



BALCH & BINGHAM LLP

Alabama • Georgia • Mississippi • Washington, DC

Daniel F. Murphy  
(205) 226-3449

Attorneys and Counselors  
1901 Sixth Avenue North, Suite 1500  
P.O. Box 306 (35201-0306)  
Birmingham, Alabama 35203-4642  
(205) 251-8100  
(205) 226-8799 Fax  
www.balch.com

(205) 488-5751 (direct fax)  
dmurphy@balch.com

April 18, 2011

**BY FEDEX**

Mr. Alva Lambert  
Executive Director  
State Health Planning and Development Agency  
P.O. Box 30325  
Montgomery, AL 36130-3025

RECEIVED

APR 19 2011

STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

**RE: Project Number AL 2008-009, CON 2230-ESRD;  
Request for Project Modification**

Dear Mr. Lambert:

This letter requests a project modification to CON 2230-ESRD. The CON Review Board approved CON 2230-ESRD on June 5, 2008 to expand the capacity of NNA of Alabama, Inc. d/b/a RCG South (the "Clinic") from 12 to 16 hemodialysis stations at an estimated cost of \$252,655.92.

The Clinic now respectfully requests the issuance of a project modification to CON 2230-ESRD to reflect an increase in estimated construction costs that will raise the total estimated project cost for the station increase from \$252,655.92 to \$302,655.92 (see **Exhibit A**).

Increased costs identified by the contractor engaged to complete the project have necessitated this project modification request. Specifically, the project will entail updating the Clinic to meet new Life Safety Code standards, including an upgrade in materials used for construction, that were not reflected in the originally estimated project cost. The proposed cost increases will not exceed the current indexed cost threshold for any capital expenditure category set forth in CON Rules and Regulations Section 410-1-2-.07.

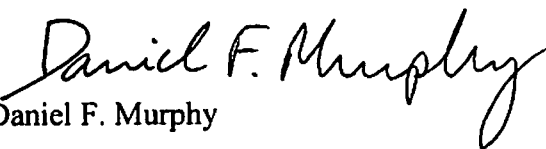
CON 2230-ESRD qualifies for a project modification pursuant to CON Rules and Regulations Section 410-1-10-.03 (project modifications after issuance of CON). We believe that this project modification can be approved by the Executive Director because: (1) the requested modification does not exceed any CON cost thresholds; (2) there will be no change in location from that designated in the original CON; (3) no changes in services or new services are being proposed; (4) no change in station capacity is being proposed; and (5) no other modification is proposed that would otherwise exceed or trigger another CON threshold.

Mr. Alva Lambert  
April 18, 2010  
Page 2

There was no opposition to the approved CON. As such, there are no parties of record in the underlying administrative proceeding that must be notified regarding this proposed project modification.

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

Sincerely,

  
Daniel F. Murphy

Enclosure

**EXHIBIT A**

**Request for Project Modification to CON 2230-ESRD**

<b>Category of Expenditure</b>	<b>Estimated Costs under CON 2230-ESRD</b>	<b>Requested Costs under Project Modification</b>
<b>Construction</b>	\$115,500.00	\$165,500.00
<b>Equipment</b>	\$22,845.92	\$22,845.92
<b>Annual Operating Costs</b>	\$114,310.00	\$114,310.00
<b>TOTAL</b>	<b>\$252,655.92</b>	<b>\$302,655.92</b>