



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

September 29, 2005

Honorable Bob Riley, Governor  
State of Alabama  
State Capitol  
Montgomery, Alabama 36130

Dear Governor Riley:

The Statewide Health Coordinating Council (SHCC) at the September 27, 2005 meeting adopted the attached adjustment for the addition of (60) sixty acute care hospital beds in the City of Madison, Madison County, Alabama. The adjustment, upon your approval, will be added to § 410-2-4-.02 of the 2004-2007 *State Health Plan*.

You have the approval/disapproval authority for the *State Health Plan* and all amendments/adjustments thereto. I recommend your approval.

Call me at 242-4103 if you have questions about this proposed adjustment.

Sincerely,

Alva M. Lambert  
Executive Director

Attachment: as stated

APPROVED:   
Gov. Bob Riley

Date 9/29/05

DISAPPROVED: \_\_\_\_\_  
Gov. Bob Riley

Date \_\_\_\_\_

(7) Beds Needed (Excess Beds). Pages 65 and 66 summarize the bed need calculations for each Alabama County. Calculations indicate that there is not a need for additional beds anywhere in the state. However, in Bullock and Jackson counties the SHCC approved adjustments for additional beds, therefore those two counties show a need for beds. On September 27, 2005 the Statewide Health Coordinating Council (SHCC) approved the addition of (60) sixty acute care hospital beds in the City of Madison, Madison County, Alabama. Overall, there are 7,569 excess hospital beds in Alabama; Jefferson County alone has 2,051. Following the bed need summary is a complete inventory of Alabama's hospitals.

(8) Long Term Acute Care Hospitals (LTAC)

(a) According to the Federal Centers for Medicare and Medicaid Services (CMS), a hospital is an excluded [from the Prospective Payment System] long term acute care hospital if it has in effect an agreement [with CMS] to participate as a general medical surgical acute care hospital and the average inpatient length of stay is greater than 25 days. Ordinarily, the determination regarding a hospital's average length of stay is based on the hospitals most recently filed cost report. However, if the hospital has not yet filed a cost report or if there is an indication that the most recently filed cost report does not accurately reflect the hospital's current average length of stay, data from the most recent six month period is used.

(b) Long term acute care hospitals provide a hospital level of care to patients with an acute illness, injury or exacerbation of a disease process that requires intensive medical and/or functional restorative care for an extended period of time, on average 25 days or longer. Generally, high technology monitoring or complex diagnostic procedures are not required. A long-term acute care hospital's primary patient service goal is to improve a patient's medical and functional status so that they can be successfully discharged to home or to a lower level of care. These patients generally do not meet admission criteria for nursing homes, rehabilitation, or psychiatric facilities.

(c) Alabama has an excess of licensed general acute care hospital beds, some of which could be used for long-term hospital care. Therefore, a general acute care hospital may apply for a certificate of need to convert acute care beds to long-term acute care hospital beds if the following conditions are met:

1. The hospital can satisfy the requirements of a long-term acute care hospital as outlined above.

2. The long term acute care hospital can demonstrate that it will have a separate governing body, a separate chief executive officer, a separate chief medical officer, a separate medical staff, and performs basic functions of an independent hospital.

3. The long term acute care hospital has written patient transfer agreements with hospitals other than the host hospital to show that it could provide at least 75 per

cent of the admissions to the long term acute care hospital, based on the total average daily census for all participating hospitals.

4. The transfer agreements are with other hospitals in the same county and/or with hospitals in a region.

(d) To assure financial feasibility, the conversion of acute care beds to long-term acute care hospital beds shall be for a minimum of 25 beds.

(e) Needs Assessment.

1. The bed need for the proposed long term acute care hospital shall be for no more than five (5) percent of the combined average daily census (ADC) of all the acute care hospitals in the region of the proposed LTAC for the most recent annual reporting period.

2. As an alternative an applicant may justify bed need based on a detailed assessment of patient discharges after stays of 25 days or more.

3. An individual hospital's ADC or discharges shall not be used more than once in the computation of need for long term acute care hospital beds.

4. Due to accessibility issues all regions regardless of need methodology shall be permitted one LTACH facility with a maximum of 25 beds; which has proven financially feasible.

(f) The hospital must also comply with all statutes, rules, and regulations governing the Certificate of Need Review Program in Alabama.

(9) Pediatric Hospitals. Any licensed freestanding pediatric hospital or wholly owned subsidiary may make application for a Certificate of Need based on the latest obtainable pediatric data. The data submitted as part of the application shall be verified by the SHPDA staff prior to consideration by the Certificate of Need Review Board.