

Holly S. Hosford

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July 29, 2021

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

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

RE: Encompass Health Rehabilitation Hospital of Montgomery, Inc. d/b/a Encompass Health Rehabilitation Hospital of Montgomery
Project AL 2021-005, CON 2948-REHAB
Request for Project Modification

Dear Ms. Marsal:

I am writing on behalf of Encompass Health Rehabilitation Hospital of Montgomery, Inc. d/b/a Encompass Health Rehabilitation Hospital of Montgomery (“Encompass” or “Encompass of Montgomery”) to request a project modification to Certificate of Need (“CON”) 2948-REHAB. CON 2948-REHAB was issued on June 8, 2021, and approved the addition of five (5) inpatient physical rehabilitation beds (the “CON Approved Beds”) to the existing inpatient rehabilitation hospital, resulting in a total of 75 inpatient physical rehabilitation beds.

Encompass respectfully requests the issuance of a project modification to reflect that (i) Encompass will add the CON Approved Beds immediately upon approval by the Alabama Department of Public Health (“ADPH”) of a Change in License Application and prior to construction of the proposed physical addition to the hospital and (ii) Encompass will subsequently relocate the CON Approved Beds to the new patient wing upon completion of construction and approval from ADPH Technical Services Unit.

Encompass of Montgomery currently operates 70 inpatient physical rehabilitation beds pursuant to CON authority and ten (10) inpatient physical rehabilitation beds pursuant to temporary waiver authority issued by the State Health Planning and Development Agency (“SHPDA”) on April 20, 2021 (TW2020-033). A copy of TW2020-033 is enclosed. Encompass intends to submit a Change in License Application to ADPH to convert five (5) of the (10) ten temporary waiver beds to permanently licensed beds by adding five (5) beds to its hospital license pursuant to CON 2948-REHAB. This will allow Encompass of Montgomery to continue operating 75 CON approved and licensed beds without disruption to patient care and in compliance with CON-2948-REHAB.

AL2021-005

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STATE HEALTH PLANNING AND
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Project AL 2021-005 involves the construction of a single-story addition to the existing hospital. The addition will be approximately 2,570 square feet in size and will house handicap accessible private patient rooms with handicap accessible toilet/shower rooms directly accessible to the patient room, and a clean storage room. Encompass plans to commence construction of the addition on or about September 17, 2021. During the construction phase, Encompass will continue to operate the CON Approved Beds in the existing rooms in which they are currently operated as temporary waiver beds. Upon completion of construction and approval of the addition by ADPH Technical Services Unit, Encompass will relocate the CON Approved Beds into the newly constructed handicap accessible private patient rooms described in the application filed for Project AL 2021-005 and approved by CON 2948-REHAB.

Encompass of Montgomery has consistently operated at a high occupancy for a number of years. The additional beds approved by CON 2948-REHAB are needed urgently to serve the patients of the service area, and Encompass is able to serve that need immediately by seeking licensure of the five (5) beds approved by CON 2948-REHAB while construction of the new patient wing is underway. It is our understanding that ADPH will process Encompass of Montgomery's Change in License Application to add five (5) beds upon receiving SHPDA's confirmation that the proposal is consistent with CON 2948-REHAB. Thus, this project modification request is submitted to confirm that the project's CON approval explicitly and specifically addresses the contemplated sequencing of the project implementation.

The proposed modification will not result in an increase in total project costs exceeding the \$4,411,189 initially approved by CON 2948-REHAB. The requested modification will not involve the addition of beds, a change in bed classification, or the provision of new health services not specified in CON 2948-REHAB. CON 2948-REHAB qualifies for a project modification pursuant to Rule 410-1-10-03 (project modification after issuance of CON) for the reasons stated herein. Turenne & Associates d/b/a Capitol Hill Healthcare Center, which submitted opposition to Project AL 2021-005, has been notified of this request for project modification as required by Rule 410-1-10-03(1)(b). A filing fee in the amount of \$8,206.80, which is 35% of the original CON Application fee, will be delivered to the Agency via Fed Ex.

Thank you for your attention regarding this matter. If you have any questions or concerns, please contact me.

Best regards,

A handwritten signature in black ink, appearing to read "Holly S. Hosford". The signature is written in a cursive style with a large, looped initial "H".

Holly S. Hosford

Enclosers

cc: Phil Hayes, Executive Vice President of Turenne & Associates, LLC
phayes@turenneteam.com



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

NOTICE FOR ISSUANCE OF TEMPORARY WAIVER

In the fifth supplemental State of Emergency for the COVID-19 pandemic, Governor Ivey gave the State Health Planning and Development Agency (Agency) the ability to promulgate rules in order to issue temporary waivers to the normal Certificate of Need (CON) process for providers specifically requiring additional capacity or services directly related to the State of Emergency declared for the COVID-19 pandemic.

The Agency has filed two emergency administrative rules: ALA. ADMIN. CODE r. 410-2-5-.09-E COVID-19 State of Emergency, passed by the Statewide Health Coordinating Council, and ALA. ADMIN. CODE r 410-1-10-.05-E Emergency Provisions Related to COVID-19 Emergency, passed by the Certificate of Need Review Board. Both of these emergency rules can be found on the SHPDA website.

By filling out this attached form, the applicant has requested a temporary waiver under these emergency rules and it has been signed and notarized that this request is directly related to the COVID-19 pandemic. The affirmation by the SHPDA Executive Director is related solely to the addition and/or provision of any beds, stations, or services during the State of Emergency and succeeding 60-day period and does not affirm any permanent CON authority for such request. The affirmation shall also not be considered to be a waiver of any requirements related to the Alabama Department of Public Health or any other regulatory agency.

Pursuant to ALA. ADMIN. CODE r. 410-2-5-.09-E (3), the request as affirmed, "shall automatically terminate on the earlier of (i) as applicable, the discontinuation of services or closure of facilities subject to the waiver; or (ii) sixty (60) days following the termination of the State of Emergency as recognized in the Declaration." Furthermore, the rule states, "[a]ny continued operation of institutional health services authorized under a waiver granted pursuant to this section will require a CON, which shall be subject to existing CON criteria and procedures, including compliance with the State Health Plan, without regard to emergency rules adopted by the CON Board or SHCC in response to the Declaration. It is the intent of this subsection that services, facilities or other new institutional health services established as a result a waiver be considered 'new' for purposes of an application for CON authority to extend such new institutional health services beyond the deadlines in this subsection."

In addition, pursuant to ALA. ADMIN. CODE r. 410-2-5-.09-E (4), "new institutional health services authorized on a temporary basis pursuant to a waiver granted under this rule shall not be considered for purposes of the permanent need methodology in the State Health Plan."

For any questions or concerns, please contact the Agency at (334) 242-4103.

MAILING ADDRESS: P.O. BOX 303025, MONTGOMERY, ALABAMA 36130-3025
PHONE: (334) 242-4103 FAX: (334) 242-4113

FOR STAFF USE ONLY:

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WAIVER IDENTIFICATION: TW2020-033

Apr 17 2020

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

REQUEST FOR CERTIFICATE OF NEED WAIVER

FACILITY ID NO.: ~~H5101~~ 101-0530037 COUNTY: Montgomery

FACILITY/PROVIDER NAME: Encompass Health Rehabilitation Hospital of Montgomery

STREET ADDRESS: 4465 Narrow Lane Road

CITY: Montgomery ZIP CODE: 36116

AUTHORIZED REPRESENTATIVE: Randy Thompson

TITLE: Chief Executive Officer EMAIL ADDRESS: Randy.Thompson@encompasshealth.com

DIRECT TELEPHONE NUMBER: (334) 284-7821

TYPE OF FACILITY/PROVIDER: Inpatient Rehabilitation Hospital

Pursuant to a declaration issued by Governor Ivey on April 2, 2020, the following additional services are being enacted pursuant to Ala. Admin. Code r 410-2-5-.09-E and 410-1-10-.05-E.

Addition of 10 Inpatient Rehabilitation Beds

Does this request involve an increase in: Beds No Yes Number 10

ESRD Stations No Yes Number 0

Provide a brief explanation of how these services will assist in the health and safety of citizens during the emergency (attach additional sheets if necessary):

Encompass Health Rehabilitation Hospital of Montgomery (the "Hospital") proposes to add ten (10) inpatient rehabilitation beds to provide inpatient physical rehabilitation services to patients who are ready to be discharged from the general acute care hospital but require inpatient physical rehabilitation and hospital-level care. The Hospital is currently operating at full capacity. Allowing the Hospital to increase capacity will enable the Hospital to admit and treat more patients from general acute care hospitals in the area, thereby freeing up acute care and ICU beds to be used in treating patients with COVID-19. The Hospital is able to implement this expansion immediately upon approval by utilizing existing space within the Hospital. No construction will be required.

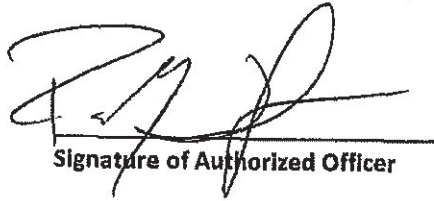
Projected Construction/Renovation Costs: \$ 0.00

Projected Equipment Costs: \$ 0.00

Projected date additional services/equipment will be available for service: 4/20/2020

If this Waiver request involves construction of a new facility and/or acquisition of new equipment, provide a brief description of the proposal on a separate sheet of paper and return with this form.

The undersigned, being first duly sworn, hereby affirms that he/she has direct knowledge of the facts contained this request, and to the best of their information, knowledge, and belief, such facts are true and correct. The undersigned agrees to comply with the requirements and limitations outlined by Rules 410-2-5-.09-E and 410-1-10-.05-E

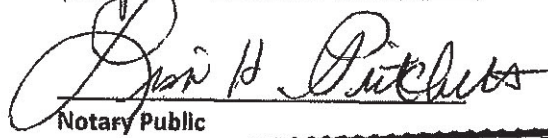

Signature of Authorized Officer

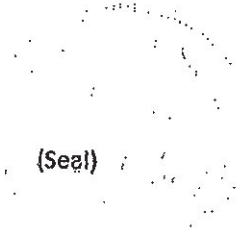
4/17/20
Date

Randy Thompson
Printed Name

Chief Executive Officer
Title

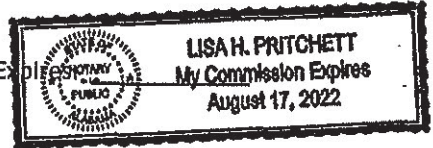
Sworn to and subscribed before me this 17th day of April, 2020.


Notary Public

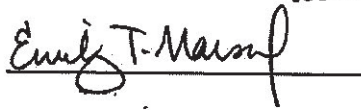


(Seal)

My Commission Expires



AFFIRMED BY EXECUTIVE DIRECTOR:



4/19/2020
Date