

RECEIVED

Jun 01 2018

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

EMERGENCY CON APPLICATION

FOR

RELOCATION OF 25 EXISTING
GERIATRIC PSYCHIATRIC BEDS

FROM

RMC JACKSONVILLE



TO



RMC ANNISTON

THE HEALTH CARE AUTHORITY
OF THE CITY OF ANNISTON

TABLE OF CONTENTS

- PART ONE: APPLICANT IDENTIFICATION AND PROJECT DESCRIPTION5**
- I. APPLICANT IDENTIFICATION 5
 - A. Name of Applicant (in whose name the CON will be issued if approved)..... 5
 - B. Name of Facility/Organization (if different from A.) 5
 - C. Name of Legal Owner (if different from A. or B.)..... 5
 - D. Name and Title of Person Representing Proposal and Whom SHPDA Should Communicate 6
 - D. Name and Title of Person Representing Proposal and Whom SHPDA Should Communicate 6
 - D. Name and Title of Person Representing Proposal and Whom SHPDA Should Communicate 6
 - E. Type Ownership and Governing Body..... 7
 - F. Names and Titles of Governing Body Members and Owners of This Facility 7
- II. PROJECT DESCRIPTION 8
 - A. Project/Application Type (check all that apply)..... 8
- III. EXECUTIVE SUMMARY OF THE PROJECT 9
- IV. COST 11
- PART TWO: PROJECT NARRATIVE 13**
- I. MEDICAL SERVICE AREA 13
 - A. Identification of Medical Service Area 13
 - B. Population Groups To Be Served 14
 - AGE GROUPS 14
 - POPULATION STATISTICS - HISTORICAL 14
 - POPULATION STATISTICS - PROJECTED..... 14
 - C. Define Medical Service Area 15
 - D. Other Factors Affecting Access..... 15
 - GEOGRAPHIC 15
 - ECONOMIC 16
 - EMERGENCY 16
 - MEDICALLY UNDERSERVED 16
- II. HEALTH CARE REQUIREMENTS OF THE MEDICAL SERVICE AREA 17
 - A. Factors and Inadequacies Necessitating This Project..... 17
 - B. Correct Inadequacies 17
 - C. Appropriate Facility 17
 - D. Need For Project..... 18
 - E. Specialized Services..... 18
 - F. Relationship To Applicant’s Long Range Plan 18
- III. RELATIONSHIP TO EXISTING OR APPROVED SERVICES AND FACILITIES 19
 - A. Existing Similar Services and Facilities..... 19
 - B. Effect On Existing Providers..... 19
 - C. No Detrimental Effect On Existing Providers 19
 - D. Applicant’s Shared Services Arrangements 20
 - E. Applicant’s Ancillary and Supporting Services 20

TABLE OF CONTENTS

- IV. POTENTIAL LESS COSTLY OR MORE EFFECTIVE ALTERNATIVES.....21
 - A. *Alternatives and Why This The Best Alternative*21
 - B. *Cost Containment*.....21
 - C. *Quality and Continuity of Care*21
- V. DESCRIBE COMMUNITY REACTION TO THE PROJECT.....21
- VI. NON-PATIENT CARE22
- VII. MULTI-AREA PROVIDER22
- VIII. HEALTH MAINTENANCE ORGANIZATION.....22
- IX. ENERGY-SAVING MEASURES.....22
- X. OTHER FACTORS23
- PART THREE: CONSTRUCTION OR RENOVATION ACTIVITIES.....26**
 - I. ARCHITECT26
 - II. ATTACH SCHEMATICS AND THE FOLLOWING INFORMATION26
- PART FIVE: UTILIZATION DATA AND FINANCIAL INFORMATION29**
 - I. PERCENT GROSS REVENUE.....29
 - III. CHARGE INFORMATION.....29
 - III. INPATIENT UTILIZATION DATA30
 - A. *INPATIENT HISTORICAL DATA*.....30
 - B. *INPATIENT PROJECTED DATA*30
 - IV. OUTPATIENT UTILIZATION DATA31
 - A. *OUTPATIENT HISTORICAL DATA*31
 - B. *OUTPATIENT PROJECTED DATA*.....31
 - V. FINANCIAL INFORMATION - ORGANIZATIONAL.....32
 - VI. FINANCIAL INFORMATION – PROJECT SPECIFIC.....33
 - VII. STATEMENT OF COMMUNITY PARTNERSHIP FOR EDUCATION AND REFERRALS34
- PART SIX: ACKNOWLEDGMENT AND CERTIFICATION BY THE APPLICANT35**
 - I. ACKNOWLEDGMENT35
 - II. CERTIFICATION.....36

LIST OF ATTACHMENTS

ATTACHMENT 1 --- ARCHITECTURAL DRAWING	38
ATTACHMENT 2 --- LETTERS OF SUPPORT	40
ATTACHMENT 3 --- AUTHORITY'S REQUEST FOR WAIVER	44
ATTACHMENT 4 --- ADPH WAIVER APPROVAL	56

LIST OF TABLES

TABLE 1 ESTIMATED COST	11
TABLE 2 ESTIMATED SOURCES OF FUNDING	12
TABLE 3 POPULATION CALHOUN COUNTY - HISTORICAL	14
TABLE 4 POPULATION CALHOUN COUNTY - PROJECTED	15
TABLE 5 PERCENT GROSS REVENUE	29
TABLE 6 HISTORICAL & PROJECTED CHARGES	29
TABLE 7 INPATIENT HISTORICAL DATA	30
TABLE 8 INPATIENT PROJECTED DATA	30
TABLE 9 OUTPATIENT HISTORICAL DATA	31
TABLE 10 OUTPATIENT PROJECTED DATA	31
TABLE 11 ORGANIZATIONAL HISTORICAL AND PROJECTED FINANCIAL DATA	32
TABLE 12 PROJECT SPECIFIC	33
TABLE 13 STATEMENT OF COMMUNITY PARTNERSHIP FOR EDUCATION AND REFERRALS	34

LIST OF MAPS

MAP 1 COUNTY & LOCATION	13
-------------------------------	----

RECEIVED

Jun 01 2018

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

Rev. 6-16

ALABAMA CERTIFICATE OF NEED APPLICATION

For Staff Use Only

Project # AL2018-030-E Date Rec. _____

Filing Fee Remitted: \$ 17,584.63

INSTRUCTIONS: Please submit an electronic PDF copy of this completed form and the appropriate attachments to the State of Alabama, State Health Planning and Development Agency, in accordance with ALA. ADMIN. CODE r. 410-1-7-.06 (Filing of a Certificate of Need Application) and 410-1-3-.09 (Electronic Filing). Electronic filings meeting the requirements of the aforementioned rules shall be considered provisionally received pending receipt of the required filing fee and shall be considered void should the proper filing fee not be received by the end of the next business day. Refer to ALA. ADMIN. CODE r. 410-1-7-.06 to determine the required filing fee.

Filing fees should be remitted to: State Health Planning and Development Agency 100 North Union Street, Suite 870 Montgomery, Alabama 36104

or the fee may be submitted electronically via the payment portal available through the State Agency's website at www.shpda.alabama.gov.

PART ONE: APPLICANT IDENTIFICATION AND PROJECT DESCRIPTION

I. APPLICANT IDENTIFICATION

(check one) HOSPITAL [X] NURSING HOME [] OTHER [] (Specify) _____

The Health Care Authority of the City of Anniston

A. Name of Applicant (in whose name the CON will be issued if approved)

400 East 10th Street Anniston Calhoun
Address City County
Alabama 36202 256-235-5121 n/a
State Zip Phone Fax

B. Name of Facility/Organization (if different from A.)

Address City County
State Zip Phone Fax

C. Name of Legal Owner (if different from A. or B.)

Address City County
State Zip Phone Fax

Gary Griffin, Health Care Advisor, Gary Griffin & Associates, Inc.

D. Name and Title of Person Representing Proposal and Whom SHPDA Should Communicate

P. O. Box 8551	Gadsden	Etowah
Address	City	County
Alabama	35902	256-393-0188 garygga@bellsouth.net
State	Zip	Phone E-mail

and

Stephen Preston, Preston Strategy Group

D. Name and Title of Person Representing Proposal and Whom SHPDA Should Communicate

3680 Village Center Lane	Birmingham	Jefferson
Address	City	County
Alabama	35226	205-873-0816 stephen@prestonstrategygroup.com
State	Zip	Phone E-mail

and

Colin Luke, Partner, Waller Lansden Dortch & Davis, LLP

D. Name and Title of Person Representing Proposal and Whom SHPDA Should Communicate

1901 Sixth Avenue N. Suite 1400	Birmingham	Jefferson
Address	City	County
Alabama	35203-2623	205-226-5717 Colin.Luke@wallerlaw.com
State	Zip	Phone E-mail

I. APPLICANT IDENTIFICATION (continued)

E. Type Ownership and Governing Body

- 1. Individual
- 2. Partnership
- 3. Corporate (for profit) _____
Name of Parent Corporation
- 4. Corporate (non-profit) _____
Name of Parent Corporation
- 5. Public
- 6. Other (specify) Health Care Authority

F. Names and Titles of Governing Body Members and Owners of This Facility

The members of the Governing Board of the Authority are as follows:

Billy Grizzard, Chairman
James Roberts, Vice Chairman
Jimmie Thompson, Secretary
Blane Bateman, D.O., COS
Almena Free, M.D., Vice COS
Trudy Hardegree
Jay Jenkins
Sandra F. Sudduth
W.E. (Bill) Williams
George Crawford, M.D.
Fred Wilson
Ellen Bass
Bud Owsley
Arthur F. Fite, III
Paula Watkins

II. PROJECT DESCRIPTION

A. Project/Application Type (check all that apply)

- New Facility Type:
- Change In Service Type:
- New Service Type:
- Major Medical Equipment Type:
- Construction/Expansion/Renovation Type: **Renovation of Existing Space and Relocation of 25 Geriatric Psychiatric Beds From RMC Jacksonville to RMC Anniston**
- Termination of Service or Facility Type:
- Other: Type: **Equipment is proposed for purchase, but such equipment is not specifically addressed in the Alabama State Health Plan.**

III. EXECUTIVE SUMMARY OF THE PROJECT

On May 16, 2018, the Health Care Authority of the City of Anniston, which governs the three hospital Regional Medical Center System, made the difficult decision to close the RMC Jacksonville Hospital effective June 30, 2018. A before unforeseen closure and date. While immediate measures are being put into place, this unforeseen event will impact the community, in particular, the health and safety of a vulnerable population – geriatric inpatient psychiatric patients. RMC Jacksonville is the sole provider of geriatric inpatient psychiatric services in Calhoun County. Thus, an Emergency Certificate of Need (CON) is sought to authorize the necessary expenditures to relocate RMC Jacksonville’s 25 inpatient geriatric psychiatric beds to RMC Anniston.

On March 19th of this year, another unforeseen event hit the Jacksonville community when an EF-3 tornado slammed into the JSU campus destroying or damaging classrooms, offices, student dorms, and off-campus housing. Early estimates totaled the damage at \$42.5 million on campus with several key buildings destined for demolition with millions in out of pocket cost for Jacksonville State University.

Enter the silver lining – while most shuttered hospitals remain vacant and in disrepair for years, RMC Jacksonville and JSU officials have devised plans to convert much of the hospital plant to dormitories and expand the nursing simulation program, laboratory training site, educational classrooms and start a Nurse Practitioner program. ADPH again has stepped in to assist the Jacksonville community by granting the hospital a necessary waiver to close on June 30th based upon the patient transition of care plans provided by RMC and thus allowing JSU to begin renovations as soon as possible with expectations of operations by the fall semester.



With the unmatched collegiate spirit of the faculty and students and the help of many volunteers and charities, classes, although delayed, soon resumed and the semester was completed. Many, but not all damaged roofs will be repaired and ready the start of the fall semester. Unfortunately, without a plan to address student housing, JSU officials fear a dramatic reduction in enrollment that could take years to stabilize.

Unfortunately, operational challenges of a small hospital such as a high number of uninsured and underinsured patients and a large Medicaid population (upwards of 30%) led to the inability to maintain key specialty services such as Obstetrics and Cardiology. Financial losses have mounted with a projected \$2.3 million shortfall this year alone, above the shortfall of \$2.0 sustained the previous year and the shortfall of \$1.6 million before that. RMC officials, along with the Alabama Department of Public Health (ADPH), the Alabama Medicaid Agency and CMS have diligently worked together and have exhausted options to avert the hospital closure.



In 2013, RMC stepped in to acquire the 104-bed hospital in Jacksonville which was 45 days away from a planned closure by the previous owner. The RMC System invested \$14 million in capital improvements and operations into the facility and expanded services to the small community. Located near the Jacksonville State University (JSU) campus, RMC Jacksonville provides training and educational nursing simulation lab space for the students.

Located only 10 miles from the RMC Anniston and RMC Stringfellow hospitals, the Jacksonville community will have access to emergency department services and broader comprehensive physician specialty coverage at the larger campuses. The detox service today at RMC Jacksonville is available at RMC Stringfellow. Furthermore, RMC Anniston is preparing one-half of its existing 20 bed inpatient psych unit for up to 10 geriatric patients to help partially address the immediate impact of the hospital closure.

With the next closest geriatric inpatient psych programs being located in Gadsden and Sylacauga, well outside of Calhoun County, it is imperative that an expedited plan to provide convenient access to care for this growing patient population be approved. RMC Anniston can, based upon approval of the Emergency CON Application, provide the necessary renovations for the relocation of all 25 geriatric inpatient psych beds from RMC Jacksonville in a timely manner.

Timely for geriatric psychiatric patients and timely for Jacksonville State University.

- ❖ "There has been significant damage tonight in parts of Alabama," Alabama Gov. Kay Ivey said in a statement. "We are sending state resources to those affected areas, especially to Jacksonville and Calhoun County."
- ❖ On Tuesday, Gov. Ivey declared a state of emergency in response to the severe weather.



https://youtu.be/lzdqq_oV1sw Tornado damage at Jacksonville State University

IV. COST

TABLE 1 ESTIMATED COST

	A	B
1	A. Construction (includes modernization, expansion)	
2	1. Predevelopment	\$ 50,000
3	2. Site Acquisition	-
4	3. Site Development	-
5	4. New Construction	-
6	5. Professional Fees	137,786
7	6. Renovation	1,252,600
8	7. Interest during time period of construction	
9	8. Attorney and Consultant Fees	
10	9. Bond Issuance Costs	
11	10. Contingency	288,077
12	11. Other	
13	12. Other	
14	TOTAL COST OF CONSTRUCTION	\$ 1,728,463
15		
16	B. Purchase	
17	1. Facility	
18	2. Major Medical Equipment	
19	3. Other Equipment	30,000
20	4. Interest during time of construction	
21	5. Debt Issuance Costs	
22	5. Contingency	
23	TOTAL COST OF PURCHASE	\$ 30,000
24		
25	C. Lease (Capitalized per GAAP)	
26	1. Facility Cost Per Per Lease Period	\$ -
27	2. Equipment Cost Per Lease Period	
28	3. Land-only Lease Cost Per Lease Period	
29	TOTAL COST OF LEASE(S)	\$ -
30	(compute according to generally accepted accounting principles)	
31	If purchased before financing costs	
32	D. Services	
33	1. <u> </u> New Service	\$ -
34	2. <u> </u> Expansion Existing Services	
35	3. <u> </u> Reduction or Termination	
36	4. <u> X </u> Other: Relocation of Existing 25 Geri Psy Beds (no New costs)	
37	FIRST YEAR NEW ANNUAL OPERATING COST	\$ -
38		
39	E. Total Cost of this Project (Total A. through D. should equal V.C. on page 10)	\$ 1,758,463
40		

IV. COST (Continued)

TABLE 2 ESTIMATED SOURCES OF FUNDING

	A	B	C
1	F. Proposed Finance Charges		
2	1. Total Amount To Be Financed (Gross Loan) - Facility		
3	2. Anticipated Interest Rate - Facility		
4	3. Term of Loan In Years - Facility		
5	4. Total Amount To Be Financed (Gross Loan) - Equipment		
6	5. Anticipated Interest Rate - Equipment		
7	6. Term of Loan In Years - Equipment		
8	7. Method of Calculating Interest on Principal Payments		
9			
10	V. ANTICIPATED SOURCE OF FUNDING		
11		Amount	Source
12	A. Federal		
13	1. Grants		
14	2. Loans		
15			
16	B. Non-Federal		
17	1. Commercial Loan (or equivalent if not bonds)		
18	2. Tax-exempt Revenue Bonds (or equivalent)		
19	3. General Obligation Bonds		
20	4. New Earnings and Revenues (First Year)		
21	5. Charitable Fund Raising		
22	6. Cash on Hand (excluding Charitable Fund Raising)	\$ 1,758,463	Authority
23	7. Other		
24			
25	C. TOTAL (Should Equal IV. E. on previous page)	\$ 1,758,463	
26			
27	VI. TIMETABLE		
28			
29	A. Projected Start/Purchase Date:	CON Approval	
30	B. Projected Completion Date:	CON Obligation in CY 2018 by obligating CON via construction contract within 60 to 90 days from issuance of CON.	
31			

PART TWO: PROJECT NARRATIVE

The applicant should address the items that are applicable to the project.

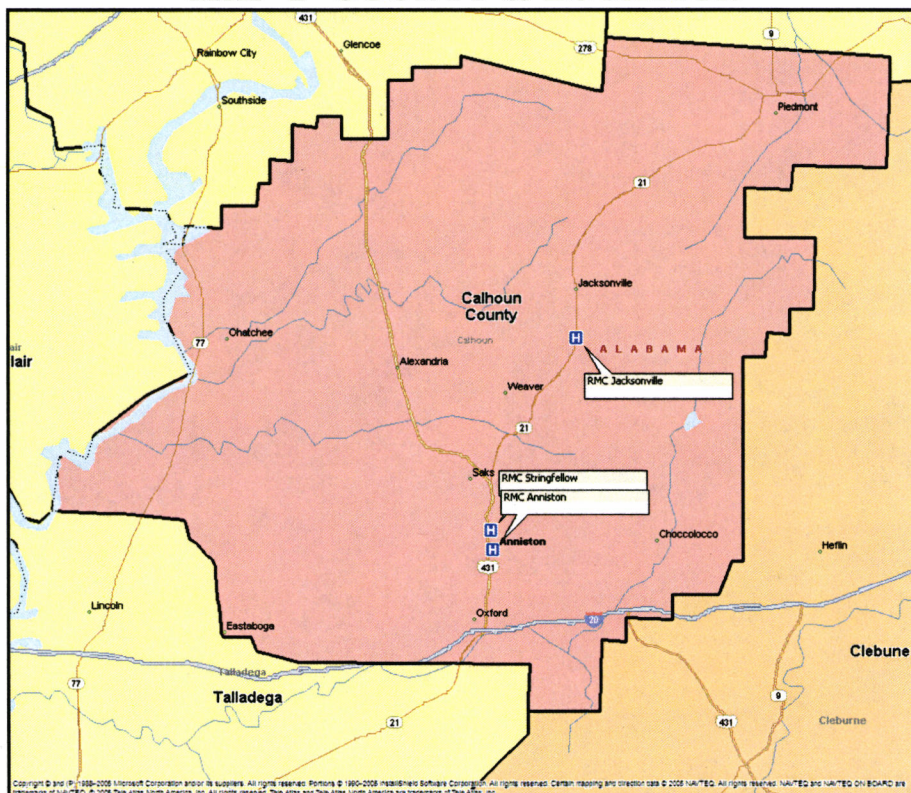
I. MEDICAL SERVICE AREA

A. Identification of Medical Service Area

Identify the geographic (medical service) area by county(ies) or city, if appropriate, for the facility or project. Include an 8 1/2" x 11" map indicating the service area and the location of the facility.

The State Health Plan defines the medical or health service area for Inpatient Psychiatric Services as the whole State of Alabama. The issue at hand is located solely in Calhoun County. A map of Calhoun County is presented below including the locations of RMC Anniston, RMC Jacksonville and RMC Stringfellow, the three hospitals owned by the Authority.

MAP 1 COUNTY & LOCATION



B. Population Groups To Be Served

What population group(s) will be served by the proposed project? Define age groups, location and characteristics of the population to be served.

AGE GROUPS

Predominantly, population 65 years and older will be served as is the instance today.

POPULATION STATISTICS - HISTORICAL

Historical statistics for Calhoun County are presented in the following table. Essentially, the total population is projected to be static.

TABLE 3 POPULATION CALHOUN COUNTY - HISTORICAL

Alabama County Population 2000-2015 and Projections 2020-2040										
POPULATION	Census 2000	Census 2010	2015	2020	2025	2030	2035	2040	Change 2015-2040	
									Number	Percent
Alabama	4,447,100	4,779,736	4,855,847	4,941,485	5,031,739	5,124,710	5,220,021	5,319,305	463,458	9.5%
Calhoun County	112,249	118,572	115,713	114,221	113,195	112,529	112,025	111,723	-3,990	-3.4%

Note: These projections are driven by population change between Census 2000 and Census 2010, taking into account 2015 population estimates. Data on births and deaths for 2000 to 2010 as well as more recent data from the Alabama Department of Public Health are used to derive birth and death rates for the state and each county.

Source: U.S. Census Bureau and Center for Business and Economic Research, The University of Alabama, March 2017.

POPULATION STATISTICS - PROJECTED

Projection population statistics for Calhoun County are presented in the following table. The 18.5% increase in the 65+ population is likely to be a key driver in the future for health and medical services including geriatric psychiatric services.

TABLE 4 POPULATION CALHOUN COUNTY - PROJECTED

Alabama County Population Aged 65 and Over 2000-2015 and Projections 2020-2040										
	Census 2000	Census 2010	2015	2020	2025	2030	2035	2040	Change 2015-2040	
									Number	Percent
POPULATION										
Alabama 65+	579,798	657,792	763,724	851,496	970,464	1,067,854	1,114,008	1,144,172	380,448	49.8%
Calhoun County 65+	15,872	16,900	18,915	19,886	21,657	22,710	22,709	22,405	3,490	18.5%
POPULATION GROWTH EVERY FIVE YEARS										
Alabama 65+			16.1%	11.5%	14.0%	10.0%	4.3%	2.7%		
Calhoun County 65+			11.3%	5.1%	8.9%	4.9%	0.0%	-1.3%		
65+ AS PERCENT OF TOTAL POPULATION										
Alabama 65+	13.0%	13.8%	15.7%	17.2%	19.3%	20.8%	21.3%	21.5%		
Calhoun County 65+	14.1%	14.3%	16.3%	17.4%	19.1%	20.2%	20.3%	20.1%		
TOTAL POPULATION										
Alabama	4,447,100	4,779,736	4,855,847	4,941,485	5,031,739	5,124,710	5,220,021	5,319,305	463,458	9.5%
Calhoun County	112,249	118,572	115,713	114,221	113,195	112,529	112,025	111,723	-3,990	-3.4%

Note: These projections are driven by population change between Census 2000 and Census 2010, taking into account 2015 population estimates. Data on births and deaths for 2000 to 2010 as well as more recent data from the Alabama Department of Public Health are used to derive birth and death rates for the state and each county.

Source: U.S. Census Bureau and Center for Business and Economic Research, The University of Alabama, March 2017.

C. Define Medical Service Area

If medical service area is not specifically defined in the State Health Plan, explain statistical methodologies or market share studies based upon accepted demographic or statistical data available with assumptions clearly detailed. If Patient Origin Study data is used, explain whether institution or county based, etc.

The medical or health service area is specifically defined in the State Health Plan as the whole State of Alabama. The emergency situation exists in Calhoun County and involves the relocation of 25 existing geriatric psychiatric beds within Calhoun County.

D. Other Factors Affecting Access

Are there any other factors affecting access to the project? Please explain.

- Geographic Economic Emergency Medically Underserved

GEOGRAPHIC

The Authority primarily serves the residents of Calhoun County. The hospital also serves residents of the counties of Cleburne, Cherokee, Etowah, Talladega, and Randolph. Upwards of 85% of the existing geriatric psychiatric inpatients are residents of Calhoun County.

ECONOMIC

The Authority, after serious deliberations and \$14 million of financial infusions, found it necessary to close RMC Jacksonville in order to maintain the viability of RMC Anniston and RMC Stringfellow. Continued operation of RMC Jacksonville represents a financial drain on the Authority's other two hospitals. This financial drain is increasing each year although the Authority has implemented new or expanded services that had a favorable financial impact on RMC Jacksonville, but insufficient to totally offset the shortfalls. The Authority's duty is to focus on providing quality health care services at the other two hospitals, which is a more appropriate use of resources beneficial for all residents of Calhoun County.

EMERGENCY

The Authority operates the busiest emergency room in a multiple county area and the only three ERs in Calhoun County. With the closure of RMC Jacksonville, the two ERs in Anniston are available to accommodate the 14,000 ER visits now at RMC Jacksonville. The ERs at RMC Anniston and RMC Stringfellow provide a broader and more acute range of services than available at RMC Jacksonville. For example, cardiology coverage is no longer available at RMC Jacksonville. Furthermore, surgical services are no longer available at RMC Jacksonville. Inpatient dialysis is not available at RMC Jacksonville. Physician coverage at RMC Jacksonville is much more limited than at the two Anniston facilities.

The two ERs in Anniston are approximately 9 miles and 10 miles from RMC Jacksonville and connected by a four lane major highway. The Authority has communicated with several organizations and will continue related to serving the emergency and other health and medical needs of the Jacksonville community. The Authority has and will work closely with The Grayson Group, a local group of psychiatrists, and Dr. Christopher Randolph, a solo psychiatric practitioner, to insure that the relocation of this geriatric service is orderly and poses no undue clinical challenges for patients in need of assistance. RMC has kept these practitioners abreast of plans and feel that since they are already on staff at the Anniston facility, this transition should be a smooth one over time.

MEDICALLY UNDERSERVED

This Emergency CON pertains to continuing inpatient psychiatric services predominately to persons 65 years of age and older who are mostly Medicare recipients or dual Medicare/Medicaid recipients. According to CON Rules and Regulations, these recipients are defined as Medically Underserved.

RMC serves the community by providing uncompensated health care to those in need, engaging in a broad range of medical, research, education and training programs, and supporting community health initiatives. In 2015, RMC's community benefit contribution totaled \$10.8 million in true cost.

II. HEALTH CARE REQUIREMENTS OF THE MEDICAL SERVICE AREA

A. Factors and Inadequacies Necessitating This Project

What are the factors (inadequacies) in the existing health care delivery system, which necessitate this project?

The primary factors for the proposed relocation of geriatric psychiatric beds are the closure of the Jacksonville hospital and the existing inpatients in the geriatric psychiatric unit that is to be closed and transferred to RMC Anniston. Today, there are no geriatric psychiatric beds at RMC Anniston or RMC Stringfellow. At RMC Jacksonville, there has been an average of 19 inpatients in the 25 beds available for geriatric psychiatric services.

B. Correct Inadequacies

How will the project correct the inadequacies?

Relocating the 25 existing inpatient geriatric psychiatric beds to RMC Anniston will correct the closure of the geriatric psychiatric unit at RMC Jacksonville, but only after relocation with renovation of existing spaces for all 25 beds is completed. This renovation is required to achieve facility codes mandated by ADPH, Medicare and Joint Commission. The facility at RMC Anniston does not today achieve such facility codes for inpatient psychiatric services.

C. Appropriate Facility

Why is your facility/organization the appropriate facility to provide the proposed project?

The Authority is the only psychiatric provider in Calhoun County that can relocate the geriatric beds and is the only provider of inpatient geriatric psychiatric services in Calhoun County.

D. Need For Project

Describe the need for the population served or to be served for the proposed project and address the appropriate sections of the State Health Plan and the CON Rules and Regulations 410-1-6-.07. Provide information about the results of any local studies, which reflect a need for the proposed project.

This relocation is needed due to the closure of the existing 25 bed geriatric psychiatric unit at RMC Jacksonville. For fiscal year 2017 and YTD 2018, the unit has averaged 19 inpatients. These 19 inpatients prove the need for geriatric psychiatric services to be continued in Calhoun County.

E. Specialized Services

If the application is for a specialized or limited-purpose facility or service, show the incidence of the particular health problem.

Not Applicable

F. Relationship To Applicant's Long Range Plan

Describe the relationship of this project to you long-range development plans, if you have such plans.

An inpatient geriatric psychiatric service has been part of RMC's plans including operating a 15 bed unit at RMC Anniston for many years. With the acquisition of RMC Jacksonville in 2013 and its 10 bed geriatric psychiatric service, the decision in 2014 was made for RMC Jacksonville to take the lead role in geriatric psychiatry by consolidating the 15 beds then at RMC Anniston with the 10 beds at RMC Jacksonville.

In July 2016, the consolidated 25 bed geriatric psychiatric unit was opened. Such has been a financially positive action for RMC Jacksonville at an additional net income of \$1.5 million annually. However, the closure of RMC Jacksonville is an unforeseen event; thus, this emergency request to relocate the existing 25 beds from RMC Jacksonville to RMC Anniston.

III. RELATIONSHIP TO EXISTING OR APPROVED SERVICES AND FACILITIES

A. Existing Similar Services and Facilities

Identify by name and location the existing or approved facilities or services in the medical service area similar to those proposed in this project.

In Calhoun County, there are two providers of psychiatric services. One is the Authority's hospital known as RMC Jacksonville located in Jacksonville. The second is RMC Anniston located in Anniston. Today, only RMC Jacksonville provides geriatric psychiatric services, which resulted from the consolidation of RMC Anniston's 15 bed geriatric psychiatric unit into RMC Jacksonville's 10 bed geriatric unit for a total of 25 beds. Following this consolidation, RMC Anniston provided only Adult psychiatric services having 20 beds.

Before the consolidation, RMC Jacksonville had a geriatric ADC of 8.8 patients. Since consolidation effective July 2016, the ADC has been 19 patients.

B. Effect On Existing Providers

How will the proposed project affect existing or approved services and facilities in the medical service area?

No effect on existing providers is anticipated. The Authority is the only inpatient provider of psychiatric beds in Calhoun County.

C. No Detrimental Effect On Existing Providers

Will there be a detrimental effect on existing providers of the service? Discuss methodologies and assumptions.

No detrimental effect on existing providers is anticipated as the Authority is the only provider of inpatient geriatric psychiatric services in Calhoun County.

D. Applicant's Shared Services Arrangements

Describe any coordination agreements or contractual arrangements for shared services that are pertinent to the proposed project.

No new shared services are required to the proposed project.

E. Applicant's Ancillary and Supporting Services

List the new or existing ancillary and/or supporting services required for this project and briefly describe their relationship to the project.

The proposed project is not dependent on new ancillary and/or supporting services.

IV. POTENTIAL LESS COSTLY OR MORE EFFECTIVE ALTERNATIVES

A. Alternatives and Why This The Best Alternative

What alternatives to the proposed project exist? Why was this proposal chosen?

There is not an alternative to the proposed project except to not have inpatient geriatric psychiatric services in Calhoun County.

B. Cost Containment

How will this project foster cost containment?

This emergency request will assist with the continued provision of inpatient geriatric psychiatric services to the residents of Calhoun County although in the short term RMC Anniston will not be able to meet the needs of all the existing geriatric psychiatric inpatients today at RMC Jacksonville. This is due RMC Anniston not having sufficient psychiatric beds and space compliant immediately with current facility codes mandated by ADPH, Medicare and Joint Commission. Renovation is required to achieve these codes along with staging of space during renovation while continuing clinical care for geriatric and adult psychiatric inpatients.

C. Quality and Continuity of Care

How does the proposal affect the quality of care and continuity of care for the patients involved?

After relocation of the 25 beds to RMC Anniston and having all 25 beds operational, the Authority believes the quality of care and continuity of care will be equal to that provided at RMC Jacksonville.

V. DESCRIBE COMMUNITY REACTION TO THE PROJECT

The Authority, its Medical Staff, Jacksonville State University and others are supportive of the proposed relocation of inpatient geriatric psychiatric services. Letters of Support are provided in ATTACHMENT 2 on page 40.

VI. NON-PATIENT CARE

If appropriate, describe any non-patient care objectives of the facility, i.e. professional training programs, access by health professional schools and behavioral research projects which are designed to meet a national need.

The Authority and the nursing program at Jacksonville State University have a long relationship concerning nurse training and leasing of facility for labs and educational activities. The Authority also operates the student and faculty health clinic for Jacksonville State University. Access to the clinical training sites of the Authority will not be reduced by the proposed relocation except in the short term until the full complement of 25 geriatric psychiatric beds can be once again available.

VII. MULTI-AREA PROVIDER

If the applicant holds itself as a multi-area provider, describe those factors that qualify it as such, including the percentage of admissions which resides outside the immediate health service area in which the facility is located.

In this instance, the Authority's facilities do not achieve the limited definition of multi-area provider set by CON Rules and Regulations. The Authority's hospitals receive patients from within Calhoun County and outside from several other counties.

VIII. HEALTH MAINTENANCE ORGANIZATION

If the proposal is by or on behalf of a health maintenance organization (HMO), address the rules regarding HMOs, and show that the HMO is federally qualified.

Not Applicable.

IX. ENERGY-SAVING MEASURES

Discuss as applicable the principal energy-saving measures included in this project.

Energy saving measures would be incorporated in renovation of existing space consistent with state and federal facility requirements.

X. OTHER FACTORS

Describe any other factor(s) that will assist in understanding and evaluating the proposed project, including the applicable criteria found at 410-1-.6 (Chapter Six) of the Alabama Certificate of Need Program Rules and Regulations which are not included elsewhere in the application.

Chapter Six of the CON Rules and Regulation presents Mandated and Supplemental criteria that are to be in compliance and are in addition to the required findings for inpatient facilities found in §22-21-266 when such are appropriate criteria. The following pertains to several of these criteria not found elsewhere and expounds on some that may be addressed elsewhere.

❖ 41-1-6-.08 Services Complimentary to and Supportive of the Existing Health Care System:

- The inpatient geriatric psychiatric service at RMC Jacksonville has been and is successful, especially since consolidation in July 2016. This emergency CON is complimentary to and supportive of the existing health care system since it will continue the provision of 25 beds for geriatric psychiatric services. Otherwise, Calhoun County would not have inpatient geriatric psychiatric services, which probably would negatively impact outpatient and physician availability for mental health services.

❖ 410-1-6-.09(1)(a) Professional Capability of the Facility

- The Medical Staff and physician leadership of the Authority is strong including not only direct participation in clinical matters, but also by physician participation on the governing body.
- The Authority will work closely with The Grayson Group, a local group of psychiatrists, and Dr. Christopher Randolph, a solo psychiatric practitioner, to insure that the relocation of this service is orderly and poses no clinical challenges for patients in need of assistance. RMC has kept these practitioners abreast of plans and feel that since they are already on staff at the Anniston facility, this transition should be a smooth one over time. No physician involved with mental health services in Calhoun County has expressed relocation to an out of county site.

❖ 410-1-6-.09(1)(b) Management Capability of the Facility

- The management team has been with the Authority for a number of years. This management team has successfully led the Authority through several challenging events of local and national natures.

❖ **410-1-6-.09(1)(c) Adequate Manpower**

- Adequate manpower exists today at RMC Jacksonville, which staffing would be available to RMC Anniston. Additional staff is not anticipated except as patient workloads increase above those today.

❖ **410-1-6.09(1)(e) Evidence of Existing and Ongoing Monitoring of Utilization and the Fulfilling of Unmet Needs or Undermet Health Needs in the Case of Expansion**

- The Authority performs various monitoring of unmet community needs including undermet health needs. On a regular basis the Authority undertakes a Community Health Needs Assessment Study that is performed by an independent professional health care organization. The latest Community Report and other information are available at: rmccares.org/community-reports/.

❖ **410-1-6.09((1)(f) Evidence of Communication with All Planning, Regulatory, Utility Agencies and Organizations That Influence the Facility Destiny**

- The Authority has communicated with local organizations as well as SHPDA, ADPH, Alabama Medicaid, CMS, JSU and organizations serving the residents of Calhoun County.

❖ **410-1-6-.14 Construction Projects – Zoning Optional; Schematic Drawings Not Required; Cost Estimate; and Architectural Barriers**

- The RMC Anniston site is already zoned for hospital services. Drawings are part of this CON Application.

❖ **410-1-6-.15 Supplemental Review Criteria – Local Zoning Ordinances and Environment**

- The RMC Anniston site is already zoned for hospital services;
- Environmental issues are not present.

❖ **410-1-6-.16 Compliance with State Licensure and No Probation License**

- RMC Anniston is currently in compliance with State Licensure; however, existing space for psychiatry services will require renovation to comply with the latest facility codes mandated by ADPH, Medicare and Joint Commission.

❖ **410-1-6-.17 Quality of Care Past Performance**

- The Authority dates back to pre World War I when local leaders realized the need for some type of health care system for their community. Initially named Anniston Memorial Hospital in 1944 with 100 beds and 16 physicians, the facility has steadily grown over the decades in its programs and services, equipment and space. By the mid-1970s, the newly named Regional Medical Center of Anniston embarked upon a multi-million dollar modernization and expansion program to better meet the changing health care needs of the now five-county service area it serves. Today, RMC Anniston boasts 338 licensed beds, 185 physicians and over 1,400 staff administering advanced programs and services unavailable at any other hospital in this part of the state;
- One way to view past performance is to look at the public's acceptability of RMC Anniston. With over 12,000 annual inpatient discharges, over 40,000 ER visits and with over 600,000 outpatient visits, the public's acceptability of RMC Anniston speaks for itself.

❖ **410-1-6-.18 Required Findings for New Inpatient Facilities – No CON for new inpatient facilities shall be issued unless the CON Review Board makes each of the following findings:**

- **Consistency with State Health Plan** – This CON Application is consistent with the effective State Health Plan as it proposes to use existing beds rather than add new beds and proposes relocation of existing beds rather than new beds.
- **More Appropriate Alternatives** – This CON Application proposes an alternative that is less costly, more efficient and more appropriate than the provision of a new hospital or the continued operation of RMC Jacksonville. This alternative includes renovation to an existing facility including the re-use of existing facilities such as space that housed the former 15 bed geriatric psychiatric unit at RMC Anniston.
- **Existing Inpatient Facilities Used Appropriately** – Existing inpatient facilities are being used appropriately consistent with community demand
- **Alternative to New Construction** – This CON Application does not propose new construction. Renovation of existing space is proposed.
- **Serious Problems Obtaining Care** – Today, RMC Jacksonville is the only provider of inpatient geriatric psychiatric beds and services in Calhoun County. This single unit of 25 beds was the result of consolidating two smaller units of 10 beds and 15 beds with the 15 beds being relocated from RMC Anniston to RMC Jacksonville. This consolidation became evident in about 2014 and fully implemented in July 2016. With the closure of RMC Jacksonville, the Authority is requesting CON approval to relocate these 25 existing beds to RMC Anniston. Otherwise, inpatient geriatric psychiatric services will not be available in Calhoun County.

PART THREE: CONSTRUCTION OR RENOVATION ACTIVITIES

Complete the following if construction/renovation is involved in this project. Indicate N/A for any question not applicable.

I. ARCHITECT

Firm: SSOE (formerly the burell group, p.c.)

Address: 300 Cahaba park circle, Department 111, Birmingham, Alabama 35242

Contact Person: Andy Burell or Scott Szush

Telephone: 205-991-8190

Architect's Project Number: SSOE # RMC E Geri Psy

II. ATTACH SCHEMATICS AND THE FOLLOWING INFORMATION

Please see ATTACHMENT 1 on page 38 for drawings.

A. Describe the proposed construction/renovation.

Renovation of existing space at RMC Anniston is proposed. This renovation is required to update the current and former psychiatric space to present day facility codes. Such renovation will mostly consist of: patient security devices; hard ceilings in patient rooms and other patient use areas; revised ceilings in corridors and non-patient areas; patient bathrooms including fixtures, walls and floors; nursing support areas; doors and hardware; and other as may be directed by ADPH Technical Services Division.

For purposes of clinical care and construction staging, one-half of the existing 20 bed Adult psychiatric unit will be used "as is" so that up to 10 geriatric beds can be made immediately available, which are expected to be available in July/August 2018. This "as is" can be expected to last for 4 to 6 months.

In summary, a total of 10 geriatric beds will be immediately available, which is insufficient for the existing patient census as of May 30th; next, a total of 15 geriatric beds will be available with completion of renovation of the former geriatric bed unit; and subsequently the full 25 bed compliment will be available for geriatric psychiatric services.

This staging of construction is necessary since not all the existing space can be turned over to the contractor at one time unless both geriatric and adult psychiatric inpatient services were closed for several months. RMC plans to continue to assess staging to identify if adequate means are appropriate to undertake and complete renovation in a shorter time period including making smaller spatial areas available to the contractor.

B. Total gross square footage to be constructed/renovated.

Renovation of about 13,695 SF.

C. Net useable square footage (not including stairs, elevators, corridors, toilets)

Approximately, 10,271 SF.

D. Acres of land to be purchased or leased

None.

E. Acres of land owned on site

Approximately, 25 acres.

F. Anticipated amount of time for construction or renovations (months)

Approximately, 4 to 6 months for initial renovation for 15 beds with expedited plan reviews and surveys by ADPH. For the full complement of 25 beds for geriatric psychiatric services and consideration of construction staging, such is expected in another 6 to 8 months.

G. Total Project Cost per square foot

Project Cost per SF at \$128.40 including First Year New Annual Operating Costs, Equipment and Construction.

H. Total Project Cost per bed (if applicable)

Project Cost per bed at \$70,338.53 including First Year New Annual Operating Costs, Equipment and Construction.

PART FIVE: UTILIZATION DATA AND FINANCIAL INFORMATION

This part should be completed for projects which cost over \$500,000.00, or which propose a substantial change in service, or which would change the bed capacity of the facility in excess of ten percent (10%), or which propose a new facility. ESRD, home health and projects that are under \$500,000.00 should omit this part and complete Part Four.

I. PERCENT GROSS REVENUE

TABLE 5 PERCENT GROSS REVENUE

SOURCE OF PAYMENT	PERCENT OF GROSS REVENUE				
	Historical			Projected	
	2015	2016	2017	2020	2021
ALL Kids			see Medicaid		
Blue Cross/Blue Shield	24.8%	17.6%	17.7%	18.0%	18.1%
Champus/Tricare			see OCI		
Charity Care (see Self Pay)					
Medicaid	11.6%	20.8%	20.1%	21.0%	21.5%
Medicare	50.7%	46.3%	48.6%	49.0%	49.5%
Other Commercial Insurance	5.7%	5.3%	4.9%	4.0%	2.7%
Self Pay	7.2%	10.0%	8.7%	8.0%	8.2%
Other					
Veterans Administration			see OCI		
Workers' Compensation			see OCI		
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Refer to the Healthcare Financial Management Association (HFMA) Principles and Practices Board Statement Number 15, Section II.

III. CHARGE INFORMATION

A. List schedule of current charges related to this project.

Please see Table 6.

B. List schedule of proposed charges after completion of this project. Discuss the impact of project cost on operation costs and charges of the facility or service.

Please see Table 6.

TABLE 6 HISTORICAL & PROJECTED CHARGES

TYPE	HISTORICAL & PROJECTED CHARGES			
	2017	2018	2020	2021
CHARGE ITEM				
Semi-Private	\$ 1,676	\$ 1,726	\$ 1,778	\$ 1,831
Private	\$ 1,777	\$ 1,830	\$ 1,885	\$ 1,942
Intensive Care	\$ 3,465	\$ 3,569	\$ 3,676	\$ 3,786
Obstetrics	\$ 1,676	\$ 1,726	\$ 1,778	\$ 1,831
Psychiatry	\$ 2,071	\$ 2,133	\$ 2,197	\$ 2,263

III. INPATIENT UTILIZATION DATA

A. INPATIENT HISTORICAL DATA

Give information for last three (3) years for which complete data is available.

TABLE 7 INPATIENT HISTORICAL DATA

	A	D	E	F	I	J	K	N	O	P	S	T	U
1	Occupancy Data												
2	Clinical Services												
3		Number of Beds			Admissions or Discharges			Total Patient Days			Percent Occupancy		
4		2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
5	Med./Surg./ICU	283	283	283	9,520	9,633	9,309	51,144	50,517	52,512	49.5%	48.9%	50.8%
6	Obstetrics	20	20	20	1,754	1,825	1,944	4,212	4,015	4,276	57.7%	55.0%	58.6%
7	Pediatrics												
8	Psychiatry - Adult & Geri	35	35	20	1,027	934	878	6,251	5,617	4,836	48.9%	44.0%	66.2%
9	TOTALS	338	338	323	12,301	12,392	12,131	61,607	60,149	61,624	49.9%	48.8%	52.3%
10													
11	Note: 15 geropsychiatric beds transferred to RMC Jacksonville under CON AL2015-02 with first patient served July 1, 2016.												
12													
13	Note: Licensed Beds RMC Anniston												
14													
15													

B. INPATIENT PROJECTED DATA

Give information projected to cover the first two (2) years of operation after completion of project.

TABLE 8 INPATIENT PROJECTED DATA

	A	B	C	D	E	F	G	H	I
1	Clinical Services								
2		Number of Beds		Adms. or Discharges		Total Patient Days		Percent Occupancy	
3		2020	2021	2020	2021	2020	2021	2020	2021
4	Med. & Surgery/ICU	268	268	9,700	9,600	49,470	47,040	50.6%	48.1%
5	Obstetrics	20	20	1,800	1,825	4,140	4,200	56.7%	57.5%
6	Pediatrics								
7	Psychiatry - Adult	20	20	1,050	1,064	6,200	6,278	84.9%	86.0%
8	Psychiatry - Geri	25	25	410	422	6,570	6,752	72.0%	74.0%
9	TOTALS	333	333	12,960	12,911	66,380	64,270	54.6%	52.9%
10									

IV. OUTPATIENT UTILIZATION DATA

A. OUTPATIENT HISTORICAL DATA

TABLE 9 OUTPATIENT HISTORICAL DATA

1	A	B	C	D	Percentage of Outpatient Visits		
					E	F	G
2	HISTORICAL	Number of Outpatient Visits			2015	2016	2017
3		2015	2016	2017			
4	Clinical				88%	88%	88%
5	Diagnostic	512,439	520,433	526,969	11%	11%	11%
6	Rehabilitation	63,155	64,850	65,590	1%	1%	1%
7	Surgical	5,709	5,696	6,012			
8							

B. OUTPATIENT PROJECTED DATA

TABLE 10 OUTPATIENT PROJECTED DATA

1	A	B	C	Percentage of Outpatient Visits	
				D	E
2	PROJECTED	Number of Outpatient Visits		First Year	Second Year
3		2020	2021		
4	Clinical			88%	88%
5	Diagnostic	542,936	548,366	11%	11%
6	Rehabilitation	67,577	68,253	1%	1%
7	Surgical	6,194	6,256		
8					

V. FINANCIAL INFORMATION - ORGANIZATIONAL

TABLE 11 ORGANIZATIONAL HISTORICAL AND PROJECTED FINANCIAL DATA

STATEMENT OF INCOME AND EXPENSE	HISTORICAL DATA			PROJECTED DATA	
	2015	2016	2017	2020	2021
Organizational Financial Information WITH Project				with Geri Psy	
Revenue from Services to Patients					
In-Patient Services				\$ 141,382,984	\$ 146,165,575
Routine (Nursing Service Areas)	90,401,475	97,072,759	96,362,187	\$ 419,900,825	\$ 430,398,346
Other	381,728,023	473,943,473	470,474,206	\$ 590,619,188	\$ 606,409,647
Outpatient Services	516,670,030	633,577,682	651,417,805	\$ 27,572,212	\$ 28,261,517
Emergency Services	25,065,647	33,346,194	34,285,147	\$ 1,179,475,209	\$ 1,211,235,085
Gross Patient Revenue	1,013,865,175	1,237,940,108	1,252,539,345		
Deductions from Revenue					
Contractual Adjustments	768,430,009	996,680,435	999,000,817	\$ 892,679,729	\$ 916,697,965
Discount/Misc. Allowances	55,503,684	66,350,901	76,633,059	\$ 58,814,284	\$ 60,400,977
Total Deductions	823,933,693	1,063,031,336	1,075,633,876	\$ 951,494,013	\$ 977,098,942
NET PATIENT REVENUE	189,931,482	174,908,772	176,905,469	\$ 227,981,196	\$ 234,136,144
Other Operating Revenue	11,154,933	10,659,459	11,587,520	\$ 11,654,380	\$ 11,945,740
NET OPERATING REVENUE	201,086,415	185,568,231	188,492,989	\$ 239,635,576	\$ 246,081,884
OPERATING EXPENSES					
Salaries, Wages & Benefits	77,343,561	102,539,650	99,015,741	\$ 92,189,340	\$ 94,543,039
Physician's Salaries and Fees	913,326	962,491	1,000,874	\$ 1,383,750	\$ 1,442,719
Supplies & Other	57,413,110	58,244,083	55,253,483	\$ 72,786,863	\$ 74,753,743
Uncompensated Care (less recoveries) per State Health Plan 410-2-06(d)	38,564,763	21,498,168	25,297,385	\$ 32,823,157	\$ 33,701,905
Other Expenses	14,808,044	12,835,078	16,182,294	\$ 17,565,005	\$ 18,024,096
Total Operating Expenses	189,042,804	196,079,470	196,749,777	\$ 216,748,115	\$ 222,465,502
NON-OPERATING EXPENSES					
Taxes	12,220,035	12,321,147	11,674,731	\$ 13,843,333	\$ 14,093,333
Depreciation	1,229,811	1,161,655	1,876,372	\$ 2,466,418	\$ 2,431,493
Interest (other than mortgage)					
Existing Capital Expenditures					
Interest - Bonds Existing or Similar	13,449,846	13,482,802	13,551,103	\$ 16,309,751	\$ 16,524,826
Total Non-Operating Expenses	13,449,846	13,482,802	13,551,103	\$ 16,309,751	\$ 16,524,826
TOTAL EXPENSES (Oper. and Cap.)	202,492,650	209,562,272	210,300,880	\$ 233,057,866	\$ 238,990,328
Operating Income (Loss)	(1,406,235)	(23,994,041)	(21,807,891)	\$ 6,577,709	\$ 7,091,556
Other Revenue (Expense)--Net	1,787,030	2,661,402	1,607,720		
NET INCOME (Loss)	380,795	(21,332,639)	(20,200,171)	\$ 6,577,709	\$ 7,091,556
Projected Capital Expenditure					
Interest					
Applicant Added Items Below:					
Interest Expense - Existing Bonds				\$ 6,577,709	\$ 7,091,556
GAAP Net Income (Loss)	\$ 380,795	\$ (21,332,639)	\$ (20,200,171)	\$ 6,577,709	\$ 7,091,556

VI. FINANCIAL INFORMATION - PROJECT SPECIFIC

TABLE 12 PROJECT SPECIFIC

STATEMENT OF INCOME AND EXPENSE	HISTORICAL DATA			Geriatric	
				2020	2021
Project Specific Financial Information				With Geriatric	
Revenue from Services to Patients				\$ 13,361,872	\$ 14,029,965
In-Patient Services					
Routine (Nursing Service Areas)					
Other					
Outpatient Services				\$ 13,361,872	\$ 14,029,965
Emergency Services					
Gross Patient Revenue	\$ -	\$ -	\$ -		
Deductions from Revenue				\$ 8,785,873	\$ 9,225,167
Contractual Adjustments				\$ 8,785,873	\$ 9,225,167
Discount/Misc. Allowances	\$ -	\$ -	\$ -		
Total Deductions	\$ -	\$ -	\$ -	\$ 4,575,999	\$ 4,804,799
NET PATIENT REVENUE					
Other Operating Revenue				\$ 4,575,999	\$ 4,804,799
NET OPERATING REVENUE					
OPERATING EXPENSES				\$ 1,756,175	\$ 1,843,983
Salaries, Wages & Benefits				\$ -	\$ -
Physician's Salaries and Fees				\$ 52,947	\$ 55,595
Supplies & Other					
Uncompensated Care (less recoveries) per State Health Plan 410-2-2-.06(d)				\$ 588,590	\$ 618,020
Other Expenses				\$ 2,397,712	\$ 2,517,598
Total Operating Expenses	\$ -	\$ -	\$ -		
NON-OPERATING EXPENSES				\$ -	\$ -
Taxes				\$ 93,333	\$ 93,333
Depreciation				\$ -	\$ -
Interest (other than mortgage)				\$ -	\$ -
Existing Capital Expenditures				\$ -	\$ -
Interest				\$ 93,333	\$ 93,333
Total Non-Operating Expenses	\$ -	\$ -	\$ -	\$ 2,491,045	\$ 2,610,931
TOTAL EXPENSES (Oper. and Cap.)	\$ -	\$ -	\$ -	\$ 2,084,953	\$ 2,193,868
Operating Income (Loss)					
Other Revenue (Expense)--Net				\$ 2,084,953	\$ 2,193,868
NET INCOME (Loss)					
Projected Capital Expenditure	N/A	N/A	N/A		
Interest	N/A	N/A	N/A		
Applicant Added Items Below:					
Interest Expense - Existing Bonds				\$ 2,084,953	\$ 2,193,868
GAAP Net Income (Loss)	\$ -	\$ -	\$ -		

VII. STATEMENT OF COMMUNITY PARTNERSHIP FOR EDUCATION AND REFERRALS

This section is declaration of those activities your organization performs outside of inpatient and outpatient care in the community and for the underserved population. Please indicate historical and projected data by expenditures in the columns specified below.

TABLE 13 STATEMENT OF COMMUNITY PARTNERSHIP FOR EDUCATION AND REFERRALS

	A	B	C	D	E	F	G
1	Services and/or Programs	Historical Data (total dollars spent in last 3 years)			Projected Data (total dollars budgeted for next three years)		
2		2015	2016	2017	2018	2019	2020
3	Health Education (nutrition, fitness, etc.)	\$15,500	\$18,290	\$22,157	\$22,600	\$23,052	\$23,513
4	Community Service Workers (school nurses, etc.)						
5	Health Screenings						
6	Other	\$69,952	\$83,425	\$83,985	\$85,665	\$87,378	\$89,126
7							
8							
9	Total	\$85,452	\$101,715	\$106,142	\$108,265	\$110,430	\$112,639
10							

Please describe how the new services specified in this project application will be made available to and address the needs of the underserved community. If the project does not involve new services, please describe how the project will address the underserved population in your community.

There will be no change from today in addressing the underserved population.

Please briefly describe some of the current services or programs presented to the underserved in your community.

Please see the Community Benefits Report available at: rmccares.org/community-reports/. The Authority funds requests for grants, which some have included: American Cancer Society; Habitat for Humanity; Red Cross; United Way; Anniston Community Education Foundation; East Alabama Emergency Services; YMCA Strong Kids; Boys & Girls Club; and several others.

RMC serves the community by providing uncompensated health care to those in need, engaging in a broad range of medical, research, education and training programs, and supporting community health initiatives. In 2015, RMC's community benefit contribution totaled \$10.8 million in true cost.

PART SIX: ACKNOWLEDGMENT AND CERTIFICATION BY THE APPLICANT

I. ACKNOWLEDGMENT

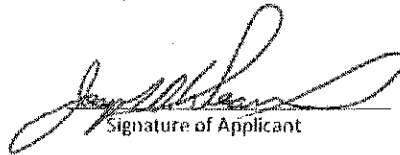
In submitting this application, the applicant understands and acknowledges that:

- A. The rules, regulation and standards for health facilities and services promulgated by the SHPDA have been read, and the applicant will comply with same.
- B. The issuance of a certificate of need will depend on the approval of the CON Review Board, and no attempt to provide the service or incur an obligation will be made until a bona fide certificate of need is issued.
- C. The certificate of need will expire in twelve (12) months after date of issuance, unless an extension is granted pursuant to the applicable portions of the SHPDA rules and regulations.
- D. The certificate of need is not transferable, and any action to transfer or assign the certificate will render it null and void.
- E. The applicant will notify the State Health Planning and Development Agency when a project is started, completed or abandoned.
- F. The applicant shall file a progress report on each active project every six (6) months until project is completed.
- G. The applicant must comply with all state and local building codes, and failure to comply will render the certificate of need null and void.
- H. The applicants and their agents will construct and operate in compliance with appropriate state licensure rules, regulations and standards.
- I. Projects are limited to the work identified in Certificate of Need as issued.
- J. Any expenditure in excess of the amount approved on the Certificate of Need must be reported to the State Health Planning and Development Agency and may be subject to review.
- K. The applicant will comply with all state statutes and for the protection of the environment.
- L. The applicant is not presently operating with a probational (except as may be converted by this application) or revoked license.

II. CERTIFICATION

II. CERTIFICATION


The information contained in this application is true and correct to the best of my knowledge and belief.


Signature of Applicant

Joe Weaver, COO
Applicant's Name and Title
(type or print)

Sworn to and subscribed before me this

1st day of June, 2018


Notary Public (affix seal on original)

Date Commission Expires 

(notary seal)

ATTACHMENTS

ATTACHMENT 1 --- ARCHITECTURAL DRAWING

ATTACHMENT 2 --- LETTERS OF SUPPORT



OFFICE OF THE PRESIDENT
JACKSONVILLE STATE UNIVERSITY

June 1, 2018

To Whom It May Concern:

I am writing this letter in strong support of the urgent need for Regional Medical Center (RMC) to relocate their Gero-Psych unit from the Jacksonville campus to their Anniston campus. RMC recently made the decision to close its Jacksonville hospital and to generously donate the hospital to Jacksonville State University (JSU) to help us recover from the devastating EF-3 Tornado that hit our campus on March 19, 2018.

The tornado hit 50 out of our 70 campus buildings, including our residence halls and Wallace Hall, the home of the School of Health Professions and Wellness (SHPW). Wallace Hall had substantial damage and had to be gutted with the work extending at least to the end of fall semester 2018. As a result, JSU has substantial immediate needs for student housing generally and for academic space for the SHPW, specifically. The donation of the hospital is a great addition of both academic and student housing space that will enable us to resume a full schedule of classes by fall semester 2018.

In summary, this letter is to enthusiastically support the expedited move of the Gero-Psych unit to RMC Anniston as soon as possible. This move will allow RMC to seamlessly continue care of this population while meeting JSU's critical needs for both student housing and academic space for our SHPW. Please do not hesitate to contact me at president@jsu.edu if you have questions.

Sincerely,

A handwritten signature in black ink that reads "John M. Beehler". The signature is written in a cursive style with a large initial 'J'.

John M. Beehler, Ph.D., CPA
President



May 31, 2018

To Whom It May Concern:

I am writing this letter in support of the urgent need for Regional Medical Center to relocate the Gero-Psych unit from the Jacksonville campus to the Anniston campus. To understand the context of the urgency, it is important to explain the significant damage to the nearby Jacksonville State University campus that occurred on March 19, 2018. Over 50 buildings were damaged on campus. Off campus, student apartments were destroyed, leaving a gap in the number of available housing units for the upcoming year. Wallace Hall, home of JSU Nursing, was also significantly damaged and will be unavailable until Spring of 2019, at the earliest. This complexity of events has resulted in a tremendous need for identification of academic space needs as well as student housing needs. As Dean of the School of Health Professions and Wellness, I will speak to the critical need of nursing laboratory space. After reaching out to administration with Regional Medical Center, we have determined that space exists in the current Jacksonville Regional Medical Center (JRMCC) that would serve the needs of the nursing students for the upcoming academic year. Providing appropriate lab space is vital to nursing students so that skills can be taught, practiced, and validated prior to beginning clinical rotations.

Another important point to note is the increase of accepted students in the JSU Nursing program. According to data from the American Association of Colleges of Nursing, 64,067 qualified applicants were turned away from U.S. nursing schools in 2016. The state of Alabama experienced a 4.5% growth in nursing student enrollment while the nation experienced 3.6% increase. JSU Nursing will increase its acceptance this fall by 45%, admitting up to 120 students. Previous cohort size was 64-72. This is only possible if we can provide the necessary facilities, including lab experiences, that nursing students must have to receive a high quality education. Having access to the space at JRMCC would allow us this opportunity.

In summary, this letter is to fully support the expedited move of the Gero-Psych unit as soon as possible. This move will meet various needs to seamlessly continue care of this population as well as assist in meeting critical needs related to healthcare for the local university. Please contact me at cs shelton@jsu.edu if you have questions.

Sincerely,

Christie W. Shelton, PhD, RN, CNE, NEA-BC
Dean/Associate Professor

CS/ap

211 Patton Plaza, Room 1114
Jacksonville, AL 36205-0114
P: 904.736.3420
F: 904.736.3421
T: 904.736.3422
www.jsu.edu

2018-05-31 10:11 AM

GRAYSON & ASSOCIATES, P.C.

2200 LAKESHORE DRIVE
SUITE 150
BIRMINGHAM, ALABAMA 35209
TELEPHONE (205) 871-6926
FACSIMILE (205) 871-7981

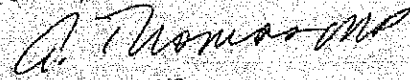
May 29, 2018

To Whom It May Concern:

My name is Dr. Andrea Thomas and I am the current Medical Director of RMC Jacksonville's geriatric psychiatric unit located on its Jacksonville, Alabama campus. This facility is part of the Northeast Alabama Regional Medical Center (RMC) system and I am writing in support of RMC's Certificate of Need request to relocate the geriatric psychiatric unit to its Main Campus in Anniston, AL. The Jacksonville facility's closure will result in a shortage of geri-psych beds in the area as the next closest facilities are located in Talladega, AL and Gadsden, AL. Two years ago, RMC's Main Campus transferred 15 geri-psych beds to Jacksonville, and from a clinical standpoint, this was a great move as we were able to consolidate two smaller programs into one and institute more consistency from a treatment standpoint. The ability to quickly transfer this unit back to Anniston not only allows us to continue care from a consistency standpoint, but also gives us the ability to continue to provide access (both psychological and medical) for an extremely vulnerable portion of our area's patient population. Additionally, our other treating psychiatrists, along with myself, are all committed to remaining in the area.

Your consideration is greatly appreciated.

Sincerely,



Andrea Thomas, MD

MOBILE OFFICE
COURTSHATE DRIVE
SUITE 125
BIRMINGHAM, ALABAMA 35201
TELEPHONE (205) 435-7972
FACSIMILE (205) 435-7999

TRUSSVILLE OFFICE
3804 VANN ROAD
SUITE 150
BIRMINGHAM, ALABAMA 35214
TELEPHONE (205) 435-0583
FACSIMILE (205) 435-0566

ATLANTA OFFICE
100 CONGRESS PARKWAY
SUITE 401
BIRMINGHAM, ALABAMA 35204
TELEPHONE (205) 414-0130
FACSIMILE (205) 403-0147

LAKESHORE OFFICE
2200 LAKESHORE DRIVE
SUITE 150
BIRMINGHAM, ALABAMA 35209
TELEPHONE (205) 871-6926
FACSIMILE (205) 871-7981

MONTGOMERY OFFICE
4371 NARBOY LANE
SUITE 205
MONTGOMERY, ALABAMA 36117
TELEPHONE (205) 871-6926
FACSIMILE (205) 871-7981

ATTACHMENT 3 --- AUTHORITY'S REQUEST FOR WAIVER

waller

Waller Law Firm, P.C. & David LLP
1901 Sixth Avenue North
Suite 1400
Birmingham, AL 35202-3623

205.214.6100 fax
205.214.8700 fax
w@wallerlaw.com

Carla H. Lutz
205.276.5317 direct
ml-lutz@wallerlaw.com

May 23, 2018

VIA ELECTRONIC MAIL

Mr. Dennis Blair
Director, Bureau of Health Provider Standards
Alabama Department of Public Health
The RSA Tower
201 Monroe Street
Montgomery, AL 36104
Via Email: dennis.blair@adph.state.al.us

Re: RMC Jacksonville
Medicare ID: 01-0146
Facility Identification # H0804

RMC Jacksonville Laboratory
Facility Identification # L0806

RMC - Jacksonville - Radioactive Materials License
License No. 769

Dear Mr. Blair:

On behalf of our client, The Health Care Authority of the City of Anniston d/b/a RMC Jacksonville ("RMC Jacksonville"), and pursuant to Alabama Administrative Code Section 420-1-2-.09, we are writing to request waivers of certain Alabama Department of Public Health ("Department") regulations concerning the Alabama Hospital License (H0804), Independent Clinical Laboratory License (I0806) and Radioactive Materials License (License No. 769) for RMC Jacksonville (collectively the "Licenses").

Specifically, to facilitate the orderly closure of the hospital, independent clinical laboratory, and related operations on 11:59 p.m. on June 30, 2018 ("Closing Date"), we respectfully request that the Department grant the hospital a waiver of the following provisions of the Alabama Administrative Code for the period from June 1, 2018 through June 30, 2018 (the "Transition Period") so that the hospital may cease accepting new inpatients at its hospital facility and cease accepting reference work or from any other sources outside the hospital, including for any outpatients, for its independent clinical laboratory, radiology department and pharmacy:

1819-06-07-1430.1

waller.

Mr. Dennis Blair
May 23, 2018

- Ala. Admin. Code § 420-5-7-.03(2)(c), which requires licensed hospitals to maintain: (i) a dedicated emergency department 24 hours a day, 7 days a week; (ii) laboratory facilities; (iii) radiology facilities; (iv) a pharmacy; and other services and functions;
- Ala. Admin. Code § 420-5-7-.20 which requires a licensed hospital to maintain adequate laboratory services;
- Ala. Admin. Code § 420-5-7-.19 which requires a licensed hospital to maintain and have available diagnostic radiologic services; and
- Ala. Admin. Code § 420-5-8-.01(2)(h), which defines Independent Clinical Laboratory to include a hospital laboratory that receives and performs reference work from sources outside the hospital.

RMC Jacksonville also intends to notify the local EMS and request that they transport patients to the emergency rooms at other nearby hospitals in Anniston or elsewhere when possible, rather than RMC Jacksonville during the Transition Period because of the scaling back of the hospital in preparation for closure.

The Health Care Authority of the City of Anniston is also the owner and operator of several other hospitals, health care facilities and provider locations, and it is only requesting these waivers for the RMC Jacksonville facility. The requests made in this letter refer and relate solely to the RMC Jacksonville hospital and not any other health care facility or provider location operated by The Health Care Authority of the City of Anniston.

Attached as Exhibit A to this letter is a schedule reflecting closing dates for specific service lines. Attached as Exhibit B is a narrative Closure Transition Plan.

In order to effect the closing of the hospital and cease hospital operations on the Closing Date, RMC Jacksonville will stop admitting new patients to the hospital in advance of the Closing Date on June 1, 2018, so that the hospital is not forced to discharge and transfer a large number of patients when operations terminate. Likewise, the independent clinical laboratory, radiology department and pharmacy will cease accepting any reference work from sources outside the hospital or for outpatients prior to the closing date beginning June 1, 2018, so that it can process all outstanding specimens, films, images, prescriptions, etc. prior to ceasing operations. The only independent clinical laboratory, radiology department and pharmacy services to be provided at RMC Jacksonville on and after June 1, 2018 are for RMC Jacksonville inpatients and ER patients.

RMC Jacksonville has explored a number of options in an effort to preserve the benefit of the hospital facility for the benefit of the community and has been negotiating an arrangement

waller.

Mr. Dennis Blair
May 23, 2018

with Jacksonville State University for the use of the building and property for University purposes and in particular related to the University's School of Health Professions and Welfare. At this point, RMC Jacksonville is still exploring the arrangement with the University and has not entered into a definitive agreement with the University to date. However, RMC Jacksonville is simply unable to responsibly operate the RMC Jacksonville hospital beyond the projected Closing Date, regardless of the outcome of the negotiations with the University; accordingly, notwithstanding the results of those negotiations, RMC Jacksonville intends to surrender its hospital license as of the projected Closing Date.

The above-requested waivers will advance the interests of the population served by RMC Jacksonville and the goals of the Department by allowing for an orderly wind-down period prior to the final closure of the RMC Jacksonville hospital, independent clinical laboratory, radiology department and related operations, and therefore, will not unreasonably increase the risk of harm to the public or undermine the public interest furthered by the above-referenced rules.

In accordance with Ala. Admin. Code § 420-1-2-.09(c), the following are RMC Jacksonville's address and telephone number:

RMC Jacksonville
c/o Joe Weaver
1701 South Pelham Road
P.O. Box 999
Jacksonville, Alabama 36265
Telephone: (256) 782-4538
Cell: (256) 499-0206

Thank you for your time and consideration. Please do not hesitate to contact us with any questions.

Very truly yours,


Colin H. Luke

cc: Brian Hale
Bethany Bolger
Guy Nevins
Victor Hunt
Felicia Williams

waller.

Exhibit A

**RMC Jacksonville
Service Line Closure Dates
Transition Plan**

- 6/1/2018 - Stop providing any independent clinical laboratory, radiology department and pharmacy services other than for RMC Jacksonville inpatients and ER patients.
- 6/30/2018 - Geropsych (will not accept new patients after 6/1/2018 - normally a 12 - 20 day stay)
- 6/30/2018 - Medical Inpatients (Medical Acute and Medical Detox) — (will not accept new patients after 6/1/2018)
- 6/30/2018 - Emergency Room
 - 12 midnight on 6/29/2018 — stop seeing emergency patients but staff with physician and nurse thru 6/30/2018
 - 6/1/2018 last date for inpatient admission through ER
- 6/30/2018 - Laboratory, Radiology and Pharmacy services for inpatients and any walk-in emergency room patients only
- An emergency CON application will be submitted to transfer the geropsych beds to Northeast Alabama Regional Medical Center, with the intent for the application to be heard at June CON Review Board meeting

waller.

Exhibit B

RMC Jacksonville

Closure Transition Plan

As of 11:59 p.m. on June 30, 2018 ("Closure Date"), The Health Care Authority of the City of Anniston d/b/a ("RMC Jacksonville") will cease all operations and close the hospital located at 1701 South Pelham Road, Jacksonville, Alabama 36265 ("Facility Closure"). RMC Jacksonville will surrender its Alabama Hospital License (H0804), Independent Clinical Laboratory License (L0806) and Radioactive Materials License (License No. 769) to the ADPH in conjunction with the Facility Closure. This Closure Transition Plan sets forth the various steps to be followed in the process of Facility Closure.

1. Transition and Closure

Beginning on June 1, 2018, and continuing until Facility Closure ("Transition Period"), RMC Jacksonville will prepare the hospital facility, clinical laboratory, radiology department, pharmacy, and related operations for Facility Closure. RMC Jacksonville's clinical laboratory, pharmacy and radiology departments will not accept outside referrals for outpatient services. During the Transition Period the clinical laboratory, pharmacy and radiology departments will remain in operation to provide services for RMC Jacksonville inpatients.

Attached as Exhibit A to this document is a schedule for closure of specific service lines. Reflected in this schedule are, among other things, closure of the laboratory to outpatients and outside referrals on June 1, 2018 and closing the Emergency Room at Midnight on June 29, 2018.

If during the Transition Period, a patient presents to the RMC Jacksonville emergency room in need of emergency assistance, the Emergency Department will be equipped to stabilize

waller.

and provide emergency services to the patient in accordance with applicable licensure requirements. If upon a patient's presentation to the emergency room and assessment of the patient's condition, the patient does not have an emergency medical condition, the patient will be referred to one of the local physicians. If the patient has an emergency medical condition, then upon the conclusion of stabilization and emergency treatment by the Emergency Department, an appropriate transfer to another hospital facility will be implemented if an inpatient admission is necessary.

As of the Closure Date, all RMC Jacksonville clinical operations shall cease. Any inpatients not discharged prior to Facility Closure will be transferred to another hospital consistent with Patient Transportation described below

2. Transition Coordinator

A transition coordinator ("Transition Coordinator") will have responsibility for (i) overseeing and managing the Facility Closure and related activities, and (ii) acting as liaison to ADPH with respect to the Facility Closure. The initial Transition Coordinator will be Joseph Weaver, current administrator of RMC Jacksonville. His contact information is:

- Name: Joseph Weaver
- Phone: 256-235-8906
- Cell: 256-499-0206
- Email: jweaver@rmccares.org

A successor Transition Coordinator may be designated by providing written notice of the same to ADPH with the new coordinator's contact information.

waller.

3. Community Notification

In addition to applicable legal and regulatory notifications concerning the Facility Closure, RMC Jacksonville will undertake the following to notify and inform the community of the Facility Closure:

(a) Highway Signage. RMC Jacksonville will work with the Alabama Department of Transportation, Calhoun County, and the City of Jacksonville to remove signage directing traffic to the hospital.

(b) Telephone Systems. RMC Jacksonville will provide voicemail recordings on all of the hospital's publicly available telephone lines informing callers, at a minimum: (i) that RMC Jacksonville will not accept new patients following the dates set forth in Exhibit A hereto, (ii) that RMC Jacksonville will cease all operations as of the Closure Date; and (iii) other options for assistance, including contact information for other area medical facilities.

(c) Medical Staff. RMC Jacksonville will notify all members of its medical staff that the hospital will not accept new patients, or referrals for clinical laboratory, pharmacy or radiology services following the dates set forth in Exhibit A hereto and will cease all operations as of the Closure Date.

(d) Local Directories. RMC Jacksonville will coordinate with publishers of local directories to remove the hospital from their listings upon re-publication.

(e) Website. For a period of at least six months following the Facility Closure, RMC Jacksonville will continue to maintain the hospital's website, which will contain the most current information about obtaining medical records and other information.

waller.

(f) Emergency Providers. RMC Jacksonville will give advance written notice to state and local emergency management agencies and services that the hospital will close the emergency room at Midnight on Friday, June 29, 2018 and will close the inpatient function at 5:00 p.m. on the Closure Date.

4. Patient Transportation

RMC Jacksonville will use an ambulance service to transfer any inpatient not otherwise discharged prior to the Closure Date to another appropriate facility.

5. Medical Records Management

Pursuant to Ala. Admin. Code § 420-5-7-.13, RMC Jacksonville has adopted the following plan for the disposition of all the hospital medical records in its possession, including specific guidelines for securing, maintaining and accessing such records after the Closure Date.

(a) Custodian of Records. The Health Care Authority of the City of Anniston, 400 East Tenth Street, Anniston, Alabama 36207, c/o Donna Crew, phone: 256-235-5373, mail to: dcrew@rmccares.org, will be designated Custodian of Records for the RMC Jacksonville hospital medical and imaging records (inclusive of radiology films and digital files). The Transition Coordinator will be responsible for coordinating the storage of the medical records and approving any authorizations for release of records in accordance with applicable federal and state law, including HIPAA.

(b) Laboratory Records. The medical records under the care of the Custodian of Records will include all written pathology reports, autopsy reports and transfusion records. The Custodian of Records will be the contact person for all medical-records.

waller.

(c) Non-Clinical Records. Non-clinical records of the hospital, including accounting records, payroll records, housekeeping reports, and census reports will be retained by and stored by The Health Care Authority of the City of Anniston. The contact person for the non-clinical records shall be the Transition Coordinator.

(d) Initial Access. In order to ensure ready access by the community to the medical records prior to the Facility Closure, RMC Jacksonville plans to make the records available for a limited time between 9 a.m. and 4 p.m. or by other arrangement which may be made by calling the Hospital's Medical Records Department at (256) 235-5763. After Closure, records may be obtained from the Custodian of Records by calling (256) 235-5763.

(e) Community Notification. RMC Jacksonville will publish a notice in area newspapers informing the community that the hospital will cease services as outlined in Exhibit A and provide contact information for requests for medical records related to services provided at RMC Jacksonville. For a period of at least six months following the Facility Closure, RMC Jacksonville will continue to maintain the hospital's website, which will contain the most current information about obtaining medical records and other information.

6. Pharmacy

During the Transition Period and immediately thereafter RMC Jacksonville will systematically take the following actions with respect to drugs or other dangerous substances on hand:

(a) Returns. RMC Jacksonville will attempt to return to the supplier certain unopened quantity items.

waller.

(b) Transfer. Inventory may be transferred to one of The Health Care Authority of the City of Anniston's other two hospitals, Northeast Alabama Regional Medical Center or Stringfellow Memorial Hospital, both located in Anniston, Alabama.

(c) Notice and Inventory. RMC Jacksonville will within 10 days of the Facility Closure provide notice to the Alabama State Board of Pharmacy pursuant to Ala. Admin. Code § 680-X-3-.06(1) and conduct an inventory of and determine final disposition of all controlled substances as required under Ala. Admin. Code § 680-X-3-.06(2).

7. Medicare Provider

RMC Jacksonville will terminate its Medicare provider agreement upon surrender of its hospital license.

8. Attestation to the Alabama Department of Public Health

RMC Jacksonville hereby attests to the ADPH the following:

(a) Adhere to Plan. RMC Jacksonville will adhere to the transition plan set forth herein in carrying out the Facility Closure of RMC Jacksonville hospital, its independent clinical laboratory, its radiology department and related hospital operations.

(b) Relinquished Licenses. RMC Jacksonville's hospital, independent clinical laboratory, and radioactive materials licenses will be voluntarily relinquished to ADPH in conjunction with the Facility Closure promptly following the Closure Date.

(c) Consent for Modification. RMC Jacksonville will not modify the transition plan set forth herein without the prior written approval of ADPH.

waller.

9. Federal and State Requirements

The terms and conditions of this transition plan remain subject to applicable federal and state laws and regulations.

ATTACHMENT 4 --- ADPH WAIVER APPROVAL



ALABAMA DEPARTMENT OF
PUBLIC HEALTH

Scott Harris, M.D., M.P.H.
State Health Officer



May 25, 2018

Colin H. Luke, Esq.
Waller Lansden Dortch & Davis, LLP
1901 Sixth Avenue North, Suite 1400
Birmingham, AL 35203-2623

Dear Mr. Luke:

Re: Request for Waiver of Hospital and Independent Clinical Laboratory Rules
for RMC Jacksonville Hospital

This letter is in response to the written request for waiver of certain requirements under State Board of Health Rules, which you submitted on behalf of your client, The Health Care Authority of the City of Anniston, d/b/a RMC Jacksonville ("RMC Jacksonville"), on May 23, 2018. The stated reason for the request is that RMC Jacksonville will be closed as of June 30, 2018, and that to provide a safe and orderly discharge of patients and wind down of hospital operations, it is necessary to phase out certain services beginning June 1, 2018. Specifically it is requested that for the period June 1, 2018, through its closure on June 30, 2018, that RMC Jacksonville be permitted to cease accepting new patients at the hospital, close its emergency department, and cease accepting reference work from sources outside the hospital for processing at its independent clinical laboratory, radiology department, and pharmacy. The waiver request is supported by the submission of a transition plan for closure.

Pursuant to the provisions of Rule 420-1-2-.09, *Ala. Admin. Code*, the request for waiver is granted as follows:

1. The requirement of a hospital to be open for the admission of new patients contained in Rule 420-5-7-.03(2)(b), *Ala. Admin. Code*, is waived from June 1, 2018, through June 30, 2018.
2. The requirement to maintain a dedicated emergency department 24 hours a day, 7 days a week contained in Rule 420-5-7-.03(2)(c), *Ala. Admin. Code*, is waived from June 29, 2018, through June 30, 2018. The requirement to maintain laboratory facilities, radiology facilities, pharmacy, and other services and functions contained in Rules 420-5-7-.03(2)(c), 420-5-7-.19, and 420-5-7-.20, *Ala. Admin. Code*, as it pertains to reference work from sources outside the hospital and outpatients is waived from June 1, 2018, through June 30, 2018.
3. The requirement for a hospital laboratory to receive and perform reference work from sources outside the hospital, contained in Rule 420-5-8-.01(2)(h), *Ala. Admin. Code*, is waived from June 1, 2018, through June 30, 2018.

Physical Address:
The RSA Tower, 301 Monroe Street
Montgomery, AL 36104

alabamapublichealth.gov

Mailing Address:
P.O. Box 363017
Montgomery, AL 36103-0117

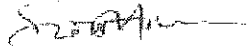
Mr. Colin H. Luke
Page 2
May 25, 2018

This waiver is contingent upon RMC Jacksonville's compliance with its submitted transition plan, which may not be altered without advance approval by the Alabama Department of Public Health ("the Department").

Please note that the requirement to maintain laboratory facilities, radiology facilities, pharmacy, and other services and functions contained in Rule 420-5-7-.03(2)(c), *Ala. Admin. Code*, is not waived as it pertains to the hospital's inpatients. Similarly, requirements that a hospital maintain and have available diagnostic radiologic services contained in Rule 420-5-7-.19, *Ala. Admin. Code*, and that a hospital maintain adequate laboratory services contained in Rule 420-5-7-.20, *Ala. Admin. Code*, is not waived as it pertains to the hospital's inpatients.

Thank you for keeping the Department informed of the plans for the closing of RMC Jacksonville.

Sincerely,



Scott Harris, M.D., M.P.H.
State Health Officer

SH/BH

cc: Dennis Blair
P. Brian Hale, Esq.