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David M. Hunt
Direct Dial: (205) 547-5552
E-Mail: dhunt@gilpingivhan.com

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STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

Via Overnight Delivery

Alva M. Lambert, Esq.
Executive Director
Alabama State Health Planning &
Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 35104

**Re: One Nineteen ASC, LLC ("One Nineteen")
Project No. AL 2007-015; CON 2247-ASC**

Dear Mr. Lambert:

We respectfully submit this letter to the Alabama State Health Planning and Development Agency ("SHPDA") as an attachment to the Notice of Change of Ownership form that we are filing pursuant to the Alabama Certificate of Need Program Rules and Regulations (the "CON Rules") Chapter 410-1-7-.04. The proposed change of ownership involves transferring all of the assets of One Nineteen ASC, LLC ("One Nineteen") to its parent company, St. Vincent's Birmingham. The following summarizes the transaction proposed to take place on or about October 12, 2015, and addresses SHPDA requirements under the CON Rules for change of ownership.

1. Facts

St. Vincent's Birmingham owns one hundred percent (100%) of One Nineteen. As part of a corporate reorganization, One Nineteen will transfer all of its assets to its parent company, St. Vincent's Birmingham. These assets will include CON 2247-ASC, pursuant to which One Nineteen is authorized to construct and operate a new multi-specialty ambulatory surgery center in Shelby County. Construction of the ambulatory surgery center authorized by CON 2247-ASC is almost complete, and One Nineteen and St. Vincent's expect the ambulatory surgery center to be licensed and operational by the end of the year.

3595 GRANDVIEW PARKWAY SUITE 400 | BIRMINGHAM, ALABAMA 35243
T: 205.547.5540 F: 205.547.5621

2660 EASTCHASE LANE SUITE 300 | MONTGOMERY, ALABAMA 36117 | MAILING ADDRESS: P.O. BOX 4540 36103-4540
T: 334.244.1111 F: 334.244.1969

TOLL FREE: 877.269.2364 WEBSITE: WWW.GILPINGIVHAN.COM

Pursuant to *Alabama Code* § 22-21-270(e), a certificate of need that is not yet “vested”, such as CON 2247-ASC, is transferable “to an entity under common ownership and control.”¹ “Common ownership and control” is defined by the statute as ownership of 50 percent or more of the “voting equity interests” in a limited liability company, such as One Nineteen. St. Vincent’s Birmingham is “under common ownership and control” with One Nineteen because St. Vincent’s Birmingham owns 100% of the “voting equity interests” in One Nineteen. Accordingly, the transfer of CON 2247-ASC is permissible pursuant to *Alabama Code* § 22-21-270(e).

Upon completion of the proposed asset transfer from One Nineteen to St. Vincent’s Birmingham, St. Vincent’s Birmingham will complete construction of the ambulatory surgery center authorized by CON 2247-ASC and become the licensed operator of the proposed ambulatory surgery center.

2. SHPDA Requirements For Change of Ownership

- a) Financial scope of the project. One Nineteen will transfer all of its assets to St. Vincent’s Birmingham on or about October 21, 2015. There will be no capital expenditures in conjunction with the proposed transaction, nor is it anticipated that there will be any new annual operating costs associated with the proposed transaction.
- b) No new services. The proposed transaction will not result in any new or additional services beyond those already provided by St. Vincent’s Birmingham and approved by CON 2247-ASC.
- c) No new beds. The proposed transaction will not result in the creation of new beds.
- d) No conversion of beds. The proposed transaction will not involve the conversion of beds.
- e) Acquisition of Assets/Stock. The proposed transaction will involve the transfer of all the assets of One Nineteen to St. Vincent’s Birmingham. The proposed transaction does not involve the sale of stock.

Based on the above showing that there will be no change in health service, no conversion of beds or increase in bed capacity, or any capital expenditure in excess of the applicable spending thresholds set forth in *Alabama Code* § 22-21-263(a)(2), we


¹ Section 410-1-11.09 of the CON Rules was recently revised to track the language of *Alabama Code* § 22-21-270.

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respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the CON Rules and determine that a Certificate of Need is not required for the consummation of the above-described transaction. In accordance with the CON Rules, I am enclosing a check in the amount of \$2,500, and the executed change of ownership form.

If you have any questions or need any additional information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "DMH", is written over a horizontal line.

David M. Hunt
Attorney for One Nineteen ASC, LLC
and St. Vincent's Birmingham

CHANGE OF OWNERSHIP**Part I: Purchasing Organization Information**

Name of Organization: St. Vincent's Birmingham

Facility Name:
(ADPH Licensure name) St. Vincent's Birmingham

SHPDA ID Number: 073-6530260

Address (PO Box #): 810 St. Vincent's Drive

City, State, Zip, County: Birmingham, Alabama 35205

Number/Type Licensed Beds: 409-bed acute care hospital

Owner(s): St. Vincent's Birmingham

Operator(s): St. Vincent's Birmingham

Part II: Selling Organization Information

Name of Organization: One Nineteen ASC, LLC

Address (PO Box #): 7191 Cahaba Valley Road

City, State, Zip, County: Birmingham, Alabama 35242

Number/Type Licensed Beds: Multi-specialty ambulatory surgery center

Owner(s): One Nineteen ASC, LLC

Operator(s): One Nineteen ASC, LLC

Part III: Value of Consideration

Monetary Value of Purchase: \$ N/A No./Type Beds: N/A

Terms of Purchase: Asset transfer to parent company
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: N/A

Types of Institutional Health Services: Multi-specialty ambulatory surgery center

List Service Area by County for Home Health Agencies: N/A

On an Attached Sheet Please Address the Following:

- *1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- *2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
- *3.) Whether the proposal will include the addition of any new beds.
- *4.) Whether the proposal will involve the conversion of beds.
- *5.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

Seller(s) Signature(s):

Owner(s):

Operator(s):

Title/Date:

[Signature]
[Signature]
[Signature]
Executive Vice President 9-24-2015

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,500 made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

☒ YES ☐ NO

The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature:

Title/Date:

[Signature]
Executive Vice President 9-24-2015