



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Health

OFFICE OF THE COMMISSIONER

Anchorage

3601 C Street, Suite 902
Anchorage, Alaska 99503-5923
Main: 907.269.7800
Fax: 907.269.0060

Juneau

P.O. Box 110601
350 Main Street, Suite 404
Juneau, Alaska 99811-0601
Main: 907.465.3030
Fax: 907.465.3068

February 3, 2025

Joe Wanner, CEO
Bartlett Regional Hospital
3260 Hospital Drive
Juneau, Alaska 99801
Via email: jmwanner@bartletthospital.org

RE: Response to Bartlett Regional Hospital Certificate of Need Application for
Emergency Department Expansion and Renovation Project

Dear Mr. Wanner,

After careful review and consideration of Bartlett Regional Hospital's (BRH) Certificate of Need (CON) application for the Emergency Department Expansion and Renovation Project (EDERP), the Department of Health (Department) approves the application in its entirety.

BRH's approved EDERP includes significant upgrades to enhance emergency care services, the environment of care, patient safety, and to align with modern infection prevention and control standards. The proposed renovations add negative pressure triage rooms, an airborne infection isolation room, and a behavioral health safe room—critical facilities currently unavailable in Juneau and the Southeast Region. These improvements are designed to meet the growing demand for emergency care, particularly during peak tourist seasons, and to ensure the hospital can manage current and future health care challenges effectively.

The approved project includes a maximum expenditure of \$10,545,000, which BRH's application indicates will be funded through a combination of bonds, federal Congressionally Directed Spending, and grant funding. The remodeled space is expected to be operational by Q2 2025.

This decision is based on a thorough review of the recommendation from the Office of Rate Review's CON Program, a supplemental analysis from the Division of Public Health's Office of Rural Health, and an evaluation of BRH's CON application. The materials highlighted a need to: 1) remodel and update the current emergency department to improve service delivery; 2) expand infection control options; and 3) meet the seasonal spike in emergency department use during the summer tourism season, which is anticipated to increase in future years. The proposal fully satisfied five of the six General Review Standards and met the remaining standard in part. Furthermore, the proposal fully satisfied two of the four Service-Specific Review Standards, met

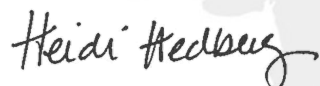
one of the remaining standards in part, and the final standard was not applicable. The project is anticipated to enhance the capacity and functionality of BRH's emergency department by addressing infection control needs and improving space utilization. It will also better equip the facility to handle seasonal surges, particularly during the peak tourist season. These upgrades are expected to create a safer, more efficient environment for patients and staff.

One of the department's top priorities for Medicaid services is promoting the use of appropriate levels of medical care to enhance health outcomes and effectively manage Medicaid costs. The proposed project expands the capacity and functionality of the emergency department, but is not designed to increase overall utilization of emergency department services at the patient level. Instead, the project focuses on improving the quality and efficiency of care for patients who already require emergency treatment. By enhancing infection control measures, updating infrastructure, and reconfiguring existing spaces into specialized treatment rooms, the project ensures that BRH's emergency department can continue to meet the needs of the community and its visitors without encouraging unnecessary use of emergency services. This aligns with the broader Medicaid strategy of encouraging preventive care and lower-cost alternatives, such as primary care, urgent care clinics, and crisis services for non-emergency needs.

Consideration was also given to the requirement under 7 AAC 07.070(b)(7)(A) to evaluate special or extraordinary circumstances related to community access to healthcare. As the only community-based hospital in the City and Borough of Juneau, BRH plays an essential role as a health care services hub. Although population-based projections suggest that no additional emergency department treatment rooms would be needed in the next five years, BRH provided compelling evidence of unique circumstances that support this project. Seasonal peak use rates, driven by approximately 1.3 million cruise ship visitors during the five-month period from May to September, create a need for expanded capacity beyond the baseline projection.

The Department recognizes the importance of these enhancements in safeguarding the health and welfare of Juneau's residents and visitors. The approval of this Certificate of Need reflects the State's commitment to supporting BRH's efforts to provide exceptional, accessible, and patient-centered care. If you have any questions or require further assistance as you move forward with this project, please do not hesitate to contact Alexandria Hicks, Healthcare Access and Services Development Manager at Alexandria.Hicks@alaska.gov.

Sincerely,



Heidi Hedberg
Commissioner
Alaska Department of Health

CC: Emily Ricci, Deputy Commissioner
Alex Hicks, Healthcare Access and Services Development Manager
Chris Robison, Department of Law