

November 18, 2022

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

RV2023-006
RECEIVED
Nov 18 2022
STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

RE: IRC-ScionHealth Selma, LLC
Request for Reviewability Determination

Dear Mrs. Marsal:

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 IRC-ScionHealth Selma, LLC is not required to obtain a Certificate of Need (“CON”) for the establishment and operation of a new ten (10) station kidney disease treatment clinic in Dallas County, Alabama. In order to assist with this determination, this letter contains information about the proposed project.

Pursuant to Ala. Code § 22-21-278, a kidney disease treatment center located in a Class 3, 4, 5, 6, 7, or 8 municipality, as defined by Ala. Code § 11-40-12(a), which contains no more than ten (10) freestanding hemodialysis stations is not subject to CON review. However, this exemption from the CON program does not apply to a kidney disease treatment center located in a Class 4, 5, 6, 7, or 8 municipality if such municipality, or any part of such municipality, is located in a county in which a Class 1, 2, or 3 municipality, or any part thereof, is located. *See* Ala. Admin. Code r. 410-2-3-.05(1)(b).

The proposed location of the clinic to be developed by IRC-ScionHealth Selma, LLC is in Dallas County, Alabama, with the kidney disease treatment center to be located in Selma. Dallas County does **not** contain a Class 1, 2, or 3 municipality¹ and, accordingly, this Dallas County proposal meets the exemption criteria set forth in Ala. Code § 22-21-278, which provides, in pertinent part, as follows:

(b) Notwithstanding any existing law to the contrary, **any kidney disease treatment center that contains no more than ten freestanding hemodialysis units and that is located in a Class 3, 4, 5, 6, 7 or 8 municipality** (as such classes are defined in Sections 11-40-12 and 11-40-13 or any successor provision of law)

¹ As defined by Section 11-40-12(a), a Class 1 municipality is a city with a population of 300,000 inhabitants or more; a Class 2 municipality is a city with a population of not less than 175,000, and not more than 299,999 inhabitants; and a Class 3 municipality is a city with a population of not less than 100,000, and not more than 174,999 inhabitants.

of Title 22 (including, without limitation, the provision of said articles which require that a certificate of need be obtained from the State Health Planning and Development Agency as a condition precedent to the offering or development of new institutional health services).

(c) The provisions of subsection (b) shall not apply to a kidney disease treatment center located in a Class 4, 5, 6, 7 or 8 municipality if such municipality or any part thereof is located in a county in which a Class 1, 2 or 3 municipality or any part thereof is located. [emphasis added]

Therefore, pursuant to Ala. Code § 22-21-278 and Ala. Admin. Code r. 410-2-3-.05(1)(b), the proposed clinic is not subject to CON review. Due to this exemption, a CON is not required for the proposed project.

Based upon the above, we respectfully request your determination IRC-ScionHealth Selma, LLC is exempt from CON review and is not required to obtain a CON in order to complete the project as described in this letter. Attached is a receipt confirming on-line payment was made on November 18, 2022, in the amount of \$1,036. Please let me know if any additional information is needed in order to complete your review of this Reviewability Determination Request.

Sincerely,



David Doerr
Chief Operating Officer

Affirmation of Requesting Party:

The undersigned, being first duly sworn, hereby makes oath or affirms that he, as **Chief Operating Officer** of **IRC-ScionHealth Selma, LLC** has knowledge of the facts in the attached Request for Reviewability Determination, and to the best of his information, knowledge and belief, such facts are true and correct.



David Doerr

STATE OF TENNESSEE
COUNTY OF MAURY

SUBSCRIBED AND SWORN to before me this 18th day of November, 2022.



Notary Public

My commission expires: October 25, 2026





December 2, 2022

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

RV2023-006

RECEIVED

Dec 05 2022

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

RE: IRC-ScionHealth Selma, LLC
RV2023-006

Dear Mrs. Marsal:

This letter is written in response to the Agency's November 21, 2022, letter requesting that we provide the Agency with additional information relating to the Reviewability Determination Request.

First, you requested that we "verify whether the ten (10) station dialysis treatment facility in Dallas County, Alabama includes isolation stations and/or home training stations." The proposed clinic will operate seven (7) regular in-center hemodialysis stations, one (1) isolation station, and two (2) home training stations.

Second, you requested that we provide "approximated costs of the proposed project to include major medical equipment, first year annual operating costs, and capital expenditures, which would include leases, land/building costs, and construction costs." Ala. Code § 22-21-278 exempts from Certificate of Need review a kidney disease treatment center located in a Class 3, 4, 5, 6, 7, or 8 municipality which contains no more than ten hemodialysis stations. Such kidney disease treatment centers are exempt from review regardless of the project costs associated with establishing and operating the centers. Because IRC-ScionHealth Selma, LLC proposes to operate a ten (10) station kidney disease treatment center in Dallas County, a county which does not have any Class 1, Class 2, or Class 3 municipalities, the proposed project is exempt from CON review, regardless of the costs of the project. Therefore, we do not believe the requested project costs are necessary for review of the Reviewability Determination Request.

Finally, you requested that we "provide a disclosure of financial interests in the entity requesting the reviewability determination held by any other healthcare facilities or groups." IRC-ScionHealth Selma, LLC is wholly-owned by IRC-ScionHealth Dialysis Joint Venture, LLC (100%).

Sincerely,

Nick Mendez
Chief Executive Officer



February 8, 2023

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

RV2023-006
RECEIVED
Feb. 08, 2023

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

RE: RV2023-006; IRC-ScionHealth Selma, LLC

Dear Mrs. Marsal:

This letter is written in response to the Agency's request that we confirm the estimated costs of the proposed project will not exceed the CON expenditure thresholds. We confirm that the estimated expenditures associated with IRC-ScionHealth Selma, LLC's proposal will not exceed any of the current CON expenditure thresholds of \$3,241,543 for major medical equipment, \$1,296,615 for new annual operating costs, and \$6,483,085 for any other capital expenditures.

It is my understanding that this completes the information needed with respect to this Reviewability Determination Request.

Sincerely,

David Doerr
Chief Operating Officer