

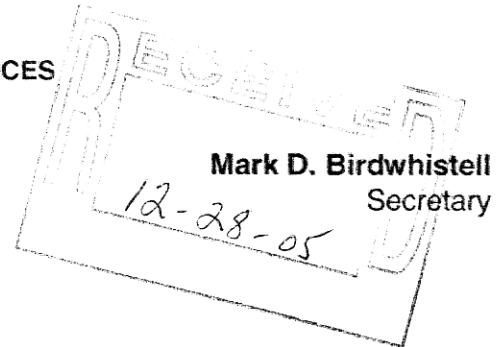


**CABINET FOR HEALTH AND FAMILY SERVICES  
OFFICE OF THE SECRETARY**

**Ernie Fletcher**  
Governor

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December 20, 2005



Honorable JP Wiles  
400 East Mt. Vernon Street  
P.O. Box 989  
Somerset, Kentucky 42502

Honorable Darrel Beshears  
400 East Mt. Vernon Street  
P.O. Box 989  
Somerset, Kentucky 42502

RE: Request for Certificate of Need for an acute  
care hospital to be located in Pulaski County

Dear Mayor Wiles and Judge Beshears:

This letter is in response to your November 17, 2005, facsimile, to Regina Crawford. In that letter, you requested that a Certificate of Need be issued to Pulaski County Fiscal Court and the City of Somerset for purposes of constructing a new hospital in Somerset. You further requested that this request be considered under the nonsubstantive review process set forth in 900 KAR 6:050.

First, thank you for your inquiry and your attention to this matter. As always, we are happy to discuss with you the process involved in applying for a Certificate of Need. For the reasons set forth below, we are unable to process your request at this time.

As you know, a moratorium with respect to Certificate of Need issues is in effect until December 31, 2005. Among other things, this prevents an application for a proposed new hospital from being processed unless and until the moratorium expires.

You have requested that the proposed project be processed on a nonsubstantive basis. 900 KAR 6:050, Section 8(2)(a) provides that nonsubstantive review may be granted for the establishment of a health facility "for which there is not a component in the State Health Plan." It is the position of this office that an application for a new hospital would involve the establishment of acute care beds. Because there is a specific review criteria



in the State Health Plan for the addition of acute care beds, any application for a new hospital would proceed through the "formal review" process described by 900 KAR 6:050.

All individuals or entities that intend to seek a Certificate of Need must submit a Letter of Intent to the Office of Health Policy, Division of Certificate of Need, 275 East Main Street, 3CB, Frankfort, Kentucky 40621. A copy of the applicable letter as well as other forms used for Certificate of Need purposes can be obtained at [www.chfs.ky.gov/ohp/con/forms.htm](http://www.chfs.ky.gov/ohp/con/forms.htm). All applicants must subsequently complete an application regarding the proposed project. Such an application is referred to as "Form 2A" at the above web site. Consequently, we cannot accept your letter of November 17, 2005, as an application for a Certificate of Need.

All Certificate of Need applications to establish a new facility are "batched" with similar requests so that they are considered simultaneously. The next deadline for submitting a Letter of Intent for a proposed hospital is February 27, 2006. The deadline for submitting an application for such a proposal would be March 29, 2006 with an August 16, 2006 decision date.

In addition, please be advised that all applications must also be accompanied by the applicable application fee. Pursuant to 900 KAR 6:020, the Certificate of Need application fee is determined based on the estimated cost of the proposed project. All projects with an estimated capital expenditure in excess of \$10,000,000 are required to submit an application fee in the amount of \$11,000 plus an additional .05% of the estimated capital expenditure.

I hope this information has been helpful. If you require further assistance please feel free to contact my office at (502) 564-9589.

Sincerely,



Shawn M. Crouch  
Executive Director

Cc: Mark Birdwhistell, Secretary  
Jeff Barnett, Deputy Executive Director