BAKER DONELSON
BEARMAN, CALDWELL & BERKOWITZ, PC

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JOE W. CAMPBELL, SHAREHOLDER
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RV2027-004
RECEIVED
Oct 15 2026
STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

October 15, 2026

VIA EMAIL SHPDA.ONLINE@SHPDA.ALABAMA.GOV
Hon. Emily T. Marsal, Executive Director
Alabama State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104

Re: The Health Care Authority of the City of Huntsville
Letter Request for Non-Reviewability Status

Dear Mrs. Marsal:

On behalf of The Health Care Authority of the City of Huntsville d/b/a Madison Hospital ("Madison Hospital"), this letter serves as a request for determination that the proposed renovations described below do not require a Certificate of Need review under Alabama Code §22-21-2160, *et. seq*, or the Alabama Certificate of Need Program Rules and Regulations ("CON Rules") §410-1-7-.02.

Brief Description of Renovations

Madison Hospital closed its on-campus wellness center (the "Facility") in January, 2026, for the purpose of converting the Facility to an imaging center in order to meet the healthcare needs of the rapidly growing community.

The Hospital proposes to install an MRI in the area of the building where the pool is located. The construction expenses associated with filling the pool with concrete in order to prepare this space to be utilized will exceed the capital expenditure threshold set forth in CON Rule §410-1-4-.01, however, these construction costs are exempt due to MRI exemption under the CON Rules.

Total project costs are $19,560,152.00
Infrastructure and construction is $11,550,000.00
Equipment is $8,010,152.00 (CT is $2,835,000.00 and MRI is $1,500,000.00)
First Year Operating Expenses are $4,489,293

The Facility will also house CT and x-ray equipment, also exempt under the CON Rules, and renovations/construction associated with such equipment will not exceed the capital expenditure thresholds under CON Rule §410-1-4-.01.

No New Beds or Change in Classification
This project will not involve the addition of inpatient beds or the conversion of beds from one classification to another as described in CON Rule §410-1-4-.01

No New Health Services
No new health services will be provided as a result of this project, as Madison Hospital has provided this full spectrum of imaging services on a regular basis for the past 12 months.

Consequently, the proposal does not constitute a "new institutional health service" subject to CON Review, as the proposal does not include:

1) The construction, development, acquisition through lease or purchase or other establishment of a new health care facility or health maintenance organization;
2) Any expenditure by or on behalf of a health care facility which, as a capital expenditure, exceeds the CON statutory threshold for major medical equipment, new annual operating costs, or any other capital expenditure by or on behalf of a health care facility;
3) Any health service which is offered to be offered in or through a health care facility which was not offered on a regular basis in or through a health care facility within the preceding 12-month period; or
4) Any other reviewable event under the existing CON Rules.

Accordingly, based on the above, Madison Hospital requests your determination that the aforementioned project is not subject to CON review under *Ala. Code* §22-21-260 *et seq*. and the CON Rules, and is permissible without further filings or requests to SHPDA. We appreciate your response to this matter, and please do not hesitate to contact us should you need additional information.

Respectfully submitted,

Joe W. Campbell
on behalf of
The Health Care Authority of the City of Huntsville

cc: MaryLynne Wright, President

Madison Hospital
Projected Annual Expenses by Category
OP Imaging, Mammography & Ref Lab

DETAIL BY DEPARTMENT							
	Projected Future State						
	2027	2028	2029	2030	2031	2032	2033
Imaging Variable Expenses							
Labor	1,580,127	2,014,662	2,157,703	2,310,900	2,474,974	2,650,697	2,838,897
Supplies	260,003	331,504	355,041	380,249	407,246	436,161	467,128
Purchased Services	132,773	169,286	181,305	194,178	207,965	222,730	238,544
Total Imaging	1,972,904	2,515,452	2,694,049	2,885,327	3,090,185	3,309,588	3,544,569
	-	-	-	-	-	-	-
Mammo Variable Expenses							
Labor	295,078	306,999	319,402	332,306	345,731	359,698	374,230
Supplies	8,159	8,489	8,832	9,189	9,560	9,946	10,348
Purchased Services	12,096	12,585	13,093	13,622	14,172	14,745	15,341
Total Mammo	315,334	328,073	341,327	355,117	369,463	384,390	399,919
	-	-	-	-	-	-	-
Reference Lab Variable Expenses							
Labor	300,518	312,966	325,988	339,613	353,870	368,789	384,404
Supplies	329,522	346,196	363,713	382,117	401,452	421,766	443,107
Total Lab	630,040	659,162	689,701	721,730	755,322	790,555	827,511
Fixed Expenses							
Depreciation	1,571,015	1,571,015	1,571,015	1,571,015	1,571,015	1,571,015	1,571,015
Total Expenses	**4,489,293**	**5,073,702**	**5,296,093**	**5,533,189**	**5,785,985**	**6,055,548**	**6,343,014**

SUMMARY BY EXPENSE CATEGORY							
	Projected Future State						
	2027	2028	2029	2030	2031	2032	2033
Labor	2,175,724	2,634,627	2,803,093	2,982,819	3,174,574	3,379,185	3,597,531
Supplies	597,684	686,189	727,586	771,555	818,259	867,873	920,583
Purchased Services	144,869	181,871	194,399	207,800	222,137	237,475	253,885
Depreciation	1,571,015	1,571,015	1,571,015	1,571,015	1,571,015	1,571,015	1,571,015
Total	**4,489,293**	**5,073,702**	**5,296,093**	**5,533,189**	**5,785,985**	**6,055,548**	**6,343,014**

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100 North Union Street, Suite 870
Montgomery, AL 36104

Re: The Health Care Authority of the City of Huntsville
RV2027-004

Dear Mrs. Marsal:

This letter is in response to your correspondence of October 21, 2026 requesting additional information in connection with RV2027-004, the Reviewability Determination Request submitted by The Health Care Authority of the City of Huntsville. Your questions, and our responses, are indicated below. Please let me know if you have any further questions or need any additional information.

1. In the request, the applicant indicates that Madison Hospital, located at 8375 Highway 72 West in Madison, Alabama, closed its on-campus Wellness Center in January of 2026 and seeks the conversion of this facility to an imaging center. Please confirm the physical address of the building proposed for conversion/renovation.

   8391 US Highway 72 W Huntsville, AL 35801

2. Provide clarification as to the service area of the proposed project. Ala. Admin. Code r. 410-1-2-/-3 defines the service area as the *county* in which the service will be provided in the absence of a designated geographical service area.

   Madison County, Alabama

3. Expenditures for the proposal are reported to be $19,560,152.00 for the total project cost, which entails $11,550,000.00 for infrastructure and construction expenses, $8,010,152.00 for equipment costs, which includes $2,835,000.00 for CT equipment and $1,500,000.00

for an MRI machine, and $4,489,293.00 for first year annual operating costs. The total project cost does not sum to the breakdowns provided. Please provide a detailed explanation to the agency regarding the disparity of the estimated costs.

The total projected cost of construction is $11,550,000.00.
The total projected cost of equipment is $8,010.152.00. (This includes $2,835,000.00 for CT equipment and $1,500,000.00 for an MRI machine.)
The total projected first year operating cost is $4,489,293.00.
The total projected cost of this Project is $24,049,445.00.

4. Please provide full disclosure of the financial interests in the entity requesting the reviewability determination held by any other healthcare facilities or groups.

   This proposed Project will be conducted by the requestor, The Health Care Authority of the City of Huntsville, which is a health care authority established under Ala. Code §22-21-310, et. seq.

5. Please submit a signed and notarized Affirmation of Requesting Party for the referenced reviewability request.

   Please see attached.

Respectfully submitted,

Joe W. Campbell
on behalf of
The Health Care Authority of the City of Huntsville

cc: MaryLynne Wright, President

AFFIRMATION OF REQUESTING PARTY

The undersigned, being first duly sworn, hereby make oath or affirm that he is the Chief Executive Officer of The Health Care Authority of the City of Huntsville, 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

SUBSCRIBED AND SWORN to before me this 29 day of October, 2026.

Notary Public

MICHELE ROWAND COX
NOTARY PUBLIC
State of Alabama - State at Large
My Commission Expires Nov. 05, 2028

My commission expires: 11/5/28

(SEAL)

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