I am talking about the ability to allow providers to build facilities without having to show they are needed. The current CON has never stood in the way of this community getting the healthcare it needs.

Please show your support for this community by opposing these bills and allowing a system that works work the way it should.

Sincerely,



Linette Jordan  
3350 Thomas lot 8  
Fairbanks, Alaska 99709

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Dyson, Chair, House HESS

March 9, 2002

Senator Gary Wilkin  
State Capitol  
Room 514  
Juneau, AK 99801-1182

Dear Senator Wilkin:

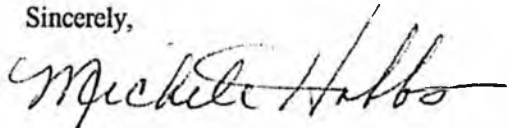
I am writing you to comment on the bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

Certificates of Need (CON) ensure that unnecessary facilities are not built. If there's no need for a facility, yet a group of doctors builds one, I know that there's a potential conflict of interest there. If they tell me to go to their facility, how am I going to know that they're saying that because it's the best thing for me?

Research has proven that in states with no CON, the quality of care declines after the CON is removed. The same study, done by the University of Iowa, also shows that the hospitals in non-CON states have lower patient levels, but higher treatment costs per patient. It would be a shame to pass SB 256 and destroy our healthcare system here in Alaska.

Thank you for your consideration of this important issue.

Sincerely,



Michele Hobbs  
P.O. Box 83911  
Fairbanks, Alaska 99708

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 8, 2002

Representative John Coghill  
State Capitol  
Room 102  
Juneau, AK 99801-1182

Dear Representative Coghill:

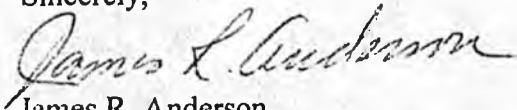
There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

The current CON regulations are fair. If there's no need, then the community needs to be able to say "no." And if there is a need, then we should be able to have a say in who gets to build it. We're not talking about providers not being allowed to provide services that they can show are needed. The current CON rules let them do that already. We are talking about a proposal to allow providers to build facilities without having to show that they are needed. The doctors will tell us where to go for services – we won't really decide for ourselves what's best, because we won't know.

I urge you to strengthen – not weaken – the existing Certificate of Need laws by opposing SB 256, or requiring that all providers interested in offering substantive health services demonstrate a real need exists in a community before any new category of service (such as an ambulatory surgery center) is introduced to a community. Without demonstrating true need, community hospitals will be at great risk of losing their fiscally strong programs to providers not able or willing to address important, but unprofitable services such as mental health, long-term care, hospice, home care, or routine nursing services.

Thank you for your consideration of this perspective.

Sincerely,



James R. Anderson  
845 Birch Hill Road  
Fairbanks, Alaska 99712  
(907) 479-6328

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

Daniel A. Johnson  
1215 Saint Anton Drive  
Fairbanks, AK 99712

March 7, 2002

Representative Hugh Fate  
State Capitol  
Room 416  
Juneau, AK 99801-1182

Dear Representative

I am writing to you concerning legislation that will affect the current Certificate of Need laws, SB 256 and HB 485.

Certificates of Need help to ensure that unnecessary and expensive medical facilities are not built. In addition, they support the concept of community hospitals where all patients and all conditions are treated. Without certificates of need, facilities can be built which "cherry pick" or treat only the most lucrative patients, thus undermining community hospitals. In addition, for a community like Fairbanks, redundant facilities divide the health care market among several facilities will only undermine efficiencies and economies of scale.

There are many other reasons to support strong Certificate of Need laws, but I feel very strongly that the current laws benefit the community and have proven themselves to be reasonable and effective.

I urge you to support the strengthening, not weakening of our Certificate of Need Laws.

Sincerely,

*Daniel A. Johnson SCS*

Daniel A. Johnson

Cc: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 6, 2002

Representative Hugh Fate  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Fate:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

The current CON regulations are fair. If there's no need, then the community needs to be able to say "no." And if there is a need, then we should be able to have a say in who gets to build it. Furthermore, where good planning can be demonstrated, the current CON policy is not an impediment. Where there is not good planning, the current CON policy provides a reasonable check on the unrestrained proliferation of unnecessary services.

I also think the current CON system is fair *and* competitive. If a service can prove it is needed in the community, then a CON can be obtained. It doesn't give any preference to one applicant over another – each of the alternate proposals is evaluated and the best one is granted a CON and authorization to proceed.

Thank you for your consideration of this perspective.

Sincerely,



Carol Barnett  
1696 Dredgeview Drive  
Fairbanks, Alaska 99712  
455-7456

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 11, 2002

Representative Joe Hayes  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Hayes:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

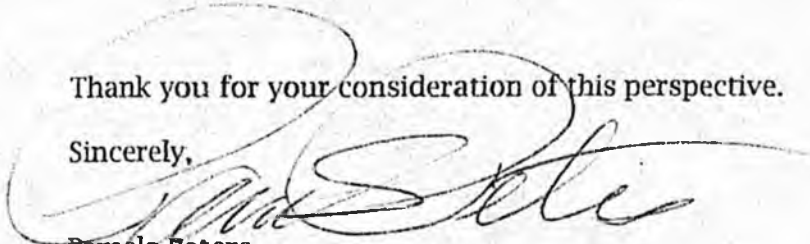
I believe that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

37 states currently have CON. Others are considering strengthening it. In the lower 48, managed care has led many states to try to allow them to manage the marketplace instead of CON. But in Alaska we don't have managed care and it is doubtful we ever will. Your proposal will not create competition, and it might create chaos. I ask that you give your proposal more thought and withdraw it from consideration during the current session.

We need a strong CON law in Alaska to provide a measure of discipline to the market. By loosening the standards, you will open the door to a host of problems. I urge you to consider strengthening the CON, lowering the cost threshold and requiring more projects to be reviewed instead of only a handful.

Thank you for your consideration of this perspective.

Sincerely,



Pamela Peters  
5002 Dartmouth Rd. Unit 15  
Fairbanks, Alaska 99709  
907-479-4161

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 11, 2002  
Representative Gary Wilken  
State Capitol  
Room 514  
Juneau, AK.99801-1182

*Dear Representative Wilken:*

*In reference to Certificate of Need Laws, SB 256, I am opposed to it because access to health resources is widely regarded as an important social good. If SB 256 is passed then the health recourses will be tainted by greed and the quality of personnel will decline.*

*Thank you for your consideration of this perspective.*

*Sincerely,*

*Lou E. Williams*

*Lou E. Williams  
95 Farewell Ave. #10  
Fairbanks, AK. 99701  
907-456-2375.*

March 8, 2002

Representative John Coghill  
State Capitol  
Room 415  
Juneau, AK 99801-1182

Dear Representative Coghill:

There are a number of bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I am concerned that lifting the current CON threshold of \$1,000,000 or, worse yet, eliminating the need for a Certificate of Need in communities greater than 55,000 residents, will jeopardize the health of our state's community hospitals.

I believe in a reasonable level of state oversight of the establishment of new programs. The government should make certain that the project can be built for a reasonable amount of money, that it can be staffed appropriately, that it is likely to have the volumes necessary to achieve economies of scale, and a likely prospect of producing good outcomes. The existing CON program does these things now, and I think it would be a big mistake to try an untested experiment of allowing programs to spring up wherever providers think they can make some money.

Thank you for your consideration of this perspective.

Sincerely,



Lisa Kennedy  
1006 Apt. 4  
Apple Street  
FT. WW, AK. 99703  
907-356-7668

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 9, 2002

Senator Gary Wilkin  
State Capitol  
Room 514  
Juneau, AK 99801-1182

Dear Senator Wilkin:

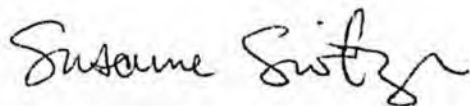
I am writing you to express my feelings on the bills being considered this legislative session related to amending the current Certificate of Need laws, including SB 256, HB 407 and HB 485.

I am opposed to SB 256 because access to health resources is widely regarded as an important social good. If SB 256 is passed then the health resources will be tainted by greed and the quality of personnel will decline.

Although SB 256 looks good on paper, after researching the issue I believe it would do more harm than good. I found that other states doomed their healthcare system by passing similar bills. They are suffering both in the quality of care they provide and financially. I would think that in the future, this will create more problems for the Alaska State Legislature.

Thank you for your consideration of this important issue.

Sincerely,



Susanne Switzer  
2256 Jack Street  
Fairbanks, Alaska 99709

CC: Interior Delegation  
Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

907 465 3719

907 465 3258 - FAX

Dear Representative Coghill:

I am writing to you to express my concerns regarding House Bill 407, the attempt to eliminate the need for approval of new medical facilities through the Certificate of Need process.

My concerns, as a health care professional associated with Fairbanks Memorial Hospital, are for the impact on the financially non-operative hospital services now provided. Should a "Surgery Center" be built (when the need has not been demonstrated), it would siphon from our hospital the cream of the payors, primarily private insurance. This would decrease the available resources to fund "non-profitable" services such as long term care, mental health, home health and daily care on

on the nursing units. A privately run facility would have no responsibility to the community to take Medicaid patients. Those who are pushing to have this bill passed are self-serving, financially well off individuals that do not have the community's best interests at heart.

At the level closest to my personal responsibilities, I am concerned that a surgery center would create a great deal more strain on the already critical shortages we are seeing in nursing, radiology and pharmacy.

I urge you, as my representative, to take measures to prevent this bill from moving forward.

Sincerely,

Janet Owen-Denton

7209 RICH HWY  
SALCHA, AK 99714

(JANET OWEN-DENTON)

CC: Each member of the  
Interior Legislative  
Delegation

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

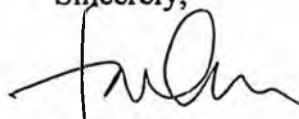
Dear Representative Coghill,

I am writing to you regarding my opposition of HB407.

I am concerned that changing the existing CON laws would weaken – not strengthen – the healthcare industry in Fairbanks. It is my opinion that the CON laws are partially responsible for maintaining the level and breadth of services at Fairbanks Memorial Hospital. Changing these laws through HB407, would open the door for profit seeking providers to come into Fairbanks, glean the high paying services, and leave the hospital to pick up the unwanted services – mental health, public inebriates, etc.

Please reconsider your stand on this issue.

Sincerely,



Jane Walsh

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS



# CHOGGIUNG LIMITED

VILLAGE CORPORATION

P.O. Box 330 Main Street Dillingham, Alaska, 99575  
PHONE: (907) 842-5218 FAX: (907) 842-5462

March 26, 2002

Mr. Fred Dyson  
Oil & Gas Committee  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, Alaska 99801-1182

Re: Alaska Natural Gas Development Authority, HB 410

Dear Representative Dyson:


We are writing to you to indicate the support of Choggiung Ltd. for the establishment of the Alaska Natural Gas Development Authority if the Authority is created with the mandate to design, construct and operate other facilities necessary to deliver gas to market and to communities throughout Alaska, including rural and remote Alaska, Anchorage and the Railbelt. We believe this action will be an important step in providing less expensive, environmentally - friendly energy to western Alaskan residents. The enclosed Resolution is an indication of our commitment.

Choggiung Ltd. is the Alaskan Native village corporation of Dillingham. It represents more than 1400 shareholders in western Alaskan and throughout the state. We are committed to creating a thriving, prosperous economy in the Bristol Bay region. Our company is in full support of this project and will do our part to effect its establishment and successful implementation.

Access to less expensive energy sources will be vital to sustaining our fundamental educational and community programs. This program will be integral to revitalizing our economic development initiatives, which have been decimated in recent years with the downturn of traditional fisheries-related businesses.

Please contact us if we can be of assistance in bringing about passage of this important legislative action.

Respectfully,  
Choggiung Ltd.

  
Greta Goto, President

  
Karl Potts, CEO

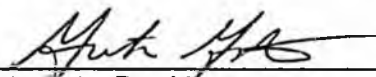
Enclosure: Corporate Resolution

**CHOGGIUNG LIMITED  
THE BOARD OF DIRECTORS**

**RESOLUTION 2002-06  
Support for the proposed Alaska Natural Gas Development Authority**

- WHEREAS, the Constitution of the State of Alaska states in Article VIII, Section 2., that the legislature shall provide for the utilization, development and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people; and
- WHEREAS, despite Alaska having an oil pipe line, home heating and gasoline costs in Dillingham are extremely high, for example: Dillingham residents currently pay \$2.14 per gallon for #1 home heating fuel, \$2.59 per gallon for gasoline, and \$4.25 per gallon for propane, and;
- WHEREAS, Dillingham is solely dependent upon diesel generators for electricity and residents pay among the highest electricity rates in the state, and;
- WHEREAS, high energy costs in Dillingham has a direct impact on the cost of living, the cost of doing business, transportation, maintaining public and private buildings, operating water and sewer systems, and operation of our schools, and;
- WHEREAS, one of the cornerstones of economic development is to have access to cheap electrical power, and high energy costs currently impedes upon the economic development efforts of rural Alaskan communities such as Dillingham and surrounding villages, and;
- WHEREAS, our fishing industry cannot initiate value-added salmon and herring processing activities unless we have a low-cost source of energy in Dillingham and Bristol Bay, and;
- WHEREAS, the state of Alaska needs new revenue, Alaskans need jobs, especially in Western Alaska where the depressed fishery is forcing many people to look for other work, and;
- WHEREAS, with natural gas and derivatives being cheaper and cleaner burning than diesel oil, Choggiung Limited would like to have access to natural gas for the purpose of lowering the cost of living for its shareholders, and;
- NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Choggiung Limited that Alaska's State Legislature, the Governor's Office, and the Alaska Congressional Delegation ensure that all Alaskan communities be provided access to natural gas from the proposed North Slope gas line; and
- BE IT FURTHER RESOLVED THAT the Choggiung Limited Board of Directors supports the development of an Alaska Natural Gas Development Authority IF the Authority is created with the mandate to design, construct and operate other facilities necessary to deliver gas to market and to communities throughout Alaska, including rural and remote Alaska, Anchorage and the Railbelt.

APPROVED AND ADOPTED by a duly constituted quorum of the Board of Directors of Choggiung Limited this 20th day of March 2002.

  
\_\_\_\_\_  
Greta Goto, President

ATTEST:   
\_\_\_\_\_  
Wanda Fulton, Secretary

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

Dear Representative Coghill,

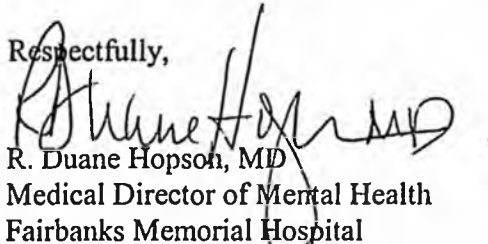
I am writing to you regarding HB407 and would like to express my concerns related to the changes this bill would have on healthcare.

First of all, my concern relates to the elimination of the current CON. I feel that changing the CON as it currently exists would effect changes that would begin the deterioration of the Health Care System in Fairbanks as we know it today. My past experience of 15 years working as a physician in a heavily managed care environment has given me the opportunity to experience the unhealthy competition and declining quality of care that is produced ultimately from these changes.

Secondly, as Medical Director of Mental Health at Fairbanks Memorial Hospital, I feel strongly that for quality mental health care to continue to be delivered, we need the resources and financial support that HB407 threatens by virtue of the effect on overall funding for the hospital. Additionally, I feel that the statewide plan for the development of mental health beds is important to the development of a well-balanced mental health system throughout the state, and HB407 threatens this plan.

Finally, I feel that any legislative action that holds potential harm to healthcare throughout the state as HB407 does, requires careful consideration by those supporting the changes. Thank you for your consideration in this very important matter.

Respectfully,

  
R. Duane Hopson, MD  
Medical Director of Mental Health  
Fairbanks Memorial Hospital  
1650 Cowles St.  
Fairbanks, AK 99701  
(907)458-5529

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

**Greater  
Fairbanks  
Community  
Hospital  
Foundation, Inc.**

March 25, 2002

▼  
*Owners of Denali Center,  
Fairbanks Memorial Hospital  
and Fairbanks Cancer  
Treatment Center*

P.O. Box 71396  
Fairbanks, AK 99707

(907) 458-5550  
fax: (907) 458-5551

▼  
Steve Stephens  
*President*  
David D. Rasley  
*1st Vice President*  
Jeff Cook  
*2nd Vice President*  
Harry Porter  
*Treasurer*  
Joe Faulhaber  
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*Trustees:*  
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Jim Holm  
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Cheryl Kilgore  
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Dave McNary  
William W. Mendenhall  
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Carol Phillips, M.D.  
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Margaret Soden  
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*Emeritus Members:*  
Julius A. Kornfeind  
G.A. Al Seeliger (1916-2001)  
William R. Wood (1907-2001)

*Business Manager:*  
Karen Holt

Representative Fred Dyson  
Chairman, House HESS  
State Capitol  
Juneau, AK 99801

Dear Representative Dyson,

The movement in the state government to change the CON rules alarms me. We have operated as they are presently on the books since we began our community hospital. Reflect for a moment where we came from: 1967 flood, departure of the Sisters of Providence, creation of the Greater Fairbanks Community Hospital Foundation, various fund drives, constant building and changes to deliver the best hospital care at the least possible cost. We have done and are continuing to do the job for the Fairbanks community without cost to the state government. We are not receiving an appropriation from the state in 2002. We are not a part of any Senate or House appropriation bill.

Some legislators have expressed the feeling that they do not understand the hospital business. Give us credit for 30 + years of involvement on a daily basis at no cost to anyone gives us an understanding of our local hospital and healthcare needs. Kill those unwarranted CON bills.

Very truly yours,

*Harry J. Porter JP*

Harry J. Porter  
Treasurer

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Fax:907-465-3258

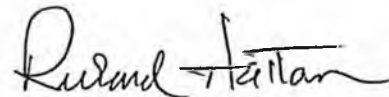
Dear Representative Coghill:

I have been following the legislation proposing to change the Certificate of Need limitations to a higher limit. This started several years ago in Fairbanks with the attempt to place a for profit outpatient surgery center in Fairbanks. A lot of the testimony at hearings on this matter was very telling as to the true motives of the people involved. Although testimony centered on freedom of choice and lower cost, what I got out of the hearings was transfer of insured patients and well-heeled patients to the for profit center with overall costs for the community only increased. Excess capacity and profit motive would increase usage of the for profit outpatient facility leaving less remunerative care as a responsibility of Fairbanks Memorial Hospital.

I hear many positive comments about the not-for-profit community based medical care currently available in Fairbanks from patients who have had to deal with much more complex systems available in the lower 48 states. Patients in Fairbanks need not worry about the true motives of physicians when care is either recommended or discouraged. Physicians are not rewarded for recommending care at Fairbanks Memorial Hospital nor are they discouraged when care is ordered for underinsured or non-paying patients.

I feel that changing the CON limitations may be good for a few businesses and individuals but is not a good change for the community.

Sincerely,



Richard Hattan, MD  
992 Willow Grouse Rd  
Fairbanks, AK 99712

CC: Representative Fred Dyson

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

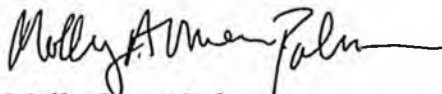
Dear Representative Coghill,

This letter concerns Certificate of Need and HB407.

The business that we conduct at Fairbanks Memorial Hospital, Denali Center (FMHDC) is one of give and take. Some of our departments make money and some departments lose money. If we are unable to maintain that balance, due to competition that duplicates only the money making departments, then areas such as mental health and home health will suffer. No one is interested in duplicating money losing services. Somehow we must finance these areas because there is a need for them and my community hospital, FMHDC, is proud to provide them, but we can't do it if areas of profit are essentially robbed by those interested in money only.

I've lived in Fairbanks since August 31, 1970. I've worked at Fairbanks Memorial Hospital since June of 1983, as a Registered Nurse. I oppose HB407. And I vote.

Sincerely,



Molly Owen-Palmer  
515 Panorama Dr.  
Fairbanks, AK 99712  
(907)456-8557

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

Dear Representative Coghill:

I am writing to you today to discuss HB 407. I am concerned that the proposed legislation in its current form, will harm healthcare in our Fairbanks community, and I would ask that you abandon this bill for the following reasons.

The Certificate of Need is a very useful tool for communities and the state as it compels any and all entities wishing to provide healthcare services to be reviewed and the business plan balanced against the actual needs of the community.

I have heard the arguments that the CON restricts competition in a marketplace. This is nonsense. The CON process ensures fair and even handed analysis of the proposed service. Competition is good and the CON does not impair that competition.


I have heard arguments that raising the CON limit or eliminating the CON all together would ensure there are not any monopolies in the marketplace. What is physician practice but a monopoly?

The healthcare marketplace is complex. In Fairbanks' case you have a community-owned hospital providing a wide range of healthcare services to all in the not-for-profit tradition. The services are a mixture of the profitable, i.e., surgery, and the unprofitable, i.e., mental health. The CON balances requests to provide services with the needs of healthcare in this community, superceding the desires of a few people whose interests appear to be for their profit and their bank accounts at the expense of all health care services in our community.

Healthcare is complex and I believe that we should have a series of public meetings here in Fairbanks to discuss the situation and to ensure whatever legislation occurs in the best interests of the community. Please abandon the current HB 407.

I would like to thank you for your time and considerations.

Sincerely,



Leigh Thurston  
436 Valley View Dr.  
Fairbanks, AK 99712  
907-457-1164

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

Dear Representative Coghill:

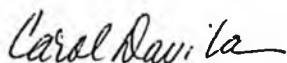
I appreciate this opportunity to express my opposition to House Bill 407. I urge you to reconsider this move to alter the Certificate of Need process.

I have authored CONs for alcohol and drug services and helped with one for mental health services in Fairbanks. The process is reasonable and insists on accountability. I have studied and practiced healthcare management for two decades and know that our current system of CON supports what we value. Our system requires collaboration, cooperation, commitment and compassion.

I am absolutely clear on the impact of a change in the CON process. Under the guise of competition, groups with their scope defined by their profit-agenda will creep in to take the high yield-low commitment services. Healthcare is just no place to run blue-light specials. This bill would not introduce healthy alternatives nor honor competition. It would instead introduce an opportunistic infection as it were.

Thank you and I would welcome further communication with you on this subject.

Sincerely,



Carol Davila  
875 Luthers Loop  
Fairbanks, AK 99712  
907-458-5545

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

Dear Representative Coghill,

As an employee of Fairbanks Memorial Hospital (FMH) and a member of the Fairbanks community for 20 years, I feel compelled to write to you regarding the issue of the proposed change to the CON process.

I believe that the CON process provides accountability to the Fairbanks community for the provision of health care. To eliminate the CON process will dilute services and will allow cherry picking of profitable procedures and surgeries which would undermine the financial base of FMH, and leave in question, support of non-profitable endeavors, such as Mental Health, Cancer Treatment, etc.

Instead of passing legislation that will have such a dramatic change in the Fairbanks community, why not delay the passage of this bill and hold public meetings to really scrutinize the issue. This seems a reasonable approach for such a contentious situation that will have such a negative impact in Fairbanks.

Sincerely,



Carol Meyer  
4250 Aspenwood Dr.  
Fairbanks, AK 99709  
(907)474-8520

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

**Jim Holm**  
**P.O. Box 71565**  
**Fairbanks, Alaska 99707**  
**(907)451-8733**

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801  
Phone: 907-465-3719  
Fax: 907-465-3258

John,

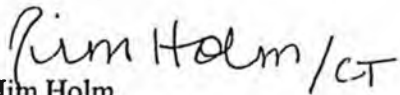
This legislation HB407 needs to be addressed in public meetings here in Fairbanks. I don't recall that this was a burning issue previously. Please pull this bill so that you can hear the full impact of your bill.

The health industry is unlike normal competitive industry. Fairbanks Memorial Hospital has requirements to provide services that are subsidized by our profitable departments. If you "cherry-pick" our services you will drastically reduce the overall service of FMH to citizens of Fairbanks.

John - you know that I am a champion of the free enterprise system. Your bill needs to either be tabled or at least pulled for this year so that you may understand our dilemma. No one filed for a CON when we put 5 million dollars into the Adult Mental Health Center here. We lose \$250,000 each year on home care, and yet we are the cheapest provider of hospital care in the state!

There are 25 of your friends and constituents that serve on the Fairbanks Memorial Hospital Board for no compensation. We do so gladly and urge you to reconsider your bill for the benefit of all of the citizens in the Fairbanks North Star Borough. Please call me at (907)451-8733.

Sincerely,



Jim Holm  
President, Holm Town Nursery, Inc.  
Fairbanks North Star Borough Assembly Member  
Fairbanks Memorial Hospital Board of Directors

CC: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

Dear Representative Coghill:

This letter is in regards to HB 407. I ask that you not support, nor pass this legislative bill.

I came from a community where this was allowed to happen. The community was a little smaller than the community of Fairbanks. The community hospital was progressive and very proactive. They had several specialty clinics and physicians as well as the general physicians. The hospital had approved an additional new surgery suite, renovation of all of the patient's suites, renovation of the imaging department with state of the art equipment being installed, new Emergency Department, home health center, and new OB suites. While this was in progress, a group of physicians decided to build a new surgery center, with imaging also being included.

The results of the new facility started a domino effect. The hospital started losing their highly trained professional staff to the new facility. The physicians started hostilities towards each other and their corresponding facility with which they had affiliation. Many physicians refused to try to work under these conditions, and left the area. Costs went up for both facilities, as they were competing for the same business, neither which once it was split, would support both facilities. Staff hours were cut back for both facilities, which caused them to eventually seek employment out of the area. Quality became an issue with the new facility. The hospital had to quit providing some of their services, which did not then provide the community with a full realm of medical services. The community became divided and there was a great deal of animosity and dissention.

The hospital was forced to realize that even with cutting back their services, they could not afford to keep the facility. It just recently sold to a bigger conglomerate corporation. The last I heard, it is being made into a "Critical Care Access" facility.

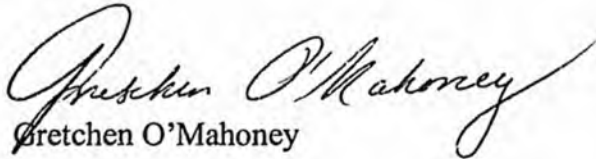
The most devastating and tragic aspect to this scenario, is that the community lost a very viable medical center provider, and now patients have to travel 64 miles to get the services that were once extremely accessible for them. No one "won" and the people of the community became the losers.

As a Radiology Manager, I have been on both sides of the spectrum. I was Director of Operations of nine freestanding Imaging Centers in Houston, Texas, as well as Director

As a Radiology Manager, I have been on both sides of the spectrum. I was Director of Operations of nine freestanding Imaging Centers in Houston, Texas, as well as Director of Imaging Services of several hospitals. I have seen this happen in many different locations. I implore you to not pass this legislation and to have open forums in the communities that this legislation could affect. The constituents need to be informed and asked about their opinions regarding this extremely important issue.

Thank you.

Sincerely,



Gretchen O'Mahoney  
212 Wedgewood Drive  
Fairbanks, AK 99701  
907-458-5662

Cc: Senator Pete Kelly  
Senator Gary Wilken  
Senator Gene Therriault  
Representative John Davies  
Representative Jim Whitaker  
Representative Hugh Fate  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson, Chairman House HESS

March 25, 2002

Representative John Coghill  
State Capitol, Room 102  
Juneau, AK 99801

cc: Senator Pete Kelly,  
Senator Gary Wilfong  
Senator Gene Theriault  
Representative John Davies  
Representative Tim Whitaker  
Representative Hugh Feste  
Representative Jeanette James  
Representative Joe Hayes  
Representative Fred Dyson

Dear Representative Coghill,

I am writing today in opposition of HB 407 & SB 256. I am very much in favor of preserving the CON process in order to protect the citizens of Alaska.

Eliminating the CON will decrease quality & increase the costs of healthcare. Let me explain why I believe this:

- ① Look at the costs in Anchorage. It has more facilities than any other community in AK & the costs are higher than in Fairbanks.
- ② I continue to hear that this is about competition. The only ones that will have a choice are physicians as they direct care to the facility they own.
- ③ Mental health, home health, inpatient care, etc... do not pay for themselves. They are much needed services that the community cannot do without. The prices of these services will have to increase if you allow cherry picking. This will increase costs to Medicaid, Medicare & all consumers.
- ④ Quality will go down. There is already a severe shortage of OR nurses. Staff will lose proficiency when volumes decrease or ~~are~~ are split between facilities.
- ⑤ More buildings, more staff & more capital will have to be paid for & it will come at the expense of increased costs.

Please preserve the CON process for the benefit of the citizens of Alaska.

Thank you.

Robert Gould 479-9191 (h)  
4820 Drake St 458-5305 (w)  
Fairbanks AK 99709



April 3, 2002

Representative Jeannette James  
Alaska State Legislature  
State Capitol, Rm. 214  
Juneau, AK 99801-1182

Dear Representative James:

I would like to express a concern regarding SB 256, HB 407, and HB 485. In Fairbanks we enjoy a community hospital that provides excellent services at a low cost. My concern is that if we change the rules for a Certificate of Need, we may undermine the level of service and care.

I support a competitive marketplace, whether it be in health care or in any other business. However, my understanding is that the current law provides for that competition if there is a need for more services.

Thank you for considering my perspective on this issue.

Sincerely,

John Binkley  
Chairman and CEO

cc: Senator Lyda Green, Chair, Senate HESS  
Representative Fred Dyson, Chair, House HESS

**ALASKA RIVERWAYS, INC.**

**Subject: Hearing on HR407 on Tuesday**

**Date:** Wed, 03 Apr 2002 06:14:28 -0900

**From:** Carl Wales <cwales@alaska.com>

**To:** Representative\_Fred\_Dyson@legis.state.ak.us

Mr, Chairman,

In thinking back to the hearing yesterday I would like to offer a couple of comments:

1. I applaud your bringing out that the lady that testified from out of state was paid by FMH.
2. I am disappointed that you do not have people identify themselves as a registered lobbyist (if they are, and I believe at least one of the people who testified is) and for whom they are a lobbyist.
3. I hope the Committee understands that the Board in Fairbanks that advises the hospital is not part of the management. FMH is operated and managed by an out of state firm -- Banner Health.

Please share this and my email of yesterday with the whole committee.

Carl Wales

Carl Wales  
PO Box 82647  
Fairbanks, AK 99708-2647

voice 907-479-3180  
fax 907-479-0997

**Subject:** HR407 hearing today

**Date:** Tue, 02 Apr 2002 17:22:27 -0900

**From:** Carl Wales <cwales@alaska.com>

**To:** Representative\_Fred\_Dyson@legis.state.ak.us

Mr. Chairman;

I attended the hearing on HR407 today at the local LAO here in Fairbanks. I was the next person you were going to call on in Fairbanks when you switched to a person in your hearing room (a former employee of FMH I believe) as the last person to testify today. You never asked if there was anyone in Fairbanks who could not attend on Thursday.

I took time off from work (the hours are non-billable) to attend and testify today. I cannot take time off on Thursday.

I have no doubt that verbal testimony has more impact than written submissions and I am extremely disappointed that almost all of the testimony time was devoted to people from the industry including people from out of state who were paid to testify. These people are all very biased.

You only heard from one patient-- you should be hearing from patients/private citizens first and industry people after individual citizens. I only hope you and your committee will read my testimony material which was faxed to you (or at least turned in to be faxed to you).

I also strongly encourage you to be careful about believing what people tell you. The lady from Seattle who claims there is no need in Fairbanks because of the CON process in 1999 has NOT been a patient in Fairbanks. I-- and many if not most or even all-- patients in Fairbanks will disagree about the lack of need. The CON process in 1999 was political and not decided on merit.

Please pass HR 407 or even better do away with the CON process as so many states have done.

My experience today suggests that only those people who can take the time to testify as part of their job, and in many cases have an employer or organization to pay them to go to Juneau, get to influence the legislative process.

Respectfully submitted;

Carl Wales

Carl Wales  
PO Box 82647  
Fairbanks, AK 99708-2647

voice 907-479-3180  
fax 907-479-0997

**Subject: CON HB407 Outpatient Rate Myth FMH**

**Date: Wed, 03 Apr 2002 12:24:15 -0900**

**From: Stephen Hendricks <ziptech@pobox.alaska.net>**

**To: Representative\_Fred\_Dyson@legis.state.ak.us**

Dear Representative Dyson,

I had the opportunity yesterday to listen in on the teleconference about the Certificate of Need (CON) Bill and have several comments.

The Administrator from Fairbanks Memorial Hospital made statements about FMH providing services for outpatients at FMH that are currently cheaper than anyone else in the state. While on the surface this may appear to be true there are several points that are worth consideration.

1) This was not the case prior to 1999. It was not until **after** two potential competitors, Tanana Valley Clinic (TVC) and Fairbanks Ambulatory Surgery Center (FASC), submitted CON Applications to the AKDHSS, that FMH subsequently lowered all of their rates, so that they could make the claim they were the lowest. Both of these CON applications contained projected rates for service that were based on the Alaska Surgery Center's (ASC) rates in Anchorage. ASC's rates were lower than FMH's rates, prior to the two CON applications.

Remember what telephone calls in Alaska used to cost before GCI came on the scene and... before they offered service statewide? During that transition, Alascom continually lowered its rates in order to try and convince its present and GCI's future customers that a telecommunication monopoly was good.

2) Second part to this observation is that FMH makes this claim utilizing "room rates". Room rates means what it implies, the cost relates to the fee for the Operating Room. Other fees can be and **are** added to room rates by the hospital for supplies that are used during the course of the procedure. The ASC and the proposed FASC used global rates in their projections. Global rates are all inclusive, everything is included in the one single rate. One of the problems I have with AKDHSS is that they don't require a standardization for data of this type when evaluating competing applications - they just guess when the data is presented in two differing formats. The problem I have with FMH is that they make claims like this that are totally untrue.

Best regards,

Steve Hendricks  
907-563-4816

p.s. He (the FMH administrator) also said that that AKDHSS denied all applications and that the need for Two Additional Operating Rooms wouldn't be necessary until the year 2017. This is incredibly untrue per AKDHSS's website,

"Two new surgery suites will not be needed until sometime between 2004 to 2007."

<http://www.hss.state.ak.us/das/facilities/certofneed/AnnualReports/99Activity.htm>

The reason for the "Two Operating Rooms" criteria is that a freestanding Outpatient Surgery Center is not considered viable with just a single operating room.

S

**Subject: CON HB407 Charity Care Myth**

**Date:** Wed, 03 Apr 2002 13:58:41 -0900

**From:** Stephen Hendricks <ziptech@pobox.alaska.net>

**To:** Representative\_Fred\_Dyson@legis.state.ak.us

Dear Representative Dyson,

I had the opportunity yesterday to listen in on the teleconference about the CON Bill and have several comments.

There was some testimony from a Providence employee about charity care and operating at a loss in Seward. Every institution that opposes this HB407 insinuates that any potential competitor will cherry pick all of the high profit (*excess revenue* in non-profit lingo) cases and leave the non-profit institutions with all the cases that fall into the charity care, and then they would go out of business or not be able to help the poor. This assumes of course that any potential for-profit competitor would not handle charity care. Ms. Kim Pickerel, former Administrator of Alaska Surgery Center (ASC) told me that charity care comprises 12% of all ASC's cases. That doesn't sound to me like cherry picking. Moreover, the hospitals make out on Medicaid when compared with the reimbursement rates that freestanding outpatient surgery centers get for same services. Please see the attached document to find out how it costs the State of Alaska, on average, about \$310 more and the federal government \$510 more, for every Medicaid case done at a hospital instead of at a freestanding outpatient surgery center.

All of the examples the FMH Administrator cited at the 04/02/02 HESS hearing defined situations where the big-bad, cherry-picking, for-profit, competitor came in and made the uniquely-altruistic, good-guy, non-profit, hospitals go out of business. Nowhere did he cite one example where the competitor came in with better technology, provided better care at a better price, and saved the consumer money. Nor did he indicate whether or not the failed institutions had any management, training, or lawsuit related performance problems that may have contributed to their ultimate demise. Not to mention the fact they may have existed in an area with 3 or 4 other hospitals, they amongst the group were the weakest, and their demise made business better for the remaining hospitals and all of the patients served by them. Hmmm.... These examples all exist. Lots of them.

Secondly, Seward hospital operates at a \$7 million dollar loss - maybe (only the IRS knows for sure and considering the holdings of Providence, it would take more than one IRS agent to figure that issue out). Based on that information, what potential competitor that had any legitimate business experience and appropriate funding would try to compete with Seward Hospital? For what services? Besides, I think if you include everyone between Seward and Moose Pass there may be 4,000 people living there, which is a far cry from the 55,000 threshold this bill seeks to change.


So that brings us to money made in Anchorage to pay for the loss in Seward. Patients who are charged more for services at one (non-profit) institution, have no say how the extra cost is expended elsewhere in the system. Take FMH for example. Every board member on the board of the Greater Fairbanks Community Hospital Foundation thinks that they have some legitimate voice or control over how FMH is run. What most of them don't realize is that somewhere between 1 and 2 million dollars of FMH's excess revenue annually goes outside to Luthern Healthcare Services (now known as Banner Health System) to support services outside of Alaska. This is because Luthern Healthcare Services holds the contract to run FMH and does so the way they see fit. None of these board members have any say on how these funds that leave Alaska are spent.

Consider this, what if all of the non-profit health institutions in Alaska had to pay property taxes the same way that for-profit institutions have to? What dollar amount would the communities, all over Alaska have available to spend on their populations from these taxes, which would be controlled by city governments made up by people elected by those constituents? At least if that money was spent contrary to a voters wishes, there would be some recourse at

the polls. As it stands, no one in Anchorage has any say how Providence spends their money in Seward, much less does anyone in Fairbanks have any say about how money from the portion of excess revenue that FMH sends to Banner Health System operating in one of the 14 states it has programs.

Best regards,

Steve Hendricks

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**Subject: Fairbanks Certificate of Need**

**Date:** Wed, 3 Apr 2002 15:14:41 -0900

**From:** "alaskaboy" <alaskaboy@mosquitonet.com>

**To:** <Representative\_Fred\_Dyson@legis.state.ak.us>

Dear Mr. Dyson,

I know this has already passed thru your committee, but please take a few minutes to think about this matter and I will keep this as brief as possible. I am part of a small group of physicians who work on a contract basis to provide imaging services for both Fairbanks Memorial Hospital and Tanana Valley Clinic on a contract basis. I am generally pro-clinic in most matters as this provides our business with an alternative to FMH which provides a majority of our work. The presence of a surgery center addition to TVC or continued utilization of the available beds at FMH will have no effect upon my practice in a monetary sense. I do feel strongly that the hospital does an excellent job of taking the more lucrative services, of which ambulatory surgery is the golden fleece, and reinvesting in non-profitable services like the mental health unit and the cancer treatment center. This is consistent with the Non-profit status of the hospital which Fairbanks is fortunate enough to have conceived. Multiple studies published by the AMA and The New England Journal of Medicine have shown that self-referral leads to increased utilization and higher costs to the patient and medical carrier. This is self evident with the new addition of the lower resolution MRI unit at TVC in February 2002. I am not familiar with all the technical charges (those which TVC bill for) of each exam, although of the studies of which I have dealt with are 20 to 40 percent higher than similar services provided at the hospital imaging department. In no practical sense does a patient have the ability or even knowledge that they can choose where to undergo a procedure.

Unfortunately, I believe lifting the CON this has more to do with patient control and profits rather than patient advocatism. I ask you to thoroughly consider the consequences of allowing the siphoning of funds from a non-profit institution into a privately held physician-owned corporation where reinvestment in the community is left for someone else to burden.

Please contact me for any questions you may have.

Sincerely,

Mark Burton, M.D.

**Subject: Follow Up**

**Date:** Wed, 03 Apr 2002 12:57:53 -0700

**From:** "Dennis Murray" <Dennis.Murray@bannerhealth.com>

**To:** <Representative\_Fred\_Dyson@legis.state.ak.us>

Dear Rep. Dyson:

Thanks for the opportunity to testify on HB 407. I appreciated your desire to understand this pretty complex issue. I thought your questions of those testifying were perceptive.

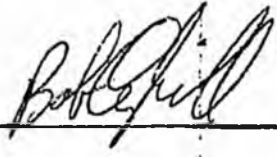
Are you planning to be at Providence's community celebration this Saturday at St. Patrick's?? Would be great to visit with you about this legislation. I'm not sure you can resolve some of your questions by Thursday. I hope you hold the legislation long enough be satisfied that it is in the state's best interest to remove the CON from equipment/facility construction (including costs) in our three major urban centers (Anchorage, Mat-Su and Fairbanks).

Dennis Murray

160 City Lights Blvd.  
Fairbanks, AK 99712  
Work: 479-3909 Work fax 479-2215  
Home: 457-2637 Email: bob\_coghill@hotmail.com

**Bob Coghill**

# Fax

**To:** Rep. Fred Dyson **From:** Bob Coghill 

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**Fax:** 907/465-4587 **Pages:** 1

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**Phone:** **Date:** 4/4/02

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**Re:** HB 407 **CC:**

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• **Comments:**

Concerning HB 407 – Certificate of Need

I hope you carefully consider this bill. Passage of this bill could provide for more opportunities for quality care in Fairbanks. It probably will result in considerable savings to individuals and those who insure the health care of those individuals.

As a member of the F.N.S.B. Board of Education I have watched the cost of health care erode the education dollar. The same erosion is certainly true at the University, the City of Fairbanks and every major employer in Fairbanks.

This should result in major saving to the State Medicaid program with less expensive procedures available in Fairbanks.

Thank you for your consideration.

Yours truly, Bob Coghill

April 1, 2002

Dear Representative Dyson,  
(fax # 907-465-4587)

I am extremely concerned about the current Certificate of Need (CON) legislation that is being considered by the state legislature.

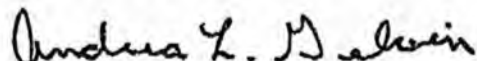
Fairbanks' health care needs have been well met by FMH for the last 30 years in a responsible way, complying with the current CON program. I see little need for a change that mainly targets FMH to the benefit of a few doctors who are merely "cherry picking" the best paying procedures or services. Generally I believe in the free market system, but the health care system of the interior of Alaska is very complex and has more issues to consider than increasing the income of a few doctors.

I wonder if you have considered the fact that doctors who own a facility will refer patients to themselves, the facility where they have financial interest. Is that a fair market, when FMH cannot competitively refer patients to itself? Can these doctors who are hoping to increase their profit, make an unbiased decision as to whether or not to do a procedure or prescribe a service if there is a personal financial incentive to do so.

Nationally, the health care system is already not a free market system. Medicare is already severely underpaying for the services they expect a community healthcare system to support. If you want to work toward a free market system, start there first.

Please stop the current legislation changing the CON program. It is shortsighted and extremely unfair in the big picture. It is difficult to factor in the expense of compassion and community spirit, into the financial bottom line of a health care institution, but FMH has been doing a fine job of that for all these years. Please do not sacrifice a well-managed community non-profit hospital for the personal financial interests of a few.

Sincerely,



Andrea L. Gelvin, P.O. Box 83967, Fairbanks, AK 99708