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STATE HEALTH PLANNING
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March 20, 2014

Alva M. Lambert, Esq., Executive Director
State Health Planning and Development Agency
RSA Building, 100 North Union
Suite 870
Montgomery, AL 36104

Re: Request by Stringfellow Memorial Hospital for Determination of Non-Reviewability for Certification of Stringfellow Imaging as an Independent Diagnostic Testing Facility

Dear Mr. Lambert:

The purpose of this letter is to request your determination, pursuant to Section 401-1-7-.02 of the Alabama Certificate of Need Program Rules and Regulations ("Regulations"), that my client Stringfellow Memorial Hospital ("Stringfellow Memorial") does not need a Certificate of Need from the State Health Planning and Development Agency to operate its existing Stringfellow Imaging facility as an Independent Diagnostic Testing Facility ("IDTF") pursuant to Centers for Medicare & Medicaid ("CMS") regulations. I am enclosing a check for \$1,300.00 for the applicable fee and temporary surcharge. I offer the following information in support of my request.

Stringfellow Memorial is a 125-bed acute care hospital located in Anniston, Alabama. As part of the services it provides the community, Stringfellow Memorial operates an imaging center in Oxford, Alabama called Stringfellow Imaging, where x-rays, CT scans, MRIs, dexa (bone) density scans, and ultrasounds are performed on an outpatient basis. Stringfellow Imaging is licensed by the Alabama Department of Public Health as an Independent Physiological Laboratory. Stringfellow Memorial, which is a Part A Medicare provider, currently operates Stringfellow Imaging as a part of the hospital and bills Medicare for Stringfellow Imaging's services at Part A provider rates.

Stringfellow Memorial is now seeking to have Stringfellow Imaging certified as an Independent Diagnostic Testing Facility pursuant to CMS regulations. As an IDTF, Stringfellow

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Imaging's services would be billed at Part B Medicare provider rates. In order to become certified as an IDTF, Stringfellow Memorial must obtain a new Part B provider number and file an application with CMS to have Stringfellow Imaging certified as an IDTF. Apart from the differences in Medicare reimbursement, nothing about the way Stringfellow Imaging currently operates would change as a result of its proposed certification as an IDTF. Stringfellow Imaging would continue to be wholly owned by Stringfellow Memorial and continue to provide the same imaging services at the same location.

Because it will only be obtaining a new provider number and certification and not adding any new institutional health services, Stringfellow Memorial is not required to obtain a CON pursuant to Alabama Code § 22-21-263. The assignment of a new Medicare provider number and the certification of Stringfellow Imaging as an IDTF will not in any way (1) involve the construction, development, acquisition, or establishment of a new health care facility; (2) trigger any of the CON expenditure thresholds specified in Alabama Code § 22-21-263(a)(2); (3) entail a change, relocation, or conversion of beds; or (4) involve new health services that were not offered at Stringfellow Imaging within the last 12 months.

Accordingly, based on the above, I respectfully request your determination that Stringfellow Memorial is not required to seek a CON in order to obtain a new Medicare provider number and operate Stringfellow Imaging as an IDTF. I appreciate your consideration of this request, and welcome the opportunity to address any questions regarding this matter.

Sincerely,



Laurence J. McDuff

LJM/lsm

Enclosure