

# Covenant

## HOSPICE

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APR 01 2010

STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

— Licensed in Florida in 1983 —

March 31, 2010

**Corporate Office**

5041 N. 12th Ave  
Pensacola, FL 32504  
850-433-2155

**Branch Offices**

1023 Douglas Ave., Ste. 204  
Brewton, AL 36426  
251-867-6993

370 W Redstone Ave.  
Crestview, FL 32536  
850-682-3628

1040 Stanton Rd., Ste. D  
Daphne, AL 36526  
251-626-5255

2855 Ross Clark Circle, Ste. 110  
Dothan, AL 36301  
334-794-7847

4440 Lafayette St., Ste. C  
Marianna, FL 32446  
850-482-8520

5907 Berryhill Rd.  
Milton, FL 32570  
850-202-5930

3201 Dauphin St., Ste. D  
Mobile, AL 36606  
251-478-8671

101 Hart St.  
Niceville, FL 32578  
850-729-1800

107 W. 19th St.  
Panama City, FL 32405  
850-785-3040

2001 N. Palafox St.  
Pensacola, FL 32501  
850-202-0840

1545 Raymond Diehl Rd., Ste. 102  
Tallahassee, FL 32308  
850-575-4998

**Covenant Hospice Inpatient and  
& Palliative Care Center at  
West Florida Hospital**  
8383 N. Davis Hwy., 3 North  
Pensacola, FL 32514  
850-202-0920

**Joyce Goldenberg Hospice  
Inpatient Residence**

10075 Hillview Rd  
Pensacola, FL 32514  
850-484-3529

**Community Support Center**

2057 S. Byron Butler Pkwy., Ste. 9  
Perry, FL 32347  
850-584-9886

**Toll-Free FL: 800-541-3072**

**Toll-Free AL: 877-244-7379**

**www.covenanthospice.org**

Mr. Alva M. Lambert, Executive Director  
State Health Planning and Development Agency  
P. O. Box 303025  
Montgomery, Alabama 36130-3025

RE: AL2010-111, CON 2347-HPC  
Covenant Hospice, Dothan AL  
Office Relocation within Houston County

Dear Mr. Lambert:

I am responding to your letter of March 11, 2010 regarding our request to relocate our Dothan office within Houston County. (Mr. Sherer, by copy of this letter, I am indirectly responding as well to your letter to us on March 23, 2010 on the same subject, wherein you advise that you must await approval from the State Health Planning and Development Agency before your office can complete our application.)

From your letter of March 11, we recognize that we are presently subject to CON Review for this office relocation. You outline two options available to us, both of which pose difficulties for us in our current condition. After discussion with Jim Sanders of your office on March 17, 2010, we would like to request that you consider a third option, that of Project Modification as outlined in State Health Planning and Development Agency Administrative Code Chapter for Special Reviews, Section 410 – 1 – 10-.03, paragraph (2).

As we interpret this paragraph, a Project Modification of CON 2347-HPC for physical relocation of the office would be reviewable by the Executive Director of SHPDA. The CON has been issued and is contingent upon filing a completed 2009 Annual Report by April 15, 2010, which we plan to do. There is no capital expenditure associated with the relocation, as we are moving from one lease situation to another. The increase to annual operating expense is nominal. We understand that paragraph (3) of the Administrative Code would not apply, since the CON is not in an appeal status.

We have attached a written application for a Project Modification that explains our situation in further detail. Please advise if this option is viable for us to be able to relocate our staff in an efficient manner.

Sincerely,



Dale O. Knee  
President/CEO

cc: James Sanders, Deputy Director  
State Health Planning and Development Agency

Ray Sherer, Licensure Director  
Division of Provider Services  
State of Alabama Department of Public Health  
P. O. Box 303017  
Montgomery, AL 36130-3017

March 31, 2010

**TO:** The Alabama State Health Planning and Development Agency  
100 North Union Street, Suite 870, P O Box 303025  
Montgomery, AL 36130-3025

**FROM:** Covenant Hospice, Inc.  
5041 North 12<sup>th</sup> Avenue  
Pensacola, FL 32504

**RE: Project Modification Request**  
  
**Certificate of Need 2347-HPC**  
Project Number AL 2010-111  
Date CON Issued: March 4, 2010

Facility Name: Covenant Hospice, Inc.  
Medicare Provider Number 01-1577

Location of Office: 2855 Ross Clark Circle, Suite 100  
Dothan, AL 36301

Covenant Hospice requests a change in project under State Health Planning and Development Agency Administrative Code, Chapter 410-1-10-.03 -- Project Modifications after Issuance of Certificate of Need.

The sole basis of the change in project is to change the address of the office from the current location ( in effect at the time the CON Application was made) to a new address at 104 Rockbridge Road, Dothan, AL 36303-2100. The Dothan office houses approximately 250 employees and volunteer staff, and has become unsuitable for health and safety reasons explained below. Additionally, the new location is efficient in terms of logistics as staff travel from office to various patient care locations. An area map is attached to this request.

No capital expenditure is associated with the proposed change, as we are moving from one leased space to another. We propose to vacate 8,764 square feet in the current location with a lease expense of \$10.50 per square foot, subject to an increase to \$11.13 effective September 2010. We propose to occupy 10,751 square feet in a new location with a lease expense of \$10.04 per square foot, confirmed through April 2015. The annual operating expense increase associated with the relocation measured at September 2010 is \$10,450, or approximately 2/10 of one percent of operating expenses. Both locations are in Houston County, as identified in the CON.

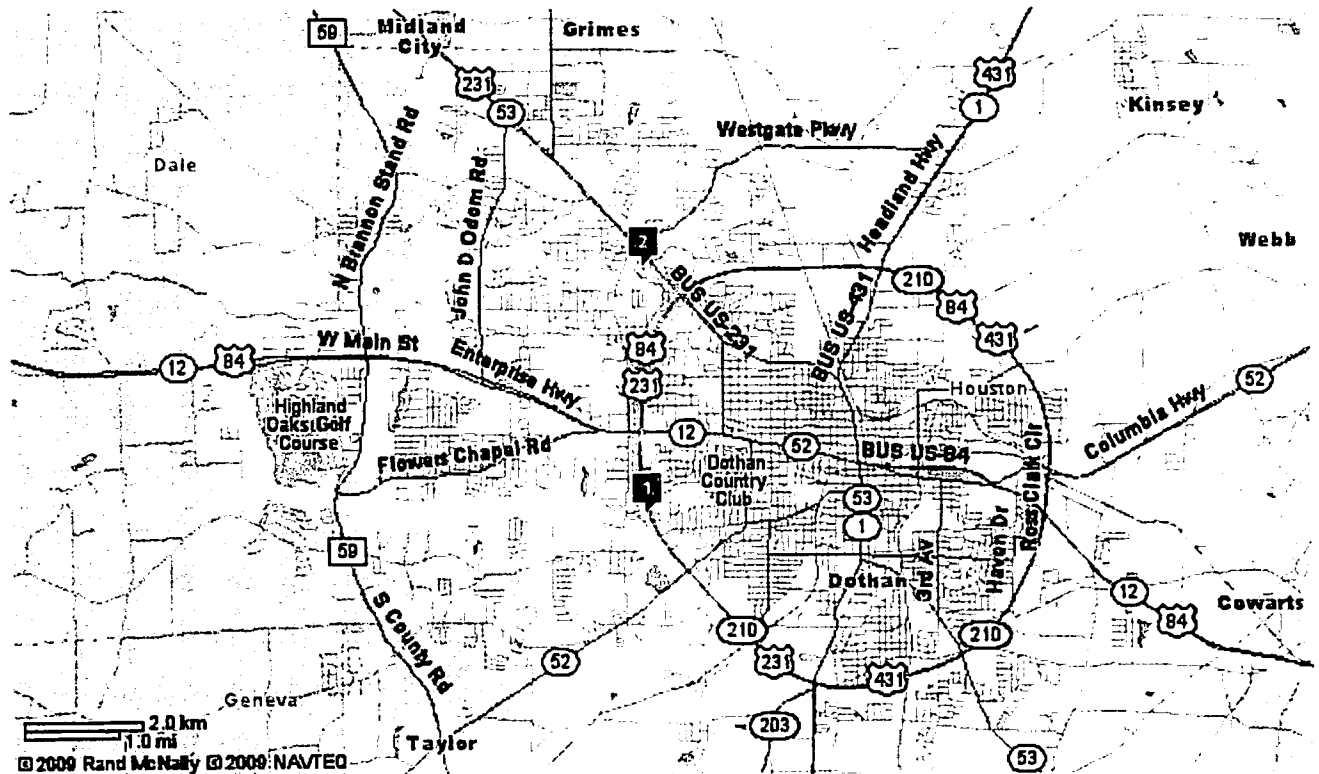
The need to relocate is one of serious circumstance involving safety of our staff, and one that we feel we do not need to delay beyond what is absolutely necessary. The roof in the commercial space currently occupied has essentially failed; we have denied all access to the rear one third of the office, and are expecting safety problems to mount as the weather warms. We have issued notice to the landlord that we intend to vacate the existing property.

We have been fortunate to locate adequate commercial space a few blocks from our current location and should be able to occupy the space by April 21, 2010, given solution of the issues with timing and CON review.

We ask that you approve our request for a Project Modification to accommodate our need to relocate by April 21, 2010.

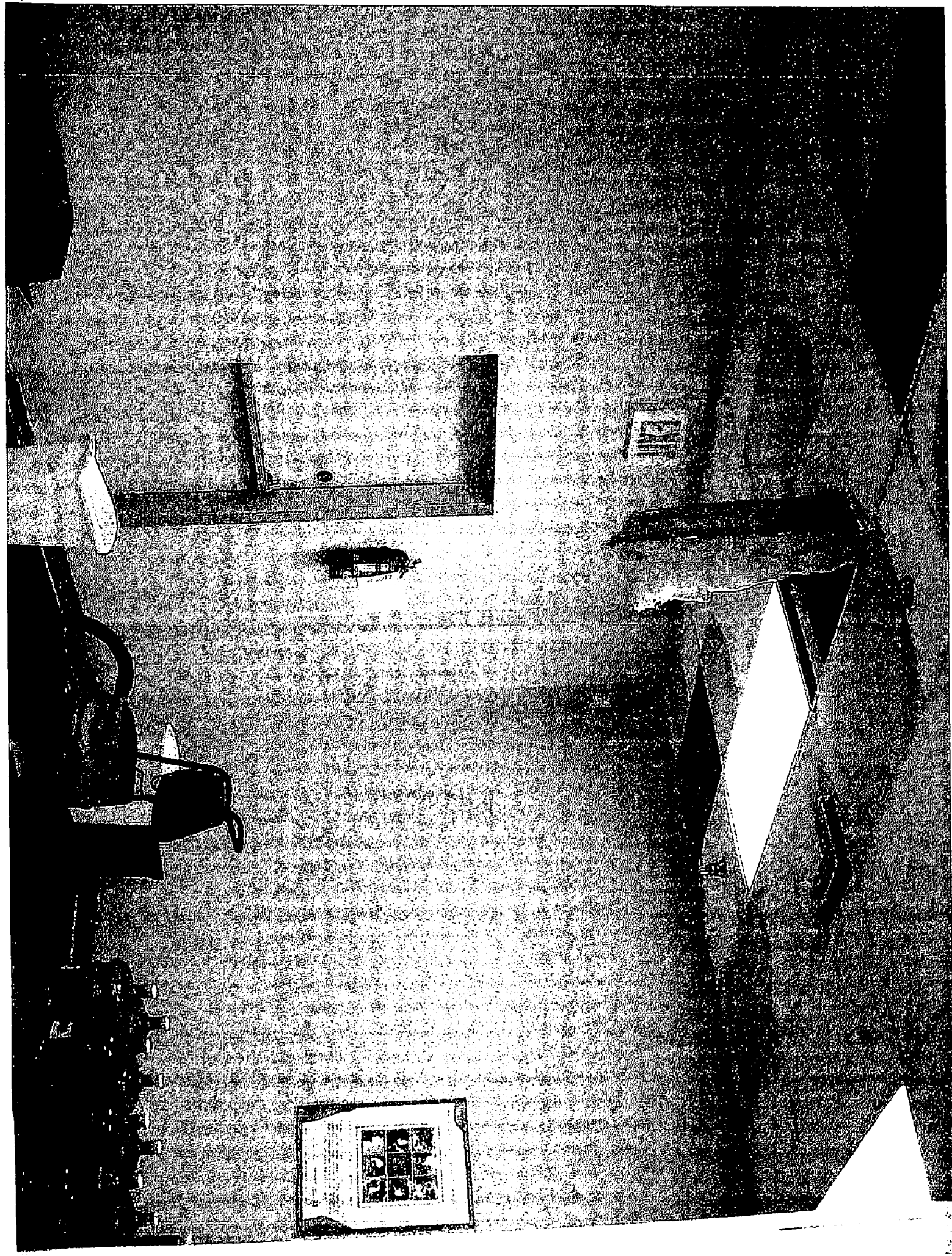
## Dothan, Alabama

1. 2855 Ross Clark Circle, Current Location
2. 104 Rockbridge Road, Proposed New Location



The new location (2) is 3.06 miles to the north-northwest of the current location (1). The new facility is also on Hwy. 231, and is on the section of Hwy 231 named "Montgomery Highway".

The new location offers ready highway access to all parts of the service area and shortens the travel time to populations to the north, west, central, and northeastern parts of the service area. Excellent access to the southern and southeastern parts of the service area exists from the new location via business Hwy 231 and the "Hwy 231 East and West circle" around Dothan.



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

March 11, 2010

Dale O. Knee  
President/CEO  
Covenant Hospice, Inc.  
5041 North 12<sup>th</sup> Avenue  
Pensacola, FL 32504

RE: AL2010-111, CON 2347-HPC  
Covenant, Hospice, Inc. (01-1577)

Dear Mr. Knee:

This is written in response to your letter dated March 5, 2010 requesting to relocate your Dothan office on or after April 21, 2010. On April 21, 2010, the Certificate of Need Review Board (CONRB) will vote to approve/deny §410-1-4-.02 Construction or Relocation of Administrative or Branch Office, which will not require a Certificate of Need (CON) but will require a 35-day notice and issuance of a Letter of Nonreviewability. The office also must remain in the county for which you hold the CON. If it is approved by the CONRB, it will become effective 35 days after the board meeting. As of this date, you are required to file for a Certificate of Need to relocate.

Therefore, at the present time, you have two options for relocation: (1) you can file for an emergency CON and pay a \$2,000 filing fee or (2) wait and file after May 26, 2010 and pay a \$500 filing fee for a Letter of Nonreviewability. Please advise this agency of the option you select. If you have questions, please call Betty Schoenfeld at (334) 242-4103.

Sincerely,

  
Alva M. Lambert  
Executive Director

AML:bws

cc: Guy Nevins



STATE OF ALABAMA DEPARTMENT OF  
**PUBLIC HEALTH**

Donald E. Williamson, MD  
State Health Officer

March 23, 2010

Mr. Dale O. Knee, President & CEO  
Covenant Hospice  
5041 N. 12<sup>th</sup> Avenue  
Pensacola, FL 32504

Mr. Knee:

RE: Change of License Application

The application you submitted on behalf of Covenant Hospice, Inc. has been reviewed and is incomplete. The following item is required to process the application.

**Current Approval from the State Health Planning and Development Agency (SHPDA). You can reach the staff at SHPDA at (334) 242-4103.**

The application is considered incomplete and cannot be processed until this information is provided. If we have not received this information by **April 6, 2010** the application will be denied. Note application fees are non-refundable.

**This application has not been approved. Relocating this facility without an appropriate license from this agency is a violation of Alabama law.**

If you have questions we can be reached at (334) 206-5175.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Sherer".

Ray Sherer  
Licensure Director  
Division of Provider Services

RS/

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

March 4, 2010

Dale O. Knee  
President/CEO  
Covenant Hospice, Inc.  
5041 North 12<sup>th</sup> Avenue  
Pensacola, FL 32504

*file*

RE: AL2010-111, CON 2347-HPC  
Covenant, Hospice, Inc. (01-1577)

Dear Mr. Knee:

Reference is made to your application for review under Title 22, Chapter 21, Article 9, Code of Alabama, 1975 and the *Alabama Certificate of Need Program Rules and Regulations*.

Rule 410-1-8-.07 of the *Alabama Certificate of Need Program Rules and Regulations* provides that within fifteen (15) days after the public hearing is concluded, the Certificate of Need Review Board (CONRB) shall issue a final order respecting the award of a Certificate of Need. Enclosed is the final order of the Certificate of Need Review Board for the above referenced project along with the Certificate of Need No. 2347-HPC. The counties listed on the Certificate of Need may not be transferred or divided.

**This Certificate of Need is contingent upon filing a completed 2009 Annual Report by April 15, 2010. In the event your report is not filed, this Certificate of Need will become null and void.**

Sincerely,

*Alva M. Lambert*

Alva M. Lambert  
Executive Director

AML:bws

cc: Jeff Ingram      Ray Sherer      Bill Butler  
Sandra D. Gravlee      Carol H. Steckel

Enclosures: As stated

ALABAMA  
STATE HEALTH PLANNING & DEVELOPMENT AGENCY  
CERTIFICATE OF NEED  
FOR HEALTH CARE SERVICES

I. IDENTIFICATION

- |   |  |                                      |
|---|--|--------------------------------------|
| 1. Certificate of Need<br>2347-HPC      | 2. Date Issued:<br>March 4, 2010   | 3. Termination Date<br>March 3, 2011 |
| 4. Project Number:<br>AL2010-111        | 5. Name of Facility: Covenant Hospice, Inc.                                  |                                      |
| 6. Service Area:<br>See item #11        | 7. Location of Office: 2855 Ross Clark Circle, Suite 100<br>Dothan, AL 36301 |                                      |
| 8. Type of Facility:<br>In Home Hospice | 9. Number of Beds:<br>N/A  | 10. Estimated Cost:<br>N/A           |

11. Services to be provided:  
The applicant will provide in-home hospice services under Medicare No. 01-1577 to Houston, Henry, Barbour, Geneva, Dale, Pike, Coffee, Covington, Crenshaw, Escambia, Butler, Monroe, Baldwin, Mobile, Conecuh, and Washington counties. These counties may not be transferred or divided.

II. CERTIFICATE OF NEED


In accordance with Section 22-21-260 through 22-21-279, Code of Alabama, 1975 and 410-1-5C-.01ER, the Certificate of Need Review Board finds as follows:

1. This Certificate of Need is contingent upon filing a completed 2009 Annual Report by April 15, 2010.
2. There are in force in the State of Alabama reasonable minimum standards of licensure and methods of operation for hospitals and health facilities.
3. The prescribed standards of licensure and operation will be applied and enforced with respect to the applicant, hospital or other health facility.

III. ISSUANCE OF CERTIFICATE OF NEED

This Certificate of Need is issued to **Covenant Hospice, Inc.** This Certificate of Need is not transferable and may not be subsequently divided. Any action on the part of the Applicant to transfer or divide this Certificate of Need will render the Certificate of Need null and void.

ORIGINAL

  
Alva M. Lambert  
Executive Director



**Ruling of the Certificate of Need Review Board**  
**AL2010-111**  
**Covenant Hospice, Inc.**  
**Dothan, Alabama**

**FACTS:**

1. In compliance with ALA. ADMIN. CODE r. 410-2-3-.10ER, Covenant Hospice, Inc. in Dothan, Alabama, filed an application for non-substantive review for a Certificate of Need authorizing the continued provisioning of in-home hospice services in Houston, Henry, Barbour, Geneva, Dale, Pike, Coffee, Covington, Crenshaw, Escambia, Butler, Monroe, Baldwin, Mobile, Conecuh and Washington counties under Medicare Provider No. 01-1577.
2. ALA. ADMIN. CODE r. 410-2-3-.10ER was approved by the Statewide Health Coordinating Council on August 20, 2009, and by Governor Bob Riley on August 31, 2009. The emergency rule addressed the requirements for certification of existing hospice service providers, which were brought under the provisions of ALA. CODE § 22-21-260(6) (1975 amended) by the passage of Alabama Act 2009-492 on May 13, 2009. ALA. ADMIN. CODE r. 410-2-3-.10ER(2)(b) provides that need will be presumed for any existing in-home hospice service provider that demonstrates that it was providing such care under Alabama Department of Public Health licensure in a particular county as of May 13, 2009, or the preceding twelve (12) months.
3. The applicant certifies that it visited 1,208 patients with 81,929 patient days in 2007 and 1,191 patients with 81,005 patient days in 2008. From January 1, 2009, through May 13, 2009, the applicant visited 593 patients with 32,348 patient days.
4. The applicant certifies that its application does not involve a capital expenditure in excess of \$500,000.00 and that it qualifies for non-substantive review.
5. There were no letters received in support of or opposition to the proposed project.
6. The Board concludes that the applicant is an "appropriate applicant," as defined by the applicable regulations.

Based on the foregoing factual findings and representations, the evidence of record, and pursuant to ALA. CODE § 22-21-264 (1975 as amended), the Certificate of Need Review Board finds the following:

- (1) that the application is consistent with the current *State Health Plan*;
- (2) that there are no less costly, more efficient, or more appropriate alternatives to such services available and that the development of such alternatives has been studied and found not practicable;

AL2010-111

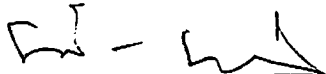
Page Two

Ruling

- (3) that similar services to those proposed are being used in an appropriate and efficient manner; and
- (4) that patients will experience serious problems in obtaining patient care of the type proposed in the absence of the continued service.

Pursuant to ALA. ADMIN. CODE r. 410-2-3-.10ER(2)(e), existing hospice providers obtaining a Certificate of Need pursuant to 410-2-3-.10ER(2)(b) shall be granted a single Certificate of Need encompassing all of the counties served under one Medicare Provider number. The Certificate of Need granted herein shall be subject to the restrictions set forth in ALA. ADMIN. CODE r. 410-2-3-.10ER(2)(d), (e), (f) and (g), in effect as of the date of the filing of the application, which are incorporated herein by reference.

Accordingly, based on the foregoing, separately and severally, and upon the totality of the evidence presented, by vote of the Certificate of Need Review Board on February 17, 2010, Project Number AL2010-111 is hereby **APPROVED**.

  
\_\_\_\_\_  
Swaid N. Swaid, M.D., Chairman  
Certificate of Need Review Board

March 4, 2010  
Date