

**The Greater
Fairbanks Community
Hospital
Foundation,
Incorporated**

September 14, 2007

Senator Bettye Davis
Joint HESS CON Hearing

via: Richard_Benavides@legis.state.ak.us

▼
*Community Owner of
Fairbanks Memorial Hospital
Denali Center
Fairbanks Cancer
Treatment Center
Fairbanks Imaging Center*

▼
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*Executive Director
& General Counsel:*
Daniel E. Winfree

Dear Senator Davis,

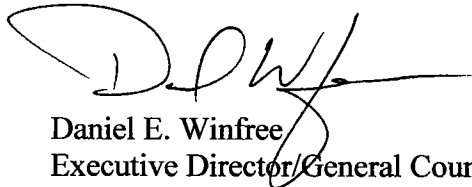
Fairbanks Memorial Hospital arose from the gloom of a closing, pioneer-era hospital and the great flood of 1967. Forty years later, FMH stands as the centerpiece of the Fairbanks community's healthcare system, a tribute to the best of what the non-profit system has to offer society.

The State of Alaska has a substantial interest in seeing that sole community providers like FMH continue to be successful and support local healthcare systems. The State invested millions of dollars in FMH facilities, is a major payer for medical services at FMH, and certainly would be the target of ever-increasing appropriation requests for healthcare funding if FMH no longer is financially able to provide the wide array of 'unprofitable' services and other community benefits made possible by the few 'profitable' services in the hospital setting. The community shares this interest, for obvious reasons.

Sole community hospitals depend upon reasonable regulation of the healthcare system to ensure level playing fields and economic viability. Hospitals cannot compete with doctors who own medical facilities and self-refer the fully insured for lucrative services, regardless of pricing, and then refer all the others to the hospital. The resulting gaping holes in hospital finances will be the gaping holes in the community healthcare safety net. Those holes will be left unfilled or will be filled by increased charges for other hospital services.

The Hospital Foundation is proud to have served the Fairbanks community so well over the 35 years that FMH has been in operation. We want to continue those efforts, not for the benefit of a few, but for the benefit of the entire community. The CON laws help us fulfill our mission.

Sincerely,



Daniel E. Winfree
Executive Director/General Counsel

cc: Mike Powers
Rod Betit