

**SENT THIS DATE VIA EMAIL TO:**

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June 4, 2024

Emily Marsal, Executive Director  
Alabama State Health Planning and Development Agency  
RSA Union Building  
100 North Union Street, Suite 870  
Montgomery, Alabama 36104

RE: Request for Determination of Reviewability  
Grove Hill Memorial Hospital Rural Emergency Hospital Conversion

Dear Ms. Marsal:

Since 1949, Grove Hill Memorial Hospital has served the citizens of rural southwest Alabama, first as the South Alabama Infirmary before becoming Grove Hill Memorial Hospital (GHMH) in 1970 at its present location in Grove Hill, AL, the county seat of Clarke County.

Like many rural Alabama hospitals, GHMH has experienced extraordinary financial challenges in recent years, challenges exacerbated during the unprecedented COVID-19 pandemic and on into the post-pandemic years. Regrettably, GHMH has concluded it can no longer continue providing its current array of services indefinitely as a result of these financial constraints. The purpose of this letter is to request a determination by the Alabama State Health Planning and Development Agency ("SHPDA") that the proposed conversion of GHMH from a General Acute Care Hospital to a Rural Emergency Hospital ("REH") is not reviewable under Alabama Certificate of Need ("CON") law and regulations.

A REH is a new Medicare provider type created through the enactment of the Consolidated Appropriations Act of 2021, Public Law No. 116-260. The federal Centers for Medicare and Medicaid Services (CMS) and the Alabama Department of Public Health (ADPH) have established rules recognizing both General Acute Care Hospitals and REHs, and the possible conversion of a rural General Acute Care Hospital to a REH.<sup>1</sup> CMS and ADPH generally have the same requirements to convert to a REH from a General Acute Care Hospital. REHs must

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<sup>1</sup> The Alabama Department of Public Health (ADPH) published final REH licensure rules in September of 2023. See Ala. Adm in. Code Ch. 420-5-23, available at <https://www.alabama-publichealth.gov/providerstandards/assets/health-420-5-23-certified-post.pdf>. ADPH's definition of an REH is found on Pages 4 through 6 of the licensure rules. Generally, the ADPH licensure rules track CMS requirements, with some additional restrictions.

295 South Jackson Street  
Post Office Box 935  
Grove Hill, Alabama 36451  
(251) 275-3191

provide 24-hour emergency services and may elect to provide certain other outpatient services but are prohibited from providing any inpatient services. Critical Access Hospitals (CAH) and rural General Acute Care Hospitals that were open as of December 27, 2020 and which have 50 or fewer licensed beds, are eligible to apply for REH status.<sup>2</sup>

For the purposes of REH requirements, GHMH is located in a rural area because it is not located in an urban area or a metropolitan statistical area, as determined by the U.S. Census Bureau.<sup>3</sup> Currently, GHMH is designated as a General Acute Care Hospital with 50 licensed (CON-authorized) beds and 19 authorized beds comprised of 16 general acute care beds and 3 Labor and Delivery beds. The Hospital plans to discontinue inpatient acute care services and enroll as an REH if a non-reviewability determination is granted, ADPH approves an REH license for the Hospital, and CMS approves the Hospital's conversion to REH status.

As of October 1, 2023 and continuing through the date of filing of this request, the CON thresholds are: \$3,322,582.00 for major medical equipment, \$1,327,734.00 for new annual operating costs, and \$6,638,679.00 for any other capital expenditures. All projected expenditure amounts for this project are below these thresholds.

The following information is provided as a part of this request:

- 1) Name of Applicant: Grove Hill Memorial Hospital
- 2) Address and Contact Information: 295 South Jackson Street, Grove Hill, AL 36451. Douglas Tanner, Chief Executive Officer. Telephone: (251) 275-4004, Email: dtanner@gh-health.org
- 3) Service Area: Clarke County, Alabama
- 4) Services to be Provided: Twenty-Four Hour Emergency Department and Outpatient Services as a Rural Emergency Hospital. At this time, does not intend to provide any new or different services compared to what is currently offered by GHMH but will discontinue all inpatient acute care services.

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<sup>2</sup> 42 C.F.R. § 485.506; see also CMS Letter to State Survey Agency Directors re: Guidance for Rural Emergency Hospital Provisions, Conversion Process, and Conditions of Participation, QSO-23-07-REH (Jan. 26, 2023), available at <https://www.cms.gov/files/document/qso-23-07-reh.pdf>.

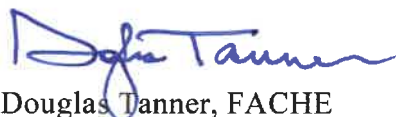
<sup>3</sup> 42 C.F.R. § 485.506; Social Security Act § 1886(d)(2)(O) (42 U.S.C. § 1395ww(d)(2)(O)).

- 5) Financial breakdown, approximate costs:
- a. Equipment and Furniture: \$00.00
  - b. First year new annual operating costs: \$00.00
  - c. Capital Costs:
    - 1. Leases: \$00.00 (no new costs)
    - 2. Land/building costs: \$00.00
    - 3. Construction costs: \$20,000.00
- 6) No other health care facility or individual has a financial interest in the proposed project.
- 7) Attestation: Enclosed below

We hereby request SHPDA's determination that this proposed offering of REH services in Clarke County is not subject to CON review because it does not involve any expenditure in excess of the CON monetary thresholds, because the conversion of a rural General Acute Care Hospital to an REH does not add any health services which are subject to review, and because GHMH will not be using any of its inpatient beds to provide the services. GHMH is rural and will not be submitting a filing fee pursuant to Alabama Code Section 22-21-265 and Rule 410-1-7-02, titled "Reviewability Determination Request."

Thank you, in advance, for your response to this request. If you should have questions or need additional information in this regard, please let me know.

Cordially,



Douglas Tanner, FACHE  
Chief Executive Officer

Attachment

AFFIRMATION OF REQUESTING PARTY

The undersigned, Douglas Tanner, being first duly sworn, hereby makes oath or affirms that he is the Chief Executive Officer of Grove Hill Memorial Hospital and has knowledge of the facts in this request; and, to the best of his information, knowledge, and belief: such facts are true and correct.

AFFIANT: Douglas Tanner

SUBSCRIBED AND SWORN to before me this 4th day of June 2024.

Notary Public: Opie Kendrick

My Commission expires: 12-4-27