

RV2022-024
RECEIVED
May 06 2022
STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

May 6, 2022

Via Electronic Filing (shpda.online@shpda.alabama.gov)

Mrs. Emily Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104

RE: Tuscaloosa Surgical Center, L.P. d/b/a Tuscaloosa Surgical Center Request for Reviewability Determination

Dear Mrs. Marsal:

Tuscaloosa Surgical Center, L.P. d/b/a Tuscaloosa Surgical Center ("TSC") operates a multi-specialty ambulatory surgery center ("ASC") in Tuscaloosa County. The purpose of this letter is to request your determination, pursuant to Rule 401-1-7-.02 of the Alabama Certificate of Need Program Rules and Regulations ("CON Rules"), that TSC is not required to obtain a Certificate of Need ("CON") for proposed renovations of its existing ASC. In order to assist with this determination, we offer the following information.

TSC provides surgical services in a multi-specialty ASC located in Tuscaloosa, Alabama. The proposed renovation consists of a one-story expansion of the existing surgical center to house additional operating rooms and support spaces. Also included in the renovation are portions of the existing interior space and upgrades to mechanical systems in order to improve efficiency and comply with all applicable building codes and regulations. Construction will be phased and coordinated with ongoing operations to ensure minimal disruption to ongoing patient care throughout the renovation process. The proposal will allow TSC to meet the current and anticipated future demand for surgical services within the existing ASC and will benefit both patients and clinicians in Tuscaloosa County and surrounding areas.

The expenditures by TSC associated with this proposal will not exceed any of the CON expenditure thresholds, as set forth in Ala. Code 22-21-263 and CON Rules 410-1-4-.01 and 410-1-2-.07, and as indexed for inflation and set forth in SHPDA's September 24, 2021, New CON Application Fee and Monetary Threshold for Review Memorandum. Specifically, the cost estimates for the proposal are as follows:

- 1. Equipment Cost Estimate \$2,925,054.87
- 2. New Annual Operating Cost Estimate \$1,233,480.00
- 3. Construction Cost Estimate \$4,871,660.00

The currently effective CON review monetary thresholds are \$3,165,569 for major medical equipment; \$1,266,226 for new annual operating costs, and \$6,331,138 for any other capital expenditures. Thus, the cost estimates for the proposed expenditures associated with this proposal fall below the applicable statutory CON review monetary thresholds, as indexed by SHPDA.

Therefore, the proposal does not constitute a "new institutional health service" subject to CON review under Ala. Code 22-21-263 and CON Rule 410-1-4-.01 because the proposal does not include any of the following:

1. The construction, development, acquisition through lease or purchase or other establishment of a healthcare facility or health maintenance organization;

2. Any expenditure by or on behalf of a health care facility or health maintenance organization exceeding the CON statutory thresholds for major medical equipment, new annual operating costs, or any other capital expenditure by or on behalf of a health care facility:

3. The addition of any inpatient beds or conversion of one classification of beds into

another classification of beds;

4. Any health service which is proposed to be offered in or through a health care facility which was no offered on a regular basis in or through such health care facility within the preceding twelve-month period;

5. Any relocation of a health care facility; or

6. Any other reviewable activity under existing CON statutes or regulations of the State of Alabama.

In accordance with the facts and analysis set forth above, the proposal does not involve a "new institutional health service" subject to CON review under Ala. Code 22-21-263 et seq. and CON rules 410-1-4-.01 et seq. We respectfully request SHPDA's determination that the proposal described within this letter is not subject to CON.

A check in the amount of \$1,000 in payment for the applicable fee will be delivered to your office. Please let me know if any additional information is needed in order to complete your review of this Reviewability Determination Request.

Jeff Haves

Administrator, Tuscaloosa Surgical Center

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Affirmation of Requesting Party:

The undersigned, being first duly sworn, hereby makes oath or affirms that he/she, as Administrator of Tuscaloosa Surgical Center, L.P. d/b/a Tuscaloosa Surgical Center has knowledge of the facts in the attached Request for Reviewability Determination, and to the best of his/her informatiqn, knowledge and belief, such facts are true and correct.

Jeff Hayes

Tuscaloosa Surgical Center, L.P. d/b/a Tuscaloosa Surgical Center

(SEAL)

SUBSCRIBED AND SWORN to before me this 6th day of May, 2022.

Notary Public

My commission expires: 4/16/2023



STATE HEALTH PLANNING AND



June 14, 2022

Via Electronic Filing (shpda.online@shpda.alabama.gov)

Mrs. Emily Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104

RE: Tuscaloosa Surgical Center, L.P. d/b/a Tuscaloosa Surgical Center Request for Reviewability Determination

Dear Mrs. Marsal:

This letter is written in response to your May 11, 2022 letter requesting additional information relating to Tuscaloosa Surgical Center, L.P. d/b/a Tuscaloosa Surgical Center's ("TSC") Request for Reviewability Determination filed on May 6, 2022.

First, you requested that we "[p]rovide detailed information concerning the full scope of surgical services offered at the existing multi-specialty ambulatory surgery center." The full scope of surgical services at TSC includes: ear nose and throat; general surgery; gastroenterology; gynecology; ophthalmology; oral/dental; orthopaedics; pain management; plastic surgery; podiatry; and urology. No new services will be offered as a result of this project.

Second, you requested that we "[p]rovide further information pertaining to the proposed construction/renovation of the existing ASC, including the actual gross square footage to be added, the total number of new operating rooms, and the specific existing interior spaces to be renovated." The proposed renovation consists of a one story, 4,883 square foot addition to the existing surgical center. The addition will house space for four (4) new operating rooms and support spaces. It is anticipated that three (3) of the operating rooms will be utilized within the first year after completion of the project, contingent upon physician and patient needs. The renovation of existing interior spaces will include pre-op and patient recovery areas, central sterile storage, the sterile processing department, and upgrades to mechanical systems in order to improve efficiency and comply with all applicable building codes and regulations.

Third, you asked that we "[p]rovide details regarding the purchase of equipment for the proposed expansion" in the context of the referenced request which "estimates \$2,925,054.87 in equipment costs." The estimated equipment costs for the proposed project include medical equipment, furniture, and technological equipment for the additional staff lounge, locker rooms, recovery area, operating rooms, and other new spaces contained within the building addition. Examples of the types of equipment include anesthesia machines, operating room lights, operating room tables, medical gas equipment, stools, video towers, patient monitoring equipment, sterile service and processing equipment, IV poles and accessories, and furnishings. The equipment cost

estimate also includes medical equipment, furniture, and technological equipment to be used in the renovated areas of the existing spaces.

Fourth, you requested that we "[p] rovide the Agency with a disclosure of financial interests in the entity requesting the reviewability determination held by any other healthcare facilities or groups." TSC is owned by Surgical Center of Tuscaloosa Holdings, Inc. (30%) and Surgery Center Partners, LLC (70%).

Please let me know if any additional information is needed in order to complete your review of TSC's Reviewability Determination Request.

Sincerely,

Administrator, Tuscaloosa Surgical Center

Affirmation of Requesting Party:

The undersigned, being first duly sworn, hereby makes oath or affirms that he/she, as Administrator of Tuscaloosa Surgical Center, L.P. d/b/a Tuscaloosa Surgical Center has knowledge of the facts in the attached Request for Reviewability Determination, and to the best of his/her information, knowledge and belief, such facts are true and correct.

Jeff Hayes

Tuscaloosa Surgical Center, L.P. d/b/a Tuscaloosa Surgical Center

(SEAL)

SUBSCRIBED AND SWORN to before me this 14th day of June, 2022

Notary Public

My commission expires:

My Commission Expires: January 29, 2024

