



**Spencer
Recovery
Centers, Inc.®**

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RV2024-008
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Jan 30 2024

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

W. Chase Cameron
Executive Director
Spencer Recovery Centers Florida Inc
3110 23rd Dr Valley, AL 36830
January 30th, 2024

Alabama State Health Planning & Development Agency
PO Box 303025
Montgomery, AL 36160-3025

Dear Sir/Madam,

This is a response to the letter received on January 22, 2024, from the Alabama State Health Planning and Development Agency (SHPDA) requesting additional information regarding the letter provided by Spencer Recovery Centers Florida, Inc. to SHPDA on January 12, 2024,

This memorandum pertains to the proposed residential mental health facility located at 3110 23rd Drive, Valley, Chambers County, Alabama. The facility will provide the following services to clients with serious mental illness Adult Residential Care Home with Specialized Medical Services, Adult Residential Partial Hospitalization Program, and Adult Crisis Residential Care.

Requested information regarding our proposed plan:

1. Per AL Code § 22-21-260(6) and 22-21-260(8) definitions, the facility is a community mental facility. The proposed facility is not associated with or connected to a hospital. The clinical health services provided are behavior health residential care to clients with a primary mental health diagnosis and a condition caused by the client's inability to function in the community without challenges.
2. Designated personnel will be prescribing medication to patients of the proposed treatment center. The facility will provide services under the direction of the medical director. Additional service providers will be psychiatrists, certified registered nurse practitioners, or physician assistants. The medical director, psychiatrist, certified registered nurse practitioner and physician assistant will prescribe, manage, and evaluate the client's response to each pharmacological prescribed based on their individualized treatment plan.
3. Per the line-item budget submitted to SHPDA on 17 January, our anticipated total *operating* expenses for the first year will be \$2,790,068.

Response to Reviewability Determination Request received on 01/12/2024.

Spencer Recovery Centers Florida, LLC (SRC)

Location: Valley, Alabama

Response to number one (1)

The Alabama Administrative Code 410-1-2-.05 Health Care Facility type: SRC will operate community mental health centers and related facilities. We will provide adult residential care for clients admitted under one (1) program: Adult Residential Care Home with Specialized Medical Services, Partial Hospitalization Program, and Crisis Residential Care. Each program is in accordance with (IAW) Alabama Department of Mental Health (ADMH) administrative codes.

Response to number two (2)

Physical address

3110 23rd Drive

Valley, Alabama 36830

Response to number three (3)

The proposed service area will be Chambers, Russell, Macon, Lee, and Tallapoosa counties. We will also provide services to Veterans throughout the Eastern (Optum) network. The psychiatric care region that SRC falls under in reference to the state health plan is the Southeast Region. ADMH assigned region for SRC is Region 4.

Response to number four (4)

Adult Residential Care Home with Specialized Medical Services: IAW ADMH Admin code 588-2-20.-13 IAW ADMH Admin code 580-2-20-.09 (2) a-e

Treatment for mental health illnesses is provided to residents at a program maintained and operated to provide twenty-four (24) hour seven (7) days, residential, non-medical, mental health treatment services. Services are provided in a safe and adapting environment and support recovery or treatment for mental health issues and related problems. Services are provided by program-designated personnel and may include the following elements: treatment planning, educational sessions, social/recreational activities, individual and group sessions, family education and parenting, case management, participant file review, and information about and assistance in obtaining health, social, vocational, and other community services.

Partial Hospitalization Program (PHP): IAW ADMH Admin code 588-2-20.-13

Treatment for mental health and co-occurring disorders is provided to residents at a program which is maintained and operated by a multi-disciplinary treatment team under the direction of a psychiatrist, certified registered nurse practitioner, or physician's assistant to provide twenty-four (24) hour seven (7) days hour treatment services in a unit that provides intensive, structured, active, clinical treatment with the goal of stay. Symptom remission, hospital avoidance, and/or

reduction of inpatient length of stay. PHP is a time-limited program with the expected length of stay not to exceed three months, unless clinically justified, but not more than six months per admission. Services are provided by program-designated personnel and may include the following elements: medication evaluation, management, administration, and monitoring, individual, group, and family therapy, coping skills training closely related to presenting problems (e.g., stress management, symptom management, assertiveness training, and problem solving, activity therapy closely related to the presenting problems that necessitated admission (e.g. aerobics, maintaining a recovery diary, creative expression (art, poetry, drama) pertaining to the recovery process), family education, and client education closely related to presenting problems such as diagnosis, symptoms, medication, etc. rather than academic training.

Crisis Residential Unit: IAW with ADMH Admin Code 580-2-20-.12 (2) (a-f) Residential Crisis Unit (RCU) is a twelve (12) bed unit, twenty-four (24) hour/ seven (7) days a week. The RCU structure and support to clients with a serious mental illness (SMI) or serious emotionally disturbed (SED) between the age of eighteen (18) through sixty-five (65) in a community living environment when a client has experienced a mental health crisis and needs short-term services support the client can safely return to the client's home or pre-crisis living environment with additional services and supports identified in the client's crisis assessment. RCU is a short-term, residential treatment service for individuals who are experiencing a psychiatric crisis, with an acute escalation of mental health symptoms. RCU is necessary to evaluate, resolve and/or stabilize the crisis symptoms. An interdisciplinary team and client develop a treatment plan. The team is comprised of talented and dedicated individuals with prior experience and/or training in their respective fields. Based on the client's plan of care, different treatment services will be provided. Services provided include physical and psychiatric assessments, daily living skills training, social activities, counseling, group therapy, recreational activities, medication management, treatment planning and connecting the client to services within his or her community. **IAW with ADMH Admin Code 580-2-20-.12 (37)** The expected length of stay (LOC) shall not exceed six (6) months to twelve (12) months. Extensions of stay are approved for only one in three (3) month period and the client must continue to meet the same requirements for admission.

Outpatient & Intensive Outpatient Treatment IAW with ADMH Admin Code 580-2-20-.12 Intensive outpatient services are available to individuals who wish to continue or reinforce new behaviors they may have learned if they attended detoxification or a residential treatment program. The purpose of the intensive outpatient program is to properly assess and treat individuals whose psychosocial stressors permit them to remain at home and function with minimal supervision. Individuals enrolled in this program receive the same treatment and consideration that is provided to residential or nonresidential day treatment clients at Spencer Recovery Centers. All admissions are voluntary.

Response to number five (5)

The breakdown of beds per each residential services offered:

1. Residential Crisis Unit: 12
2. Partial Hospitalization Residential Unit: 8
3. Adult Residential Care Home with Specialized Medical Services: 6

Response to number six (6)

Sources of Revenue:

- VA Community Care Network
- Commercial Insurance Providers
- Self-Pay

Response to number seven (7)

Please see Attachment- Alabama Line Item Budget

**Line Item Budget
Spencer Recovery Centers, Inc
Projected Annual Budget**

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Jan. 17, 2024

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

3110 23rd Drive,
Valley AL 3110 23rd
Drive Valley,
Alabama 36830
Valley, Alabama
36830

Address:

Program Number:

pending

Current Fiscal Year:

2024

Income	Monthly	Annual
Commerial Insurance	\$85,000.00	\$540,000.00
VA Community of Care	\$150,000.00	\$1,800,000.00
Total Income	\$235,000.00	\$2,340,000.00

EXPENSES:

Direct Expenses

Program Supplies	\$ 500.00	\$ 6,000.00
Household Supplies	\$ 100.00	\$ 1,200.00
Medical Testing	\$ 100.00	\$ 1,200.00
Medical Supplies	\$ 1,000.00	\$ 12,000.00
Total	\$ 1,700.00	\$ 9,400.00

Administrative Personnel Expenses

Billing	\$ 3,840.00	\$ 49,920.00
Utilization Review	n/a	n/a
Admission/Intake	n/a	n/a
Total	\$ 3,840.00	\$ 49,920.00

Clinical and Medical Personnel Expenses

Exective Director	\$ 10,000.00	\$ 120,000.00
Physician (Subcontracted)	\$ -	\$ -
Clinical Director- LMFT	\$ 8,333.33	\$ 100,000.00
Nursing Supervisor	\$ 7,000.00	\$ 84,000.00
Program Director- LMFT	\$ 8,333.33	\$ 100,000.00
Licensed Vocational Nurse (LVN)	\$ 17,320.00	\$ 207,360.00



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STATE HEALTH PLANNING AND
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W. Chase Cameron
Executive Director
Spencer Recovery Centers Florida Inc
3110 23rd Dr Valley, AL 36830
December 18th, 2023

Alabama State Health Planning & Development Agency
PO Box 303025
Montgomery, AL 36160-3025

Dear Sir/Madam,

Pursuant to SHPDA Rule 410-1-7-.02 I am writing to formally request a reviewability determination for Spencer Recovery Centers Florida Inc to establish and operate a residential mental health treatment center within the State of Alabama, specifically Chambers County. Our required information is below:

1. **Name of company seeking the reviewability determination:** Spencer Recovery Centers Florida, Inc.
2. **Address and contact information for the authorized company representative seeking the determination:**
 - a. Spencer Recovery Centers Florida Inc
 - b. 3110 23rd Drive
 - c. Valley, AL 36854
 - d. Chambers County
 - e. ChaseC@SpencerRecovery.com
 - f. 720 335 1253
3. **Service Area for the proposed Service/Equipment:** Region 4: Autauga, Barbour, Bullock, Butler, Chambers, Coffee, Covington, Crenshaw, Dale, Elmore, Geneva, Henry, Houston, Lee, Lowndes, Macon, Montgomery, Pike, Russell, Tallapoosa.
4. **Any new/additional services to be provided under the proposed project:** Partial hospitalization programs and residential services for consumers with a principal psychiatric diagnosis.
5. **Approximated Costs for the proposed project:**

Construction:

1. Predevelopment	\$ n/a
2. Site Acquisition	\$ n/a
3. Site Development	\$ n/a
4. Construction	\$ n/a
5. Architect & Engineering Fees	\$ n/a
6. Renovation	\$300,000



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7. Interest during time period of construction	\$ n/a
8. Attorney & Consultant Fees	\$ n/a
9. Bond Issuance Costs	\$n/a
Total Cost of Construction	\$300,000

Purchase:

1. Facility	\$1,900,000
2. Major Medical Equipment	\$30,000
3. Other Equipment	\$50,000

Total Cost of Purchase \$1,980,000

Lease:

1. Facility Cost Per Year	\$ n/a
2. Equipment Cost Per Month	\$ n/a
3. Land-only Lease Cost Per Year	\$ n/a
Total Cost of Lease(s)	\$ 0

TOTAL COST OF THIS PROJECT: \$2,300,000

FIRST YEAR'S OPERATING COSTS:

Inpatient Services: \$4,000,000

Outpatient Services: \$1,000,000

GROSS PATIENT/NET OPERATING REVENUE: \$5,000,000

Salaries, Wages, and Benefits: \$2,160,000

Physician Salaries and Fees: \$120,000

Supplies and Other Expenses: \$50,000

TOTAL OPERATING EXPENSES: \$2,330,000

Taxes: \$192,580

Depreciation: \$1,000

TOTAL NON-OPERATING EXPENSES: \$113,580

Operating Income (Loss): \$2,670,000

NET INCOME: \$2,556,420

- 6. Disclosure of financial interests in the entity requesting the reviewability determination held by any other healthcare facilities or groups:** Spencer Recovery Centers of Florida, Inc is not owned by any outside entities and no other entities have a financial interest in Spencer Recovery Centers of Florida.
7. Attestation by an officer, partner or authorized agent of the company having knowledge of the facts disclosed in the reviewability request, using the Attestation form (attached).



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STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

FACTUAL INFORMATION REQUIRED FOR REVIEWABILITY DETERMINATION REQUESTS (SHPDA Rule 410-1-7-.02)

Any person may request for informational purposes only a determination as to the current reviewability of an anticipated project or determination of exemption for replacement equipment. Such request shall be submitted pursuant to the electronic filing requirements of SHPDA Rule 410-1-3-.09, disclosing full factual information, as more specifically identified below, and supplemented by any additional information or documentation which the Executive Director may deem necessary. SHPDA Rule 410-1-7-.02(1).

The following information must be included in all requests for reviewability determinations other than requests made pursuant to the Physician's Office Exemption (POE) or regarding End Stage Renal Disease (ESRD) stations, which must provide unique information specific to those providers:

- 1. Name of company seeking the reviewability determination.
2. Address and contact information for the authorized company representative seeking the determination.
3. Service area for the proposed service/equipment.
4. Any new/additional services to be provided under the proposed project.
5. Approximated costs of the proposed project for:
a. Equipment
b. First year annual operating costs
c. Capital costs, to include:
i. Leases
ii. Land/Building costs
iii. Construction costs
6. Disclosure of financial interests in the entity requesting the reviewability determination held by any other healthcare facilities or groups.
7. Attestation by an officer, partner or authorized agent of the company having knowledge of the facts disclosed in the reviewability request, utilizing the following form:

Affirmation of Requesting Party:

The undersigned, being first duly sworn, hereby make oath or affirm that he/she is [include position with entity requesting the determination], has knowledge of the facts in this request, and to the best of his/her/their information, knowledge and belief, such facts are true and correct.

Affiant [Signature] (SEAL)

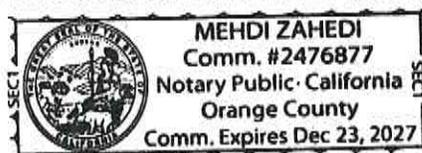
SUBSCRIBED AND SWORN to before me this 9th day of JAN, 2024

[Signature] My commission expires DEC. 23, 2027
Notary Public

State of CALIFORNIA
County of ORANGE

Each determination must be accompanied by a \$1,000 filing fee submitted in accordance with SHPDA Rule 410-1-3-.09, Electronic Filing. Once deemed complete, notice of the request shall be published on the Agency's website for thirty (30) business days, and additional notice of the request shall be provided to the general distribution list maintained by the Agency. Any affected person may file comments with the Agency pursuant to SHPDA Rule 410-1-3-.09 regarding the issuance of the requested letter of non-reviewability. The Executive Director may provide a response to the request within forty-five (45) days of the request, unless additional time is needed to obtain additional information or to evaluate comments filed in opposition of the request.

Revised 08/2021



A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.