

Jennifer Clark
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205.521.8020



November 7, 2022

RV2023-004
RECEIVED

Nov 07 2022

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

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

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

**RE: Affinity Gastroenterology ASC, LLC d/b/a Grandview Endoscopy Center
Request for Reviewability Determination**

Dear Mrs. Marsal:

Affinity Gastroenterology ASC, LLC d/b/a Grandview Endoscopy Center (“GEC”) operates a single-specialty ambulatory surgery center (“ASC”) in Jefferson County. The purpose of this letter is to request your determination, pursuant to Rule 401-1-7-.02 of the Alabama Certificate of Need Program Rules and Regulations (“CON Rules”), that GEC is not required to obtain a Certificate of Need (“CON”) for proposed renovation of its existing ASC. In order to assist with this determination, this letter contains information about the proposed project.

GEC provides surgical services in a single-specialty gastroenterology ASC located on Grandview Medical Center’s campus in Birmingham, Alabama. GEC is a joint venture providing ambulatory surgery services owned by a group of physicians and Affinity Hospital, LLC. The proposed project consists of expansion of the existing surgical center to house additional operating rooms and support spaces. The proposed expansion will be located in space adjacent to the existing center that will be renovated to accommodate an additional four operating rooms and support spaces. Construction will be coordinated with ongoing operations to ensure minimal disruption to ongoing patient care throughout the renovation process. The proposal will allow GEC to continue to meet the current and future demand for specialized gastroenterological surgical services within the existing single-specialty ASC.

The expenditures by GEC associated with this proposal will not exceed any of the CON expenditure thresholds, as set forth in Ala. Code 22-21-263 and CON Rules 410-1-4-.01 and 410-1-2-.07, and as indexed for inflation and set forth in SHPDA’s September 23, 2022, New CON Application Fee and Monetary Threshold for Review Memorandum. Specifically, the cost estimates for the proposal are as follows:

Equipment Cost Estimate – \$1,800,000
New Annual Operating Cost Estimate – \$1,031,791
Construction Cost Estimate – \$3,812,366

The currently effective CON review monetary thresholds are \$3,241,543 for major medical equipment; \$1,296,615 for new annual operating costs, and \$6,483,085 for any other capital

expenditures. Thus, the cost estimates for the proposed expenditures associated with this proposal fall below the applicable statutory CON review monetary thresholds, as indexed by SHPDA.

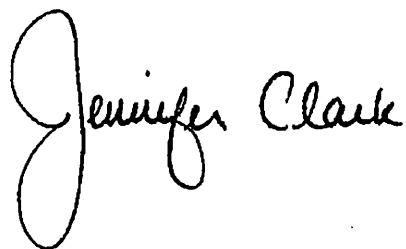
Therefore, the proposal does not constitute a “new institutional health service” subject to CON review under Ala. Code 22-21-263 and CON Rule 410-1-4-.01 because the proposal does not include any of the following:

1. The construction, development, acquisition through lease or purchase or other establishment of a healthcare facility or health maintenance organization;
2. Any expenditure by or on behalf of a health care facility or health maintenance organization exceeding the CON statutory thresholds for major medical equipment, new annual operating costs, or any other capital expenditure by or on behalf of a health care facility;
3. The addition of any inpatient beds or conversion of one classification of beds into another classification of beds;
4. Any health service which is proposed to be offered in or through a health care facility which was not offered on a regular basis in or through such health care facility within the preceding twelve-month period;
5. Any relocation of a health care facility; or
6. Any other reviewable activity under existing CON statutes or regulations of the State of Alabama.

In accordance with the facts and analysis set forth above, the proposal does not involve a “new institutional health service” subject to CON review under Ala. Code 22-21-263 *et seq.* and CON rules 410-1-4-.01 *et seq.* We respectfully request SHPDA’s determination that the proposal described within this letter is not subject to CON.

A check in the amount of \$1,000 in payment for the applicable fee will be delivered to your office. Please let me know if any additional information is needed in order to complete your review of this Reviewability Determination Request.

With Best Regards,

A handwritten signature in black ink that reads "Jennifer Clark". The signature is written in a cursive style with a large, looped initial "J".

Jennifer Clark

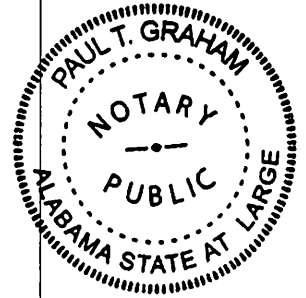
Affirmation of Requesting Party:

The undersigned, being first duly sworn, hereby makes oath or affirms that he/she, as Chairman of the Board of Affinity Gastroenterology ASC, LLC d/b/a Grandview Endoscopy Center has knowledge of the facts in the attached Request for Reviewability Determination, and to the best of his/her information, knowledge and belief, such facts are true and correct.

Daniel McKinney

Daniel McKinney
Affinity Gastroenterology ASC, LLC d/b/a Grandview Endoscopy Center

(SEAL)



SUBSCRIBED AND SWORN to before me this 1st day of November, 2022.

Paul T. Graham

Notary Public

My commission expires: 1/21/2023

Jennifer Clark
JClark@Bradley.com
205.521.8020

Bradley

November 18, 2022

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

**RE: Affinity Gastroenterology ASC, LLC d/b/a Grandview Endoscopy Center
Request for Reviewability Determination**

Dear Mrs. Marsal:

This letter is written in response to your November 17, 2022, letter requesting additional information relating to Affinity Gastroenterology ASC, LLC d/b/a Grandview Endoscopy Center's ("GEC") Request for Reviewability Determination filed on November 7, 2022.

First, you requested that GEC "provide the gross square footage of the space located adjacent to the existing ambulatory surgery center that will house the new [operating rooms] as well as the current number of operating rooms at the existing single-specialty ASC." The square footage of the space located adjacent to the existing ambulatory surgery center that will be renovated is 12,531 sf. GEC currently operates four (4) rooms at the existing single-specialty ASC.

Second, you stated "[t]he request indicates the existing single-specialty gastroenterology ASC is a joint venture owned by a group of physicians and Affinity Hospital, LLC" and asked that GEC provide "the names of the physicians identified as owners of the ambulatory surgery center." The physician owners of GEC include: Dr. Rishi Agarwal; Dr. Brian Brunson; Dr. Molly McVey; Dr. John Day; Dr. Bradley Rubery; Dr. Robert Loudon; Dr. Robert Marks; and Dr. David Steele.

Please let me know if any additional information is needed in order to complete your review of GEC's Reviewability Determination Request.

With Best Regards,



Jennifer Clark