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Oct 25 2019

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

October 25, 2019

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 FMC
Home Therapy Services of Baldwin County; SHPDA ID 003-D0209

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"). The proposed change of ownership involves the purchase by Fresenius Medical Care Baldwin County, LLC, a Delaware limited liability company ("FMC"), of five-station ESRD facility and related assets located in Baldwin County, Alabama (the "Facility").

FMC is a joint venture that will be owned seventy percent (70%) by Bio-Medical Applications of Alabama, Inc. ("BMA"), and thirty percent (30%) by Fairhope Dialysis, LLC. BMA currently owns the Facility.

I. Overview of Proposed Transaction.

The Facility is located at 917-B Plantation Boulevard, Fairhope, Baldwin County, Alabama 36532. BMA is authorized to operate five (5) home dialysis training stations.

The following summarizes the transaction proposed to take place within five days of receipt of an ESRD facility license in the name of FMC issued by the Alabama Department of Public Health ("ADPH"), and responds to inquiries posed in the SHPDA Change of Ownership Application. The proposed transaction involves the acquisition by FMC of the Facility and its assets 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 equal to the fair market value of those assets. Fairhope Dialysis, LLC will purchase an equity membership interest in FMC in exchange for a fair market value cash payment. 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 BMA.

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.

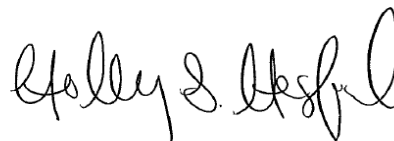
5. Whether the Assets and Stock (if any) will be acquired. As described more particularly above, FMC will acquire the Facility assets from BMA.

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.

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,



Holly S. Hosford

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: **003-D0209**
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider:
(ADPH Licensure Name) **FMC Home Therapy Services of Baldwin County**

Physical Address: **917-B Plantation Boulevard**
Fairhope, AL 36532

County of Location: **Baldwin County**

Number of Beds/ESRD Stations: **Five (5) 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): **Bio-Medical Applications of Alabama, Inc.**

Part III: Acquiring Entity Information

Name of Entity: **Fresenius Medical Care Baldwin County, LLC**

Mailing Address: **920 Winter Street**
Waltham, Massachusetts 02451

Operator (Entity Name):

Fresenius Management Services, Inc.Proposed Date of Transaction is
on or after:Upon approval of Change of Ownership License
Application by ADPH**Part IV: Terms of Purchase**

Monetary Value of Purchase:

See attached letter.

Type of Beds: _____

Number of Beds/ESRD Stations:

Five (5) 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:

October 22, 2019SWORN to and subscribed before me, this 22 day of October, 2019.

(Seal)



A-84

Lesha R. Frey
Notary PublicMy Commission Expires: 12/18/21**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:

October 22, 2019SWORN to and subscribed before me, this 22 day of October, 2019.

(Seal)

Lesha R. Frey
Notary PublicMy Commission Expires: 12/18/21

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule