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STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

March 25, 2016

VIA HAND DELIVERY AND ELECTRONIC AGENCY FILING

Alva M. Lambert, Esq.
Executive Director
State Health Planning & Development Agency
100 North Union St., Suite 870
Montgomery AL 36104

***Re: Request for Reviewability Determination
Andalusia Regional Hospital (Andalusia, Alabama)***

Dear Mr. Lambert:

The purpose of this letter is to request your determination, pursuant to Section 401-1-7-.02 of the Alabama Certificate of Need Program Rules & Regulations ("Regulations"), that Andalusia Regional Hospital's addition of a laboratory unit on its campus to house a diagnostic cardiac catheterization program does not require a Certificate of Need ("CON") from the State Health Planning and Development Agency. In order to assist with this determination, we offer the following information:

Andalusia Regional is a rural hospital with eighty-eight (88) licensed beds in Covington County, Alabama. Andalusia Regional proposes to establish a diagnostic cardiac catheterization program and operate this program within a modular laboratory unit located on the hospital campus. The diagnostic cardiac catheterization program will be staffed by experienced and trained personnel in the area of cardiology services, including professional laboratory programs. In addition to housing the diagnostic cardiac catheterization program, the laboratory unit will provide additional space for procedures currently performed in the hospital's operating room, including, but not limited to, other cardiovascular and interventional radiology procedures. The addition of the proposed laboratory unit to Andalusia Regional's campus will provide flexibility in scheduling of procedures currently offered to patients by providing expanded options for procedure room space.

The scope of the proposed project will not exceed any of the CON expenditure thresholds specified in Alabama Code Section 22-21-263(a)(2) and Section 410-1-2-.07 of the Regulations, of \$2,854,550 for major medical equipment, of \$1,141,819 for new annual operation costs, or of \$5,709,099 for capital expenditures, as currently adjusted for CPI. Andalusia Regional estimates that the proposed project will involve the following approximate costs:

Construction Costs:	\$52,711.00
New Annual Operating Costs:	\$474,294.00
Major Medical Equipment:	\$0 ¹

The proposed project will not involve the addition of any inpatient beds or the conversion of one classification of beds into another classification of beds. Because Andalusia Regional is a rural hospital, Andalusia Regional is exempt from the CON requirement for new services, as set forth in Ala. Code section 22-21-263(a)(4).²

Accordingly, based on the above, we respectfully request your determination that Andalusia Regional is not required to obtain a CON in order to complete the proposed project. We appreciate your consideration of this request, and welcome the opportunity to address any questions regarding this matter.

Best regards,



Shirley Smith
Chief Financial Officer
Andalusia Regional Hospital

¹ The hospital will lease major medical equipment, and these costs are included in the "Total New Annual Operating Costs."

² Attached as Exhibit A is documentation from the U.S. Census Bureau confirming that Covington County, Alabama contains no "Metropolitan or Micropolitan Statistical Area."

U.S. Department of Commerce (<http://www.commerce.gov/>) | Blogs (http://www.census.gov/about/contact-us/social_media.html) | Index A-Z (<http://www.census.gov/about/index.html>) |Glossary (<http://www.census.gov/glossary/>) | FAQs (<http://ask.census.gov/>)(<http://www.census.gov/en.html>)

U.S. Census Quick Facts

QuickFacts

Covington County, Alabama

QuickFacts provides statistics for all states and counties, and for cities and towns with a population of 5,000 or more.

ALL TOPICS	COVINGTON COUNTY, ALABAMA
People	
Population	
Population estimates, July 1, 2015, (V2015)	NA
Population estimates, July 1, 2014, (V2014)	37,914
Population estimates base, April 1, 2010, (V2015)	NA
Population estimates base, April 1, 2010, (V2014)	37,765
Population, percent change - April 1, 2010 (estimates base) to July 1, 2015, (V2015)	NA
Population, percent change - April 1, 2010 (estimates base) to July 1, 2014, (V2014)	0.4%
Population, Census, April 1, 2010	37,765
Age and Sex	
Persons under 5 years, percent, July 1, 2014, (V2014)	5.9%
Persons under 5 years, percent, April 1, 2010	6.0%
Persons under 18 years, percent, July 1, 2014, (V2014)	22.1%
Persons under 18 years, percent, April 1, 2010	22.6%
Persons 65 years and over, percent, July 1, 2014, (V2014)	19.8%
Persons 65 years and over, percent, April 1, 2010	18.4%
Female persons, percent, July 1, 2014, (V2014)	51.6%
Female persons, percent, April 1, 2010	51.6%
Race and Hispanic Origin	
White alone, percent, July 1, 2014, (V2014) (a)	84.3%
White alone, percent, April 1, 2010 (a)	84.8%
Black or African American alone, percent, July 1, 2014, (V2014) (a)	13.0%
Black or African American alone, percent, April 1, 2010 (a)	12.5%
American Indian and Alaska Native alone, percent, July 1, 2014, (V2014) (a)	0.6%
American Indian and Alaska Native alone, percent, April 1, 2010 (a)	0.6%
Asian alone, percent, July 1, 2014, (V2014) (a)	0.5%
Asian alone, percent, April 1, 2010 (a)	0.4%
Native Hawaiian and Other Pacific Islander alone, percent, July 1, 2014, (V2014) (a)	0.0%
Native Hawaiian and Other Pacific Islander alone, percent, April 1, 2010 (a)	Z
Two or More Races, percent, July 1, 2014, (V2014)	1.6%
Two or More Races, percent, April 1, 2010	1.4%
Hispanic or Latino, percent, July 1, 2014, (V2014) (b)	1.6%
Hispanic or Latino, percent, April 1, 2010 (b)	1.3%
White alone, not Hispanic or Latino, percent, July 1, 2014, (V2014)	83.1%
White alone, not Hispanic or Latino, percent, April 1, 2010	84.1%
Population Characteristics	
Veterans, 2010-2014	3,253
Foreign born persons, percent, 2010-2014	1.1%
Housing	
Housing units, July 1, 2014, (V2014)	18,778
Housing units, April 1, 2010	18,829
Owner-occupied housing unit rate, 2010-2014	75.6%
Median value of owner-occupied housing units, 2010-2014	\$90,600
Median selected monthly owner costs -with a mortgage, 2010-2014	\$956
Median selected monthly owner costs -without a mortgage, 2010-2014	\$334
Median gross rent, 2010-2014	\$585
Building permits, 2014	8
Families and Living Arrangements	
Households, 2010-2014	14,979
Persons per household, 2010-2014	2.49
Living in same house 1 year ago, percent of persons age 1 year+, 2010-2014	87.4%
Language other than English spoken at home, percent of persons age 5 years+, 2010-2014	2.3%
Education	
High school graduate or higher, percent of persons age 25 years+, 2010-2014	80.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2010-2014	14.6%
Health	
With a disability, under age 65 years, percent, 2010-2014	15.2%
Persons without health insurance under age 65 years, percent	▲ 16.9%

Economy	
in civilian labor force, total, percent of population age 16 years+, 2010-2014	53.7%
in civilian labor force, female, percent of population age 16 years+, 2010-2014	48.2%
Total accommodation and food services sales, 2007 (\$1,000) (c)	30,271
Total health care and social assistance receipts/revenue, 2007 (\$1,000) (c)	136,647
Total manufacturers shipments, 2007 (\$1,000) (c)	561,168
Total merchant wholesaler sales, 2007 (\$1,000) (c)	338,692
Total retail sales, 2007 (\$1,000) (c)	424,873
Total retail sales per capita, 2007 (c)	\$11,544
Transportation	
Mean travel time to work (minutes), workers age 16 years+, 2010-2014	24.0
Income and Poverty	
Median household income (in 2014 dollars), 2010-2014	\$36,256
Per capita income in past 12 months (in 2014 dollars), 2010-2014	\$20,941
Persons in poverty, percent	20.8%
Businesses	
Total employer establishments, 2013	834
Total employment, 2013	10,824
Total annual payroll, 2013	322,384
Total employment, percent change, 2012-2013	0.7%
Total nonemployer establishments, 2013	2,201
All firms, 2007	2,957
Men-owned firms, 2007	1,610
Women-owned firms, 2007	S
Minority-owned firms, 2007	236
Nonminority-owned firms, 2007	2,556
Veteran-owned firms, 2007	300
Nonveteran-owned firms, 2007	2,340
Geography	
Population per square mile, 2010	36.6
Land area in square miles, 2010	1,030.46
Metropolitan or Micropolitan Statistical Area	None
FIPS Code	01039