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STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

# USA HEALTH UNIVERSITY HOSPITAL



## EMERGENCY CERTIFICATE OF NEED APPLICATION

Fourth, Tenth and Eleventh Floor Renovation

Submitted: March 27, 2020

### ALABAMA CERTIFICATE OF NEED APPLICATION

**For Staff Use Only**

Filing Fee Remitted: \$ 23,033

Project # \_\_\_\_\_

Date Rec. \_\_\_\_\_

**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](http://www.shpda.alabama.gov).

**PART ONE: APPLICANT IDENTIFICATION AND PROJECT DESCRIPTION**

I. APPLICANT IDENTIFICATION (Check One) HOSPITAL () NURSING HOME (  
OTHER () (Specify) \_\_\_\_\_

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

<u>2451 University Hospital Drive</u>	<u>Mobile</u>	<u>Mobile</u>
Address	City	County
<u>Alabama</u>	<u>36617</u>	<u>251-471-7118</u>
State	Zip Code	Phone Number

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

Address	City	County
State	Zip Code	Phone Number

C. The University of South Alabama, by and through its division, USA Health, a public body corporate  
Name of Legal Owner (if different from A or B)

<u>307 N University Blvd.</u>	<u>Mobile</u>	<u>Mobile</u>
Address	City	County
<u>Alabama</u>	<u>36608</u>	<u>251-460-6111</u>
State	Zip Code	Phone Number

D. Colin Luke, Legal Counsel  
Name and Title of Person Representing Proposal and with whom SHPDA should communicate

<u>1901 Sixth Avenue N., Suite 1400</u>	<u>Birmingham</u>	<u>Jefferson</u>
Address	City	County
<u>Alabama</u>	<u>35203-2623</u>	<u>205-226-5717</u>
State	Zip Code	Phone Number

I. APPLICANT IDENTIFICATION (continued)

E. Type Ownership and Governing Body

- |    |                        |   |                            |
|----|------------------------|---|----------------------------|
| 1. | Individual             | ( <input type="checkbox"/> )            |                            |
| 2. | Partnership            | ( <input type="checkbox"/> )            |                            |
| 3. | Corporate (for profit) | ( <input type="checkbox"/> )            | _____                      |
|    |                        |   | Name of Parent Corporation |
| 4. | Corporate (non-profit) | ( <input type="checkbox"/> )            | _____                      |
|    |                        |   | Name of Parent Corporation |
| 5. | Public                 | ( <input checked="" type="checkbox"/> ) |                            |
| 6. | Other (specify)        | ( <input type="checkbox"/> )            | _____                      |

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

USA Health University Hospital, a 406-bed licensed acute care hospital (“University Hospital”), is a division of the University of South Alabama (“USA”), a public body corporate and a state institution of higher learning, and has no separate legal status or ownership from USA. University Hospital is an academic medical center and is a regional referral center component division of USA, serving Mobile and Baldwin Counties, Alabama; South Central Mississippi; and Northwest Florida.

University Hospital is governed by the USA Board of Trustees which includes the following members:

Member:	County/Area Represented:
Kay Ivey, Ex Officio President	Governor, State of Alabama
Katherine Alexis Atkins, Secretary	Mobile
Chandra Brown Stewart	Mobile
Scott A. Charlton	Coffee and Crenshaw
E. Thomas Corcoran	Baldwin and Escambia
Steven P. Furr	Choctaw, Clarke, Marengo, Sumter, & Washington
William Ronald Graham	Butler, Conecuh, Covington, Monroe & Wilcox
Robert D. Jenkins III	United States At Large
Arlene Mitchell, Vice Chair	Mobile
Lenus M. Perkins	State At Large
James H. Shumock, Chair <i>pro tempore</i>	State At Large
Kenneth O. Simon	State At Large
Steven H. Stokes	Henry and Houston
Margie Malone Tuckson	United States At Large
Michael P. Windom	State At Large
James A. Yance	State At Large

II. PROJECT DESCRIPTION

Project/Application Type (check all that apply)

<input type="checkbox"/> New Facility Type _____	<input type="checkbox"/> Major Medical Equipment Type _____
<input type="checkbox"/> New Service Type _____	<input type="checkbox"/> Termination of Service or Facility
<input checked="" type="checkbox"/> Construction/Expansion/Renovation	<input type="checkbox"/> Other Capital Expenditure Type _____
<input type="checkbox"/> Change in Service	

III. EXECUTIVE SUMMARY OF THE PROJECT (brief description)

In this **Emergency CON Application**, USA Health’s University Hospital (“University Hospital”) proposes renovations to convert six patient rooms on the 4<sup>th</sup> floor of University Hospital to isolation rooms to treat patients suffering from infectious diseases such as the COVID-19 (“Coronavirus”), and to renovate and modernize the outdated and inefficient facilities on the 10<sup>th</sup> and 11<sup>th</sup> floors of University Hospital, resulting in additional isolation rooms. Post-renovation, the 10<sup>th</sup> and 11<sup>th</sup> floor renovations will offer four additional isolation rooms. The total scope of the renovation project (“Project”) involves upgrading of mechanical systems, including HVAC units and electrical controls, to allow negative pressure in the rooms. The renovations will include space for University Hospital’s infectious disease unit. The common space renovations will also include spaces for providers to don and doff personal protective equipment (PPE) necessary to treat patients suffering from infectious diseases. **These renovations will greatly expand University Hospital’s ability to treat patients during the current Coronavirus pandemic and are essential to keep providers safe as they provide services to patients with Coronavirus and other infectious diseases. Importantly, these renovations will not require University Hospital to take any currently staffed beds offline.**

There is no doubt that the current global pandemic constitutes an identifiable, unforeseen event, in the nature of a natural disaster through the spread of infectious disease, that endangers the health and safety status of patients. *See Daniel Senior Living of Inverness I, LLC v. STV One Nineteen Senior Living, LLC, et al.*, 2012 WL335894 at \*3 (Ala. Civ. App. Feb. 3, 2012). During the current global pandemic, the world is learning that now is the time to prepare healthcare services for the most severe crises. At the time these services are required, it is too late to begin preparing. Failure to plan ahead for these events will lead to an overwhelmed healthcare system and to grave harm to patients who face a rationing of available resources. The proposed renovations will provide an environment that better promotes healing, is more comfortable for the Hospital’s patients and allows University Hospital to better serve the community’s needs for high-quality patient care during times of crises and outbreaks of illnesses. University Hospital consistently strives to improve its facilities and operations and this Project will permit it to achieve both of those goals by expanding the Hospital’s ability to treat patients with highly communicable diseases, removing the need for patients to be housed in semi-private rooms, thereby lowering the risk for infections to spread among patients, providing better privacy to its patients, allowing for more uninterrupted rest for recovering patients, and encouraging family members and friends to visit their loved ones during periods of illness, all of which will result in better patient satisfaction and patient outcomes.

Facility upgrades will also provide safety benefits and realize energy and operational efficiencies as renovations will include items such as rooms for healthcare providers to don and doff PPE for the treatment of patients with highly communicable diseases, non-slip floors, anti-microbial services, and energy-saving features such as efficient lighting fixtures and low-flow fixtures in the bathrooms. Further,

equipment upgrades will ensure that medical staff have modern equipment to provide the best possible care to University Hospital's patients. While this Application does not request the addition of any new services, University Hospital recently obtained accreditation as a Comprehensive Stroke Center from DNV-GL Healthcare, an international accrediting body, which will result in University Hospital treating sicker patients with a higher level of acuity and in need of greater attention and care. University Hospital is the only hospital in the region, and one of only three hospitals in Alabama, to hold this accreditation. University Hospital expects this accreditation will result in a greater number of stroke patients presenting to the Hospital, increasing the overall patient volume and demand on the Hospital's medical/surgical beds such as those to be provided on the 11<sup>th</sup> floor.

University Hospital is a 406 licensed bed academic medical center located in Midtown Mobile, Mobile County. As the only academic medical center in the area, University Hospital takes its mission of helping people lead longer, better lives seriously and this Project will help fulfill this mission. University Hospital serves a diverse and high acuity patient population, with many patients suffering comorbidities requiring access to high quality care. As an academic medical center, University Hospital also conducts translational research and provides training to medical students, residents and allied health professionals. University Hospital is a safety net hospital with a history of providing care to patients regardless of their ability to pay. Over the past three years, University Hospital has provided more than \$185,000,000.00 of uncompensated charity care to citizens of South Alabama, Mississippi, and the Florida panhandle.

University Hospital desires to provide cutting edge treatments for its patient population in need of a diverse array of treatments and services. The Hospital is dedicated to treating sicker patients with higher acuity levels, which requires a greater degree of attention and care than would otherwise be necessary. University Hospital is committed to being a leader in all of its service areas and continues to obtain additional certifications and training to better treat these high acuity patients. For instance, in addition to the Comprehensive Stroke Center Accreditation recently obtained from DNV-GL Healthcare, University Hospital operates the only Level I Trauma Center and Burn Center in the region and is the Gulf Coast referral center for head trauma, burns, strokes, and other serious conditions. The renovations proposed in this Application will allow University Hospital to provide modern amenities and equipment to accompany the high-quality health care services offered to all of University Hospital's patients.

As a part of the USA Health System, which includes Alabama's only freestanding Children's & Women's Hospital, the Mitchell Cancer Institute, and USA Physicians Group, the largest multi-specialty practice and only academic physicians group along the central Gulf Coast, University Hospital is well integrated into the medical community. It occupies a key space in the healthcare continuum in Mobile County, often as the primary service provider for those in need of advanced medical care.

University Hospital continues to strive for improvement in all aspects of its operations and facilities. USA Health recently started a new residency program in emergency medicine in Mobile, which is only the second emergency medicine residency program in the State. USA Health is also currently under construction on an expansion and renovation of its trauma center with an expected opening date of October 2020, which will strengthen the educational and training opportunities for medical students, nurse practitioners, physician assistants, and other allied health students enrolled in health training programs through the University of South Alabama.

University Hospital has also seen growth in its patient volume in previous years. University Hospital has seen particular growth in its Emergency Department volume, with many patients presenting there ultimately needing to be transferred to other units within the Hospital. The renovations proposed in this Application will allow University Hospital to equip the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors with modern equipment and facilities in line with current healthcare standards to treat a variety of patients, including those with highly communicable diseases.

IV. COST

A.	Construction (includes modernization expansion)	
1.	Predevelopment	<u>\$665,000</u>
2.	Site Acquisition	<u>N/A</u>
3.	Site Development	<u>N/A</u>
4.	Construction	<u>N/A</u>
5.	Architect and Engineering Fees	<u>\$700,000</u>
6.	Renovation	<u>\$11,600,000</u>
7.	Interest during time period of construction	<u>\$412,000</u>
8.	Attorney and consultant fees	<u>\$20,000</u>
9.	Bond Issuance Costs	<u>\$79,254</u>
10.	Other <u>Contingency</u>	<u>\$555,000</u>
11.	Other <u>CON Application Fee</u>	<u>\$23,033</u>
	TOTAL COST OF CONSTRUCTION	<u>\$ 14,054,287</u>
B.	Purchase	
1.	Facility	<u>N/A</u>
2.	Major Medical Equipment	<u>N/A</u>
3.	Other Equipment	<u>\$1,150,000</u>
	TOTAL COST OF PURCHASE	<u>\$1,150,000</u>
C.	Lease	
1.	Facility Cost Per Year _____ x _____ Years =	<u>N/A</u>
2.	Equipment Cost per Month _____ x _____ Months =	<u>N/A</u>
3.	Land-only Lease Cost per Year _____ x _____ Years	<u>N/A</u>
	TOTAL COST OF LEASE(s)	<u>N/A</u>
	(compute according to generally accepted accounting principles)	
	Cost if Purchased	<u>N/A</u>
D.	Services	
1.	_____ New Service	<u>\$ N/A</u>
2.	<u>XX</u> Expansion	<u>\$ 29,270,291</u>
3.	_____ Reduction or Termination	<u>\$ N/A</u>
4.	_____ Other	<u>\$ N/A</u>
	FIRST YEAR ANNUAL OPERATING COST	<u>\$ 29,270,291</u>
E.	Total Cost of this Project (Total A through D) (should equal V-C on page A-6)	<u>\$ 44,474,578</u>

IV. COST (continued)

F.	Proposed Finance Charges	
1.	Total Amount to Be Financed	\$ <u>14,000,000</u>
2.	Anticipated Interest Rates	<u>3%</u>
3.	Term of Loan/Bond	<u>20 years</u>
4.	Method of Calculating Interest on Principal Payment	<u>Straight Line</u>

V. ANTICIPATED SOURCE OF FUNDING

A.	Federal	Amount	Source
1.	Grants	\$ _____	_____
2.	Loans	_____	_____
B.	Non-Federal		
1.	Commercial Loan	_____	_____
2.	Tax-exempt Revenue Bonds	<u>\$14,000,000</u>	<u>Bond issuance</u>
3.	General Obligation Bonds	_____	_____
4.	New Earning and Revenues	<u>\$8,000,000</u>	<u>Revenues</u>
5.	Charitable Fund Raising	_____	_____
6.	Cash on Hand	<u>\$22,474,578</u>	<u>Cash/Operations</u>
7.	Other	_____	_____
C.	TOTAL (should equal IV-E on page A-5)		<u>\$44,474,578</u>

VI. TIMETABLE

A.	Projected Start/Purchase Date	<u>Upon issuance of a CON</u>
B.	Projected Completion Date	<u>6 months from beginning construction</u>

## **PART TWO: PROJECT NARRATIVE**

Note: In this part, please submit the information as an attachment. This will enhance the continuity of reading the application.

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

### **I. MEDICAL SERVICE AREA**

- A. Identify the geographic (medical service) area by county (ies) or city, if appropriate, for the facility or project. Include an 8 ½ x 11” map indicating the service area and the location of the facility.

According to the Alabama Administrative Code (relevant rules herein referred to as the “CON Rules”) the service area for a hospital is the county in which it is located. As University Hospital is located at 2451 University Hospital Drive in Mobile, Mobile County serves as the service area for purposes of the State Health Plan.

The primary service area for University Hospital will remain the entirety of Mobile County, with areas in the Mississippi and Alabama Gulf Coast and Florida panhandle serving as secondary service areas. **Exhibit 1** presents a map identifying Mobile County as the primary service area as well as surrounding Alabama counties, portions of South Central Mississippi and Northwest Florida as the secondary service area. University Hospital services patients from a much larger area than just Mobile County, regularly providing care to patients who live south of Montgomery, on the Mississippi coast, on portions of the Florida panhandle and even parts of Georgia. In some cases, University Hospital even receives patients from Montgomery, depending on the status of comparable facilities in Birmingham.

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

In light of the Coronavirus pandemic sweeping the globe, University Hospital anticipates an increase in the number of patients presenting with infectious diseases. The renovated 4<sup>th</sup> and 10<sup>th</sup> floors will house many of these patients. Further, with its recent accreditation as a Comprehensive Stroke Center, University Hospitals anticipates that it will see an increased number of stroke patients in its medical/surgical beds that will be housed on the renovated 11<sup>th</sup> floor. Stroke patients generally have a higher acuity level than typical medical/surgical patients and, correspondingly, require a greater level of care.

In addition, as a general acute care hospital and an academic medical center, University Hospital serves patients of all age groups and genders. As with most acute care hospitals, however, a disproportionate number of University Hospital’s patients are over age 65. Due to the booming growth in the 65+ population in Mobile County as evidenced by CBER data, University Hospital’s volume of 65+ patients continues to grow.

Geographically, University Hospital will continue to see patients from its primary and secondary service areas as described above.

- C. 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.



For this Project, the State Health Plan defines the medical service area as Mobile County.

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

Geographic  Economic  Emergency  Medically  
Underserved

### **Geographic Access**

University Hospital is located in Mobile, Alabama. The Hospital serves the entire gulf coast region. The closest academic medical center, with comparable trauma and stroke care is approximately two and a half hours away in New Orleans, LA. The nearest comparable facility in Alabama is approximately four hours away in Birmingham. **Exhibit 1** presents a map of the areas from which University Hospital regularly receives patients. The high quality of services provided by these specialty programs at University Hospital, along with the excellent care provided for other common diagnoses, draws patients from a wide geographic range. Many of these patients will eventually be transferred to a medical/surgical bed at University Hospital, such as those to be housed on the renovated 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors, and will benefit from the modernized facilities and equipment proposed by this Application.

### **Economic Access**

University Hospital's high quality of care and specialty programs, including its status as an academic medical center with the only Level I trauma center in Mobile County, are an economic boon to Mobile County. Prior conversations with the Mobile Area Chamber of Commerce have made it abundantly clear that the high-level of services provided by University Hospital is a major draw for potential businesses interested in relocating to or expanding in Mobile County. As can be seen in **Exhibit 2**, the Chamber's marketing materials prominently reference University Hospital's services and specialties.

### **Emergency Access**

There is no doubt that the current global pandemic constitutes an identifiable, unforeseen event, in the nature of a natural disaster through the spread of infectious disease, that endangers the health and safety status of patients. *See Daniel Senior Living of Inverness I, LLC v. STV One Nineteen Senior Living, LLC, et al.*, 2012 WL335894 at \*3 (Ala. Civ. App. Feb. 3, 2012). As evidenced by the Coronavirus pandemic, access to healthcare services during a health crisis is essential. This Emergency CON Application seeks to provide 10 modern isolation rooms that can house patients with infectious diseases, along with associated common spaces for enhanced HVAC negative pressure systems and rooms for providers to don and doff PPE to treat such patients, a function that is essential in circumstances like the current health emergency the world is facing. University Hospital will expedite this Project with a goal of making a majority of these isolation rooms available to patients with infectious diseases in the next 6 to 8 weeks. University Hospital will continue to work diligently to make the totality of the Project available for patients in the event of a second outbreak at the end of this year and in time for seasonal outbreaks of other illnesses, such as the flu. University Hospital intends to house patients with Coronavirus and other infectious diseases, whether admitted through the emergency room or otherwise, within isolation rooms that are proposed as part of this Project.

Moreover, due to growth in demand for its emergency services, University Hospital recently applied for and received a Certificate of Need to expand its trauma department to handle additional emergency patients. In addition to Mobile County's highly utilized emergency departments, University Hospital draws even more emergency patients who are in need of a higher level of care due to its status as the only Level I trauma center in the region. Many of these patients will ultimately end up in a medical/surgical

bed, such as those housed on floors proposed to be renovated by this Application, and will benefit from the modernized facilities that this Project will provide.

### **Medically Underserved Access**

Approval of this Project will improve access to high-quality care in modern facilities outfitted with modern equipment for the medically underserved. University Hospital treats all patients regardless of ability to pay. University Hospital is committed to ensuring that medically underserved individuals in the area will receive equal access to high quality care. This commitment to the community is witnessed by the more than \$185,000,000.00 of uncompensated charity care provided by University Hospital over the last three years. The renovations and modernizations proposed with this Project will be equally accessible to traditionally medically underserved groups, including: low income persons, racial and ethnic minorities, handicapped persons, and Medicare and Medicaid patients. This Project will not result in any change to University Hospital's policies regarding charity care or treatment of all patients regardless of ability to pay.

## II. HEALTH CARE REQUIREMENTS OF THE MEDICAL SERVICE AREA

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

This Project will renovate and modernize the Hospital's facilities and upgrade the equipment to bring the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floor into line with current medical standards, including standards for treatment of patients with infectious diseases. This Project will allow University Hospital to offer isolation rooms to patients with infectious diseases and will alleviate the need to place patients in semi-private rooms, which do not provide the optimum setting for patients to receive treatment, to rest and heal, or for family and friends to visit their loved ones. In semi-private rooms, particularly during outbreaks of infectious diseases such as the Coronavirus pandemic and at certain times of the year such as flu season, patients are more susceptible to acquiring infections from other patients and may sleep poorly or may not be able to rest due to another patient in the room receiving treatment in the middle of the night or simply different sleep schedules. Further, a patient sharing a room may be uncomfortable hosting family and friends or having intimate, but necessary, conversations about treatment options due to the lack of privacy. Finally, due to isolation patients or gender imbalances, some rooms which are currently semi-private rooms may not always be able to house two patients, decreasing the number of patients that University Hospital can treat and limiting University Hospital's ability to use its full contingent of licensed beds. As the population ages and as volume grows, it is essential for University Hospital to be able to put all of its beds into service when needed. **Notably, construction associated with this Project will not require University Hospital to take any currently staffed beds offline.**

No major renovations have been performed on the 10<sup>th</sup> and 11<sup>th</sup> floors since the Hospital was constructed in the 1960s. The patient rooms included in this Project will present a home-like environment to patients where they can better recover from a surgical procedure or bout of illness while also bringing the physical plant and systems up to modern standards. These renovations are not merely visual. Many of these upgrades-such as the installation of non-slip flooring, the use of anti-microbial materials, and purchase of new equipment-will increase safety. Other facility upgrades that are now common in many facilities-including installation of low-flow bathroom fixtures and more efficient lighting systems-will result in lower operating costs and decreased energy use.

- B. How will the project correct the inadequacies?

During this coronavirus pandemic, isolation rooms with negative pressure, along with the associated common spaces for providers to conduct safety precautions, are essential for providing high-quality and safe care to patients suffering from Coronavirus. The proposed project aims to address the limited quantity of isolation rooms available to treat patients of infectious diseases. In addition, the proposed Project seeks to alleviate the inadequacies described above by providing single occupancy patient rooms, including ADA compliant rooms, where a patient can recover while maintaining one's privacy in a safer, accessible environment that feels as much like home as possible. In addition to the upgrades to the physical plant, new equipment in patient rooms will ensure that the patient receives the quality of care called for by modern medical standards.

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

University Hospital is already on the front lines of delivering nationally-recognized quality care to the area's most critically ill patients. University Hospital leads the area in research-based, patient-centered care that helps patients from injury or illness to recovery. University Hospital is the appropriate facility for the proposed Project because a patient that receives care on the 4<sup>th</sup>, 10<sup>th</sup> or 11<sup>th</sup> floor would currently be housed in an outdated room, potentially with another sick patient, or may not be able to receive care because there are no isolation rooms with negative pressure available. Patients treated on the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors deserve facilities and equipment that are on par with the excellent medical care already being provided by the medical staff at University Hospital.

D. 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 Rules and Regulations under 410-1-6-.07. Provide information about the results of any local studies which reflect a need for the proposed Project.

The Coronavirus pandemic clearly evidences the need for additional infectious disease units and isolation rooms to treat those suffering from infectious diseases. While University Hospital does not anticipate the Project will be complete in time to assist with the current Coronavirus outbreak, the Project timeline would allow the Project to be ready for patients in the event of a second outbreak at the end of this year and in time for seasonal outbreaks of other illnesses, such as the flu.

The significant growth in the 65+ population in the service area and the need for the patients treated at University Hospital to receive high-quality care in modern and updated facilities and with state-of-the-art equipment that will allow patients to recover as quickly and fully as possible also evidence the need for this Project. Without this Project, patients will continue to receive care in aged and outdated facilities, if they can receive care at University Hospital at all. Specifically, without the ability to renovate, patients may be forced to share a room with other patients, disabled patients may not have access to ADA accessible rooms, and patients with infectious diseases may not be able to be housed in an isolation room, endangering the Hospital's other patients as well as its medical staff who do not have the benefit of appropriate protective rooms. When patients are forced to share a room with strangers, it often leads to less rest, less privacy for patients and their visitors during a difficult time, an increase in accessibility challenges for the disabled, and an increased risk for spreading infections among a vulnerable patient population. Through the proposed Project, these risks will be mitigated as the renovations will convert semi-private rooms to private rooms.

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

This Application is not for a specialized or limited-purpose facility or service.

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

This Project is consistent with the Applicant's long-range development plans. USA Health wants the walls of its facilities to match the quality of care provided within those walls. The USA Health System's mission of "helping people lead longer, better lives" drives all long-range development plans for University Hospital. University Hospital strives to be the leader in high-quality care. With this renovation, its facilities will be on par with the level of professional care provided by its staff. In addition, in light of the significant growth in the 65+ population in Mobile County and University Health's continued improvements in stroke care and upgrades to its Level I trauma center, plus the possibility of a second outbreak of an infectious disease such as Coronavirus, University Hospital anticipates its volume will continue to grow in the coming years. The proposed Project will alleviate operational challenges that can arise with semi-private rooms, not having sufficient ADA accessible rooms, or with having an insufficient number of isolation rooms, for instance when a patient may have a contagious infection, preventing University Hospital from being able to utilize its full number of licensed beds.

### III. RELATIONSHIP TO EXISTING OR APPROVED SERVICES AND FACILITIES

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

University Hospital stands apart as the only academic medical center in the service area. None of University Hospital's local competitors has the full range of resources, services and accreditations held by University Hospital, such as a Level I Trauma Center and Comprehensive Stroke Center Accreditation. While University Hospital is unmatched in many respects, there are three (3) additional general acute care hospitals and one (1) specialty acute care hospital located within Mobile County. Hospitals include: Mobile Infirmiry (5 Mobile Infirmiry Cir., Mobile, AL 36607), Providence Hospital (6801 Airport Boulevard, Mobile, AL 36608), Springhill Memorial Medical Center (3719 Dauphin St., Mobile, AL 36608), and USA Children's and Women's Hospital (1700 Center St., Mobile, AL 36604). Mobile County also has a long-term acute care hospital (LTACH), Infirmiry LTAC Hospital (5 Mobile Infirmiry Cir., Mobile, AL 36607) and a specialized psychiatric hospital, BayPointe Behavioral Health (5800 Southland Dr., Mobile, AL 36693), but these facilities do not accept general acute care patients or offer the range of services offered at University Hospital.

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

The Project will have no adverse effect on existing or approved services and facilities in the medical service area because the Emergency Application does not seek any new beds or seek to expand existing services. University Hospital is already authorized to operate all of the beds for which it is licensed. Similarly, this Application does not seek to add any new services. The proposed Project will only have positive effects for University Hospital's patients, who will receive the benefit of modernized and updated facilities and equipment and will be able to recover as quickly as possible in private, rather than semi-private, rooms. Additionally, the Project will help ensure that isolation rooms or ADA accessible rooms are available for those in need of such specialty rooms. The Project will positively impact multiple rural hospitals throughout the secondary service area that regularly transfer patients to University Hospital. Since University Hospital serves as a regional referral source for many rural facilities who do not have access to the high level of care necessary for patients with high acuity illnesses, the continued improvements in University Hospital's existing service offerings and facilities will improve the access to high-level care for these regional referral sources.

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

As stated above, there will be no detrimental effect on existing providers of the service because this Application does not seek to add any new services or expand the current service offerings. The only effects of the proposed Project will be the positive effects for University Hospital's patients, who will have access to ADA accessible rooms or isolation rooms, as needed, who will receive the benefit of modernized and updated facilities and will be able to recover as quickly as possible in private rooms.

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

As part of the USA Health System, University Hospital regularly transfers patients to and receives patients from other members of the USA Health System, including USA Children's and Women's Hospital. In addition, University Hospital serves as a regional referral center for, and maintains transfer agreements with, many rural hospitals and healthcare facilities throughout southwest Alabama, the Mississippi coast and parts of the Florida panhandle. The proposed renovation, which will allow patients treated in many of University Hospital's specialties to be housed in modern patient rooms, will improve the access to high-level care for these regional referral sources and their patients.

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

As this Application does not include a request for any new services or an expansion of any existing services, it will not require any new ancillary and/or supporting services.

#### IV. POTENTIAL LESS COSTLY OR MORE EFFECTIVE ALTERNATIVES

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

There are no viable alternatives to the proposed Project. The only alternatives to the proposed Project are: (i) to build a new facility; (ii) to construct an addition to the existing Hospital or (iii) to do nothing. The proposed Project was chosen because it is significantly cheaper to renovate the existing facility than to attempt to build a new facility or add on to the existing facility. This proposal was chosen because it permits University Hospital to bring its facilities to a level on par with the high-quality of services provided by its medical staff. It is also the most efficient way to maximize University Hospital's licensed beds to ensure that all beds are available when needed for patient care, including beds for isolation patients or disabled patients in need of ADA accessible rooms. Doing nothing or denying this application will result in University Hospital's patients continuing to receive care in outdated facilities and facing the possibility of sharing rooms with other patients who are sick or recovering from surgical procedures or being housed in a room that presents challenges for disabled patients or those who are in need of an isolation room.

- B. How will this project foster cost containment?

The proposed renovation is the most cost-effective method to ensure that patients receive the care they need in modern facilities. As addressed above, the proposed renovation Project is significantly cheaper than building a new facility or constructing an addition to the current Hospital. Further, University Hospital will implement a variety of measures to contain costs and ensure the Project is cost-effective and efficient. Specifically, University Hospital will incorporate the following cost-containment measures:

- Energy efficient lighting fixtures
- Automatic lighting controls in non-patient areas
- Direct digital HVAC controls
- Variable air flow volume
- Low-flow plumbing fixtures
- Sun shades
- High efficiency heat recovery water chiller
- Variable frequency drives for maintaining state pressures.

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

The proposed renovation seeks to supplement and continue the excellent quality of care and services for which the USA Health System is known. University Hospital already provides excellent professional services through its medical staff. The proposed Project augments the high-quality healthcare services provided by University Hospital's medical staff by offering facilities and equipment that promote speedy and complete recoveries. Specifically, renovating the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors to provide private rooms will allow University Hospital's patients to recover from a surgical procedure or an illness in the comfort and safety of their own room, away from other patients who could pass on infections or wake others during the night, and where patients can host loved ones in privacy. The inclusion of isolation rooms and ADA accessible rooms in the renovation will also ensure additional availability for those patients requiring a special room type due to illness or disability. These details will have a significant effect on patient safety, patient morale and patient satisfaction, which has a strong correlation to positive patient outcomes.

V. DESCRIBE COMMUNITY REACTION TO THE PROJECT (Attach endorsements if desired)

The proposed renovation Project has received positive feedback. Copies of Letters of Support received to date are included as **Exhibit 3**. Additional letters received will be filed in accordance with the CON Rules.

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 primary focus of the renovation will be patient care; however, as the area's only academic medical center, University Hospital also has a unique responsibility to provide research and training opportunities for the many programs found at the University of South Alabama. Since teaching is an integral part of the USA Health System's mission and organizational structure, it is anticipated the renovated unit will be a training location for various health professional training programs to provide residents and other healthcare personnel valuable clinical experience. Alabama has a healthcare workforce shortage that is among the worst in the country. In the United States, the majority of physicians end up practicing in the geographic region where they finish training. To improve the concentration of physicians, one of the most effective actions would be to increase the number of post-graduate (intern, resident and fellowship) training positions in the state. As an academic medical center, the USA Health System's mission is to train physicians and other healthcare workers, which is especially important given the shortage of healthcare personnel in the State. The proposed renovation will provide a great opportunity to not only serve patients, but also to continue to train physicians, nurses and other healthcare personnel in modern facilities up to current standards. This training evidences USA Health's commitment to training future healthcare professionals who will be dedicated to providing the best possible care to their patients.

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.

While the primary service area is Mobile County, due to the programs and offerings provided, University Hospital also serves patients throughout a broad secondary service area, that includes portions of Florida, Georgia and Mississippi. During the six month period from September 2019 to February 2020, University Hospital received patients from Alabama facilities as far North as Birmingham (approximately 250 miles), as far Northeast as Dothan (approximately 225 miles), as far East as Opelika (approximately 225 miles), as far North as Tuscaloosa (approximately 210 miles away) and as far Northwest as York (Approximately 156 miles away). In addition, University Hospital received more than 275 patients from Mississippi hospitals, more than 125 patients from Florida hospitals, and almost 50 patients from Georgia hospitals during the same 6 month period.

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. University Hospital is not a health maintenance organization.

IX. ENERGY-SAVING MEASURES

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

The proposed renovation will include a number of energy-saving measures. Since much of University Hospital has not received any renovations since first constructed in the 1960s, the current facility includes many outdated features that will be modernized to achieve energy savings. The following specific energy saving measures will be incorporated into the facility through the proposed Project:

- Energy efficient lighting fixtures
- Automatic lighting controls in non-patient areas
- Direct digital HVAC controls
- Variable air flow volume
- Low-flow plumbing fixtures
- Sun shades
- High efficiency heat recovery water chiller
- Variable frequency drives for maintaining state pressures.

In addition, the renovations will be in full compliance with the City of Mobile Building Inspection Department's construction codes regarding building energy usage.

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 of the Alabama Certificate of Need Program Rules and Regulations which are not included elsewhere in the application.

Alabama Admin. Code r. 410-1-6-.01, et. seq. requires consideration of several factors which have been discussed elsewhere in this Application and are also addressed in part below. The following summarizes the proposed Project's consistency with the following criteria:

- Compliance with SHPDA Regulations

This Emergency CON Application and the proposed Project described herein are consistent with all SHPDA regulations at the time of the filing of the Emergency CON Application with SHPDA.

- The Financial Feasibility of the Proposal

The financial projections presented in Part V of this Application demonstrate the financial viability of this Project. As evidenced by the financial projections, the Project is expected to return approximately \$8,000,000 in net revenue in the first year after completion.

- The Appropriateness, Relevance and Reasonableness of Data Supporting the Need for the Proposal

The need for this Project has been discussed throughout this application and is based on the immediate emergency need for additional isolation rooms to combat the Coronavirus pandemic; information regarding the aged nature of the facility; the benefits of private rooms, rather than semi-private, rooms; and the need to upgrade systems and equipment to ensure that patients are cared for in an accessible, comfortable, modern environment that promotes the best possible care and the greatest likelihood of a speedy recovery.

- The Consistency of the Proposal with the Applicant's Long-Range Development Plans and the Community's Overall Health and Health Related Plans

University Hospital's mission is to "help people live longer, better lives." This Project is consistent with the goal of University Hospital to improve the quality and comfort of the health care services it offers to residents of its service areas. While there are no formal community plans regarding modernization of existing facilities, this Project has the full support of the University of South Alabama as well as local community leaders and residents who will receive excellent care in a modernized facility.

- The Need to Meet Non-Patient Care Objectives

The main purpose of this Project is patient care and the delivery of quality health care services to the residents of Mobile County and the secondary service areas; however, since University Hospital is an academic medical center, the renovated floors will also be used as a training site for medical residents and other health care personnel to obtain valuable clinical experience in conjunction with a variety of the University of South Alabama's training programs.

- The Locational Appropriateness of the Facility with Regard to Transportation Accessibility, Local Zoning, Manpower Availability and Environmental Health

The location of the renovation is on the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors of University Hospital. The locational appropriateness of the Project cannot be argued, as this Project proposes renovation of an existing facility. University Hospital is easily accessible by the public, including through public transportation such as The Wave, Mobile's public transportation service, which has a bus stop that drops off potential patients, friends and family right outside of University Hospital. Furthermore, University Hospital has adequate staffing of the current facility. University Hospital does not anticipate any issues in recruiting employees, as necessary, to provide services on the renovated floors. Since the Project only entails a renovation, the Hospital is already properly zoned. University Hospital does not anticipate any difficulties regarding traffic flow as a result of approval of the Project. The University Hospital campus resides on a site that is



environmentally friendly for the Project. In addition, the previously addressed energy-saving measures will promote environmental health.

- *The Ability to Meet Licensure Standards*

University Hospital is currently a licensed hospital and has been licensed to provide general acute care services since it commenced operation in 1971. The renovations proposed by this Project will allow the facility to use its existing space to its maximum potential. Care will continue to be provided in the renovated unit pursuant to the Hospital's license issued by the Alabama Department of Public Health (ADPH) and in accordance with ADPH's licensure requirements. All renovations proposed herein will be completed in compliance with all applicable licensure rules, regulations and standards.

- *Availability of Alternatives*

There are no viable alternatives to the proposed Project. As discussed above, the only options are to (i) build a new facility; (ii) construct an addition to the existing facility; or (iii) do nothing. The first two alternatives are significantly more expensive and time consuming than the proposed renovation proposed herein. The last alternative, doing nothing, will not bring the facility on par with the high-quality services provided by University Hospital's medical staff, would not alleviate concerns related to sharing of patient rooms or the need for additional isolation rooms and ADA accessible rooms, and would not result in the benefits that a modern facility can provide.

- *Access to the Facility or Service*

University Hospital is easily accessible geographically, situated near the center of the most highly population portion of Mobile County. Additionally, as University Hospital is subject to the Emergency Medical Treatment and Active Labor Act (EMTALA), University Hospital will continue to be accessible to all residents of the service areas, regardless of their ability to pay.

- *Relationship to the Existing Health Care System*

This Project is fully integrated with and supplements the capabilities of the existing health care system. University Hospital is the central component of the USA Health System, an academic medical center. University Hospital, and its many departments and services are ingrained into the healthcare framework of southern Alabama and portions of surrounding states. Through converting semi-private rooms to private rooms, this Project will supplement University Hospital's capabilities by making it easier for the Hospital to make use of all of the beds for which it is licensed. In addition, the Project will bolster the existing health care system during this time of pandemic by quickly bringing online additional isolation rooms without the need to take any currently staffed beds out of service.

- *Appropriate Applicant*

In accordance with CON Rule 410-1-6-.09, University Hospital is an appropriate applicant to renovate as described herein. University Hospital is the centerpiece of the USA Health System, an academic medical center that also includes USA Children's & Women's Hospital, USA Mitchell Cancer Institute and USA Physicians Group. University Hospital is on the front line in delivering nationally recognized quality care to the area's most critically ill patients, and it also leads the area in research-based, patient-centered care that helps patients' recover from injury and illness. University Hospital is accredited by The Joint Commission as an acute care hospital. It also successfully operates the only Level I Trauma Center and Burn Center in the area. University Hospital also communicates regularly with the appropriate health care planning and regulatory agencies and has planning processes in place to monitor utilization and unmet

health care needs. University Hospital is the most appropriate applicant because the floors are in need of updates and modernization to address critical health crises during this time and to bring the floors up to par with the level of professional medical services provided by the Hospital's medical staff.

- Construction Project
  - All construction projects shall be designed and constructed with the objective of maximizing cost containment protection of the environment and conservation of energy. The impact of the construction costs, including financing charges on the cost of providing health care, shall be considered.

Ideas to promote cost containment, protection of the environment and conservation of energy are integral to the Project. The following specific energy saving measures will be incorporated into the Project:

- Energy efficient lighting fixtures
- Automatic lighting controls in non-patient areas
- Direct digital HVAC controls
- Variable air flow volume
- Low-flow plumbing fixtures
- Sun shades
- High efficiency heat recovery water chiller
- Variable frequency drives for maintaining state pressures

In addition, the proposed renovation will comply with ASHRE 90.1, the State Energy Code and the City of Mobile Building Energy Codes.

- Each proposal in excess of one million five hundred thousand dollars (\$1,500,000) which involves construction, modernization or alteration of the physical plant shall be accompanied by a copy of the schematic drawings.

See **Exhibit 4**; schematic drawings for the Project.

- Each proposal involving construction shall be accompanied by a cost estimate.

See Part One, IV, A and **Exhibit 5**, a letter from Ryan Baker, architect at Walcott Adams Verneuille Architects, Inc. confirming the reasonableness of the Project's construction costs.

- Consideration to be Given to Medical Facilities Involved in Medical Education

As teaching is a core component of the University of South Alabama's mission and organization structure, it is anticipated that the renovated floors will serve as a training location for various healthcare professional training programs to provide residents and other healthcare personnel valuable clinical experience. Alabama has a healthcare workforce shortage that is among the worst in the country. In the United States, the majority of physicians end up practicing in the geographic region where they finish training. As an academic medical center, the USA Health System mission to train physicians is especially important. The proposed renovation would provide a facility conducive not only to serving patients, but also training physicians and other clinical staff.

- Letter of Intent

As this is an Emergency CON Application requesting Emergency Review in accordance with CON Rule 410-1-10-.01, no prior notice is required for this Application. University Hospital previously submitted a letter of intent in anticipation of filing a CON application for the renovation of the 11<sup>th</sup> floor, but, in light of the Coronavirus pandemic, University Hospital has revised its plans to provide for additional isolation rooms and to provide a renovated space to accommodate infectious disease patients.

**PART THREE: CONSTRUCTION OR RENOVATION ACTIVITIES**

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

I. ARCHITECT Mr. Ryan Baker  
 Firm Walcott Adams Verneuille Architects, Inc.  
 Address One South School Street  
 City/State/Zip Fairhope, AL 36532  
 Contact Person Ryan Baker  
 Telephone (251) 928-6041  
 Architect's Project Number B-19-054

II. ATTACH SCHEMATICS AND THE FOLLOWING INFORMATION

A. Describe the proposed construction/renovation

This project will renovate the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors. The 4<sup>th</sup> floor renovation includes a conversion of six existing rooms into isolation rooms and the renovation of common spaces for HVAC and an area to allow donning and doffing of personal protective equipment (PPE) for providers treating patients with infectious diseases such as Coronavirus. The 10<sup>th</sup> and 11<sup>th</sup> floor renovations will include 68 single-occupancy medical/surgical patient suites on each floor. Post-renovation, each of these floors will house 34 single-occupancy medical/surgical patient suites, which will include 2 isolation rooms, 4 ADA compliant patient rooms and associated nursing stations and common areas.

B. Total gross square footage to be constructed/renovated 43,186 sq. ft.  
 C. Net useable square footage (not including stairs, elevators, corridors, toilets) 28,714  
 D. Acres of land to be purchased or leased N/A  
 E. Acres of land owned on site 20.2  
 F. Anticipated amount of time for construction or renovations Within 6 months  
 G. Cost per square foot \$ 325.44  
 H. Cost per bed (if applicable) \$ N/A - no new beds are proposed.

**PART FOUR: UTILIZATION DATA AND FINANCIAL INFORMATION**

This part should be completed for projects under \$500,000.00 and/or those projects for ESRD and home health. If this project is not one of the items listed above, please omit Part Four and complete Part Five. Indicate N/A for any questions not applicable.

**N/A - See Part Five**

I.	UTILIZATION	Years:	CURRENT	PROJECTED
			20_____ 20_____	20_____ 20_____
A.	ESRD			
	# Patients	_____	_____	_____
	# Procedures	_____	_____	_____
B.	Home Health Agency			
	# Patients	_____	_____	_____
	# of Visits	_____	_____	_____
C.	New Equipment			
	# Patients	_____	_____	_____
	# Procedures	_____	_____	_____
D.	Other			
	# Patients	_____	_____	_____
	# Procedures	_____	_____	_____

**II. PERCENT OF GROSS REVENUE**

Source of Payment	Historical			Projected	
	20_____	20_____	20_____	20_____	20_____
ALL Kids					
Blue Cross/Blue Shield					
Champus/Tricare					
Charity Care (see note below)					
Medicaid					
Medicare					
Other commercial insurance					
Self pay					
Other					
Veterans Administration					
Workers' Compensation					
<b>TOTAL</b>	%	%	%	%	%

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

**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 OF GROSS REVENUE

Source of Payment	Historical			Projected	
	2017	2018	2019	2020	2021
ALL Kids	0%	0%	0%	0%	0%
Blue Cross/Blue Shield	24%	21%	21%	21%	21%
Champus/Tricare	1%	2%	1%	1%	1%
Charity Care (see note below)**	0%	0%	0%	0%	0%
Medicaid	15%	14%	14%	14%	14%
Medicare	20%	21%	20%	20%	20%
Other commercial insurance	11%	12%	16%	16%	16%
Self pay	18%	21%	19%	19%	19%
Other	6%	4%	4%	4%	4%
Veterans Administration	4%	4%	4%	4%	4%
Workers' Compensation	1%	1%	1%	1%	1%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

\*\* University Hospital provided more than \$185,000,000 in uncompensated care over the past three fiscal years and will continue to provide care to patients regardless of their ability to pay

II. CHARGE INFORMATION

- C. List schedule of current charges related to this project.

Charges will vary depending on the type of patient and the number of ancillary services required during the patient's visit. University Hospital expects gross revenue per patient of \$3,319 in Years 1 and 2 after the renovation. The Project should have no material impact on the expenses or charges of University Hospital. The Project is expected to achieve profitability in its first year of operation, be self-sustaining

and will not require ongoing financial subsidies from University Hospital.

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

Charges will vary depending on the type of services needed during the patient visit. The Applicant does not anticipate this Project having any material impact on the expenses or charges of University Hospital.

### III. INPATIENT UTILIZATION DATA

- A. Historical Data  
Give information for last three (3) years for which complete data is available.

#### OCCUPANCY DATA

Occupancy	Number of Beds			Admissions or Discharges			Total Patient Days			Percentage (%)		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Medicine &amp; Surgery</b>	406	406	406	7,816	8,920	10,685	46,486	50,550	59,077	100%	100%	100%
<b>Obstetrics</b>	0	0	0	0	0	0	0	0	0	0%	0%	0%
<b>Pediatrics</b>	0	0	0	0	0	0	0	0	0	0%	0%	0%
<b>Psychiatry</b>	0	0	0	0	0	0	0	0	0	0%	0%	0%
<b>Other</b>	0	0	0	0	0	0	0	0	0	0%	0%	0%
<b>TOTALS</b>	406	406	406	7,816	8,920	10,685	46,486	50,550	59,077	100%	100%	100%

- B. Projected Data  
Give information to cover the first two (2) years of operation after completion of project.

#### OCCUPANCY DATA

Occupancy	Number of Beds		Admissions or Discharges		Total Patient Days		Percentage (%)	
	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year
<b>Medicine &amp; Surgery</b>	406	406	12,822	13,463	73,255	76,918	100%	100%
<b>Obstetrics</b>	0	0	0	0	0	0	0%	0%
<b>Pediatrics</b>	0	0	0	0	0	0	0%	0%
<b>Psychiatry</b>	0	0	0	0	0	0	0%	0%
<b>Other</b>	0	0	0	0	0	0	0%	0%
<b>TOTALS</b>	406	406	12,822	13,463	73,255	76,918	100%	100%

IV. OUTPATIENT UTILIZATION DATA

A. HISTORICAL DATA

	<u>Number of Outpatient Visits</u>			<u>Percentage of Outpatient Visits</u>		
	2017	2018	2019	2017	2018	2019
<b>Clinical</b>	30,124	28,281	31,056	45.7%	48.2%	47%
<b>Diagnostic</b>	29,776	24,583	27,822	45.2%	41.9%	42.1%
<b>Rehabilitation</b>	0	0	0	0%	0%	0%
<b>Surgical</b>	5,995	5,810	7,202	9.1%	9.9%	10.9%

B. PROJECTED DATA

	<u>Number of Outpatient Visits</u>		<u>Percentage of Outpatient Visits</u>	
	1st year	2nd year	1st year	2nd year
<b>Clinical</b>	32,391	33,784	47%	47%
<b>Diagnostic</b>	29,018	30,266	42.1%	42.1%
<b>Rehabilitation</b>	0	0	0%	0%
<b>Surgical</b>	7,512	7,835	10.9%	10.9%

V. A. ORGANIZATION FINANCIAL INFORMATION

STATEMENT OF INCOME AND EXPENSE	HISTORICAL DATA (Give information for last 3 years for which complete data are available)			PROJECTED DATA (First 2 years after completion of project)	
	2017 (Total)	2018 (Total)	2019 (Total)	2021 (Total)	2022 (Total)
Revenue from Services to Patients					
Inpatient Services					
Routine (nursing service areas)	38,784,990	38,814,313	50,390,234	52,557,014	54,816,965
Other	213,965,717	206,838,293	271,737,106	283,421,802	295,608,939
Outpatient Services	190,054,608	197,019,386	253,918,120	264,836,599	276,224,573
Emergency Services	27,936,603	31,521,142	38,256,637	39,901,672	41,617,444
Gross Patient Revenue	470,741,918	474,193,134	614,302,097	640,717,087	668,267,921
Deductions from Revenue					
Contractual Adjustments	226,420,935	209,338,121	293,746,036	306,377,116	319,551,332
Discount/Miscellaneous Allowances	4,461,150	5,210,226	6,501,566	6,781,133	7,072,722
Total Deductions	230,882,085	214,548,347	300,247,602	313,158,249	326,624,054
NET PATIENT REVENUE (Gross patient revenue less deductions)	239,859,833	259,644,787	314,054,495	327,558,838	341,643,867
Other Operating Revenue	51,469,437	42,825,505	41,428,929	43,210,373	45,068,419
<b>NET OPERATING REVENUE</b>	291,329,270	302,470,292	355,483,424	370,769,211	386,712,286
OPERATING EXPENSES					
Salaries, Wages, and Benefits	106,316,326	104,450,583	116,957,139	121,986,296	127,231,706
Physician Salaries and Fees	9,013,122	9,185,831	9,972,083	10,400,883	10,848,121
Supplies and other	66,604,978	73,302,032	83,866,449	87,472,706	91,234,033
Uncompensated Care (less recoveries) per State Health Plan 410-2-2-.06(d)	68,041,191	70,749,160	77,744,536	81,087,551	84,574,316
Other Expenses	23,538,448	27,125,682	25,802,298	26,911,796	28,069,003
Total Operating Expenses	273,514,065	284,813,288	314,342,505	327,859,232	341,957,179
NON-OPERATING EXPENSES					
Taxes					
Depreciation	6,874,049	17,084,265	16,180,685	16,876,454	17,602,142
Interest (other than mortgage)					
Existing Capital Expenditures				<u>N/A</u>	<u>N/A</u>
Interest				<u>N/A</u>	<u>N/A</u>
Total Non-Operating Expenses					
<b>TOTAL EXPENSES (Operating &amp; Capital)</b>	280,388,114	301,897,553	330,523,190	344,735,686	359,559,321
Operating Income (Loss)	10,941,155	572,739	24,960,234	26,033,525	27,152,966
Other Revenue (Expense) -- Net	6,079,857	(5,139,316)	(2,736,961)	(2,882,811)	(3,006,772)
NET INCOME (Loss)	17,021,012	(4,566,577)	22,196,273	23,150,714	24,146,194
Projected Capital Expenditure	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	15,204,287	0
Interest	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	412,000	397,000



**B. PROJECT SPECIFIC FINANCIAL INFORMATION**

STATEMENT OF INCOME AND EXPENSE	HISTORICAL DATA (Give information for last 3 years for which complete data are available)**			PROJECTED DATA (First 2 years after completion of project)	
	20__ (Total)	20__ (Total)	20__ (Total)	2021 (Total)	2022 (Total)
Revenue from Services to Patients					
Inpatient Services					
Routine (nursing service areas)				12,871,360	13,759,040
Other				57,381,292	61,340,601
Outpatient Services					
Emergency Services					
Gross Patient Revenue				70,252,652	75,099,641
Deductions from Revenue					
Contractual Adjustments				30,911,167	33,043,842
Discount/Miscellaneous Allowances				702,527	750,996
Total Deductions				31,613,694	33,794,838
NET PATIENT REVENUE(Gross patient revenue less deductions)				38,638,958	41,304,803
Other Operating Revenue					
<b>NET OPERATING REVENUE</b>				38,638,958	41,304,803
OPERATING EXPENSES					
Salaries, Wages, and Benefits				9,978,250	9,978,250
Physician Salaries and Fees					
Supplies and other				4,776,836	5,106,438
Uncompensated Care (less recoveries) per State Health Plan 410-2-2-.06(d)				9,132,845	9,762,953
Other Expenses				5,382,360	5,753,743
Total Operating Expenses				29,270,291	30,601,384
NON-OPERATING EXPENSES					
Taxes					
Depreciation				934,000	934,000
Interest (other than mortgage)				412,000	397,000
Existing Capital Expenditures				<u>N/A</u>	<u>N/A</u>
Interest				<u>N/A</u>	<u>N/A</u>
Total Non-Operating Expenses					
<b>TOTAL EXPENSES (Operating &amp; Capital)</b>				30,616,291	31,932,384
Operating Income (Loss)				8,022,667	9,372,419
Other Revenue (Expense) – Net					
NET INCOME (Loss)				8,022,667	9,372,419
Projected Capital Expenditure	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	15,204,287	0
Interest	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	412,000	397,000

\*\* There is no pertinent Historical Data since the Project requests renovation of space that is not currently staffed.

**STATEMENT OF COMMUNITY PARTNERSHIP FOR EDUCATION AND REFERRALS**

- A. 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.

University Hospital and the University of South Alabama provide many health-related services to the community as part of the University’s and USA Health’s teaching and service mission, but these programs are not tracked per se through any financial accounting system because many of them are imbedded in department operating budgets. In lieu of financial information, the narrative below provides a summary of some of the larger community partnerships USA has related to health care.

Services and/or Programs	Historical Data (total dollars spent in last 3 years)			Projected Data (total dollars budgeted for next 2 years)	
	Year	Year	Year	Year	Year
Health Education (nutrition, fitness, etc.)					
Community service workers (school nurses, etc.)					
Health screenings					
Other					
<b>TOTAL</b>					

**See Summary Below**

- B. 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.

This Project does not involve new services, but will permit University Hospital to modernize a facility that is used by many underserved residents of the service area. University Hospital treats all patients regardless of ability to pay. University Hospital is committed to ensuring that medically underserved individuals in the area will receive equal access to high quality care. This commitment to the community is witnessed by the more than \$185,000,000.00 of uncompensated charity care provided by University Hospital over the past three years. University Hospital does not anticipate any changes to its charity care policies as a result of this Project. The renovations and modernizations proposed with this Project will be equally accessible to traditionally medically underserved groups, including: low income persons, racial and ethnic minorities, handicapped persons, and Medicare and Medicaid patients.

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

University Hospital is located in midtown Mobile, an area that includes a high number of medically underserved individuals. The State of Alabama has many areas that are characterized by high levels of poverty and a population of many uninsured and underinsured individuals. Many of these people depend on USA Health's facilities, including University Hospital, and health care professionals for their medical care.

USA Health is dedicated to providing health care and screening and prevention programs to poor and underprivileged individuals. The USA Center for Healthy Communities represents the University of South Alabama's dedication to its community. It is through research, education, and empowerment that USA contributes to the improvement of not only the health of community individuals, but also to people's overall lives. The Center for Healthy Communities is the lead entity within the University of South Alabama for coordinating community education, research, public service and health activities to help eliminate health disparities, foster access to health care for underserved populations and enhance the capacity of individuals to better participate in decision making about their health. The Center's mission is closely aligned to the Healthy People 2010 agenda and initiatives for underserved individuals and communities. This mission is carried out through collaborative multi-disciplinary community and University based research, education and training programs designed to help develop "healthy sustainable communities." Successful implementation of this mission requires the establishment of trusting relationships with minority and underserved populations, health care providers and scholars within the academic community.

USA Health is partnered with Feeding the Gulf Coast to implement "Boxing-Out Hunger," an innovative program designed to improve health by addressing food insecurities at its Stanton Road Clinic and the Family Medicine Center. The program — which is unique to the area — seeks to fill a nutritional gap that exists for many patients who visit USA's Stanton Road Clinic. The food box is intended to meet the immediate needs of clinic patients and educate them on the importance of a healthy diet.

USA Health has partnered with numerous groups including: the University of South Alabama College of Nursing and community outreach programs such as 15th Place Wellness Center, March of Dimes, Ronald McDonald House, Dumas Wesley Community Outreach, Goodwill Easter Seals, and Think First for Kids and Teens.

USA Health has a long and ongoing tradition of filling the role of safety net healthcare provider for the Mobile region. The USA Health System assists in the provision of healthcare for lower middle class families, the working poor, elderly people who are living on a fixed income and the homeless populations. Each year, almost 20,000 inpatient days of hospital care are provided to individuals without health insurance (over 14,000 days at University Hospital and over 5,000 days at USA Children's & Women's Hospital).

Additional examples of USA programs available to the underserved include: the USA Mitchell Cancer Institute and the USA Physicians Group offering of free take-home colorectal cancer screening tests; the partnership with the Alabama Department of Public Health in offering free breast and cervical cancer screenings; Stroke Awareness Education; Diabetes Education; Nutrition Assessment and Weight Loss Education; and Community Health Fairs. As a benefit to the community, USA Physicians Group also offers "Med School Café." Med School Café is a free community lecture series sponsored by the USA Physicians Group. Each month, faculty from the USA College of Medicine share their expertise on a specific medical condition with the community, providing insight on the latest treatment available.

USA Health currently partners with federally qualified health centers, such as Franklin Primary Health Center, which provides access to oral care in their clinics and with a medical and dental express van which travels to schools, health fairs, and social service agencies serving children and adults in need.

USA Health supports many charitable organizations through involvement in charities such as USA's Employee Campaign for the United Way and USA Health's support of charitable, service and health agencies that are part of the United Way programs.

## **PART SIX: ACKNOWLEDGEMENT AND CERTIFICATION BY THE APPLICANT**

### **I. ACKNOWLEDGEMENT**

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

- A. The rules, regulations 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 transferrable, 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 the 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 the 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 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.

I. CERTIFICATION

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

*John V. Marzmont*  
Signature of Applicant

*V.P. Medical Affairs / Dean College of Medicine*  
Applicant's Name and Title  
(Type or Print)

*26* day of *March* 20*20*

*Suzanne L. Goins*  
Notary Public (Affix seal on Original)



**Author:** Alva M. Lambert

**Statutory Authority:** §§ 22-21-267, -271, -275, Code of Alabama, 1975

**History:** Amended: March 19, 1996; July 25, 2002; Filed: July 22, 2013; effective August 26, 2013.

**Exhibit 1**

**Map of Primary and Secondary Service Areas**



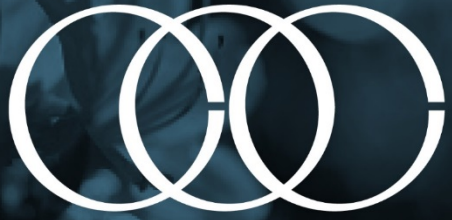
Enriched USA Service Area (Areas) (Features: 1, Selected: 0)

Title	2017 Total Population
Service Area	2,425,700.00

**Exhibit 2**

**Mobile Chamber of Commerce Marketing Materials**





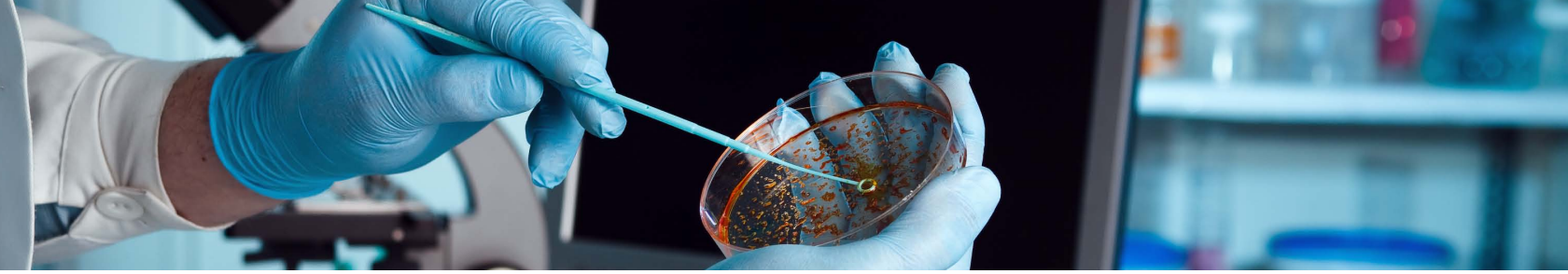
MOBILE AREA  
CHAMBER OF COMMERCE



**THE PERFECT BUSINESS CLIMATE. MADE IN MOBILE.**







GOOD FOR HEALTH. GOOD FOR BUSINESS.

## USA HEALTH

- ❑ More than 3,700 employees
- ❑ Acute care medical center, hospital for children and women, academic research and cancer treatment center, and academic physician practice
- ❑ 1/3 of local physicians (2,500) received training at USA Medical Center
- ❑ 150 academic physicians on faculty at the USA College of Medicine
- ❑ More than 10,400 nurses and 5,600 allied health professionals received training at USA hospitals
- ❑ 4 health system physicians listed among "America's Top Doctors" by *U.S. News and World Report*

**CENTER FOR STRATEGIC INNOVATION:  
NATIONALLY RECOGNIZED LEADER IN  
INNOVATIVE HEALTHCARE TECHNOLOGY  
APPLICATIONS AND PLATFORMS**

## USA MITCHELL CANCER INSTITUTE

- ❑ Only academic-based cancer and research facility on upper Gulf Coast
- ❑ More than 30 clinical trials open to patients
- ❑ Cancer research resulted in more than 45 patent applications, five start-up biotech companies
- ❑ \$5 million in annual research funding
- ❑ Director listed among *Newsweek's* "Top Cancer Doctors"

**REGION'S ONLY LEVEL 1  
TRAUMA CENTER  
OFFERING 24/7 CARE**

**REGION'S ONLY  
NEONATAL INTENSIVE  
CARE UNIT  
CARING FOR UP TO 100  
NEWBORNS EACH DAY**

**REGION'S ONLY PEDIATRIC  
INTENSIVE CARE UNIT  
CARING FOR CRITICALLY  
ILL CHILDREN**



HEALTHCARE

# HEALTHCARE COMPANIES ARE MORE THAN JUST HEALTHY HERE.

*They're thriving, thanks to strides we're making in medical care, research, and education.*



# TOP HEALTHCARE FACILITIES

COMPANY	EMPLOYED
University of South Alabama and USA Medical Facilities	6,000
Infirmiry Health System	5,000
Providence Hospital	1,540
Springhill Medical Center	1,300
AltaPointe	1,170

*\*Updated Jan. 2016*

# HEALTHCARE BY THE NUMBERS

- 13% of local workforce is employed in healthcare.
- 5 major hospitals with more than 1,900 beds.
- USA Health is the Only Level 1 Trauma Center in the Region
- Nearly 1,200 students enrolled in health in Mobile County Public Schools.

 **850**  
**PHYSICIANS**  
**AND 160 DENTISTS**

**HEALTHCARE**  
**IS MOBILE'S** **2<sup>ND</sup>**   
**LARGEST INDUSTRY**

  
**ONLY CANCER**  
**RESEARCH CENTER**  
**ALONG UPPER GULF COAST**

**Exhibit 3**

**Letters of Support**



## UNIVERSITY HOSPITAL

2451 University Hospital Drive  
Mobile, Alabama 36617

Ph: (251) 471-7173

Ms. Emily T. Marsal  
State Health Planning & Development Agency  
100 N. Union Street, Ste. 870  
Montgomery, Alabama 36104

Dear Ms. Marsal,

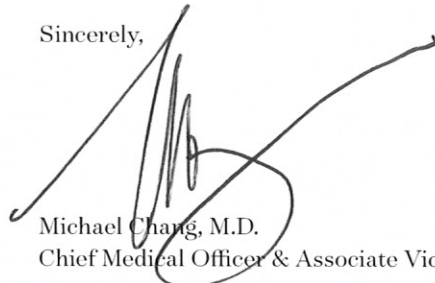
Re: USA Health University Hospital's Emergency CON Application for Renovation of the 4th, 10th and 11th Floors

As the Chief Medical Officer of USA Health, I am writing to express my strong support for USA Health University Hospital's Emergency Certificate of Need ("CON") Application to renovate and modernize the 4th, 10th and 11th floors of University Hospital. I was appointed by University and Health System leadership to oversee the pandemic response and preparations for COVID-19 challenge that is before us today. When facing a global pandemic such as the current COVID-19 ("coronavirus") pandemic, it is essential that the healthcare system have the resources and capacity to handle the influx of cases and the type of patient presenting to the hospital. The proposed renovations will provide a more comfortable environment that promotes healing for University Hospital's patients and will allow University Hospital to better meet the need for high quality patient care for all its patients while also expanding University Hospital's ability to fight infectious diseases such as coronavirus.

On a daily basis, I am fortunate to witness the positive impacts that high-quality healthcare services can have on patients' lives. USA Health supports the hands-on healthcare providers in every way. As an academic medical center, USA Health can leverage unique research and resources that are simply not available to other hospitals and healthcare facilities to ensure that patients receive the highest level of care and the most cutting-edge treatment and procedures. As witnessed with coronavirus, infectious diseases often hit elderly populations the hardest. We must strengthen the hospital services available within the State of Alabama, and in particular Mobile County, so that the residents of our area and across the State have access to high quality medical services in comfortable and welcoming environments that promote healing, even in the worst of health crises. Approval of this Emergency CON Application will allow University Hospital to modernize its facilities to better treat the types of health crises our nation, and indeed the world, is currently facing and offer a more welcoming and supportive environment for its patients, which in turn results in better quality of care and better patient outcomes.

University Hospital is a tremendous asset to the Mobile area and it is vital that it be permitted to modernize and update its aging facilities. I fully support the Emergency CON application to renovate the 4th, 10th and 11th floors of University Hospital and to provide facilities appropriate to handle a pandemic such as coronavirus. I appreciate your consideration and approval of the Emergency CON Application and your continued support for the quality healthcare services provided by University Hospital for residents of the State of Alabama and beyond.

Sincerely,



Michael Chang, M.D.  
Chief Medical Officer & Associate Vice President for Medical Affairs

# MOBILE COUNTY COMMISSION

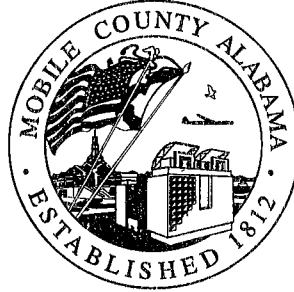
COUNTY COMMISSIONERS

JERRY L. CARL, PRESIDENT

MERCERIA LUDGOOD, COMMISSIONER

CONNIE HUDSON, COMMISSIONER

TELEPHONE (251) 574-5077



ADMINISTRATION

GLENN L. HODGE  
COUNTY ADMINISTRATOR

EDDIE KERR  
DEPUTY ADMINISTRATOR

TELEPHONE (251) 574-5073

FAX (251) 574-5080

Ms. Emily T. Marsal  
State Health Planning & Development Agency  
100 N. Union Street, Ste. 870  
Montgomery, Alabama 36104

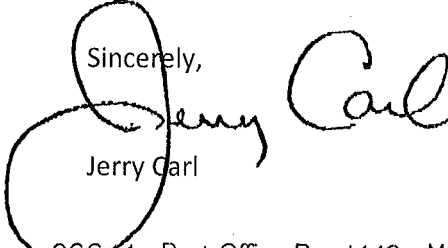
Dear Ms. Marsal,

I am writing this letter to support USA Health University Hospital's Emergency Certificate of Need ("CON") Application to renovate and modernize the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors of University Hospital. When facing a global pandemic such as the current COVID-19 ("coronavirus") pandemic, it is essential that the healthcare system have the resources and capacity to handle the influx of cases and the type of patient presenting to the hospital. Although not all of this project may be online to provide immediate support, the current crisis has highlighted the need to expeditiously ensure appropriate resources are available as soon as possible. The proposed renovations will provide a more comfortable environment that promotes healing for University Hospital's patients and will allow University Hospital to better meet the need for high quality patient care for all its patients while also expanding University Hospital's ability to fight infectious diseases such as coronavirus.

As witnessed with coronavirus, infectious diseases often hit elderly populations the hardest. As the rapid growth in the elderly population in Mobile County and surrounding areas continues unabated, we must strengthen the hospital services available within the State of Alabama, and in particular Mobile County, so that the residents of our area and across the State have access to high quality medical services in comfortable and welcoming environments that promote healing, even in the worst of health crises. It is clear that patients from Mobile County and surrounding areas are best served by access to high quality medical services close to home. Approval of this Emergency CON Application will allow University Hospital to modernize its facilities to better treat the types of health crises our nation, and indeed the world, is currently facing and offer a more welcoming and supportive environment for its patients, which in turn results in better quality of care and better patient outcomes.

University Hospital is a tremendous asset to the Mobile area and it is vital that it be permitted to modernize and update its aging facilities. I fully support the Emergency CON application to renovate the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors of University Hospital and to provide facilities appropriate to handle a pandemic such as coronavirus. I appreciate your consideration and approval of the Emergency CON Application and your continued support for the quality healthcare services provided by University Hospital for residents of the State of Alabama and beyond. It is important to our State and to maintaining a vibrant health care community in the Mobile area that we strive to provide Alabama residents with the full-spectrum of high-quality health care services and that such services are offered in a modern and inviting facility.

Sincerely,

  
Jerry Carl



**USA HEALTH**  
Health Care Authority  
Mobile Diagnostic Center

---

March 24, 2020

Ms. Emily T. Marsal  
State Health Planning & Development Agency  
100 N. Union Street, Ste. 870  
Montgomery, Alabama 36104

Dear Ms. Marsal,

**Re: USA Health University Hospital's Emergency CON Application for Renovation of the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> Floors**

As a physician with Mobile Diagnostic Center, an affiliate, of USA Health, I am writing to express my strong support for USA Health University Hospital's Emergency Certificate of Need ("CON") Application to renovate and modernize the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors of University Hospital. When facing a global pandemic such as the current COVID-19 ("coronavirus") pandemic, it is essential that the healthcare system have the resources and capacity to handle the influx of cases and the type of patient presenting to the hospital. Although all of this project may not be online to provide immediate support, the current crisis has highlighted the need to expeditiously ensure appropriate resources are available as soon as possible. The proposed renovations will provide a more comfortable environment that promotes healing for University Hospital's patients and will allow University Hospital to better meet the need for high quality patient care for all its patients while also expanding University Hospital's ability to fight infectious diseases such as coronavirus.

As witnessed with coronavirus, infectious diseases often hit elderly and immunocompromised populations the hardest. We must strengthen the hospital services available within the State of Alabama, and in particular Mobile County, so that the residents of our area and across the State have access to high quality medical services in comfortable and welcoming environments that promote healing, even in the worst of health crises. Approval of this Emergency CON Application will allow University Hospital to modernize its facilities to better treat the types of health crises our nation, and indeed the world, is currently facing and offer a more welcoming and supportive environment for its patients, which in turn results in better quality of care and better patient outcomes.

University Hospital is a tremendous asset to the Mobile area and it is vital that it be permitted to modernize and update its aging facilities. I fully support the Emergency CON application to renovate the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> floors of University Hospital and to provide facilities appropriate to handle a pandemic such as coronavirus. I appreciate your consideration and approval of the Emergency CON Application and your continued support for the quality healthcare services provided by University Hospital for residents of the State of Alabama and beyond.

Sincerely,



James L. Walker, M.D., F.A.C.P



March 19, 2020

Ms. Emily T. Marsal  
State Health Planning & Development Agency  
100 N. Union Street, Ste. 870  
Montgomery, Alabama 36104

Dear Ms. Marsal,

**Re: USA Health University Hospital's Emergency CON Application for  
Renovation of the 10<sup>th</sup> and 11<sup>th</sup> Floors**

I am writing this letter to support USA Health University Hospital's Emergency Certificate of Need ("CON") Application to renovate and modernize the 10<sup>th</sup> and 11<sup>th</sup> floors of University Hospital. When facing a global pandemic such as the current COVID-19 ("coronavirus") pandemic, it is essential that the healthcare system have the resources and capacity to handle the influx of cases and the type of patients presenting to the hospital. Although this project may not be online to help the current crisis, the current crisis has highlighted the need to ensure the appropriate resources are available as soon as possible. The proposed renovations will provide a more comfortable environment that promotes healing for University Hospital's patients and allows University Hospital to better meet the need for high-quality patient care for all its patients while also expanding University Hospital's ability to fight infectious diseases such as coronavirus.

We must strengthen the hospital services available within the State of Alabama, and in particular Mobile County, so that the residents of our area and across the State have access to high quality medical services in comfortable and welcoming environments that promote healing, even in the worst of health crises. It is clear that patients from Mobile County and surrounding areas are best served by access to high-quality medical services close to home. Approval of this Emergency CON Application will allow University Hospital to modernize its facilities to better treat the health crises our nation, and indeed the world, is currently facing and offer a more welcoming and supportive environment for its patients, which in turn results in better quality of care and better patient outcomes.

University Hospital is a tremendous asset to the Mobile area, and it is vital that it be permitted to modernize and update its aging facilities. I fully support the Emergency CON application to renovate the 10<sup>th</sup> and 11<sup>th</sup> floors of University Hospital and to provide facilities appropriate to handle a pandemic such as coronavirus. I appreciate your consideration and approval of the Emergency CON Application as well as your continued support for the quality healthcare services provided by University Hospital for residents of the State of Alabama and beyond.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill Sisson", with a long, sweeping underline that extends to the right.

William B. Sisson  
President and CEO

cc: Terry Harbin  
Matt White  
Nick Lawkis

**USA HEALTH**  
Health Care Authority  
Mobile Diagnostic Center

---

March 24, 2020

Ms. Emily T. Marsal  
State Health Planning & Development Agency  
100 N. Union Street, Ste. 870  
Montgomery, Alabama 36104

Dear Ms. Marsal,


**Re: USA Health University Hospital's Emergency CON Application for Renovation of the 4<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> Floors**

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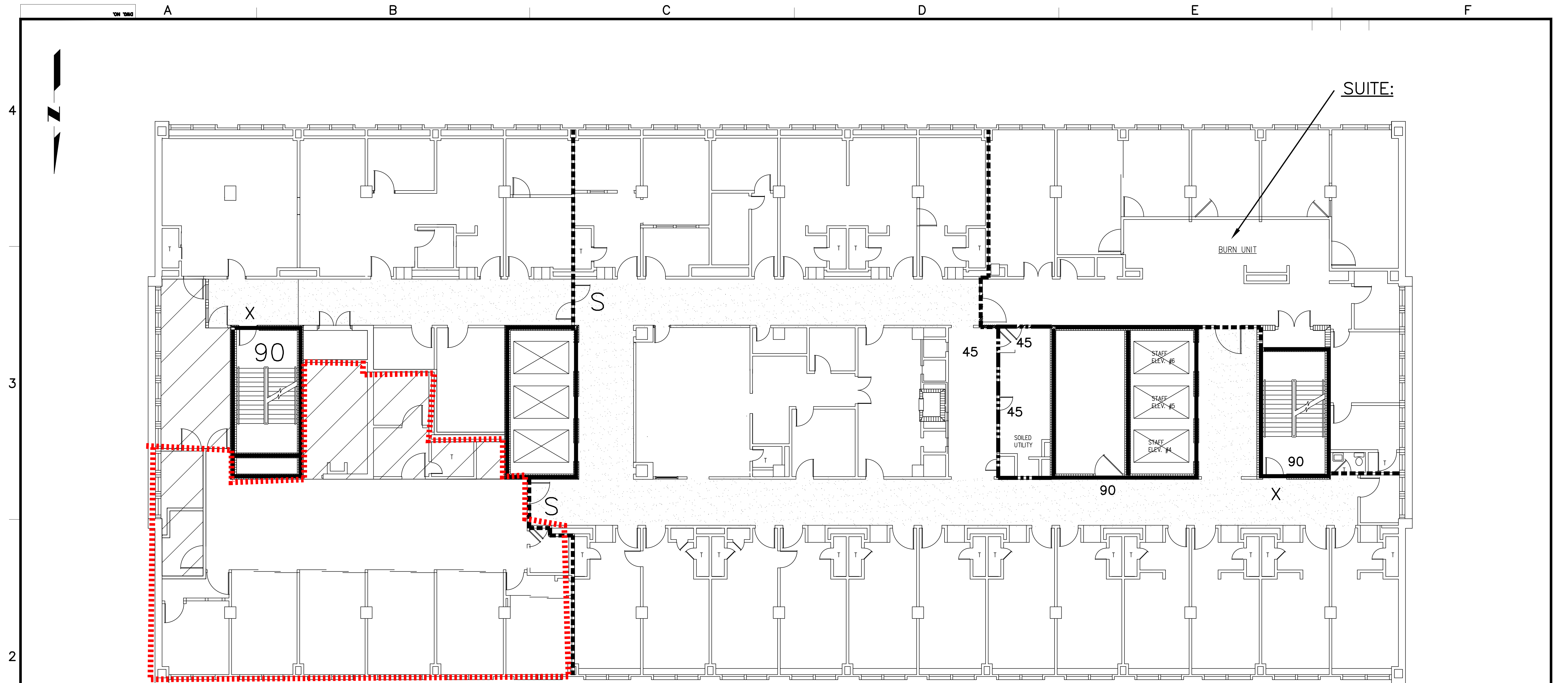
Sincerely,



Robert W. Israel, M.D., F.A.C.P

**Exhibit 4**

**Schematics**



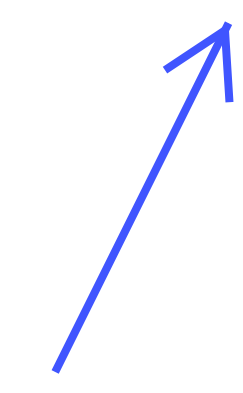
**INTENSIVE CARE UNIT**

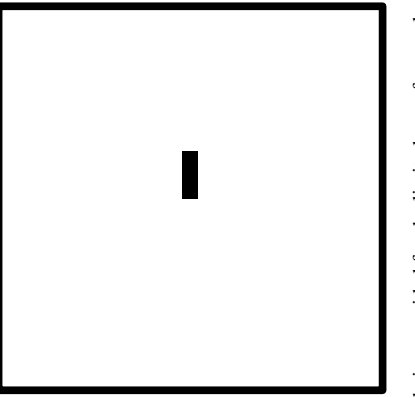
- |                         |  |                             |    |
|-------------------------|--|-----------------------------|----|
| <u>2 HR RATED WALL:</u> |  | <u>90 MIN. DOOR RATING:</u> | 90 |
| <u>1 HR RATED WALL:</u> |  | <u>45 MIN. DOOR RATING:</u> | 45 |
| <u>SMOKE BARRIER:</u>   |  | <u>SMOKE DOOR RATING:</u>   | S  |

- |              |  |
|--------------|--|
| <u>EXIT:</u> |  |
|--------------|--|

- |                        |  |
|------------------------|--|
| <u>SPRINKLED AREA:</u> |  |
| <u>EXIT CORRIDOR:</u>  |  |

20,088 Sq. Ft.  
FOURTH FLOOR  
FIRE WALLS





**10th Floor Renovations**  
**USA Health University Hospital**  
 2451 University Hospital Drive, Mobile, AL 36617



1 10th Floor Plan  
 Scale: 1/8" = 1'-0"

Date	March 20, 2020
Revised	
Revised	
Revised	
Drawn	
Checked	

**A1.1**  
 10th Floor Plan

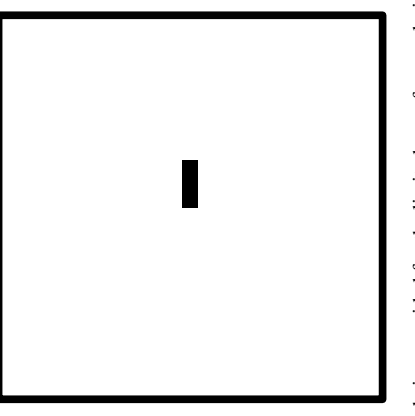
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1 11th Floor Plan  
Scale: 1/8" = 1'-0"

**W**  
**WALCOTT  
 ADAMS  
 VERNEUILLE**  
 ARCHITECTS  
 1 SOUTH SCHOOL STREET  
 FAIRHOPE, AL 36532  
 (251) 928-6041

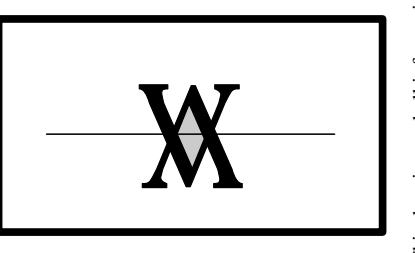


**11th Floor Renovations ADPH # B-19-054**  
**11th Floor Renovations**  
**USA Health University Hospital**  
 2451 University Hospital Drive, Mobile, AL 36617

Date	January 31, 2020
Revised	
Revised	
Revised	
Drawn	
Checked	

Copyright 2019  
 Walcott Adams Verneuille  
 Architects, Inc.

**A1.1**  
 11th Floor Plan



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**Exhibit 5**

**Architect's Letter**



WALCOTT  
ADAMS  
VERNEUILLE  
ARCHITECTS

One South School Street  
Fairhope, AL 36532  
251-928-6041  
FAX 251-928-6045  
www.wavarchitects.com

March 17, 2020

Mr. Danny Rickert,  
Chief Policy Officer & Asst. Vice-President for Medical Affairs  
USA Medical Center  
307 University Boulevard North, AD001  
Mobile, AL 36688

Re: Renovation of University Hospital

Dear Mr. Rickert,

Walcott Adams Verneuille Architects has been involved in the development of a cost estimate for the proposed renovation of University Hospital.

We have evaluated the existing facility, preliminary program and design information in conjunction with our consulting engineers. We have also received certain cost input from local general contractors experienced in projects of this type.

Based on this evaluation and input, and in our professional experience, we find the project cost contained here-in to be reasonable.

If we may be of further assistance please contact us.

Sincerely,  
WALCOTT ADAMS VERNEUILLE ARCHITECTS, INC.

Ryan Baker, Principal