

Holly S. Hosford

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AL2021-015

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Jul 29 2021

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

July 29, 2021

Via Electronic Filing
(shpda.online@shpda.alabama.gov)

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

RE: Encompass Health Rehabilitation Hospital of Gadsden, LLC
d/b/a Encompass Health Rehabilitation Hospital of Gadsden
Project AL 2021-015, CON 2954-REHAB
Request for Project Modification

Dear Ms. Marsal:

I am writing on behalf of Encompass Health Rehabilitation Hospital of Gadsden, LLC d/b/a Encompass Health Rehabilitation Hospital of Gadsden (“Encompass” or “Encompass of Gadsden”) to request a project modification to Certificate of Need (“CON”) 2954-REHAB. CON 2954-REHAB was issued on July 6, 2021, and approved the addition of five (5) inpatient physical rehabilitation beds (the “CON Approved Beds”) to the existing inpatient rehabilitation hospital, resulting in a total of 49 inpatient physical rehabilitation beds.

Encompass respectfully requests the issuance of a project modification to reflect that (i) Encompass will add four (4) of the CON Approved Beds immediately upon approval by the Alabama Department of Public Health (“ADPH”) of a Change in License Application and prior to construction of the approved physical addition to the hospital; (ii) Encompass will subsequently relocate the four (4) CON Approved Beds to the new patient wing upon completion of construction and approval from ADPH Technical Services Unit; and (iii) Encompass will finally add the remaining CON Approved Bed following approval by ADPH of a second Change in License Application.

Encompass of Gadsden currently operates 44 inpatient physical rehabilitation beds pursuant to CON authority and four (4) inpatient physical rehabilitation beds pursuant to temporary waiver authority issued by the State Health Planning and Development Agency (“SHPDA”) on April 24, 2021 (TW2020-037). A copy of TW2020-037 is enclosed. Encompass intends to submit a Change in License Application to ADPH to convert the four (4) temporary waiver beds to permanently licensed beds by adding four (4) beds to its hospital license pursuant to CON 2954-REHAB. This will allow Encompass of Gadsden to continue operating 48 CON approved and licensed beds without disruption to patient care and in compliance with CON 2954-REHAB.

Project AL 2021-015 involves the construction of a single-story patient wing, expanding the footprint of the existing hospital. The addition will be approximately 5,615 square feet in size and will house a nurse station, handicap accessible private patient rooms with handicap accessible toilet/shower rooms directly accessible to the patient room, dayroom, clean and soiled utility rooms, housekeeping room, med prep room, nourishment room, charting area, data room and storage rooms. Encompass plans to commence construction of the addition on or about September 20, 2021. During the construction phase, Encompass will continue to operate four (4) of the five (5) CON Approved Beds in the existing rooms in which they are currently operated as temporary waiver beds. Upon completion of construction and approval of the addition by ADPH Technical Services Unit, Encompass will relocate the four (4) CON Approved Beds into the new handicap accessible private patient rooms described in the application filed for Project AL 2021-015 and approved by CON 2954-REHAB. At the same time, Encompass will submit a second Change in License Application to ADPH for licensure approval of the remaining CON Approved Bed.

Encompass of Gadsden is the only provider of inpatient rehabilitation services in its service area and has consistently operated at a high occupancy for a number of years. The additional beds approved by CON 2954-REHAB are needed urgently to serve the patients of the service area, and Encompass is able to serve that need immediately by seeking licensure of four (4) of the five (5) beds approved by CON 2954-REHAB while construction of the new patient wing is underway. It is our understanding that ADPH will process Encompass of Gadsden's Change in License Application to add four (4) beds upon receiving SHPDA's confirmation that the proposal is consistent with CON 2954-REHAB. Thus, this project modification request is submitted to confirm that the project's CON approval explicitly and specifically addresses the contemplated sequencing of the project implementation.

The proposed modification will not result in an increase in total project costs exceeding the \$6,289,517 initially approved by CON 2954-REHAB. The requested modification will not involve the addition of beds, a change in bed classification, or the provision of new health services not specified in CON 2954-REHAB. CON 2954-REHAB qualifies for a project modification pursuant to Rule 410-1-10-03 (project modification after issuance of CON) for the reasons stated herein. Turenne & Associates, LLC, manager of McGuffey Healthcare Center, LLC, which submitted opposition to Project AL 2021-015, has been notified of this request for project modification as required by Rule 410-1-10-.03(1)(b). A filing fee in the amount of \$8,206.80, which is 35% of the original CON Application fee, will be delivered to the Agency via Fed Ex.

Thank you for your attention regarding this matter. If you have any questions or concerns, please contact me.

Best regards,

A handwritten signature in black ink that reads "Holly S. Hosford". The signature is written in a cursive style with a large, looped initial "H".

Holly S. Hosford

Enclosers

cc: Phil Hayes Executive Vice President of Turenne & Associates, LLC
phayes@turenneteam.com



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

NOTICE FOR ISSUANCE OF TEMPORARY WAIVER

In the fifth supplemental State of Emergency for the COVID-19 pandemic, Governor Ivey gave the State Health Planning and Development Agency (Agency) the ability to promulgate rules in order to issue temporary waivers to the normal Certificate of Need (CON) process for providers specifically requiring additional capacity or services directly related to the State of Emergency declared for the COVID-19 pandemic.

The Agency has filed two emergency administrative rules: ALA. ADMIN. CODE r. 410-2-5-.09-E COVID-19 State of Emergency, passed by the Statewide Health Coordinating Council, and ALA. ADMIN. CODE r 410-1-10-.05-E Emergency Provisions Related to COVID-19 Emergency, passed by the Certificate of Need Review Board. Both of these emergency rules can be found on the SHPDA website.

By filling out this attached form, the applicant has requested a temporary waiver under these emergency rules and it has been signed and notarized that this request is directly related to the COVID-19 pandemic. The affirmation by the SHPDA Executive Director is related solely to the addition and/or provision of any beds, stations, or services during the State of Emergency and succeeding 60-day period and does not affirm any permanent CON authority for such request. The affirmation shall also not be considered to be a waiver of any requirements related to the Alabama Department of Public Health or any other regulatory agency.

Pursuant to ALA. ADMIN. CODE r. 410-2-5-.09-E (3), the request as affirmed, "shall automatically terminate on the earlier of (i) as applicable, the discontinuation of services or closure of facilities subject to the waiver; or (ii) sixty (60) days following the termination of the State of Emergency as recognized in the Declaration." Furthermore, the rule states, "[a]ny continued operation of institutional health services authorized under a waiver granted pursuant to this section will require a CON, which shall be subject to existing CON criteria and procedures, including compliance with the State Health Plan, without regard to emergency rules adopted by the CON Board or SHCC in response to the Declaration. It is the intent of this subsection that services, facilities or other new institutional health services established as a result a waiver be considered 'new' for purposes of an application for CON authority to extend such new institutional health services beyond the deadlines in this subsection."

In addition, pursuant to ALA. ADMIN. CODE r. 410-2-5-.09-E (4), "new institutional health services authorized on a temporary basis pursuant to a waiver granted under this rule shall not be considered for purposes of the permanent need methodology in the State Health Plan."

For any questions or concerns, please contact the Agency at (334) 242-4103.

MAILING ADDRESS: P.O. BOX 303025, MONTGOMERY, ALABAMA 36130-3025
PHONE: (334) 242-4103 FAX: (334) 242-4113

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Apr 24 2020

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

WAIVER IDENTIFICATION: TW2020-037

REQUEST FOR CERTIFICATE OF NEED WAIVER

FACILITY ID NO.: 055-1112 COUNTY: Etowah

FACILITY/PROVIDER NAME: Encompass Health Rehabilitation Hospital of Gadsden

STREET ADDRESS: 801 Goodyear Avenue

CITY: Gadsden ZIP CODE: 35903

AUTHORIZED REPRESENTATIVE: Kayla L. Fezell

TITLE: Chief Executive Officer EMAIL ADDRESS: Kayla.Fezell@encompasshealth.com

DIRECT TELEPHONE NUMBER: (256) 439-5010

TYPE OF FACILITY/PROVIDER: Inpatient Rehabilitation Hospital

Pursuant to a declaration issued by Governor Ivey on April 2, 2020, the following additional services are being enacted pursuant to Ala. Admin. Code r 410-2-5-.09-E and 410-1-10-.05-E.

Addition of 4 Inpatient Rehabilitation Beds

Does this request involve an increase in: Beds No Yes Number 4

ESRD Stations No Yes Number _____

Provide a brief explanation of how these services will assist in the health and safety of citizens during the emergency (attach additional sheets if necessary):

Encompass Health Rehabilitation Hospital of Gadsden (the "Hospital") proposes to add four (4) inpatient rehabilitation beds to provide inpatient physical rehabilitation services to patients who are ready to be discharged from the general acute care hospital but require inpatient physical rehabilitation and hospital-level care. The Hospital is currently operating at full capacity. Allowing the Hospital to increase capacity will enable the Hospital to admit and treat more patients from general acute care hospitals in the area, thereby freeing up acute care and ICU beds to be used in treating patients with COVID-19. The Hospital is able to implement this expansion immediately upon approval by utilizing existing space within the Hospital. No construction will be required.

Projected Construction/Renovation Costs: \$ 0.00

Projected Equipment Costs: \$ 0.00

Projected date additional services/equipment will be available for service: 5/1/2020

If this Waiver request involves construction of a new facility and/or acquisition of new equipment, provide a brief description of the proposal on a separate sheet of paper and return with this form.

The undersigned, being first duly sworn, hereby affirms that he/she has direct knowledge of the facts contained this request, and to the best of their information, knowledge, and belief, such facts are true and correct. The undersigned agrees to comply with the requirements and limitations outlined by Rules 410-2-5-.09-E and 410-1-10-.05-E

Signature of Authorized Officer

4/21/2020

Date

Kayla L. Feazell

Printed Name

Chief Executive Officer

Title

Sworn to and subscribed before me this 21 day of April, 2020.

Notary Public

2/24/21

My Commission Expires: _____



AFFIRMED BY EXECUTIVE DIRECTOR:

4/24/2020

Date

