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DEC 29 2016

STATE HEALTH PLANNING
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December 29, 2016

VIA EMAIL, ORIGINAL TO FOLLOW BY U.S. MAIL

Mr. Alva M. Lambert
Executive Director
Alabama State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36104
shpda.online@shpda.alabama.gov

**Re: Monroe County Health Care Authority d/b/a Monroe County Hospital
Request for Letter of Non-Reviewability**

Dear Mr. Lambert:

This firm represents Monroe County Health Care Authority d/b/a Monroe County Hospital ("MCH"), a rural acute care hospital located in Monroe County, Alabama with 94 licensed beds.¹ Pursuant to Section 410-1-7-.02 of the Alabama Certificate of Need Program Rules and Regulations ("CON Rules"), this letter requests a determination that the proposed expansion of MCH's emergency department and the corresponding relocation of its oncology department to accommodate such expansion, both of which can collectively be achieved under regulatory thresholds, is not subject to Certificate of Need ("CON") review under *Ala. Code* § 22-21-260 *et. seq.* and the CON Rules. To assist with your determination, we submit the following information on MCH's behalf:

¹ MCH is located at 2016 South Alabama Avenue, Monroeville, Alabama, 36461 (251-575-3111).

Due to overcrowding issues and space limitations, MCH is in need of an expansion of its existing emergency department. In order to expand its emergency department in an efficient and economical manner, MCH will need to utilize space that is currently occupied and being used by the oncology department. Thus, in order to allow for an expansion of its emergency department, MCH will need to relocate its oncology department to existing space elsewhere within its hospital facility. Thus, the proposed project will involve two phases:

- Phase One: Relocate the existing oncology department to shelled-in space located on the bottom floor of the hospital facility. The new space will require renovation and construction to accommodate the oncology department. Due to an increase in available space as a result of the relocation, the relocated oncology department will increase in size from seven (7) to fourteen (14) oncology treatment chairs. However, MCH will not be adding a megavoltage radiation therapy unit in connection with this relocation. The purpose and functionality of the oncology department will remain the same following the relocation.
- Phase Two: Expand the existing emergency department by utilizing the adjacent space now abandoned by the oncology department. The abandoned, adjacent space will require renovation and construction to accommodate the emergency department. The project will expand the emergency department from seven (7) beds to twelve (12) beds. The purpose and functionality of the emergency department will remain the same following the expansion.

This project does not involve the construction, development, acquisition or other establishment of a new health care facility, nor a change in the existing inpatient licensed bed capacity of a health care facility. It does not involve the offering of any new health services, as MCH currently operates an oncology department and an emergency department and is in no way altering the type of services each department provides with this project. Further, as detailed below, any capital expenditures by MCH are under the current threshold amounts set forth in *Ala. Admin. Code* § 410-1-4-.01(b) and *Ala. Code* § 22-21-263. Consequently, this relocation and expansion project does not involve new institutional health services subject to review, as defined by *Ala. Admin. Code* § 410-1-4-.01 and *Ala. Code* § 22-21-263.

Major Medical Equipment costs associated with both phases of the project are collectively estimated to be approximately \$853,000.00. New first year annual operating costs associated with both phases of the project are collectively estimated to be approximately \$480,000.00. The approximate cost of the construction and other capital expenditures associated with both phases of the project are collectively estimated to be approximately \$3,905,000.00. Thus, the expenditures are estimated to fall below current thresholds established by *Ala. Code* § 22-21-263 and *Ala. Admin. Code* § 410-1-4-.1(b). All expenditures will be made by MCH.

Accordingly, based on the above, MCH requests your determination that its proposed project is not subject to CON review under *Ala. Code* § 22-21-260 *et. seq.* and the CON Rules. As MCH is a rural hospital located in a geographic rural area, as designated by the Office of

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Management and Budget and the U.S. Census Bureau, it is my understanding that it is exempt from the payment of the letter of non-reviewability filing fee.

I appreciate your attention to this matter, and please do not hesitate to contact me should you need additional information. I may be reached at (205) 458-5429 or kfleming@burr.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kelli C. Fleming', with a long horizontal flourish extending to the right.

Kelli C. Fleming

KCF/mkm

Affirmation of Requesting Party:

The undersigned, bring first duly sworn, hereby make oath or affirm that he is the Chief Executive Officer of Monroe County Hospital, has knowledge of the facts in this request, and to the best of his information, knowledge, and belief, such facts are true and correct.

By: Jeffrey M. Brannon
Jeffrey M. Brannon, Chief Executive Officer
Monroe County Hospital

SUBSCRIBED AND SWORN to me this 28 day of December, 2016.

John F. Fetti
NOTARY PUBLIC, State at Large
My Commission Expires: 07/24/2018