

**CERTIFICATE OF NEED
APPLICATION INSTRUCTIONS**

The following instructions are guidelines for completing the information needed for the SHPDA staff to complete its report to the CON Review Board prior to consideration of your organization's request. If you have questions, please call SHPDA at 334/242-4103.

PART ONE: APPLICANT IDENTIFICATION AND PROJECT DESCRIPTION

Sections I (A-F) Please specify and complete contact and corporate profile information requested.

Sections II-III Please complete project information and description information.

Section IV –VI Please complete information requested as it relates to the project under consideration in the application.

PART TWO: PROJECT NARRATIVE

Please submit the information as an attachment addressing the applicable sections in the project summary for easier reading.

Section I–X Please respond to the specific areas as they relate to the project under consideration.

PART THREE: CONSTRUCTION OR RENOVATION ACTIVITIES

Complete if construction or renovation is involved in this project. Indicate N/A for any questions not applicable.

Sections I-II (A-H) Please specify the requested information where applicable for the requested project.

PART FOUR: UTILIZATION DATA AND FINANCIAL INFORMATION

Complete for projects **under** \$500,000 and/or those projects for ESRD and home health. If this project is not one of the items listed above, please omit PART FOUR and complete PART FIVE. Indicate N/A for any questions not applicable.

Section I For current year, use the last two (2) most recently completed state fiscal year data (October 1 – September 30). If the application is submitted in the last quarter of a year, please estimate as one of your current years.

Please use the state fiscal year (October 1 – September 30) numbers for projected years also. Projected years should be the forthcoming two years.

Section II

This section looks at the various payor classes as a percentage of gross revenue for the entire entity as it relates to the applicant’s fiscal year.*

ALL Kids is the State Children’s Insurance program administered by Blue Cross/Blue Shield of Alabama and is identified by BC/BS as Group 5000. Please separate this number from the overall BC/BS item.

Charity Care are those patients for which the hospital never expects to be reimbursed and has identified according to the AICPA or HFMA guidelines (see attached). Applicants should have an existing policy for determining a patient’s inability to pay. The policy should not violate EMTALA regulations. Section 410-2-2-.06(d) of the State Health Plan specifies charity care as “(charity care does not include bad debt, self-pay patients or Medicaid discounts).”

Self pay would be the uninsured or bad debt not classified as charity care Section 410-2-2-.06(d) of the State Health Plan specifies charity care as “(charity care does not include bad debt, self-pay patients or Medicaid discounts).”

Section III

Please submit related charge information as requested.

PART FIVE: UTILIZATION AND FINANCIAL INFORMATION

Please complete this part for projects costing **more than** \$500,000.00 or which propose a substantial change in service, change the bed capacity of the facility in excess of ten percent (10%), or which propose a new facility. ESRD, home health, and projects under \$500,000.00 should omit this part and complete PART FOUR.

Section I

Please complete this section as it relates to the applicant. This section looks at the various payor classes as a percentage of gross revenue as it relates to the applicant’s fiscal year.*

ALL Kids is the State Children’s Insurance program administered by Blue Cross/Blue Shield of Alabama and is identified by BC/BS Group 5000. Please separate this number from the overall BC/BS item.

Charity Care are those patients for which the hospital never expects to be reimbursed and has identified according to the AICPA or HFMA guidelines (see attached). Applicants should have an existing policy for determining a patient’s inability to pay. The policy should not violate EMTALA regulations. Section 410-2-2-.06(d) of the State Health Plan

specifies charity care as “(*charity care does not include bad debt, self-pay patients or Medicaid discounts*).

Self pay would be the uninsured or bad debt not classified as charity care. Section 410-2-2-.06(d) of the State Health Plan specifies charity care as “(*charity care does not include bad debt, self-pay patients or Medicaid discounts*).

- Section II Please submit related charge information as requested.
- Section III (A) Please provide information for the last three (3) state fiscal years* for which complete data is available.
- Section III (B) Please provide the projected information for the first two (2) state fiscal years* of operation following completion of the project being considered.
- Section IV (A-B) Please provide the requested historical and projected outpatient visit information specific to the facility related to the proposed project for the most recently completed three (3) state fiscal years* and the first two (2) projected years (state fiscal year) of the proposed project.

The following information is provided as examples of outpatient visits; however, this is not an all inclusive list:

*Clinical – Anything visit related; ER, Wound Care
Diagnostic – Radiology, Laboratory, Endoscopy
Rehabilitation – Physical Therapy, Occupational Therapy, Speech Therapy
Surgical – Outpatient surgery, Invasive Procedures*

- Section V (A) Please complete the following for the corporate entity making application for the project. Please use the applicant’s last three (3) fiscal years* for the historical data and the first two (2) fiscal years* following completion of the project under consideration.

Deductions from Revenue

Contractual Adjustments include those from private payors, Medicare, Medicaid, etc. Medicaid shortfalls (difference between cost and payment) would be included under contractual allowances per State Health Plan 410-2-2-.06(d).

Discount/Miscellaneous Allowances include those negotiated discounts with self-payors.

Uncompensated Care (less recoveries) per Alabama State Health Plan 410-2-2-.06(D)... Uncompensated care includes bad debts and charity, but does not include provider discounts resulting from governmental regulation or

contractual arrangements (charity care does not include bad debt, self-pay patients, or Medicaid discounts)."

Non-Operating Expenses

Includes taxes, depreciation, non-mortgage interest, mortgage interest, and current capital expenditures for the corporate applicant.

Projected Capital Expenditure and Interest

Includes those projected capital expenditures and interest for the applying corporation.

Section V (B)

Please complete the following for the specific project being considered in the application. Please use the applicant's last three (3) fiscal years* for the historical data and the first two (2) fiscal years* following completion of the project under consideration.

Deductions from Revenue

Contractual Adjustments include those from private payors, Medicare, Medicaid, etc. Medicaid shortfalls (difference between cost and payment) would be included under contractual allowances per State Health Plan 410-2-2-.06(d).

Discount/Miscellaneous Allowances include those negotiated discounts with self-payors.

Uncompensated Care (less recoveries) per Alabama State Health Plan 410-2-2-.06(D)... "Uncompensated care includes bad debts and charity, but does not include provider discounts resulting from governmental regulation or contractual arrangements (charity care does not include bad debt, self-pay patients, or Medicaid discounts)."

Non-Operating Expenses

Includes taxes, depreciation, non-mortgage interest, mortgage interest, and current capital expenditures for the corporate applicant.

Projected Capital Expenditure and Interest

Includes those projected capital expenditures and interest for the applying corporation.

Section VI (A)

This section is designed to identify those additional community partnership services being provided by the applicant oftentimes classified as marketing and education expenses. This should reflect those activities your organization performs outside inpatient and outpatient care in the community for the underserved population based on the applicant's fiscal year.

Other would include the cost of health related volunteer time in the community. For example, if the applicant's employees are permitted by policy to serve one hour a quarter as a volunteer clinic worker in a local school, that hour wage should be quantified in this section. Non-health related events would not be considered.

Please indicate historical and projected expenditures using the applicant's most recently completed three (3) fiscal years* and the immediate forthcoming two (2) fiscal years.*

Section VI (B)

Please describe how the new services or facility specified in the project application will be made available to and address the needs of the underserved community. If the project does not involve new services, please describe how the project will address the underserved population in your community.

Other would include the cost of health related volunteer time in the community. For example, if the applicant's employees are permitted by policy to serve one hour a quarter as a volunteer clinic worker in a local school, that hour wage should be quantified in this section. Non-health related events would not be considered.

PART SIX:

ACKNOWLEDGEMENT AND CERTIFICATION BY THE APPLICANT

To be completed and signed by the applicant and submitted with the application.

* Note: For those organizations using a different fiscal year than the state fiscal year (October 1 – September 30), please note the fiscal year of the organization/applicant. SHPDA staff may require that utilization and financial information be reformatted into the same reporting period as the state (October 1 – September 30) in cases where applications are batched for purposes of review.