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RURAL - ECACH

RECEIVED

Mar 25 2021

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

March 25, 2021

VIA ELECTRONIC FILING

Hon. Emily Marsal  
Executive Director  
State Health Planning & Development Agency  
100 North Union St., Suite 870  
Montgomery AL 36104

Re: Request for Reviewability Determination  
Rural Health Clinic Relocation

Dear Ms. Marsal:

Our firm represents Escambia County Alabama Community Hospitals, Inc. which operates Atmore Community Hospital ("ECACH") and is a wholly owned subsidiary of Escambia County Healthcare Authority. ECACH is located in Escambia County which is a Micropolitan Statistical Area and satisfies the statutory exemption found in Section 22-21-263(a)(4) of the Code of Alabama (1975).

The purpose of this letter is to request your determination, pursuant to Section 410-1-7-.02 of the Alabama Certificate of Need Program Rules & Regulations ("Regulations"), that the relocation of the rural health clinic owned by ECACH ("RHC") does not require ECACH to obtain a Certificate of Need ("CON") from the State Health Planning and Development Agency. We are requesting this determination because the relocation of the RHC does not involve a new service or expenditures above CON expenditure thresholds and because the RHC functions as a physician and physician extender clinic and does not bill out for its services as a hospital.

The RHC will be relocated to an approximately 10 acre parcel of land located in the City of Atmore, Alabama, near Exit 57 off Interstate 65, on the east side of Highway 21, beginning 286 feet southeast of the Taco Bell (whose physical address is 5920 Highway 21, Atmore, Alabama). All billings for services provided by the RHC will be billed by the RHC and will not utilize the provider number for any hospital. The RHC will provide urgent care services billable under the RHC's provider number.

As way of background, the RHC has been established pursuant to The Rural Health Clinic Service Act of 1977 which addressed an inadequate supply of physicians serving Medicare beneficiaries in rural areas. This act increased the use of nurse practitioners (NPs), and physician assistants (PAs), in these areas. Medicare pays RHCs an all-inclusive rate (AIR) for medically necessary, face-to-face primary health services and qualified preventive health

Hon. Emily Marsal  
March 25, 2021  
Page 2

services furnished by an RHC practitioner. RHC practitioners are physicians, NPs, PAs, clinical psychologists (CPs), and clinical social workers (CSWs). Currently, there are about 4,500 RHCs nationwide providing primary care and preventive health services in underserved rural areas.

The scope of the proposed project will not exceed any of the CON expenditure thresholds specified in Section 410-1-2-.07 of the Regulations: of \$3,079,347 for major medical equipment, of \$1,231,738 for new annual operating costs, or of \$6,158,695 for total capital expenditures, as currently adjusted for CPI. ECACH represents that the proposed project will not exceed the following approximate costs:

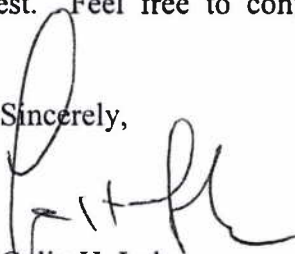
Total Relocation/Construction Cost:	\$3,100,000.00
Total Equipment Cost:	\$ 415,000.00
Total Incremental Annual Operating Cost:	\$ 100,000.00

This project will not involve the addition of inpatient beds or the conversion of one classification of beds into another classification of beds. Further, this project will not result in the provision of any new institutional health services.

It is our understanding that as a rural hospital, ECACH is not required to pay a filing fee in connection with this request for a letter of non-reviewability.

Accordingly, based on the above, we respectfully request your determination that ECACH is not required to obtain a CON in order to complete the proposed project. We appreciate your consideration of this request. Feel free to contact me if you need further information or have any questions.

Sincerely,

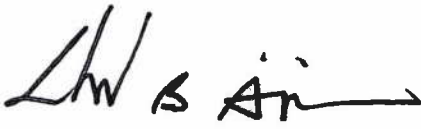


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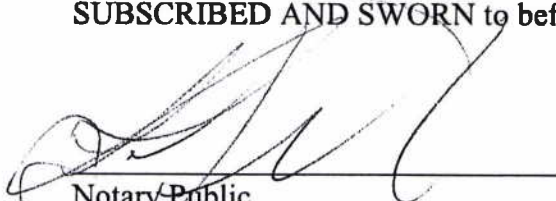
cc: Chris Griffin  
Jeff Booth

Hon. Emily Marsal  
March 25, 2021  
Page 3

The undersigned, being first duly sworn, hereby makes oath or affirms that he is the Chief Executive Officer for ECACH, has knowledge of the facts in this request, and to the best of his information, knowledge and belief, such facts are true and correct.

Affiant:   
Chris B. Griffin

SUBSCRIBED AND SWORN to before me March ~~25~~<sup>18</sup>, 2021.

  
Notary Public  
My commission expires: 1-5-2024

