



September 26, 2024

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

RV2024-039R

RECEIVED

Sep 27 2024

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Re: Request for Determination of Reviewability
Attentus Moulton, LLC dba Lawrence Medical Center Rural Hospital Conversion

Dear Ms. Marsal:

Since 1953, Lawrence Medical Center, a rural hospital located in Moulton, Alabama, has served a population of approximately 33,000 residents. Lawrence Medical Center is the only hospital in Lawrence County Alabama.

Like many rural Alabama hospitals, Lawrence Medical Center has experienced extraordinary financial challenges. During the last decade, our inpatient services gross revenue has decreased by approximately 50 percent. Medical care and patient preferences are trending toward outpatient medicine. This care transition is evident in the facility's total inpatient days having decreased more than 50 percent in just the last 10 years. Labor costs are rising, and we want to do everything we can do to be financially solvent. Reimbursement from Medicare Advantage plans is lower than traditional Medicare, which impacts the organization's bottom line and ability to provide services. Lawrence Medical Center has only seen a net profit 5 of the 10 years since 2014. The average loss is \$350K +/-year. We anticipate a loss of over \$2 million dollars this year. 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 Lawrence Medical Center 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.¹ CMS and ADPH generally have the same requirements to convert to a REH from a General Acute Care Hospital. REHs must provide 24-hour emergency services and may

¹ The Alabama Department of Public Health (ADPH) published final REH licensure rules in September of 2023. See Ala. Adm. Code Ch. 420-5-23, available at <https://www.alabamapublichealth.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.

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Alabama State Health Planning and Development Agency
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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.²

For the purpose of REH requirements, Lawrence Medical Center is not located in an Urban area, as determined by the U.S. Census Bureau.³ Currently, Lawrence Medical Center is designated as a General Acute Care hospital with 37 total adult and pediatric inpatient beds and 6 intensive care unit beds per the last Medicare Cost report. 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 the 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.

The following information is provided as part of this request:

1. Name of Applicant: Attentus Moulton, LLC dba Lawrence Medical Center
2. Address and Contact Information: 202 Hospital Street, Moulton, AL 35650. Kim Roberson, Chief Executive Officer. Telephone: (256) 974-2286, Email: Kim.Roberson@LawrenceMedicalCenter.com
3. Service Area: Lawrence County, Alabama
4. Services to be provided: Twenty-Four Hour Emergency Department and Outpatient Services as a Rural Emergency Hospital. At this time, the Hospital does not intend to provide any new or different services compared to what is currently offered by Lawrence Medical Center but will discontinue all inpatient acute care services.
5. Financial Breakdown, approximate costs:
 - a. Equipment and Furniture: \$0.00
 - b. First year new annual operating costs: \$0.00
 - c. Capital Costs: \$0.00

² 42 C.F.R. § 485.506; see also CMS Letter to State Survey Agency Director's 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/aso-23-07-reh.pdf>.

³ 2021 TIGER/Line (<https://www2.census.gov/geo/tiger/TIGER2020/UAC/>), U.S. Census Bureau.

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Alabama State Health Planning and Development Agency
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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 Lawrence 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 Lawrence Medical Center will not be using any of its inpatient beds to provide the services. Lawrence Medical Center 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 any questions or need additional information in this regard, please let me know.

Cordially,

A handwritten signature in cursive script that reads "Kimberly Roberson".

Kimberly Roberson
Chief Executive Officer

Attachment

* * * * *

AFFIRMATION OF REQUESTING PARTY

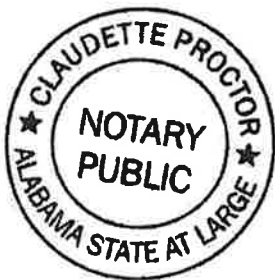
The undersigned, Kimberly Roberson, being first duly sworn, hereby makes an oath or affirms that she is the Chief Executive Officer of Lawrence Medical Center and has knowledge of the facts in this request; and, to the best of her information, knowledge and belief, such facts are true and correct.

AFFIANT



Kimberly Roberson, CEO

SUBSCRIBED AND SWORN to before me this 26 day of Sept, 2024.





Notary Public

My Commission Expires: My Commission Expires 3/10/2027

* * * * *

RV2024-039R

RECEIVED

Oct 07 2024

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

September 24, 2024

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

Re: RV2024-039R
Request for Determination of Reviewability
Attentus Moulton, LLC dba Lawrence Medical Center Rural Hospital Conversion
SHPDA ID: 079-6539090

Dear Ms. Marsal:

This is per your letter of request for additional information about the beds we reported. I apologize for the confusion.

Lawrence Medical Center is licensed for 98 beds. As per our annual SHPDA reports, we only have a total of 43 beds that are staffed and operational, in which 37 are regular and 6 are ICU. *(see attached)* We hope this meets the qualification that we must have less than 50 certified beds.

Please reach out to me if you have any more questions or concerns.

Sincerely,



Kim Roberson
Chief Executive Office
Lawrence Medical Center

Attachment

THIS REPORT IS DUE ON OR BEFORE DECEMBER 15, 2023

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

MAILING ADDRESS (U.S. Postal Service)
PO BOX 303025
MONTGOMERY AL 36130-3025
TELEPHONE: (334) 242-4103
www.shpda.alabama.gov

STREET ADDRESS (Commercial Carrier)
100 NORTH UNION STREET STE 870
MONTGOMERY AL 36104
FAX: (334) 242-4113
data.submit@shpda.alabama.gov

2023 ANNUAL REPORT FOR HOSPITALS AND RELATED FACILITIES

Save

Print

Submit

079-6539090

LAWRENCE MEDICAL CENTER

Mailing Address: PO BOX 39 MOULTON AL 35650
STREET ADDRESS CITY STATE ZIP

Physical Address: 202 HOSPITAL STREET MOULTON AL 35650
STREET ADDRESS CITY STATE ZIP

County of Location: LAWRENCE

Facility Telephone: (256) 974-2200 Facility Fax: (256) 974-2299
(AREA CODE) & TELEPHONE NUMBER (AREA CODE) & TELEPHONE NUMBER

This reporting period is 10/1/2022 through 9/30/2023; or for partial year of operation beginning
and ending a period of days.

MONTH DAY MONTH DAY
Data for the agency's fiscal year, other than the time frame specified, may be provided, but no more than 12 months of consecutive data should be reported. *If there was a change in ownership during the reporting period, data for the full year should be reported by the current owner.*

We hereby affirm and attest that the reported information has been verified, and to the best of our knowledge, the information contained in the following pages of this report is a true and accurate representation of the services, equipment, and utilization of this facility.

Kim Roberson PRINTED NAME OF PREPARER (256) 974-2222 DIRECT TELEPHONE NUMBER	Kim Roberson SIGNATURE OF PREPARER Controller TITLE OF PREPARER	11/27/2023 DATE kim.roberson@lawrencemedicalcenter.com E-MAIL ADDRESS
<i>A member of administration MUST also sign below verifying the accuracy of the information contained herein, as reported by the preparer listed above; and must be separate from the preparer.</i>		
Dean Griffin PRINTED NAME OF ADMINISTRATION OFFICIAL (256) 974-2286 DIRECT TELEPHONE NUMBER	Dean A. Griffin SIGNATURE OF ADMINISTRATION OFFICIAL CEO TITLE OF ADMINISTRATION OFFICIAL	dean.griffin@hhsys.org DATE E-MAIL ADDRESS

FOR OFFICE USE ONLY

Facility Verified: _____ Initial Scan: _____ Completed: _____
Entered: _____ Final Scan: _____ Audited: _____

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OWNERSHIP (check one)

<input type="radio"/> Corporation	<input type="radio"/> Non-Profit Organization	<input type="radio"/> Partnership
<input type="radio"/> Individual	<input checked="" type="radio"/> Healthcare Authority	<input type="radio"/> LLC
<input type="radio"/> Joint Venture	<input type="radio"/> Government	<input type="radio"/> Other

Does this facility operate under a management contract? ☒ Yes ☐ No

Management Firm: Huntsville Hospital Health System

NAME			
101 Sivley Rd	Huntsville	Al	35801
BASE ADDRESS	CITY	STATE	ZIP

I. FACILITIES

A. Check the ONE category that best describes the type of service provided to the majority of admissions.

<input checked="" type="radio"/> General Medical & Surgical (<i>acute care</i>)	<input type="radio"/> Pediatric
<input type="radio"/> Psychiatric	<input type="radio"/> Rehabilitation
<input type="radio"/> Long Term Acute Care (<i>LTACH</i>)	<input type="radio"/> Chronic Disease (Long Term Care)
<input type="radio"/> Critical Access Hospital	<input type="radio"/> Other (specify) _____

B. Totals ****PLEASE VERIFY ALL TOTALS ON CHECKLIST, PAGE 13, PRIOR TO SUBMISSION****

	TOTALS
1. Total Certificate of Need (CON) approved beds	<u>98</u>
2. Number of staffed and operational beds on last day of reporting period	<u>43</u>
3. Number of CON-authorized swing beds	<u>10</u>
4. Number of admissions for reporting period, excluding all newborns and NICU patients	<u>361</u>
5. Patients days for reporting period, excluding all newborns and NICU patients	<u>1,634</u>
6. Number of discharges for reporting period, excluding all newborns and NICU patients	<u>360</u>

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- C. PRINCIPAL SOURCE OF PAYMENT CATEGORIES.** Medicare Supplemental reimbursement should be reported under the actual reimbursement SOURCE, and not reported as a separate (Other) category.

	PATIENT DAYS (exclude all newborns and NICU patients)	DISCHARGES (include deaths, exclude all newborns and NICU patients)
a. Self Pay (Non-Charity Care)	71	25
b. Worker's Compensation	0	0
c. Medicare	565	114
d. Medicaid	74	29
e. Tricare	0	0
f. Blue Cross	99	42
g. Other Insurance Companies	17	7
h. No Charge (charity & other free care)*	0	0
i. Health Maintenance Organization (HMO)	808	143
j. All Kids	0	0
k. Hospice	0	0
l. Medicare Advantage	0	0
m. Other (specify)	0	0
TOTALS	1,634	360

* Charity Care is that care provided pursuant to the Hospital's Financial Assistance Policy.

II. SERVICES OFFERED

Indicate below the services actually available and staffed within this facility, and quantitative data for those applicable services for this reporting period. **Provide information only if the hospital has a specified area and beds staffed and assigned for the listed services.** This information should be provided for inpatient clinical services, unless otherwise noted.

- A. GENERAL HOSPITALS** (including critical access hospitals, but excluding formal psychiatric, newborn, substance abuse, and rehabilitation units)

	NUMBER OF BEDS BY SERVICE	NUMBER OF DISCHARGES BY SERVICE	PATIENT DAYS BY SERVICE	STAFFED BEDS BY SERVICE (Last Day of Reporting Period Only)
1. Medicine-Surgery	92	315	1,073	37
2. Obstetric (maternity)	0	0	0	0
3. Pediatric	0	0	0	0

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	NUMBER OF BEDS BY SERVICE	NUMBER OF DISCHARGES BY SERVICE	PATIENT DAYS BY SERVICE	STAFFED BEDS BY SERVICE (Last Day of Reporting Period Only)
4. Orthopedic	0	0	0	0
5. Intensive Care Units	6	0	0	6
6. Swing Beds	XXXX	45	561	XXXXXX
7. Other (specify)	0	0	0	0
TOTALS	98	360	1,634	43

B. SPECIALTY HOSPITALS (excluding psychiatric)

☐ Rehabilitation Hospital

☐ Long-Term Acute Care Hospital

☐ Pediatric Hospital

☐ Pediatric and Obstetric Hospital

	NUMBER OF BEDS BY SERVICE	NUMBER OF DISCHARGES BY SERVICE	PATIENT DAYS BY SERVICE	STAFFED BEDS BY SERVICE (Last Day of Reporting Period Only)
1. Obstetric (maternity)	0	0	0	0
2. Pediatric	0	0	0	0
3. Intensive Care Units	0	0	0	0
4. Rehabilitation	0	0	0	0
5. LTACH	0	0	0	0
6. Other (specify)	0	0	0	0
TOTALS	0	0	0	0

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- C. PSYCHIATRIC UNITS/PSYCHIATRIC HOSPITALS.** All psychiatric beds, regardless of whether or not a CON has been obtained (including CON-exempt beds), must be reported in this section. This includes operational and non-operational beds. Providers with unrestricted psychiatric beds obtained prior to the 2018 Hospital Annual Report shall be allowed to change the bed category during the first two reporting periods. However, the bed category reported on the FY 2020 Hospital Annual Report will become the hospital's permanent bed category allocation. The psychiatric bed reporting requirement in this section is not applicable to pediatric specialty hospital providers operating their pediatric hospital specialty beds for the provision of pediatric psychiatric services.

Report information below by bed category as of the last day of the reporting period:

	TOTAL PSYCHIATRIC BEDS BY CATEGORY (include CON- authorized and non- CON authorized beds)	TOTAL ADMISSIONS BY CATEGORY	TOTAL DISCHARGES BY CATEGORY	TOTAL PATIENT DAYS BY CATEGORY	TOTAL OPERATIONAL BEDS BY CATEGORY
<u>Adolescent/Child</u>	0	0	0	0	0
<u>Adult</u>	0	0	0	0	0
<u>Geriatric</u>	0	0	0	0	0
<u>TOTALS</u>	0	0	0	0	0

- D. SPECIALTY UNITS** (do not duplicate data reported in other sections; for CON-authorized services only except Burn Units, which may not hold CON-authorization).

	TOTAL NUMBER CON AUTHORIZED BEDS	TOTAL NUMBER OF ADMISSIONS	TOTAL NUMBER OF DISCHARGES	TOTAL PATIENT DAYS	TOTAL STAFFED BEDS BY SERVICE (Last Day of Reporting Period Only)
1. Substance Abuse	0	0	0	0	0
2. Medical Rehabilitation Inpatient Unit – PPS-EXCLUDED	0	0	0	0	0
3. Burn Unit	0	0	0	0	0