

Holly S. Hosford

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CO2020-032

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Aug 11 2020

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

August 11, 2020

Via Electronic Filing
(shpda.online@shpda.alabama.gov)

Ms. Emily Marsal, Esq.
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36104

RE: Change of Ownership; Bio-Medical Applications of Alabama, Inc. d/b/a Fresenius
Mobile Transitional Care and Home Therapies (CON 2892-ESRD)

Dear Ms. Marsal:

We respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter as an attachment to the Notice of Change of Ownership form that we are filing pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the “Rules”) on behalf of Bio-Medical Applications of Alabama, Inc. d/b/a Fresenius Mobile Transitional Care and Home Therapies.

CON 2892-ESRD was issued to our client, Bio-Medical Applications of Alabama, Inc. on March 2, 2020. The proposed Facility, Fresenius Mobile Transitional Care and Home Therapies, is currently in the development and construction phase. The proposed change of ownership involves transfer of CON 2892-ESRD and other assets associated with the development of the facility from Bio-Medical Applications of Alabama, Inc. (“BMA”) to Fresenius Medical Care Mobile Area, LLC (“FMC”). BMA and FMC are under “common ownership and control” as such phrase is defined in CON Rule 410-1-11-.09(b) because BMA owns 76% of the membership interest in FMC. Rule 410-1-11.09(b) states in part that:

[p]rior to becoming vested under subsection (a), a certificate of need shall not be transferable, assignable, or convertible, other than to an entity under common ownership or control. As used in this subsection only, “ownership and control” means ownership, directly or through one or more affiliates, of 50 percent or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or 50 percent or more of the voting equity interests in the case of any other type of legal entity. . . .

Because BMA and FMC are under common ownership and control, the proposed transfer does not violation the prohibition in Rule 410-1-11-.09(b).

I. Overview of Proposed Transaction.

The Facility will be located at 3250 Airport Blvd., Mobile, Mobile County, Alabama 36606. BMA is authorized to operate 12 in-center hemodialysis stations, one isolation station, and 15 home training stations.

The following summarizes the transaction proposed to take place on or about October 1, 2020 and responds to inquiries posed in the SHPDA Change of Ownership Application. The proposed transaction involves the acquisition by FMC of the CON and other assets necessary for operation of the Facility from BMA. In consideration for the assets being transferred, FMC will make a fair market value payment to BMA.

II. SHPDA Requirements for Change of Ownership

Concerning the questions posed in the Change of Ownership Application, please note the following:

1. The Financial Scope of the Project. BMA will contribute the assets of the Facility to FMC in exchange for an equity membership interest in FMC. The Transaction does not involve new cost associated with the Facility exceeding the following expenditure thresholds: (i) \$3,024,899 for major medical equipment; (ii) \$1,209,958 for new annual operating costs; and (iii) \$6,049,799 for capital expenditures.

2. Services to be Offered. The contemplated transaction will not result in any new or additional services to those already authorized to be provided by the Facility.

3. Whether the Proposal will Include the Addition of Any New Beds. The contemplated transaction will not result in the addition of new beds.

4. Whether the Proposal will Involve the Conversion of Beds. The contemplated transaction will not result in the conversion of beds.

5. Whether the Assets and Stock (if any) will be acquired. As described more particularly above, FMC will acquire the Facility assets from BMA.

III. Requested Action

Based upon the above description of the proposed transaction and a showing that there will be no change in health services, conversion of beds, or increase or decrease in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a Certificate of Need is not required for the consummation of this proposed transaction. In accordance with the Rules, I am enclosing with this request a check in the amount of \$2,500 made payable to the Alabama State Health Planning and Development Agency.

Ms. Marsal
Fresenius Mobile Transitional Care and Home Therapies
August 11, 2020
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Should you have any questions or need further information, please feel free to contact me at the number or address listed above. Thank you in advance for your assistance with this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Holly S. Hosford". The signature is written in a cursive, flowing style with a large initial "H" and a distinct "S" and "H" in the middle.

Holly S. Hosford

Aug 11 2020

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY**NOTICE OF CHANGE OF OWNERSHIP/CONTROL**

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))

Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))

Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

SHPDA ID Number:

(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider:

Fresenius Mobile Transitional Care and Home

Therapies

(ADPH Licensure Name)

Physical Address:

3250 Airport Blvd
Mobile, AL 36606

County of Location:

Mobile

Number of Beds/ESRD Stations:

28 stations

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. _____

Part II: Current Authority (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of
Facility named in Part I:

Bio-Medical Applications of Alabama, Inc.

Mailing Address:

920 Winter Street

Waltham, Massachusetts 02451

Operator (Entity Name):

Part III: Acquiring Entity Information

Name of Entity:

Fresenius Medical Care Mobile Area, LLC

Mailing Address:

920 Winter Street

Waltham, Massachusetts 02451

Operator (Entity Name):

Proposed Date of Transaction is
on or after:

Upon approval of Change of Ownership

Part IV: Terms of Purchase

Monetary Value of Purchase:

See attached letter.

Type of Beds:

Number of Beds/ESRD Stations:

28 dialysis stations.

Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

See attached letter.

Projected Equipment Cost: \$ _____

Projected Construction Cost: \$ _____

Projected Yearly Operating Cost: \$ _____

Projected Total Cost: \$ _____

On an Attached Sheet Please Address the Following:

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner: Ginine Brentar

Name and Title: Ginine Brentar, GVPO, Southeast Group

Date: 07-29-2020

SWORN to and subscribed before me, this 31st day of July, 2020

(Seal)

A-84

Michele C. Dech
Notary Public

My Commission Expires ~~My Commission Expires:~~
December 29, 2021

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner: Ginine Brentar

Name and Title: Ginine Brentar, GVPO, Southeast Group

Date: 07-29-2020

SWORN to and subscribed before me, this 31st day of July, 2020

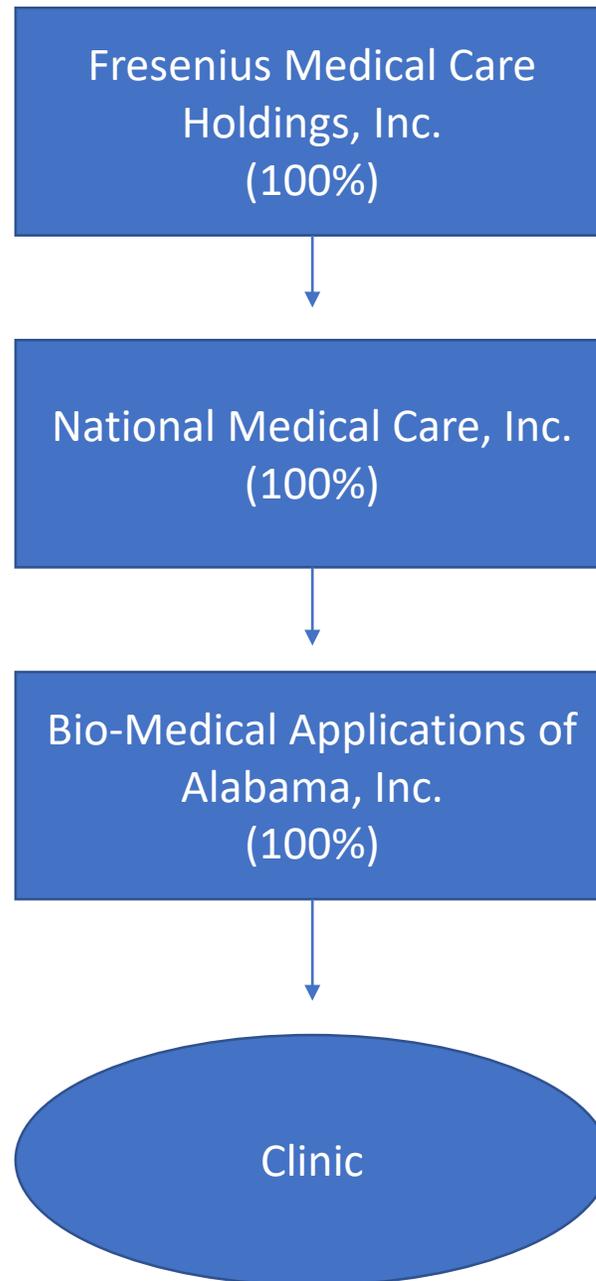
(Seal)

Michele C. Dech
Notary Public

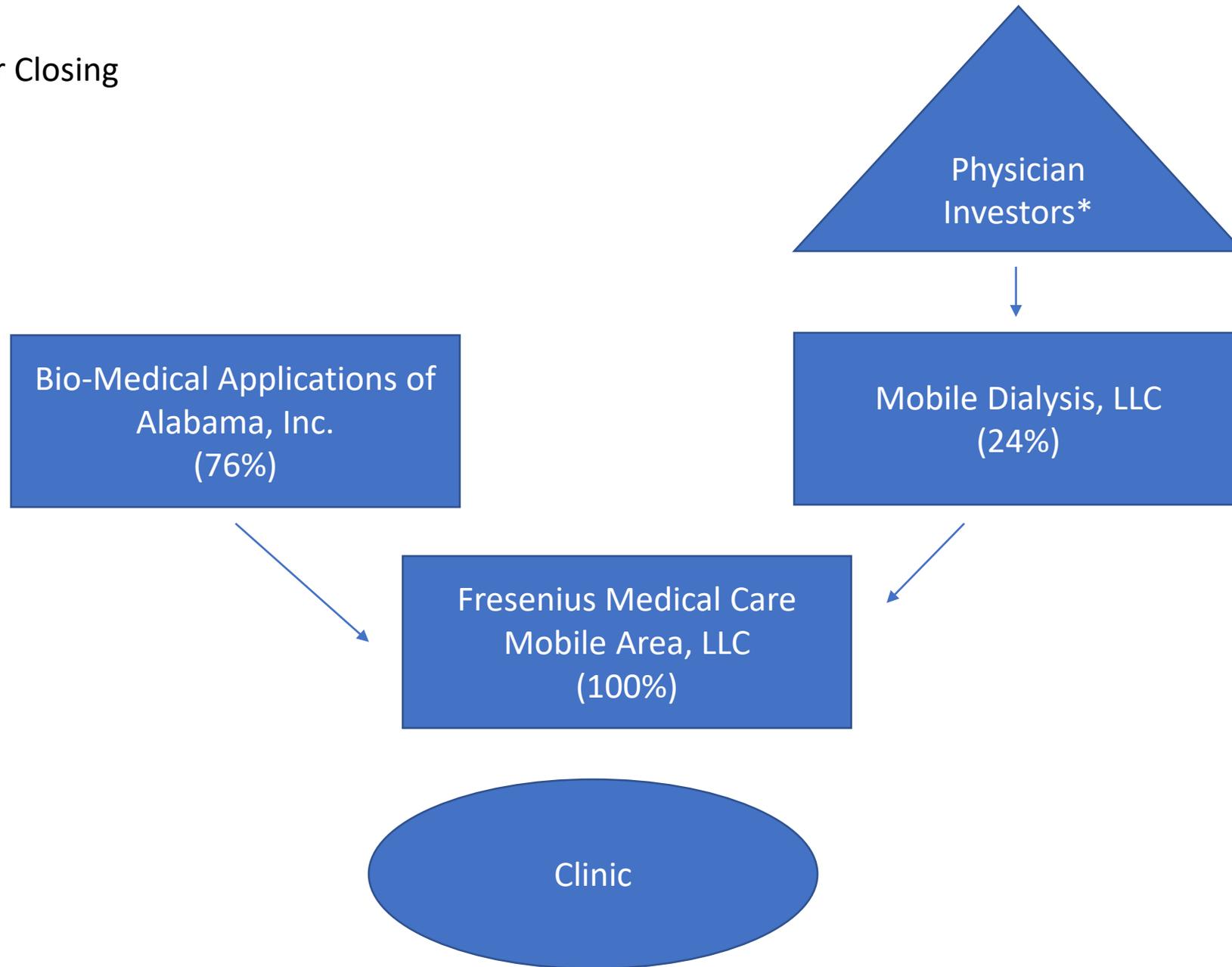
My Commission Expires ~~My Commission Expires:~~
December 29, 2021

Author: Alva M. Lambert
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975
History: New Rule

Ownership Prior to Closing



Ownership After Closing



*Physician Investors in Mobile Dialysis, LLC	Membership Interest
Douglas A. Amare, M.D.	10%
J. Michael Nipper, M.D.	10%
M. Craig Kleinmann, D.O.	10%
Stephen P. Wilber, M.D.	10%
W. Bibb Lamar III, M.D.	10%
Christopher D. Mire, M.D.	10%
Jonathan B. Cole, M.D.	10%
R. Sellors Meador, M.D.	10%
Jesse M. Corbello, M.D.	10%
Ryan Tulowitzki, M.D.	10%