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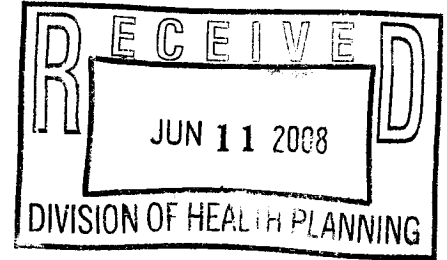
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June 11, 2008

VIA HAND DELIVERY

Clyde L. Reese, III, Esq.
General Counsel
Department of Community Health
2 Peachtree Street, N.W., 5TH Floor
Atlanta, Georgia 30303



RE: The Strategy House's May 28, 2008 Letter
Senate Bill 433 Exemptions from CON Review

Dear Mr. Reese:

This firm represents Oconee Regional Cancer Center located in Dublin, Laurens County, Georgia. We are writing to address the letter dated May 28, 2008 submitted on behalf of Meadows Regional Medical Center ("MRMC") by The Strategy House. In that letter, a copy of which is attached hereto, MRMC seeks clarification as to the scope of the exemption for the relocation of a health care facility pursuant to new code section O.C.G.A. § 31-6-37(a)(24), effective July 1, 2008. As you know, that section exempts from certificate of need ("CON") review for the relocation of a health care facility. Under the exemption, if the relocation is in an urban county, it can relocate within a three mile radius of the existing facility so long as the facility does not propose to offer any new or expanded clinical health services at the new location. If the relocation is in a rural county, it can relocate anywhere in the county but again cannot offer any new or expanded clinical health services.

MRMC's proposal seeks to relocate its hospital to a replacement facility one mile away that will have 61 beds (26 fewer beds than the current facility). The existing 35 bed nursing home facility will not relocate, but rather will continue to operate in the existing location. MRMC states that it will not offer any new institutional health care services, but that it does plan to expand the number of operating rooms that it has from four to six, add seven emergency department examination beds for a total of twenty beds and add nine same day surgery beds for a total of seventeen beds.

Clyde L. Reese, III, Esq.
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MRMC's proposal is not simply a relocation project. Despite not increasing its overall bed capacity (which would constitute a new institutional health service and require a CON), the hospital will be increasing its clinical health services and expanding the services that it offers to the public. The addition of two new operating rooms by itself is clearly an expansion of clinical health services. The same is true for the additional emergency beds and same day surgery beds.

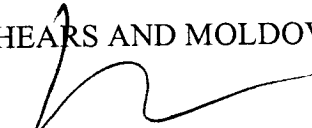
Further, if MRMC spent more than \$2.5 million at its existing location (which is likely) to add the operating rooms and other beds it would have to get a CON. MRMC cannot avoid the capital expenditure for its expansion by claiming it is part of the relocation. The purpose of the relocation exemption is to allow providers to move the same facility it operates – it does not allow them to expand what they have as part of the relocation.

Finally, it is unclear how the nursing home beds are operated and licensed. If MRMC intends to relocate its hospital facility, it cannot split those operations into different components and move only part of them. If the nursing home operates as part of the hospital operations or shares space or other services with the hospital, it would be inconsistent with the relocation exemption to allow MRMC to split these services and move only part of them.

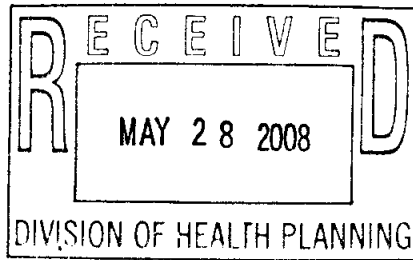
We thank you for your consideration of this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,

PHEARS AND MOLDOVAN



Victor L. Moldovan



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May 28, 2008

Hand-delivered

Clyde L. Reese, III, Esq.
General Counsel
Office of General Counsel
Department of Community Health
2 Peachtree Street, NW
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Atlanta, GA 30303

RE: Senate Bill 433 Exemptions from CON Review

Dear Clyde:

Of behalf of Meadows Regional Medical Center (MRMC) I am requesting clarification on Senate Bill 433 regarding the exemption for the relocation of a health care facility [Code Section 31-6-47(a)(24)], which reads:

The relocation of any skilled nursing facility or intermediate care facility within the same county, any other health care facility in a rural county within the same county, and any other health care facility in an urban county within a three-mile radius of the existing facility so long as the facility does not propose to offer any new or expanded clinical health services at the new location;

MRMC is an 87-bed acute care hospital located in Toombs County, a rural county in southeast Georgia. In addition to its 87 acute care beds, MRMC is also licensed for 35 nursing home beds, which are located in the hospital. The original hospital was constructed in 1963 and over the years has undergone four major renovation and expansion projects, the latest being in 2000. Because of its age and the piecemeal expansions over the past 45 years, the hospital facility suffers from a number of deficiencies that impact the operations and the delivery of care.

To address the multitude of facility-related problems, MRMC is proposing to relocate to a 61-bed replacement hospital (a decrease of 26 beds) on 72 acres that are located in Toombs County, approximately one mile from the current hospital campus. The 35-bed nursing home will continue to operate in the existing facility. The proposed project does not include the purchase of any new major medical equipment or the addition of any new institutional services not already being offered at the current location. However, the following areas of

the replacement facility will be expanded from existing levels to meet current and projected demand:

- The addition of two operating rooms in the surgical suite, resulting in a total of six operating rooms.
- The addition of seven emergency department examination beds, resulting in a total of 20 examination beds.
- The addition of nine Same-Day-Surgery (SDS) (staging) beds resulting in a total of 17 SDS beds.

Given the scope of the proposed project that MRMC is considering, would the project be subject to CON review or would it qualify for an exemption under Senate Bill 433?

Regards,

A handwritten signature in black ink, appearing to read "Dan Beall". The signature is written in a cursive, flowing style.

Daniel M. Beall

Copy: Alan Kent, Meadows Regional Medical Center