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STATE HEALTH PLANNING

February 17, 2016

Via Electronic Delivery

Hon. Alva M. Lambert, Esq. Executive Director State Health Planning & Development Agency 100 North Union St., Suite 870 Montgomery AL 36104

Re: Request for Reviewability Determination

Russell Medical Center

Dear Mr. Lambert:

Our firm represents Russell Medical Center, an acute care hospital in Tallapoosa County, Alabama, located at 3316 Highway 280, Alexander City, AL 35010 ("RMC").

The purpose of this letter is to request your determination, pursuant to Section 410-1-7-.02 of the Alabama Certificate of Need Program Rules & Regulations ("Regulations"), that the installation and operation of a new GE Revolution M3B CT unit on RMC's campus, within the Tallapoosa County, Alabama, service area, does not require RMC to obtain a Certificate of Need ("CON") from the State Health Planning and Development Agency.

The new CT unit will not replace RMC's existing scanner but will serve as the primary unit and RMC's old GE scanner will serve as a back-up unit for down time, maintenance, repairs, etc. The scope of the proposed project will not exceed any of the CON expenditure thresholds specified in Section 410-1-2-.07 of the Regulations, of \$2,854,550 for major medical equipment, of \$1,141,819 for new annual operating costs, or of \$5,709,099 for capital expenditures, as currently adjusted for CPI.

RMC estimates that the proposed project will involve the following approximate costs:

Total Construction Cost:\$ 250,000Total Equipment Cost:\$1,500,000Total Incremental Annual Operating Cost:\$ 200,000

This project will not involve the addition of inpatient beds or the conversion of one classification of beds into another classification of beds. Further, this project will not result in the provision of any new institutional health services and will not involve financial interests by any other health care facilities or groups other than RMC.



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As RMC is a rural hospital located in a geographical area designated as rural by the Centers for Medicare & Medicaid Services, it is my understanding that RMC is exempt from the payment of a fee in connection with its request for a letter of non-reviewability.

Accordingly, based on the above, we respectfully request your determination that RMC is not required to obtain a CON in order to complete the proposed project. We appreciate your consideration of this request. Feel free to contact me if you need further information or have any questions.

CHL:rdl