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CO2024-022

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Jun 28 2024

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

June 28, 2024

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 in Ownership; Fresenius Medical Care Foley (SHPDA ID 003-D0208)

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 of the Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The proposed change of ownership involves the sale of substantially all assets of a twenty-station end stage renal disease ("ESRD") treatment clinic currently owned by and operated by Bio-Medical Applications of Alabama, Inc. ("BMA") as Fresenius Medical Care Foley (the "Facility") located in Foley, Alabama (Baldwin County) to Fresenius Medical Care Foley, LLC ("FMC Foley"), a joint venture between BMA and Foley Dialysis JV, LLC. The following summarizes the transaction proposed to take place on or about August 1, 2024, and response to inquiries posed in the SHPDA Change of Ownership Application.

BMA has entered into an Asset Purchase Agreement with FMC Foley for all of the assets, including but not limited to the building, real property, equipment, CONs, and all necessary regulatory approvals and licenses. It is anticipated that FMC Foley will utilize the facility name "Fresenius Kidney Care Foley" upon completion of the transaction.

Therefore, with regards to the questions posed in the Change of Ownership form, please note the following:

1. The Financial Scope of the Project. The financial scope of the project will encompass the fair market value payment that FMC Foley will make to BMA as consideration for the purchase of the assets of BMA.
2. Services to be Offered. The contemplated transaction will not result in any new or additional services to those already being 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 or stations.

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

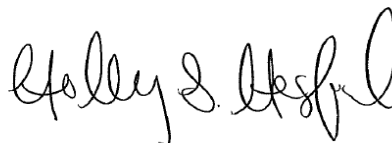
5. Whether the Assets and Stock (if any) will be acquired. As described above, this transaction includes the acquisition by FMC Foley of all of the assets comprising the ESRD treatment facility currently owned and operated by BMA.

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 or station 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 email 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 fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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-D0208
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Fresenius Medical Care Foley
(ADPH Licensure Name)

Physical Address: 230 E. Fern Street
Foley, AL 36535

County of Location: BALDWIN

Number of Beds/ESRD Stations: 20

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

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): Fresenius Management Services, Inc.

Part III: Acquiring Entity Information

Name of Entity: Fresenius Medical Care Foley, LLC

Mailing Address: 920 Winter Street
Waltham, Massachusetts 02451

Operator (Entity Name): Fresenius Management Services, Inc.

Proposed Date of Transaction is on or after: 08/01/2024

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ See Attached Letter

Type of Beds: _____

Number of Beds/ESRD Stations: 20

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: \$ _____

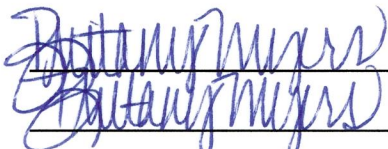
Projected Total Cost: \$ 0.00


On an Attached Sheet Please Address the Following: See Attached Letter

- 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.

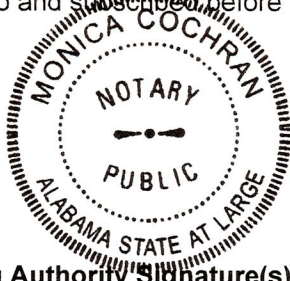
Owner(s):  Bio-Medical Applications of Alabama, Inc.

Operator(s):  Fresenius Management Services, Inc.

Title/Date: Director of Operations June 26, 2024

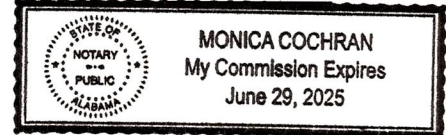
SWORN to and subscribed before me, this 28th day of June, 2024.

(Seal)



Notary Public

My Commission Expires:



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.

Purchaser(s): [Signature]

Fresenius Medical Care Foley, LLC

Operator(s): [Signature]

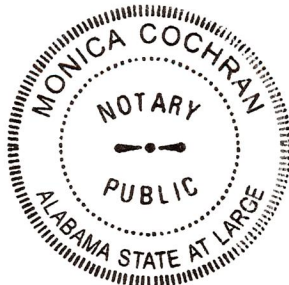
Fresenius Management Services, Inc.

Title/Date: Director of Operations

June 26, 2024

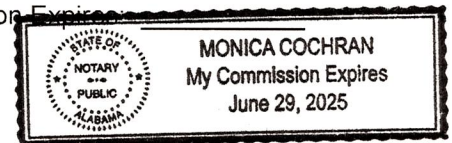
SWORN to and subscribed before me, this 28th day of June, 2024.

(Seal)



Notary Public

My Commission Expires:



Author: Alva M. Lambert

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

History: New Rule