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STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

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(REPLY TO MONTGOMERY OFFICE)

September 2, 2015

**SENT THIS DATE VIA HAND DELIVERY
AND EMAIL TO: shpda.online@shpda.alabama.gov**

Alva M. Lambert, Esq.
Executive Director
Alabama State Health Planning
and Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36104

Re: Jackson Hospital and Clinic, Inc.
AL 2014-015, CON 2676-PSYCH
Our File No. 2557.1057

Dear Alva:

This law firm represents Jackson Hospital and Clinic, Inc. ("Jackson Hospital") This letter is written to request approval of a project modification for the above-referenced Certificate of Need (CON 2676-PSYCH), pursuant to Section 410-1-10-.03 of your Agency Regulations. The CON was issued on July 23, 2014 and was extended on June 12, 2015. The application proposed to use space currently leased to Lloyd Noland Hospital Montgomery, which is a long-term care hospital located within Jackson Hospital.

The Project, as originally approved by the Certificate of Need Review Board, involved the renovation of an existing patient floor at Jackson Hospital. Unfortunately, that space is no longer available for renovation, because Noland Hospital Montgomery refused to abide by a verbal agreement with Jackson Hospital for Jackson Hospital to reacquire space for 18 beds. There is other space (which formerly housed psychiatric beds) within existing hospital buildings, which is available for renovation. Renovation of that space will increase costs by \$1,732,616 over what was originally projected (\$428,000) in Jackson Hospital's CON Application. This variance is due in large part to the increased scope of renovation, which includes extensive fireproofing of the entire building in order to bring it up to current Fire Code Standards. However, the costs of operations are projected to decrease by \$424,763 (from \$3,075,222) and the costs of equipment are projected to

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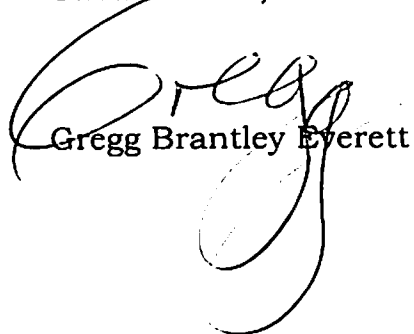
decrease by \$50,000 (from \$450,000) from the original application. For this reason, Jackson Hospital requests approval of a project modification to increase its overall project costs from \$3,953,222 to \$5,211,075, for the first year.

A check to pay the filing fee of \$7,348.25 is enclosed with this letter. I certify that a copy of this request has been served on all parties of record in the underlying administrative proceeding.

Thank you for your assistance in this matter. Please let me know if you have any questions or need any additional information.

Sincerely,

GILPIN GIVHAN, PC



Gregg Brantley Everett

GBE/sd

Enclosure

cc: Joe Riley, President, Jackson Hospital and Clinic, Inc.