

results matter

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FEB 0 4 2014

STATE HEALTH PLANNING

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February 4, 2014

VIA HAND DELIVERY

Alva M. Lambert **Executive Director** State Health Planning and Development Agency RSA Union Building, Suite 870 100 North Union Street Montgomery, AL 36104

Notice of Request for Project Modification Re:

> Vestavia Surgical Services, LLC Project Number: AL-2007-021

CON-2544-ASC

Dear Mr. Lambert:

Pursuant to CON Rule 410-1-10-.03, I enclose an original and two (2) copies of the Notice of Request for Project Modification for CON-2544-ASC, Project Number AL-2007-021, together with a check for the required filing fee specified under CON Rule 40-1-10-.03(1) in the amount of \$4,335.00, which is the amount equal to twenty-five percent (25%) of the original filing fee of \$17,340.00. A copy of this modification request has been served on all parties of record.

Please contact me if you have any questions or if we can provide you with any additional information.

Very truly yours,

John T. Mooresmith

One of the Attorneys for the Applicant

JTM/tg Enclosures



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Notice of Request for Project Modification Re:

> Vestavia Surgical Services, LLC Project Number: AL-2007-021 CON-2544-ASC

Dear Mr. Lambert:

Pursuant to Alabama Certificate of Need Program Rules and Regulations ("CON Rules") 410-1-10-.03, please accept this letter as a Notice of Request for Project Modification for the above referenced certificate of need ("CON"). In accordance with the CON Rules, a copy of this request has been served on all parties of record.

Background:

- In 2007, Vestavia Surgical Services, LLC, filed a certificate of need application for an 1. ambulatory surgery center to be located in Vestavia Hills, Alabama ("Project"). The Executive Summary of the Project stated: "This certificate of need application proposes to develop and operate a new multi-specialty Ambulatory Surgery Center location in Vestavia Hills, Alabama. The facility will be located within Jefferson County. The service area will reach the citizens of Alabama primarily located in Jefferson County. The facility will encompass four operating rooms and two procedure rooms within an estimated 15,500 square feet and create a much needed overflow valve for Brookwood Medical Center's existing operating suites. This will also allow Brookwood Medical Center to remain competitive within the market by partnering with many of its current surgeon utilizers."
- The Project was original opposed by Affinity Hospital, Princeton Baptist Medical Center, 2. St. Vincent's Hospital and Birmingham Outpatient Surgery Center.

- 3. Affinity Hospital and Princeton Baptist Medical Center withdrew their opposition to the Project, and a contested case hearing was conducted. The Hearing Officer recommended approval of the Project, and the Certificate of Need Review Board ("Board") adopted the Recommended Order of the Hearing Officer. Birmingham Outpatient Surgery Center appealed the decision of the Board, but St. Vincent's Hospital did not.
- 4. The appeal by Birmingham Outpatient Surgery Center was ultimately unsuccessful, and the twelve (12) month time period for CON-2544-ASC started in April of 2013.

Proposed Project Modification

During the lengthy course of the appeal of the CON granted to the Project a number of changes have occurred which have caused the Applicant to reconsider the location for the project. As approved, the Project is to be located in rented space just over the hill on Highway 31 a short distance from Brookwood Medical Center. With passage of the Affordable Care Act a great deal of uncertainty and unpredictability has been injected into the health care industry. Questions exist regarding potential changes in reimbursement, and the potential exists for expanded managed care with requirements and restrictions that are yet unknown. In light of this uncertainty, Brookwood Medical Center has made space available on its campus adjacent to its hospital facility to accommodate the Project.

Relocation of the ambulatory surgery center will make the Project more efficient in its stated purpose of serving as an overflow valve for Brookwood Medical Center's crowded operating rooms, make use of the ambulatory surgery center more convenient for Brookwood's surgeons and their patients, and increase patient safety by having all of the hospital's services immediately available to the ambulatory surgery center. Last week's weather is an example of the enhanced convenience and safety for patients if the Project is relocated. Patients, physicians and staff would be better served by being in space in the hospital than in a separate location in severe weather events.

The relocation will provide opportunities for sharing of services which will result in cost savings for both the surgery center and the hospital. The relocation of the Project to the hospital will allow surgery center access to the hospital's central sterile services, access to medicines during national shortages and backorders, access to laundry and linen services and access to the hospital's anesthesia services for specialized needs not available in a freestanding ambulatory surgery center.

Vestavia Surgical Services, LLC, respectfully requests the Board to allow it to relocate the Project from space which was to be leased on Highway 31 to the campus of Brookwood Medical Center, two (2) minutes driving time away. This will be a *de minimis* distance for the relocation, and the relocation will not increase either the cost or the scope of the project.

It is our understanding that the practice of your agency is to begin a new twelve (12) month period from the date of the project modification for the project to commence.

Please contact me if you have any question or need any additional information.

Very truly yours,

John T. Mooresmith

JTM/tg Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served a copy of the foregoing upon the listed parties of record by placing same in the United States Mail, postage prepaid and properly addressed, on this the 4 th day of February, 2014.

> Dennis Nabors, Esq. Baker Donelson 614 South Hull Street Montgomery, AL 36104 As Attorney for St. Vincent's Hospital

David M. Hunt, Esq. Gilpin Givhan PC Grandview II 3595 Grandview Parkway, Suite 400 Birmingham, AL 35243 As Attorney for Birmingham Outpatient Surgery Center

John T. Mooresmith as one of the Attorneys for Vestavia Surgery Services, LLC