

May 6, 2008

Clyde Reese, Esq.
Executive Director of Health Planning
Department of Community Health
Office of General Counsel
2 Peachtree St., NW, 5th Floor
Atlanta, Ga. 30303

1133 Eagle's Landing Parkway

Stockbridge, Georgia 30281

Telephone: 678-604-1000

www.henrymedical.com

RE: Senate Bill 433's CON Exemption for Certain Therapeutic Cardiac Catheterizations and the Department's 2005 Determination that Henry Medical Center, Inc. Met the C-PORT Study Guidelines

Dear Mr. Reese:

On Monday, May 5, I was asked to mail the attached letter to you but I do not remember attaching the appropriate Exhibits mentioned in the letter. Enclosed are the Exhibits and a copy of the original letter. I apologize for the inconvenience this may have caused you.

Sincerely,

Ellen K. Ethridge
Executive Assistant

Enclosures



1133 Eagle's Landing Parkway

Stockbridge, Georgia 30281

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May 2, 2008

Clyde Reese, Esq.
Executive Director of Health Planning
Department of Community Health
Office of General Counsel
2 Peachtree St., NW, 5th Floor
Atlanta, GA 30303

RE: Senate Bill 433's CON Exemption for Certain Therapeutic Cardiac Catheterizations and the Department's 2005 Determination Henry Medical Center, Inc. Met the C-PORT Study Guidelines

Dear Clyde:

Thank you and the Department of Community Health for the opportunity to utilize a less formal determination process regarding Senate Bill 433, which becomes effective July 1, 2008. Pursuant to the Department's announcement of "a 30-day free determination period to answer specific written questions about the applicability of SB 433," Henry Medical Center, Inc. submits the following question regarding Henry Medical's plan to offer therapeutic cardiac catheterization services after July 1, 2008.

As you know, SB 433 includes an exemption for certain therapeutic cardiac catheterizations in hospitals that meet the criteria to participate in the C-PORT Study. Specifically, the new O.C.G.A. § 31-6-47 will continue to establish certain exemptions from CON review, including a new subpart (22), which will exempt:

Therapeutic cardiac catheterization in hospitals selected by the Department prior to July 1, 2008, to participate in the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) Study and therapeutic cardiac catheterization and hospitals that, as determined by the department on an annual basis, meet the criteria to participate in the C-PORT Study but have not been selected for participation; provided, however, that if the criteria requires a transfer agreement to another hospital, no hospital shall unreasonably deny a transfer agreement to another hospital;

O.C.G.A. § 31-6-47(22).

This new exemption from CON review will allow hospitals such as Henry Medical to offer percutaneous cardiac interventions (PCI) and improve access to quality health care for its patients. Performing elective PCI at hospitals without on-site cardiac surgery benefits patient care and improves the delivery of health care in many ways, including "reduced bleeding (avoiding transfer of patients with intravascular sheaths in place), patient and family preference and satisfaction, physician convenience and reduced cost (by avoiding transfers to other facilities and, potentially, additional hospital days if PCI is delayed)." (The Atlantic C-PORT Trial Elective Angioplasty Study Manual of Operations, p. 4) Henry Medical seeks to offer PCI in order to offer a more complete continuum of care to its cardiac patients.¹

The Department determined Henry Medical Center, Inc. met the C-PORT Study Guidelines and the Georgia specific participation guidelines on October 5, 2005. (See Exhibit A) hereto, wherein the Department selected only four alternates for the C-Port Study. Additionally, the Department recently had the opportunity to review updated information regarding Henry Medical's cardiac catheterization program in reviewing its CON Application Georgia 2007-105, to develop a second cardiac catheterization laboratory in the hospital. As part of the review process for Georgia project 2007-105, the Department found:

- Henry Medical's cardiac catheterization volumes have continued to increase since Henry Medical applied to participate in the C-PORT study; (volume is an important element in ensuring quality)
- Henry Medical continues to develop and maintain a quality and error management program, including, but not limited to participation in JCAHO outcome monitoring and quality improvement initiatives (ORYX);
- Henry Medical continues to maintain the same transfer agreements it relied upon in 2005 to demonstrate qualification for the C-Port Study.
- Henry Medical continues to maintain the same ambulance service agreement with City EMS, Inc. it relied upon in 2005 to demonstrate qualification for the C-Port Study.

(See Exhibit B hereto)

¹ Henry Medical understands and agrees that the following devices are excluded from use in the C-PORT Study and are excluded from use pursuant to an exemption under O.C.G.A. § 31-6-47(22): any atherectomy device, including rotational atherectomy, directional atherectomy, laser atherectomy, excisional atherectomy, and use of cutting balloons except within stents for in-stent restenosis.

Moreover, Henry Medical continues to enjoy the support of board-certified cardiologists, who qualify to participate in the C-PORT study (in fact many of these physicians already participate in the C-PORT study at other hospitals). The Department took note of Henry Medical Center's medical staff resources in its recent decision regarding GA 2007-105. (See Exhibit B) Given the foregoing, the Department should make a determination that Henry Medical meets "the criteria to participate in the C-PORT Study" as required by O.C.G.A. § 31-6-47(22).²

Therefore, Henry Medical respectfully requests a determination by the Department that it may offer percutaneous coronary intervention (PCI) pursuant to O.C.G.A. § 31-6-47(22) because (1) the Department already found Henry Medical qualified to participate in the C-PORT Study, (2) the Department recently had the opportunity to review Henry Medical's continued compliance with many of the C-PORT Study guidelines in reviewing and approving CON 2007-105 for the development of the second cardiac catheterization laboratory and (3) it will improve patient care in Henry Medical's service area.

Please do not hesitate to contact me if you have any questions or concerns or require additional information regarding this request.

Sincerely,



Charles F. Scott,
President / Chief Executive Officer
Henry Medical Center, Inc.

² Henry Medical understands that offering therapeutic cardiac catheterization pursuant to this exemption requires an annual Department determination, and I anticipate the Department will develop (or is in the process of developing) rules and procedures regarding this annual determination process. Henry Medical understands that a favorable response to this request for a determination will not exempt it from the procedures established by the Department in the future regarding the exemption in O.C.G.A. § 31-6-47(22).

RECEIVED

October 5, 2005

OCT 12 2005

Mr. G. Sam Ahern
President and CEO
Henry Medical Center, Inc. 
1133 Eagle's Landing Parkway
Stockbridge, Georgia 30281

Dear Mr. Ahern:

The Department wishes to inform you that the following ten institutions have been selected by both the Atlantic Cardiovascular Patient Outcomes Research Team (Atlantic C-PORT "Trial"), led by Thomas Aversano, M.D., and by the Georgia Department of Community Health ("Department") to participate in the Trial:

Fairview Park Hospital, Dublin, Georgia
Hamilton Medical Center, Dalton, Georgia
John D. Archbold Memorial Hospital, Thomasville, Georgia
Southeast Georgia Regional Medical Center, Brunswick, Georgia
Southern Regional Medical Center, Riverdale, Georgia
Spalding Regional Medical Center, Griffin, Georgia
Tanner Medical Center, Carrollton, Georgia
Tift Regional Medical Center, Tifton, Georgia
WellStar Cobb Hospital, Austell, Georgia
West Georgia Medical Center, LaGrange, Georgia

The Site Selection Advisory Committee has indicated that the facilities listed below also meet the C-PORT and Georgia specific participation guidelines. In the event that Atlantic C-PORT or the Department finds it necessary to replace one of the initial participants, the Department may select a replacement facility from the following:

Emory Eastside Medical Center, Snellville, Georgia
Gwinnett Medical Center, Lawrenceville, Georgia
Henry Medical Center, McDonough, Georgia
Satilla Regional Medical Center, Waycross, Georgia

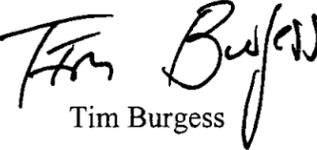
Mr. G. Sam Ahern
Page 2
October 5, 2005

Due to the lack of meeting one or more of the required standards and criteria, the following facilities have not been selected as participants or potential replacements:

Cartersville Medical Center, Cartersville, Georgia
DeKalb Medical Center, Decatur, Georgia
Doctors Hospital, Augusta, Georgia
Floyd Medical Center, Rome, Georgia
Meadows Regional Medical Center, Vidalia, Georgia
Newnan Hospital, Newnan, Georgia
North Fulton Regional Hospital, Alpharetta, Georgia
Northside Hospital, Atlanta, Georgia
Rockdale Hospital, Covington, Georgia
St. Mary's Hospital, Athens, Georgia
The Medical Center, Columbus, Georgia

The Department appreciates the effort that all 25 hospitals exhibited in requesting participation; however, at this time, only the ten initial participants identified above have been selected. This C-PORT Trial seeks to test some very important assumptions that effect health care delivery for rural Georgia. The willingness of all of you to participate in this process is a great reflection on your commitment to serve and improve the healthcare of our fellow Georgians.

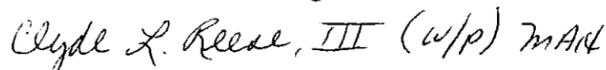
Sincerely,

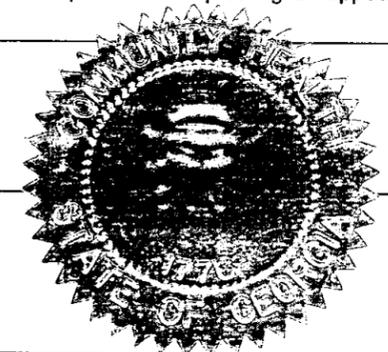
A handwritten signature in black ink that reads "Tim Burgess". The signature is written in a cursive style with a large, stylized "T" and "B".

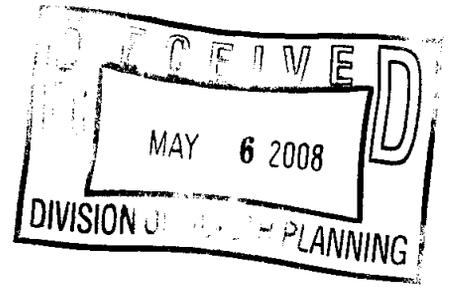
Tim Burgess

cc: Thomas Alversano, M.D.

Official Georgia Certificate of Need

Project	<p><i>Project Identifier:</i> GA 2007-105 <i>Project Description:</i> Cardiac Catheterization Service Expansion; Establishment of a Diagnostic Cardiac Catheterization Laboratory</p> <p><i>Defined Location:</i> Henry Medical Center 1133 Eagle's Landing Parkway, Stockbridge, Henry County, Georgia 30281</p> <p><i>Approved Expenditure:</i> \$1,793,100.71</p> <p><i>Service Area:</i> CCPA 2/3/5 <i>Review Analyst:</i> Landry C. Smith, III</p>
Certificate Holder	<p><i>Legal Name:</i> Henry Medical Center, Inc.</p> <p><i>Address:</i> 1133 Eagle's Landing Parkway, Stockbridge, Henry County, Georgia 30281</p> <p><i>Main Business Phone:</i> 678-604-1001 <i>Contact Person:</i> Claude Carruth, Chief Financial Officer Michael P. Britain, Consultant</p>
Conditions <small>(This Certificate is Subject to the Delineated Conditions)</small>	<p><input checked="" type="checkbox"/> This Certificate is only valid for the certificate holder, defined location, expenditures, and service area listed herein. Should any of this information change, this Certificate shall no longer be valid, except that this Certificate may be transferred to another person who acquires the health care facility that is the subject of this Certificate. In addition, this Certificate is only valid for the defined scope identified in the Certificate of Need application and any and all attachments thereto. If the Certificate Holder discovers in implementing the project that the expenditures required will exceed the Maximum Allowable Expenditure as defined by Rule 111-2-2-.03(14), the Certificate Holder Agrees to immediately cease construction and apply for a Cost Overrun Certificate.</p> <p><input checked="" type="checkbox"/> This Certificate is granted based on assurances from the Certificate Holder that annual and periodic surveys and questionnaires requested by the Department will be answered and submitted completely, accurately, and timely. Should such surveys and questionnaires not be submitted completely, accurately, and timely, this Certificate shall be subject to revocation.</p> <p><input checked="" type="checkbox"/> This Certificate is predicated on accurate and timely progress reports as indicated in the Important Dates section below. If a certificate holder fails to accurately and timely report such progress by the reporting dates specified herein, this Certificate shall be subject to revocation.</p> <p><input type="checkbox"/> This Certificate is granted based on a phased approach to construction and completion of the project. The Certificate Holder must report progress on each phase within 45 days of the deadlines identified below or this Certificate shall be subject to revocation.</p> <p style="text-align: center;">Phase 1: Phase 2: Phase 3: Phase 4: Phase 5:</p> <p><input checked="" type="checkbox"/> This Certificate is granted based on a promise by the Certificate Holder to provide indigent and charity care to patients of the Certificate Holder at an annual rate of 3% of adjusted gross revenue. If the Certificate Holder fails to meet this commitment or, in the alternative, fails to remit the difference in the amount promised and the amount delivered to the Georgia Indigent Care Trust Fund, this Certificate shall be subject to revocation.</p> <p><input checked="" type="checkbox"/> This Certificate is subject to appeal within thirty (30) days from the Date of Approval noted herein. Should a bona fide request for an appeal be received, you will be notified, and this Certificate shall be suspended until the appeal is resolved. Upon the resolution of any such appeal, you will be issued a revised Certificate denoting corrected Important Dates. You are strongly advised not to make a substantial obligation of funds until the time period for requesting an appeal has expired.</p>
Important Dates	<p><i>Date of Approval:</i> 4/8/2008 <i>Effective Date:</i> 4/8/2008</p> <p><i>Mandatory Commencement Date:</i> 4/8/2009 <i>Mandatory Completion Date:</i> 4/8/2009</p>
Approval	<p><i>Approved by:</i> Clyde L. Reese, III, Executive Director Department of Community Health Division of Health Planning</p> <p><i>Signature:</i>  (w/p) MAIL</p>





May 2, 2008

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