

# Alabama SHCC Update

August 13, 2013

The Statewide Health Coordinating Council (the "SHCC") held a meeting on August 9, 2013, at 10:30 a.m. The following is a summary of the proceedings.

### A. Consideration of an Application to Adjust the State Health Plan

Consideration of a State Health Plan Adjustment filed by the City of Thomasville to adjust Ala. Admin. Code § 410-2-4-.02 of the Alabama State Health Plan to add forty-nine acute care beds to the inventory in Clarke County, upon the earlier of (1) the termination or expiration of the forty-nine (49) beds that were licensed to and held pursuant to CON 2169-H issued to Southwest Alabama Medical Center, or (2) the failure to consummate the pending Section 363 purchase transaction under the U.S. Bankruptcy Code for the sale of Clarke County Healthcare, LLC d/b/a Southwest Alabama Medical Center's existing assets including its hospital building on Highway 43 and its CON for the construction of a replacement hospital on or prior to November 11, 2013.

The SHCC approved the State Health Plan Adjustment as proposed and the Governor subsequently approved the adjustment on August 13, 2013.

#### B. Committee Report from the FED Study Committee

The FED Study Committee reported to the SHCC that the Alabama Department of Public Health has recently passed new licensure regulations for freestanding emergency departments. The FED Study Committee is charged with drafting a new chapter in the Alabama State Health Plan that will set forth criteria for determining need and addressing approval of FEDs under the certificate of need program and processes.

<u>Click here</u> for a copy of the new FED licensure regulations from the Alabama Department of Public Health.

#### C. Committee Report from the Methadone Treatment Clinic Review Committee

An emergency rule was approved extending the moratorium on the consideration of certificate of need applications for new methodone clinics for an additional 120 days, pending the outcome of review of potential revisions to the State Health Plan regarding such clinics. Also, a permanent rule was approved under Section 410-2-4-.11(4) that provides for additional time to gather information regarding methodone treatment programs, including a survey instrument to be utilized to gather data regarding services provided, admissions, current utilization, discharges, length of treatment and patient demographics at currently licensed and operating methodone treatment facilities in the State. The moratorium extension does not prohibit the grant of a certificate of need for the relocation and replacement of an existing methodone treatment facility.



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A copy of the emergency rule and permanent rule are available upon request.

### D. Proposed Exceptions to the Psychiatric Inpatient Bed Need Methodology

New proposed regulations for existing psychiatric inpatient bed providers under Ala. Admin. Code § 410-2-4-.10(5) were discussed that allow such providers who meet certain utilization criteria and other requirements, including, without limitation, (1) 80 percent average occupancy for total psychiatric inpatient beds for 90 consecutive calendar days within the most recent fiscal year or (2) 80 percent average occupancy within one of the following categories of psychiatric inpatient beds (child/adolescent, adult or gero-psychiatric) for 90 consecutive calendar days within the most recent fiscal year and all other categories of inpatient psychiatric beds used by the provider must maintain an average occupancy of at least 70 percent for seven days a week, for one separate and distinct period of 90 consecutive calendar days within the most recent fiscal year, to seek a certificate of need to add up to ten beds as an exception to the psychiatric inpatient bed need methodology.

The proposed exception set forth in Ala. Admin. Code § 410-2-4-.10(5) were approved for publication for public comment. We anticipate the regulations will be considered at the next SHCC meeting.

New proposed regulations for psychiatric inpatient beds in counties without certificate of need authorized psychiatric inpatient beds under Ala. Admin. Code § 410-2.4-.10(6) were discussed that permit such counties with an existing acute care hospital to add up to ten psychiatric inpatient beds at such a facility upon meeting certain criteria, including: (1) the provider must have been licensed by the Alabama Department of Public Health for at least twelve months as a general acute care hospital; (2) any psychiatric beds granted under the proposed exception to the psychiatric inpatient bed need methodology can only be added at or upon the existing main campus of the applicant hospital; and (3) the provider must not have added any psychiatric inpatient beds within the preceding twelve month period or have prior certificate of need authorization for psychiatric inpatient beds which have not been placed into service.

The proposed exception set forth in Ala. Admin. Code § 410-2-4-.10(6) was approved for publication for public comment. We anticipate the regulations will be considered at the next SHCC meeting.

Click here for a copy of the proposed regulatory exceptions for psychiatric inpatient beds.