

December 28, 2023

Ms. Emily T. Marsal  
Executive Director  
State Health Planning and Development Agency  
P.O. Box 303025  
Montgomery, Alabama 36130-3025

Re: Project Modification for AL2022-009; CON 3000-H-EXT  
East Alabama Medical Center

Dear Ms. Marsal:

The East Alabama Health Care Authority d/b/a East Alabama Medical Center ("EAMC") was issued Certificate of Need 3000-H-EXT to add thirty (30) general acute care beds to its existing hospital in Lee County. Pursuant to Section 410-1-10-.03 of the Alabama Certificate of Need ("CON") Program Rules and Regulations, EAMC requests a Project Modification to CON 3000-H-EXT. A filing fee in the amount of \$8,436.75 which is thirty-five percent of the original CON application fee has been submitted electronically.

Information supporting this modification request is included with this correspondence. These documents include an updated Executive Summary of the project, updated project cost, updated construction activities, and a schematic drawing of the proposed fifth floor.

The project modification will involve a change in the square feet of the bed expansion from approximately 44,890 square feet to 67,335 square feet. The design of the original project is being modified due to rising construction costs and the need to house the additional thirty (30) beds on one floor. The project modification involves adding three additional floors on top of EAMC's West Pavilion, which currently houses its cardiovascular intensive care unit ("CVICU") and intensive care unit ("ICU"), instead of the originally approved two floors. The third floor will consist of mechanical space for HVAC equipment and will not be occupied. The fourth floor will be shell space only at this time and the fifth floor will have a twenty (20) bed ICU with a satellite pharmacy and a 10-bed unit that can flex as a stepdown unit or as an ICU.

Thank you for your consideration of this project modification request and please contact me if you should have any questions, need additional information, or would like to discuss further.

Sincerely,



Marcilla C. Gross  
Executive Director  
Regulatory Affairs & Leadership Development

cc: Ms. Laura D. Grill, President/CEO  
Mr. Greg Nichols, Executive Vice President/Administrator

III. EXECUTIVE SUMMARY OF THE PROJECT (brief description)

This project is for the addition of thirty (30) acute care beds to East Alabama Medical Center's existing licensed bed capacity using the "Bed Availability Assurance" rule. Section 410-2-4-.02(5) of the *2020-2023 Alabama State Health Plan*, Bed Availability Assurance for Acute Care (Hospitals), allows for existing acute care hospitals that are experiencing high census levels "to add acute care beds if the existing acute care hospital can demonstrate an average weekday acute bed (including observation patients) occupancy rate/census (Monday through Friday at midnight, exclusive of national holidays) for two separate and distinct periods of thirty (30) consecutive calendar days of the most recent twelve (12) month period at or above the desired average occupancy rate of eighty percent (80%) of total licensed acute care beds for that hospital." This section also states that a hospital that meets the 80% occupancy rate for two (2) separate and distinct thirty (30) day periods "may seek a CON to add up to ten percent (10%) of licensed bed capacity (not to exceed 50 beds), round to the nearest whole, or alternatively up to thirty (30) beds, whichever is greater (which shall be at the applicant's option)."

East Alabama Medical Center ("EAMC") is a 314-bed licensed hospital. The 314 beds consist of 286 acute care beds and 28 psychiatric beds. For purposes of this application and to be consistent with the *2020-2023 Alabama State Health Plan*, the 80% occupancy is based on EAMC's number of acute care beds which is 286. The addition of 30 acute care beds would bring EAMC's licensed bed capacity to 316 acute care beds and 28 psychiatric care beds for a total of 344 licensed hospital beds.

EAMC met the 80% occupancy rate for two (2) separate and distinct thirty (30) day periods including weekdays but excluding weekends and holidays for the two periods of January 4 through February 12, 2021 and August 9 through September 20, 2021. The average weekday acute bed occupancy percentage rates were 82.87% and 80.76% respectively.

Section 410-2-4-.02(3) of the *2020-2023 Alabama State Health Plan*, defines the planning area for acute care beds as the county "with the exception of certain counties which are grouped together into one planning area due to a current or previous lack of an extant hospital in the area: Calhoun/Cleburne, Fayette/Lamar, Houston/Henry, Lee/Macon, Marengo/Choctaw/Perry, Montgomery/Lowndes and Tallapoosa/Coosa." The planning area for EAMC is Lee and Macon counties based on the current *Alabama State Health Plan*. EAMC is currently the only acute care hospital in Lee and Macon counties. Because there is not another acute care hospital in this planning area, there is no detrimental impact on other hospital providers.

This project allows for the addition of three additional floors on top of EAMC's West Pavilion which currently houses its cardiovascular intensive care unit ("CVICU") and intensive care unit ("ICU"). The third floor will consist of mechanical space for HVAC equipment and will not be occupied. The fourth floor will be shell space only at this time. The fifth floor will have a 20-bed intensive care unit with a satellite pharmacy and a 10-bed unit that can flex as a stepdown unit or as an intensive care unit.

**Project Modification for AL2022-009, CON 3000-H-EXT**

**IV. COST**

A.	Construction (includes modernization expansion)	
1.	Predevelopment	\$ <u>100,000</u>
2.	Site Acquisition	<u>                    </u>
3.	Site Development	<u>                    </u>
4.	Construction	<u>26,582,225</u>
5.	Architect and Engineering Fees	<u>3,056,861</u>
6.	Renovation	<u>                    </u>
7.	Interest during time period of construction	<u>                    </u>
8.	Attorney and consultant fees	<u>80,000</u>
9.	Bond Issuance Costs	<u>                    </u>
10.	Other <u>Construction Contingency</u>	<u>2,559,000</u>
11.	Other <u>Payment &amp; Performance Bond</u>	<u>130,000</u>
	<b>TOTAL COST OF CONSTRUCTION</b>	<b>\$ <u>32,508,086</u></b>
B.	Purchase	
1.	Facility	\$ <u>                    </u>
2.	Major Medical Equipment	<u>                    </u>
3.	Other Equipment (FF&E)	<u>9,768,012</u>
	<b>TOTAL COST OF PURCHASE</b>	<b>\$ <u>9,768,012</u></b>
C.	Lease	
1.	Facility Cost Per Year \$ <u>          </u> x <u>  </u> Years =	\$ <u>                    </u>
2.	Equipment Cost per Month <u>          </u> x <u>          </u> Months =	<u>                    </u>
3.	Land-only Lease Cost per Year <u>          </u> x <u>          </u> Years	<u>                    </u>
	<b>TOTAL COST OF LEASE(s)</b>	<b>\$ <u>                    0</u></b>
	(compute according to generally accepted accounting principles)	
	Cost if Purchased	\$ <u>                    n/a</u>
D.	Services	
1.	<u>          </u> New Service	\$ <u>                    </u>
2.	<u>  X  </u> Expansion	\$ <u>11,043,850</u>
3.	<u>          </u> Reduction or Termination	\$ <u>                    </u>
4.	<u>          </u> Other (New Construction/Relocation)	\$ <u>                    </u>
	<b>FIRST YEAR NEW ANNUAL OPERATING COST</b>	<b>\$ <u>11,043,850</u></b>
E.	<b>Total Cost of this Project (Total A through D)</b> (should equal V-C on page A-4)	<b>\$ <u>53,319,948</u></b>

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**IV. COST (continued)**

F.	Proposed Finance Charges	
1.	Total Amount to Be Financed	\$ _____
2.	Anticipated Interest Rates	_____
3.	Term of Loan	_____
4.	Method of Calculating Interest on Principal Payment	_____
	_____	
	_____	

**V. ANTICIPATED SOURCE OF FUNDING**

A.	Federal	Amount	Source
1.	Grants	\$ _____	_____
2.	Loans	_____	_____
B.	Non-Federal		
1.	Commercial Loan	_____	_____
2.	Tax-exempt Revenue Bonds	_____	_____
3.	General Obligation Bonds	_____	_____
4.	New Earning and Revenues		
	(First Year)	<u>11,043,850</u>	The East Alabama Health Care Authority
5.	Charitable Fund Raising	_____	_____
			The East Alabama Health Care Authority
6.	Cash on Hand	<u>42,276,098</u>	_____
7.	Other	_____	_____
C.	TOTAL (should equal IV-E on page A-3)	\$ <u>53,319,948</u>	

**VI. TIMETABLE**

A.	Projected Start/Purchase Date	<u>6 months after CON approval</u>
B.	Projected Completion Date	<u>18 months from start date</u>

**Project Modification for AL2022-009, CON 3000-H-EXT**

**PART THREE: CONSTRUCTION OR RENOVATION ACTIVITIES**

Complete the following if construction/renovation is involved in this project. Indicate N/A for any questions not applicable.

**I. ARCHITECT**     Doug McCurry  
Firm                    TRO Jung Brannen  
Address              2200 Lakeshore Drive #200  
City/State/Zip     Birmingham, Alabama 35209  
Contact Person    Doug McCurry  
Telephone          (205) 324-6744  
Architect's Project Number   EAH.2132

**II. ATTACH SCHEMATICS AND THE FOLLOWING INFORMATION**

**A. Describe the proposed construction/renovation**

The proposed construction consists of a vertical expansion of three floors to EAMC's West Pavilion which is currently two stories. The three new floors will have approximately 22,445 square feet per floor. The third floor will consist of mechanical space for HVAC equipment and will not be occupied. The fourth floor will be shell space only at this time. The fifth floor will have a 20-bed intensive care unit with a satellite pharmacy and a 10-bed unit that can flex as a stepdown unit or as an intensive care unit.

**B. Total gross square footage to be constructed/renovated**     67,335 square feet

**C. Net useable square footage (not including stairs, elevators, corridors, toilets)**  
15,830 square feet

**D. Acres of land to be purchased or leased**     None

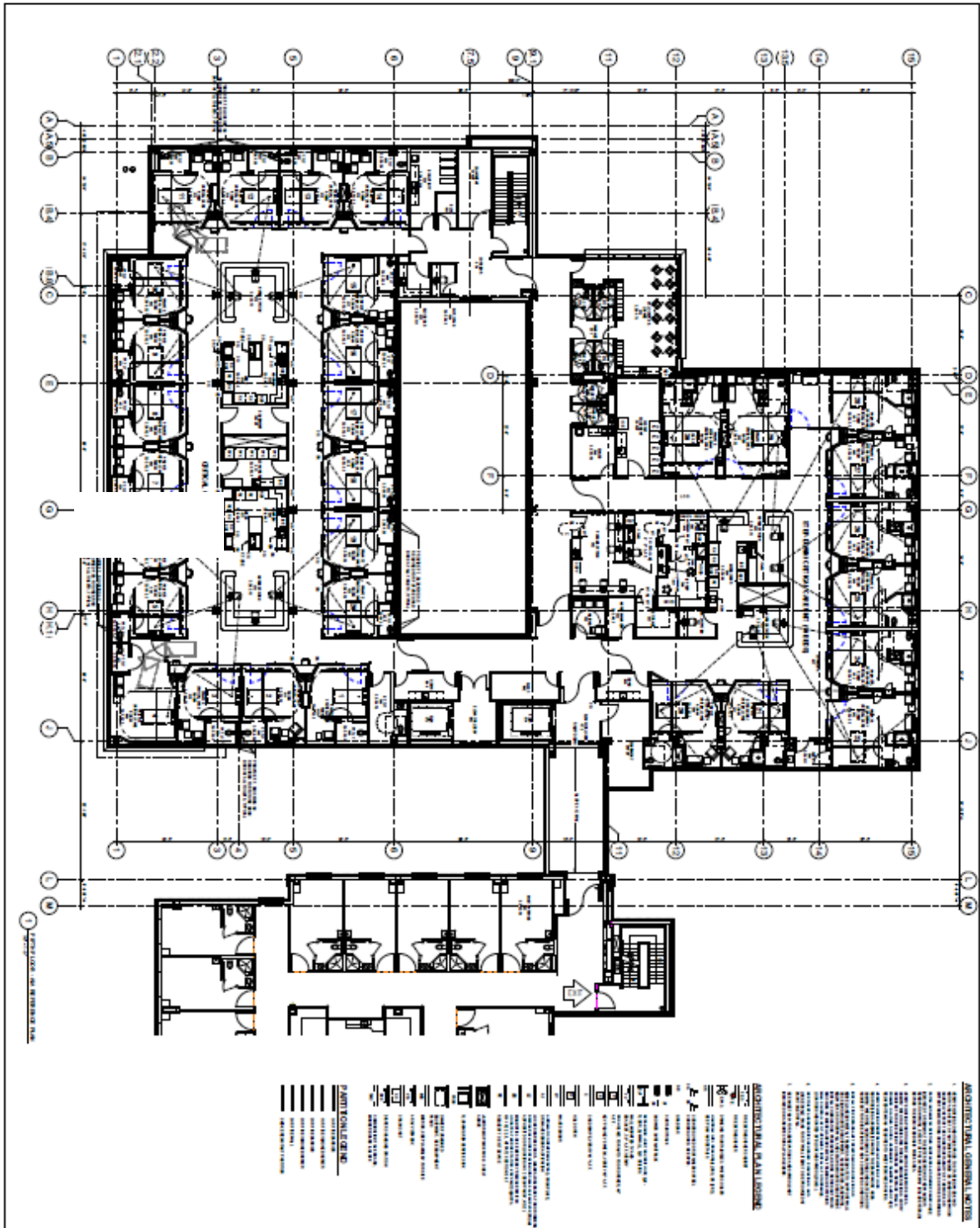
**E. Acres of land owned on site**     38

**F. Anticipated amount of time for construction or renovations**     18 months

**G. Cost per square foot**     \$ 482.78  
(\$32,508,086/67,335 square feet)

**G. Cost per bed (if applicable)**  
Cost per bed based only on construction cost (\$32,508,086/30 beds)     \$ 1,083,602  
Cost per bed based on total project cost (\$53,319,948/30 beds)     \$ 1,777,332

Fifth Floor Schematic Drawing



**ARCHITECTURAL GENERAL NOTES**

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS.
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL BUILDING CODES AND REGULATIONS.
3. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL CODES AND REGULATIONS.
4. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE LOCAL CODES AND REGULATIONS.
5. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STATE CODES AND REGULATIONS.
6. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE FEDERAL CODES AND REGULATIONS.
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11. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STATE CODES AND REGULATIONS.
12. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE FEDERAL CODES AND REGULATIONS.

**LEGEND**

- 1. FINISHES
- 2. PARTITIONING
- 3. DOORS
- 4. WINDOWS
- 5. STAIRS
- 6. ELEVATORS
- 7. MECHANICAL
- 8. ELECTRICAL
- 9. PLUMBING
- 10. FIRE PROTECTION
- 11. SECURITY
- 12. OTHER

**GENERAL NOTES**

- 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS.
- 2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL BUILDING CODES AND REGULATIONS.
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- 12. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE FEDERAL CODES AND REGULATIONS.

**WEST PAVILION VERTICAL EXPANSION**

**East Alabama Medical Center**  
Opelika, Alabama

**GAITCO**

**TR0 JB**  
TR0 Joint System  
SYSTEMS

**FIFTH FLOOR - AM REFERENCE PLAN**

**A205**

# Your Receipt

## PURCHASE RECEIPT

### **SHPDA**

PO Box 303025  
Montgomery AL 36130-3025  
(334)242-4109  
bradford.williams@shpda.alabama.gov  
OTC Local Ref ID: 90569410  
12/29/2023 08:49 AM

Status: **APPROVED**  
Customer Name: Samuel Price  
Type: MasterCard  
Credit Card Number: \*\*\*\* \* 1304

Items	Quantity	TPE Order ID	Total Amount
Project Modification	1	97378474	\$8,436.75

Applicant Name: **East Alabama Medical Center**

Filing Date: **12/29/2023**

Phone Number: **3345285825**

Email Address: **marcilla.gross@eamc.org**

Total remitted to the SHPDA	\$8,436.75
Alabama total amount charged	\$8,691.85