

April 14, 2025

Via Email (shpda.online@shpda.alabama.gov)

Ms. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
RSA Union Building
100 North Union Street, Suite 870
Montgomery, AL 36104

Re: Project Modification Request – USA Health Children’s & Women’s Hospital
(AL2021-026, CON 2959-H)

Dear Ms. Marsal:

On behalf of USA Health Children’s & Women’s Hospital (“CWH”) we are submitting this letter requesting a Project Modification to CON 2959-H, issued for the expansion and renovation of the existing emergency department at CWH to provide additional capacity and emergency services in Mobile County, Alabama, and surrounding areas (the “Project”).

This project modification is being requested pursuant to Ala. Admin. Code § 410-1-10-.03 due to an increase in the costs for the Project of approximately 22%, which is in excess of the 10% approval threshold stated therein. Attached, you will find the updated Cost page for the CON application, which reflects an increase in aggregate construction costs from \$13,427,936 to \$17,857,369.85 due primarily to inflation resulting in increased costs associated with the construction of the Project since the original estimates were made for the CON application and an increase in the first-year annual operating costs from \$5,491,496 to \$5,826,383 due primarily to increased staffing costs resulting from inflation and a market cost increase in employee salaries. The final equipment costs totaled \$1,391,215.33, less than originally estimated in the CON application.

There were no other parties of record with regard to this Project who would require notification hereof.

The filing fee for this project modification request in the amount of \$8,206.80, which is thirty-five percent (35%) of the original CON application fee of \$23,448, has been submitted electronically through the SHPDA payment portal.

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Thank you for your consideration of this project modification request and please contact me should you have any questions, need additional information, or would like to discuss further.

Best regards,

HOLLAND & KNIGHT LLP

A handwritten signature in blue ink that reads "Kristen Larremore". The signature is written in a cursive, flowing style.

Kristen Larremore

Enclosure

cc: Colin Luke

IV. COST

A. Construction (includes modernization expansion)

1.	Predevelopment	\$	_____
2.	Site Acquisition		_____
3.	Site Development		_____
4.	Construction		<u>\$15,172,398.85</u>
5.	Architect and Engineering Fees		<u>\$1,058,631.40</u>
6.	Renovation		<u>\$1,369,383</u>
7.	Interest during time period of construction		_____
8.	Attorney and consultant fees		<u>\$256,956.60</u>
9.	Bond Issuance Costs		_____
10.	Other _____		_____
11.	Other _____		_____

TOTAL COST OF CONSTRUCTION \$ 17,857,369.85

B. Purchase

1.	Facility	\$	_____
2.	Major Medical Equipment		_____
3.	Other Equipment		<u>\$1,391,215.33</u>

TOTAL COST OF PURCHASE \$ 1,391,215.33

C. Lease

1.	Facility Cost Per Year _____ x _____ Years =	\$	_____
2.	Equipment Cost per Month _____ x _____ Months =		_____
3.	Land-only Lease Cost per Year _____ x _____ Years		_____

TOTAL COST OF LEASE(s) \$ n/a
(compute according to generally accepted accounting principles)

Cost if Purchased \$ _____

D. Services

1.	_____ New Service	\$	_____
2.	_____ Expansion	\$	_____
3.	_____ Reduction or Termination	\$	_____
4.	<u>X</u> Other (Renovation and Expansion)	\$	<u>5,826,383</u>

FIRST YEAR ANNUAL OPERATING COST \$ 5,826,383

E. Total Cost of this Project (Total A through D)
(should equal V-C on page A-4)

\$ 25,074,968.18