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AL2018-033
RECEIVED
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STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

February 9, 2022

Via Email (shpda.online@shpda.alabama.gov)

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

Re: Project Modification Request - USA Medical Center (AL2018-033, CON 2851-H)

Dear Ms. Marsal:

On behalf of USA Health we are submitting this letter requesting a Project Modification to CON 2851-H, issued for the expansion and renovation of the current emergency department, including its Level I Trauma Center, in Mobile County, Alabama (the "Project"). This project modification is being requested pursuant to Ala. Admin. Code § 410-1-10-.03 due to an increase in the costs for the Project of approximately 12%, which is in excess of the 10% approval threshold stated therein. Please see the attached updated Cost page for the CON application for the Project which reflects an increase in the aggregate construction costs from \$14,291,434 to \$17,318,855 due primarily to increased material cost associated with the construction of the Project and an increase in the first year annual operating costs from \$5,448,251 to \$6,221,863 due primarily to increased staffing costs resulting from the current labor shortage. Equipment costs were less than estimated in the original CON application, with a final total cost of \$3,243,347.

There were no other parties of record with regard to this Project who would require notification hereof.

The filing fee for this project modification request is being through the online payment portal. Thank you for your consideration of this project modification request. Please contact me at Kristen.larremore@wallerlaw.com or 205-226-5747 should you have any questions.

Very Truly Yours,

Kristen A. Larremore

Enclosure

cc: Colin Luke

II. COST

A. Construction (includes modernization expansion)		
1.	Predevelopment	_____
2.	Site Acquisition	_____
3.	Site Development	<u>\$190,690</u>
4.	Construction	<u>\$16,178,118</u>
5.	Architect and Engineering Fees	<u>\$907,345</u>
6.	Renovation	_____
7.	Interest during time period of construction	_____
8.	Attorney and consultant fees	<u>\$20,000</u>
9.	Bond Issuance Costs	_____
10.	Other <u>CON</u>	<u>\$22,703</u>
11.	Other _____	_____
TOTAL COST OF CONSTRUCTION		\$ <u>\$17,318,855</u>
B. Purchase		
1.	Facility	_____
2.	Major Medical Equipment	<u>\$2,173,772</u>
3.	Other Equipment	<u>\$1,069,575</u>
TOTAL COST OF PURCHASE		<u>\$3,243,347</u>
C. Lease		
1.	Facility Cost Per Year ____ x ____ Years =	<u>N/A</u>
2.	Equipment Cost per Month _____ x _____ Months =	<u>N/A</u>
3.	Land-only Lease Cost per Year _____ x _____ Years	<u>N/A</u>
TOTAL COST OF LEASE(s)		<u>N/A</u>
(compute according to generally accepted accounting principles)		
Cost if Purchased		<u>N/A</u>
D. Services		
1.	_____ New Service	\$ _____
2.	<u>X</u> Expansion	\$ _____
3.	_____ Reduction or Termination	\$ _____
4.	_____ Other	\$ _____
FIRST YEAR ANNUAL OPERATING COST		\$ <u>\$6,221,863</u>
E. Total Cost of this Project (Total A through D)		
(should equal V-C on page A-10)		\$ <u>\$26,784,064</u>