

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870 MONTGOMERY, ALABAMA 36104

MEMORANDUM

DATE:

October 29, 2025

TO:

All Interested Parties

FROM:

Emily T. Marsal

Executive Director

SUBJECT:

Reviewability Determination Request (RV2025-046)

The attached request for a reviewability determination has been received. Any affected person may file written comments regarding this request, per 410-1-7-.02 of the *Alabama Certificate of Need Program Rules and Regulations*, by December 12, 2025.

Pursuant to ALA. ADMIN. CODE r 410-1-3-.09, all documents to be filed with the Agency must be submitted to shpda.alabama.gov in PDF, text searchable format.

Enclosure: see attached

201 SIVLEY ROAD SHITE 2 HUNTSVILLE, ALABAMA 35001

www.bakerdonelson.com

JOE W. CAMPBELL, SHAREHOLDER Direct Dial: 256.265.2432 Direct Fax: 256.265.2839

E-Mail Address: joc.campbell@hhsvs.org

September 30, 2025

RV2025-046 RECEIVED Sep 30 2025

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

<u>VIA EMAIL SHPDA.ONLINE@SHPDA.ALABAMA.GOV</u>

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

Re:

HH Health System - Morgan, LLC

Request for Non-Reviewability Determination

Dear Mrs. Marsal:

HH Health System - Morgan, LLC ("Decatur Morgan Hospital") has contemporaneously filed a Certificate of Need Application for the approval to construct a comprehensive outpatient clinic on AL-24 in Moulton, Lawrence County, Alabama (the "New Location"). This clinic will provide outpatient services that are currently provided by Decatur Morgan Hospital.

Lawrence Medical Center hospital closed on May 23, 2025. Prior to closing, Decatur Morgan Hospital agreed to continue providing the outpatient services that had been provided by Lawrence Medical Center at the building which formerly housed the hospital located at 202 Hospital Street, Moulton, AL 35650 (the "Current Location"). While the billing for such outpatient services changed from Lawrence Medical Center to Decatur Morgan Hospital, there was no change to the scope of such outpatient services. No construction or replacement of major medical equipment will occur at the Current Location, nor will any new or additional services be provided at the Current Location.

Decatur Morgan Hospital has filed the CON application to construct a new, state-of-the-art outpatient clinic at the New Location, and will continue the provision of these outpatient services in this new outpatient clinic at the New Location, but will provide the community with improved healthcare by way of updated facilities and equipment. The construction of this clinic will take approximately 20 months from the date the Certificate of Need is issued. During such 20-month period, Decatur Morgan Hospital will continue to provide the same outpatient services at the Current Location.

Alabama State Health Planning & Development Agency Page 2

Decatur Morgan Hospital is requesting simultaneous with its CON Application filing a determination by the State Health Planning and Development Agency, in accordance with the Alabama Certificate of Need Program Rules and Regulations 410-1-7-.02 and 410-1-3-.09, that the continued provision of outpatient services at the Current Location is permitted until the New Location is operational. Please find attached the "Factual Information Required" in support of this request.

Respectfully submitted,

Joe W. Campbell on behalf of

HH Health System – Morgan, LLC, a wholly owned subsidiary of The Health Care Authority of the City of Huntsville

Enclosure cc: Jeff Samz, CEO

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

1. Name of Company seeking reviewability determination.

HH Health System – Morgan, LLC d/b/a Decatur Morgan Hospital

2. Address and contact information for the authorized company representative seeking the determination.

Joe Campbell, Esq.
General Counsel
Baker Donelson Bearman Caldwell & Berkowitz
101 Sivley Road
Huntsville, AL 35801
joe.campbell@hhsys.org
(256) 265-2836

3. Service area for the proposed service/equipment.

Lawrence County (continuation of existing services in service area)

4. Any new/additional services to be provided under the proposed project.

There are no new or additional services to be provided. HH Health System – Morgan, LLC ("Decatur Morgan Hospital") has contemporaneously filed a Certificate of Need Application for the approval to construct a comprehensive outpatient clinic on AL-24 in Moulton, Lawrence County, Alabama (the "New Location"). This clinic will provide outpatient services that are currently provided by Decatur Morgan Hospital.

Lawrence Medical Center hospital closed on May 23, 2025. Prior to closing, Decatur Morgan Hospital agreed to continue providing the outpatient services that had been provided by Lawrence Medical Center at the building which formerly housed the hospital located at 202 Hospital Street, Moulton, AL 35650 (the "Current Location"). While the billing for such outpatient services changed from Lawrence Medical Center to Decatur Morgan Hospital, there has been no change to the scope of such outpatient services. No construction or replacement of major medical equipment will occur at the Current Location, nor will any new or additional services be provided at the Current Location.

Decatur Morgan Hospital has filed the CON application to construct a new, state of the art outpatient clinic, and will continue the provision of these outpatient services in this new outpatient clinic, but will provide the community with improved healthcare by way of updated facilities and equipment. The construction of this clinic will take approximately 20 months from the date the Certificate of Need is issued.

Decatur Morgan Hospital is requesting simultaneous with its CON Application filing a determination by the State Health Planning and Development Agency, in accordance with the Alabama Certificate of Need Program Rules and Regulations 410-1-7-.02 and 410-1-3-.09, that the continued provision of outpatient services at the Current Location is permitted until the New Location is operational.

5. Approximated costs of the proposed project.

There is not a project associated with this Determination request, and therefore no costs attributable.

6. Disclosure of financial interests in the entity requesting the reviewability determination held by any other healthcare facilities or groups.

HH Health System – Morgan, LLC is a wholly owned subsidiary of The Health Care Authority of the City of Huntsville.

7. Attestation by an officer, partner or authorized agent of the company having knowledge of the facts disclosed in the reviewability request:

Affirmation of Requesting Party:

The undersigned, being first duly sworn, hereby make oath or affirm that he is the CEO of HH Health System – Morgan, LLC, has knowledge of the facts in this request, and to the best of his information, knowledge and belief, such facts are true and correct.

201 SIVLEY ROAD SUITE 2 HUNTSVILLE, ALABAMA 35801

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JOE W. CAMPBELL, SHAREHOLDER Direct Dial: 256.265.2432 Direct Fax: 256.265.2839

E-Mail Address: joe.campbell@hhsys.org

October 23, 2025

RV2025-046 RECEIVED Oct 22 2025

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

VIA EMAIL SHPDA.ONLINE@SHPDA.ALABAMA.GOV

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

Re: RV2025-046 HH Health System - Morgan, LLC (Decatur Morgan Hospital)

Dear Mrs. Marsal:

Thank you for your letter of October 16, 2025 regarding the above-referenced Reviewability Determination Request. The Agency has requested the following supplemental information be provided, and Applicant's response is as follows:

1) Please address the applicability of current Certificate of Need (CON) expenditure thresholds in effect at the time of this filing concerning major medical equipment; new annual operating costs; and capital expenditures.

Applicant's Response: Applicant updates Item 4 of the Factual Information Required (additional information underlined) as follows:

4. Any new/additional services to be provided under the proposed project.

There are no new or additional services to be provided. HH Health System – Morgan, LLC ("Decatur Morgan Hospital") has contemporaneously filed a Certificate of Need Application for the approval to construct a comprehensive outpatient clinic on AL-24 in Moulton, Lawrence County, Alabama (the "New Location"). This clinic will provide outpatient services that are currently provided by Decatur Morgan Hospital.

Lawrence Medical Center hospital closed on May 23, 2025. Prior to closing, Decatur Morgan Hospital agreed to continue providing the outpatient services that had been provided by Lawrence Medical Center at the building which formerly housed the hospital located at 202 Hospital Street, Moulton, AL 35650 (the "Current Location"). While the billing for such outpatient services changed from Lawrence Medical Center to Decatur Morgan Hospital, there has been no change to the scope of such outpatient services. No construction or replacement of major medical equipment will occur at

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the Current Location, nor will any new or additional services be provided at the Current Location; therefore, the continuation of current services will not exceed the current expenditure thresholds for major medical equipment (\$3,436,510.00); new annual operating costs (\$1,373,260.00) and any other capital expenditure (\$6,866,313.00).

Decatur Morgan Hospital has filed the CON application to construct a new, state of the art outpatient clinic, and will continue the provision of these outpatient services in this new outpatient clinic, but will provide the community with improved healthcare by way of updated facilities and equipment. The construction of this clinic will take approximately 20 months from the date the Certificate of Need is issued.

Decatur Morgan Hospital is requesting simultaneous with its CON Application filing a determination by the State Health Planning and Development Agency, in accordance with the Alabama Certificate of Need Program Rules and Regulations 410-1-7-.02 and 410-1-3-.09, that the continued provision of outpatient services at the Current Location is permitted until the New Location is operational.

Respectfully submitted,

Joe W. Campbell, General Counsel for HH Health System – Morgan, LLC