

**Holly S. Hosford**  
hhosford@bradley.com  
205.521.8376



December 21, 2020

RV2021-007  
**RECEIVED**  
**Dec 21 2020**  
STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

Via Electronic Filing  
(shpda.online@shpda.alabama.gov)

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

Re: 219 Valley Cruise Lane, LLC  
Request for Reviewability Determination

Dear Ms. Marsal:

The purpose of this letter is to request your determination, pursuant to Section 401-1-7-.02 of the Alabama Certificate of Need Program Rules & Regulations ("Regulations"), that the operation of an immersive twelve-step addiction recovery program to guests staying at the lodge property owned and operated by 219 Valley Cruise Lane, LLC d/b/a Sereno Ridge Recovery<sup>1</sup> (the "Applicant") does not involve the provision of "institutional health services" as defined in Ala. Code 22-21-260, and therefore does not require a Certificate of Need ("CON") from the State Health Planning and Development Agency. In order to assist with this determination, the following information is submitted:

#### **I. Facts**

The Applicant proposes to offer a twelve-step addiction recovery program to recovering addicts who will stay at the lodge property located at 219 Valley Cruise Lane, Arab, Alabama 35016 (the "Lodge") while participating in the twelve-step program. The twelve-step recovery program is a spiritual, peer-supported, abstinence-based curriculum that is based on the twelve steps originally created by the founders of Alcoholics Anonymous to establish guidelines for the best and most effective way to overcome an addiction to alcohol. The program is overseen by sponsors or mentors who are also in recovery and have participated in the twelve-step program themselves. The twelve-step program does not involve any clinical or medical services. Instead, the twelve-step program is based on spirituality and fellowship amongst participants, offering an opportunity for a transformational experience to facilitate recovery from addiction.

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<sup>1</sup> The Applicant is an Alabama limited liability company owned by (i) Ammar Alrefai, M.D.; (ii) Dr. Nancy White, M.D.; (iii) Dr. Alrefai's spouse, Huda Alrefai; and (iv) Dr. White's spouse, Andrew White. The Applicant is under common ownership and control with Institute for Substance Use Disorders, LLC. The Applicant entity was formed in January 28, 2020 to purchase the real estate for the Lodge. At that time, the plan was for the Applicant to lease the Lodge property to Institute for Substance Use Disorders, LLC to provide medical and clinical services for the treatment of substance use disorders under the d/b/a name of Sereno Ridge Recovery. Upon learning that they would need a Certificate of Need in order to operate the Lodge for the treatment of substance use disorders, the owners of the Applicant decided to pivot the business towards non-clinical services that did not require a CON, specifically the operation of a twelve-step program in a sober living environment. Because the Applicant proposes to operate the twelve-step program in the Lodge, the Applicant has adopted the d/b/a name Sereno Ridge Recovery.

Face-to-face interaction is crucial to the success in a twelve-step recovery program. During the current COVID-19 pandemic, it is difficult for participants in twelve-step programs to experience the needed in-person interaction with their mentors, sponsors and peers in the program. In order to offer a safe environment for participants of the twelve-step program to interact, the Applicant proposes to limit the twelve-step program to participants who will reside at the Lodge for the duration of their participation in the program. Participants in the program will be tested for COVID-19 prior to acceptance into the program to ensure that the population is protected and isolated.

While staying at the Lodge, the program participants will engage in twelve-step groups, study twelve-step literature, practice meditation and yoga, and benefit from the experience, strength and hope of the personnel working at the Lodge who are themselves in twelve-step recovery. The Lodge also offers amenities including a gym, swimming pool, walking trails and chef-prepared meals. These amenities will encourage wellness, mindfulness, and relaxation for the participants in the program.

## **II. Analysis**

The proposal by the Applicant to offer a twelve-step recovery program does not involve the offering or establishment of a “new institutional health service,” by or on behalf of a health care facility, subject to CON review as set forth in 22-21-263 of the Alabama Code and CON Rule 410-1-.01, in that the program does not involve the provision of “health services” as such term is defined for CON purposes. The CON law defines “health services” as “clinically related (i.e., diagnostic, curative, or rehabilitative) services, including alcohol, drug abuse, and mental health services customarily furnished on either an in-patient or out-patient basis by health care facilities, but not including the lawful practice of any profession or vocation conducted independently of a health care facility and in accordance with applicable licensing laws of this state.” Ala. Code § 22-21-260.

As described above, twelve-step programs do not involve any clinical or medical services. The twelve-step program to be offered by the Applicant will not be administered by health care professionals acting in their capacity as health care providers. Instead, the program will be led by individuals who are themselves in recovery and have experience with the twelve steps. The Applicant does not propose to employ or contract for the services of any licensed counselor or therapist. The Applicant does not plan to provide any services to participants of the twelve-step program except for room and board, food services, and access to the amenities of the Lodge mentioned above.

The Applicant will not be offering “alcohol, drug abuse, [or] mental health services customarily furnished on either an inpatient or outpatient basis by health care facilities.” The Applicant will not offer detox services, inpatient substance abuse treatment, or outpatient services, as are customarily furnished by health care facilities.

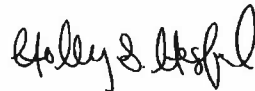
Because the Applicant does not propose to provide any “clinically related services,” the Applicant’s proposal does not involve the provision of institutional health services, defined as “health services provided in or through health care facilities or health maintenance organizations.” Therefore, the proposal is not subject to CON Review.

## **III. Request**

Because this proposal does not involve a new institutional health service subject to CON review, a CON is not required for the Applicant to offer the twelve-step recovery program at the Lodge. Based upon

the above, we respectfully request your determination that the proposal is exempt from CON review and 219 Valley Cruise Lane, LLC is not required to obtain a CON in order to complete the proposal as described in this letter. We appreciate your consideration of this request and welcome the opportunity to address any questions regarding this matter. The applicable filing fee will be delivered to the Agency via the online payment portal.

Best regards,



Holly S. Hosford

Affirmation of Requesting Party:

The undersigned, being first duly sworn, hereby makes oath or affirms that she, as an owner of 219 Valley Cruise Lane, LLC, has knowledge of the facts in the attached Reviewability Determination Request for 219 Valley Cruise Lane, LLC and to the best of her information, knowledge and belief, such facts are true and correct.



SUBSCRIBED AND SWORN to before me this 17<sup>th</sup> day of December 2020.

Irena Popov  
Notary Public  
My commission expires: My Commission Expires 02/21/2023

**Holly Hosford**  
hhosford@Bradley.com  
205.521.8376



January 7, 2021

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Jan 07 2021

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

**Via Electronic Filing**

Ms. Emily Marsal  
Executive Director  
State Health Planning and Development Agency  
100 North Union Street  
RSA Union Building  
Suite 870  
Montgomery, AL 36130-3025

**Re: RV2021-007; Response to Request for Additional Information**

Dear Ms. Marsal:

On behalf of our client, 291 Valley Cruise Lane, LLC d/b/a Sereno Ridge Recovery ("Sereno Ridge"), this letter is submitted in response to the Alabama State Health Planning and Development Agency's December 30, 2020, request for additional information relating to the Request for Reviewability Determination regarding proposal to offer a twelve-step addiction recovery program. The Agency requests the following information:

- 1. Provide clarification as to the service area for the proposed project. ALA. ADMIN. CODE r. 410-1-2-.03 defines the service area as the county in which the services will be provided in the absence of a designated geographical service area.**

ALA. ADMIN. CODE r. 410-1-2-.03 defines "health service area" as a geographical area designated "as being appropriate for effective planning and development of health services." As set forth in the Request for Reviewability Determination submitted by Sereno Ridge, the proposal does not involve the provision of "health services" as such term is defined for CON purposes. However, Sereno Ridge confirms that the proposed twelve-step program will be operated at 291 Valley Cruise Lane, Arab, Alabama 35016, which is located in Morgan County, Alabama.

- 2. Provide information on the healthcare services currently provided by Dr. Ammar Alrefai and Dr. Nancy White.**

Neither Dr. Alrefai nor Dr. White provide healthcare services on behalf of Sereno Ridge. As described in the Request for Reviewability Determination submitted by Sereno Ridge, the twelve-step program to be offered by Sereno Ridge does not involve any clinical or medical services and Sereno Ridge does not propose to offer or provide any health care services to participants in the twelve-step program. Dr. Alrefai is a psychiatrist licensed by the State of Alabama and member of the American Board of Psychiatry and Neurology, American Board of Addiction Medicine, American Society of Psychopharmacology, and American Society of Addiction Medicine. Dr. White is a physician licensed by the State of Alabama and member of the American Board of Addiction Medicine, American Board of Family Medicine, American Board of Preventive Medicine, and American Society of Addiction Medicine. Dr. Alrefai's and Dr. White's involvement with Sereno Ridge and the twelve-step program is not in their capacity as licensed physicians.

**3. Provide the Agency with a disclosure of financial interests in the entity requesting the reviewability determination held by any other healthcare facilities or groups.**

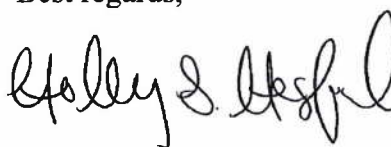
No other healthcare facilities have financial interests in 291 Valley Cruise Lane, LLC. The entity is owned by Nancy White, M.D. and Andrew White in their capacities as individuals and by Huda Properties, LLC, an entity owned by Ammar Alrefai, M.D. and Huda Alrefai in their capacities as individuals.

**4. Provide approximated costs of the proposed project to include first year annual operating costs and capital expenditures, which would include lease costs and construction/renovation costs as a result of the proposed project.**

The proposed twelve-step program involves estimated total costs of \$1,096,000, which includes (i) the debt services on the property located at 291 Valley Cruise Lane in Arab, Alabama; (ii) \$40,000 in estimated capital expenditures necessary to renovate the kitchen on the property so as to comply with health department requirements for food service establishments; and (iii) first year annual operating costs for the twelve-step program.

We appreciate your assistance with this Reviewability Determination Request and your consideration of this additional information. As always, please do not hesitate to contact me if you have any questions or if we can address any further issues relating to the proposal to offer a twelve-step program.

Best regards,



Holly S. Hosford