



**PIEDMONT**  
HEALTH CARE CENTER

**Piedmont Health Care Center**

30 Roundtree Drive  
Piedmont, AL 36272  
Phone: (256)447-8258  
Fax: (256)447-8230

1100 Dailey Street, Piedmont, AL 36272

February 20, 2015

Mr. Alva M. Lambert, Executive Director  
State Health Planning and Development Agency  
100 North Union Street, Suite 870  
P.O. Box 303025  
Montgomery, AL 36130-3025

RECEIVED  
FEB 27 2015  
STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

**RE: Project No. AL 2011-031, CON # 2550-  
SCALF-EXT – The Piedmont Health Care  
Authority d/b/a Dugger Mountain ALF/SCALF**

Dear Mr. Lambert,

In response to your letter dated, February 3, 2015, enclosed is the project modification application as directed, due to the actual costs exceeding the cost estimates approved by SHPDA for CON 2550-SCALF-EXT by more than ten (10) percent.

As noted in my letter dated January 20, 2015, the 1<sup>st</sup> year's annual operating costs were under budget by 18%. However, my letter dated February 17, 2014 was in error. The reported total actual cost of construction was \$1,312,969.78; this figure is over the CON estimated cost of the project, which was \$933,000.00. I mistakenly used the figure that included the first year's annual operating costs. As you noted, the actual cost of the project is \$1,679,838.47; which is \$246,838.47 more than the approved project cost on the CON.

The construction overage of \$379,969.78 was a result on construction change orders due to required architectural revisions and eroded soil, which required excavation and replacement.

Should you have any questions, or require additional information, please contact me at 256-927-7408, ext. 228.

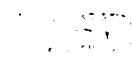
Sincerely,

Trudy C. Lowe,  
Manager for the Piedmont Health Care Authority  
30 Roundtree Drive  
Piedmont, AL 36272

Vice-President/Chief Operating Officer  
Preferred Health Services, Inc.  
230 W. Main Street  
Centre, AL 35960  
(256) 927-7408

*Caring for those who cared for us.*

**ALABAMA  
CERTIFICATE OF NEED  
APPLICATION**

  
 2015  
 ALABAMA HEALTH PLANNING  
 AND DEVELOPMENT AGENCY

For Staff Use Only

INSTRUCTIONS: Please submit an original and twelve (12) copies of this form and the appropriate attachments to the State of Alabama, State Health Planning and Development Agency, 100 North Union Street, Suite 870, Montgomery, Alabama 36104. (Post Office Box 303025 Montgomery, AL 36130-3025)

Project # \_\_\_\_\_  
 Date Rec. \_\_\_\_\_  
 Rec by: \_\_\_\_\_

Attached is a check in the amount of \$ 5,015.50  
 Refer to Rule 410-1-7-06 of the Certificate of Need Program Rules and Regulations to determine the required filing fee.

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

I. APPLICANT IDENTIFICATION (Check One) HOSPITAL (  ) NURSING HOME (  )  
 OTHER (  ) (Specify) **SCALF Project Modification**

A. The Piedmont Health Care Authority – dba Dugger Mountain ALF/SCALF (A non-profit, city government organization)

Name of Applicant (in whose name the CON will be issued if approved)

<u>30 Roundtree Drive</u>	<u>Piedmont</u>	<u>Calhoun</u>
Address	City	County
<u>AL</u>	<u>36727</u>	<u>(256) 447-8258</u>
State	Zip Code	Phone Number

B. Piedmont Assisted Living and Specialty Care Assisted Living Facility  
 Name of Facility/Organization (if different from A)

<u>1100 Daily Street</u>	<u>Piedmont</u>	<u>Calhoun</u>
Address	City	County
<u>AL</u>	<u>36272</u>	<u>(256) 447-9444</u>
State	Zip Code	Phone Number

C. See A above  
 Name of Legal Owner (if different from A or B)

Address	City	County
State	Zip Code	Phone Number

D. Trudy Lowe, Vice-President, Chief Operating Officer, Preferred Health Services, Inc.  
 Name and Title of Person Representing Proposal and with whom SHPDA should communicate

<u>230 West Main Street</u>	<u>Centre</u>	<u>Cherokee</u>
Address	City	County
<u>AL</u>	<u>35960</u>	<u>(256) 927-7408</u>
State	Zip Code	Phone Number

I. APPLICANT IDENTIFICATION (continued)

E. Type Ownership and Governing Body

- 1. Individual
- 2. Partnership
- 3. Corporate (for profit)
- 4. Corporate (non-profit)
- 5. Public
- 6. Other (specify)  **The Piedmont Health Care Authority**

\_\_\_\_\_  
Name of Parent Corporation

\_\_\_\_\_  
Name of Parent Corporation

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

OWNERS

GOVERNING BOARD MEMBERS

**The Piedmont Health Care Authority:**

- 1. Dr. Benjamin Ingram, Chairman of the Board
- 2. Mr. Ralph Davis, Vice-President
- 3. Mr. Carlos Farmer
- 4. Mrs. Sandy Ford
- 5. Mrs. Aggie Harbour, Treasurer

II. PROJECT DESCRIPTION

Project/Application Type (check all that apply)

\_\_\_ New Facility \_\_\_\_\_ Major Medical Equipment  
 Type: Assisted Living/Specialty Care Assisted Living  
 Type \_\_\_\_\_

\_\_\_ New Service \_\_\_\_\_ Termination of Service or Facility  
 Type: Assisted Living/ Specialty Care Assisted Living

\_\_\_ Construction/Expansion/Renovation \_\_\_\_\_ Other Capital Expenditure  
 Type: Fixtures & Equipment for new facility

\_\_\_ Change in Service

III. EXECUTIVE SUMMARY OF THE PROJECT (brief description)

Filing of project modification, due to actual costs exceeding the cost estimates originally submitted and approved for CON-2550-SCALF-EXT by more than 10%.

Submitted 02/20/2015

IV. COST

A. Construction (includes modernization expansion)		
1.	Predevelopment	\$ <u>10,000.00</u>
2.	Site Acquisition	<u>0</u>
3.	Site Development	\$ <u>30,000.00</u>
4.	Construction	\$ <u>1,119,341.06</u>
5.	Architect and Engineering Fees	<u>48,000.00</u>
6.	Renovation	_____
7.	Interest during time period of construction	_____
8.	Attorney and consultant fees	_____
9.	Bond Issuance Costs	_____
10.	Other _Fixtures & Equipment	\$ <u>125,628.72</u>
11.	Other _____	_____
TOTAL COST OF CONSTRUCTION		\$ <u>1,312,969.78</u>
B. Purchase		
1.	Facility	\$ <u>N/A</u>
2.	Major Medical Equipment	_____
3.	Other Equipment	_____
TOTAL COST OF PURCHASE		\$ _____
C. Lease		
1.	Facility Cost Per Year _____ x _____ Years=	\$ <u>N/A</u>
2.	Equipment Cost per Month _____ x _____ Months =	_____
3.	Land-only Lease Cost per Year _____ x _____ Years	_____
TOTAL COST OF LEASE(s)		\$ _____
(compute according to generally accepted accounting principles)		
Cost if Purchased		\$ _____
D. Services		
1.	<u>X</u> New Service	
2.	_____ Expansion	
3.	_____ Reduction or Termination	
4.	_____ Other	
FIRST YEAR ANNUAL OPERATING COST		\$ <u>366,868.69</u>
E. Total Cost of this Project (Total A through D)		
(should equal V-C on page A-4)		\$ <u>1,679,838.47</u>

IV. COST (continued)

F. Proposed Finance Charges

- |    |  |                |
|----|--|----------------|
| 1. | Total Amount to Be Financed                            | \$ <u>NONE</u> |
| 2. | Anticipated Interest Rates                             | _____          |
| 3. | Term of Loan   | _____          |
| 4. | Method of Calculating Interest on<br>Principal Payment | _____          |

V. ANTICIPATED SOURCE OF FUNDING

A. Federal	Amount	Source
1. Grants	\$ _____	_____
2. Loans	_____	_____
<b>B. Non-Federal</b>		
1. Commercial Loan	_____	_____
2. Tax-exempt Revenue Bonds	_____	_____
3. General Obligation Bonds	_____	_____
4. New Earning and Revenues	\$ <u>515,000.00</u>	<u>1<sup>st</sup> Yrs Revenue/Earnings</u>
5. Charitable Fund Raising	_____	_____
6. Cash on Hand	\$ <u>1,000,000.00</u>	<u>Cash Reserves</u>
7. Other	\$ <u>164,838.47</u>	<u>Other assets/ LOC</u>
<b>C. TOTAL (should equal IV-E on page A-3)</b>		\$ <u>1,679,838.47</u>

VI. TIMETABLE

- |    |                               |                         |
|----|-------------------------------|-------------------------|
| A. | Projected Start/Purchase Date | <u>December 1, 2012</u> |
| B. | Projected Completion Date     | <u>October 19, 2013</u> |