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April 10, 2024

SENT THIS DATE VIA EMAIL TO:

Emily.Marsal@shpda.alabama.gov; shpda.online@shpda.alabama.gov;
Teresa.Lee@shpda.alabama.gov

Emily Marsal, Executive Director
Alabama State Health Planning and Development Agency
RSA Union Building, Suite 870
100 North Union Street
Montgomery, Alabama 36104

Re: Reviewability Determination Request – Wiregrass Medical Center
Critical Access Hospital Conversion
Our File No. 4630.1063

Dear Ms. Marsal:

Our firm represents Geneva County Health Care Authority, Inc. d/b/a Wiregrass Medical Center ("WMC" or the "Hospital"), which is a governmental general acute care hospital located in Geneva, Alabama. WMC currently has a licensed bed capacity of 67 beds and an authorized bed capacity of 61 beds, including med-surg beds, a 6-bed intensive care unit ("ICU"), swing beds, and a 20-bed geriatric psychiatric distinct part unit.¹ We are writing on behalf of WMC to request a determination from the State Health Planning and Development Agency ("SPHDA") that conversion of WMC to Critical Access Hospital ("CAH") status is not reviewable and does not require a Certificate of Need ("CON").

Geneva County is one of the more rural and sparsely populated counties in the state of Alabama. The CAH program works to improve access to rural health care. CAHs provide essential services to a community and are reimbursed by Medicare on a reasonable cost basis. Cost based reimbursement from Medicare has the potential to increase revenues and offer more cost effective health care to WMC's patients. Ultimately, the Hospital has determined it is necessary convert to CAH status in order to preserve much-needed hospital services in the community in a manner that is more sustainable from a financial standpoint.

In addition to federal requirements for CAHs, the Alabama Department of Public Health ("ADPH") has implemented rules recognizing CAH hospital license classification, and the State Health Plan ("SHP") also recognizes the certification of existing hospitals as CAHs.² Consistent with these

¹ Geneva County Health Care Authority, Inc. separately operates a 96-bed skilled nursing facility.

² See 42 C.F.R. Part 485, Subpart F; Ala. Admin. Code r. 420-5-7-.03(3); Ala. Admin. Code r. 410-2-4-.02(9).

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state and federal requirements, WMC is located in a qualifying rural area more than 15 miles from the nearest hospital by secondary roads. In conjunction with its application and approval of conversion to CAH status, WMC will: (i) reduce its authorized bed capacity to 35 total beds, including 25 general acute care beds (including ICU and swing beds) and 10 geriatric psychiatric beds; (ii) continue to provide 24/7 emergency services; (iii) implement procedures to ensure the Hospital maintains an average annual length of stay of 96 hours; (iv) meet CAH staffing requirements under federal law (42 C.F.R. § 485.631); and (v) participate as a member of a rural health network with agreements in place with at least one full-service general acute care hospital providing for patient referral and transfer, communication systems, emergency and non-emergency transportation, and credentialing and quality assurance matters. Importantly, the Hospital will not provide any new services or incur any significant cost as a result of the conversion to CAH status.

As of October 1, 2023 and continuing through the date of filing of this request, the CON thresholds are: \$3,322,582.00 for major medical equipment, \$1,327,734.00 for new annual operating costs, and \$6,638,679.00 for any other capital expenditures. All of the projected expenditure amounts for this project are below these thresholds.

The following information is provided as a part of this request:

- 1) Name of applicant: Geneva County Health Care Authority, Inc. d/b/a Wiregrass Medical Center
- 2) Address and contact information: The Hospital is located at 1200 West Maple Avenue, Geneva, AL 36340. The Hospital's CEO is Janet Smith, and she may be reached at (334) 684-3655 or janet.smith@wiregrassmedicalcenter.org.
- 3) Service area: Geneva County, Alabama and surrounding communities
- 4) Services to be provided: 24/7 emergency services, outpatient services (including surgical services), swing bed services, and continued operation of a 10-bed geriatric psychiatric unit. At this time, the Hospital does not intend to provide any new or different services compared to what is currently offered by Hospital.
- 5) Financial breakdown, approximate costs: The Hospital estimates the following new costs associated with the CAH conversion project.

a.	<u>Equipment and Furniture:</u>	\$0.00
b.	<u>First Year Annual Operating Costs:</u>	\$0.00 ³

³ WMC projects \$17.6 million in first year annual operating costs as a CAH. This does *not* include any new operating costs compared to operating costs as a general acute care hospital.

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- c. Capital Costs:
 - i. Leases: \$0.00
 - ii. Land/Building Costs: \$0.00
 - iii. Construction Costs: \$0.00

- 6) Geneva County Health Care Authority, Inc., a health care authority organized under Alabama law⁴, is the only entity with a financial interest in the project.

We request SHPDA's determination that this proposed conversion of WMC to CAH status is not subject to CON review because it does not involve any expenditure in excess of the CON monetary thresholds and because the conversion of a rural general acute care hospital to CAH status does not add any health services which are subject to review. Because the Hospital is rural, no filing fee will be submitted, pursuant to Ala. Admin. Code Rule 410-1-7-02.

Thank you for your timely response to this request. Please contact me at your earliest convenience if you have any questions or need additional information regarding this matter.

Very truly yours,

GILPIN GIVHAN, PC



Christopher L. Richard

CLR/caw

Attachment

⁴ Ala. Code § 22-21-310 *et seq.*

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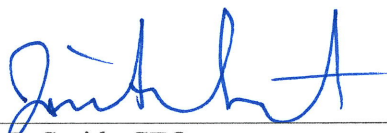
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AFFIRMATION OF REQUESTING PARTY

The undersigned, Janet Smith, being first duly sworn, hereby makes oath or affirms that she is the Chief Executive Officer of Wiregrass Medical Center, has knowledge of the facts in this request, and, to the best of her information, knowledge and belief, such facts are true and correct.

AFFIANT



Janet E. Smith, CEO

SUBSCRIBED AND SWORN to before me this 10 day of April, 2024.

[SEAL]



Notary Public

My Commission Expires:

9/7/26

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