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**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**

June 11, 2008

Mr. Alva Lambert
Executive Director
State Health Planning & Dev. Agency
P. O. Box 303025
Montgomery, Alabama 36130-3025

**RE: Project Modification Request # 2 --- CON 2169-H, AL2006-018, Southwest
Alabama Medical Center, Thomasville, Alabama**

Dear Mr. Lambert:

This letter represents a request by Southwest Alabama Medical Center for Project Modification # 2. The amounts requested are below the financial thresholds for review provided in CON Rules and Regulations Section 410-1-4-.01. Furthermore, this request does not involve a change in location, or a relocation, or a change in bed capacity or the provision of new services from those in the approved CON. The Requested Project Modification # 2 is presented in Attachment One with comparison to the Approved Project Modification # 1.

The Certification of Service letter is also attached, which AL2006-018 had no opposition. Therefore, there are no parties of record to serve the Project Modification upon.

For a summary update on the progress of the hospital and related improvements, please be advised that improvements for storm drainage and water/sewer improvement to the site have been completed by the City of Thomasville per contract with SWAMC. The City of Thomasville expects to release the bid for roadwork for the Medical Park, which the hospital's ER roadway will connect. Additionally, the City of Thomasville has bid the entrance road interchange with U.S. 43 to the new hospital. The City of Thomasville has also advised that lighting both entrances is under active consideration with a grant pending. Furthermore, the Phase I Environmental Study has been completed as well as survey and geotechnical soil studies. SWAMC is actively working with HUD pertaining to financing and other hospital matters. These activities with HUD have taken more time than anticipated including influences by recent economic factors. It is anticipated these activities will continue and be shortly favorable to SWAMC. These activities with HUD have consumed more time and dollars than anticipated by SWAMC.

Thank you for your attention in this matter. Please contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Griffin". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gary Griffin

cc: Mr. Philip Eastman III, Southwest Alabama Medical Center

**ATTACHMENT ONE
PROJECT MODIFICATION REQUEST # 2
SOUTHWEST ALABAMA MEDICAL CENTER**

	APPROVED PROJECT MODIFICATION ONE	REQUESTED PROJECT MODIFICATION TWO	REQUESTED INCREASE (DECREASE)
A. Construction (includes modernization, expansion)			
1. Predevelopment	\$ 2,000	\$ 2,000	\$ -
2. Site Acquisition	130,000	130,000	-
3. Site Development	-	-	-
4. New Construction	18,065,459	21,965,736	3,900,277
5. Professional Fees	1,960,129	2,906,453	946,324
6. Renovation			-
7. Interest during time period of construction	1,339,800	1,497,395	157,595
8. Attorney and Consultant Fees See Prof. Fees			-
9. Bond/HUD Issuance Costs (Financing Costs)	1,640,000	2,180,281	540,281
10. Contingency & Escalation	1,100,000	-	(1,100,000)
TOTAL COST OF CONSTRUCTION	\$ 24,237,388	\$ 28,681,865	\$ 4,444,477
B. Purchase			
1. Facility			
2. Major Medical Equipment			
3. Other Equipment	7,500,000	7,500,000	-
4. Contingency & Inflation--Equipment	750,000	750,000	-
TOTAL COST OF PURCHASE	\$ 8,250,000	\$ 8,250,000	\$ -
C. Lease			
1. Facility Cost Per Per Lease Period -			
2. Equipment Cost Per Lease Period -			
3. Land-only Lease Cost Per Lease Period -			
TOTAL COST OF LEASE(S)			
D. Services			
1. New Service			
2. Expansion			
3. Reduction or Termination			
4. X Other: Replacement Hospital	2,878,262	2,878,262	-
FIRST YEAR NEW ANNUAL OPERATING COST	\$ 2,878,262	\$ 2,878,262	\$ -
E. TOTAL COST OF THIS PROJECT	\$ 35,365,650	\$ 39,810,127	\$ 4,444,477
Note: (1) Excludes equipment being relocated from existing hospital.			

410-1-10-.03 (b) Project Modifications After Issuance of Certificate of Need

CERTIFICATE OF SERVICE

I HERBY CERTIFY that I have served a copy of the foregoing upon the listed parties of record by placing same in the United States Mail, postage prepaid and properly addressed, on this the 11th day of June, 2008.

NONE
(List name and address of all parties)

Southwest Alabama Medical Center
(Name of applicant requesting project modification)