



July 16, 2015

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STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

Via Federal Express and Electronic Mail

Alva Lambert, Executive Director
Alabama State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104

Re: Request for Letter of Non-Reviewability – New Beacon of Birmingham

Dear Mr. Lambert:

We are writing to follow up on recent conversations you and Karen McGuire have had with myself and our outside legal counsel, Stephen Angelette of Polsinelli, PC, regarding our interest in obtaining a Letter of Non-Reviewability so that we may “consolidate” several Certificates of Need (“CON”) issued to hospice agencies that we own and operate in Alabama. As you know, we are the process of considering an action to consolidate the CONs issued to several hospices owned by two subsidiaries of Curo Health Services: New Beacon Healthcare Group, LLC (“New Beacon”) and SouthernCare, Inc. (“SouthernCare”) as set forth below. Specifically, the CONs associated with the below-referenced SouthernCare providers will be consolidated into the CON for New Beacon of Birmingham (Facility ID 073-P2390, CON 2390-HPC, current CON Authorized service area of Blount, Cullman, Jefferson, St. Clair, and Tuscaloosa counties).

The following SouthernCare providers are proposed to surrender their parent statuses to be consolidated into the CON for New Beacon of Birmingham:

- New Beacon of Alabaster, Facility ID 117-P2416, CON 2416-HPC, current CON Authorized service area of Bibb, Chilton, Coosa, Shelby, Talladega, and Tallapoosa counties¹;
- SouthernCare Alexander City, Facility ID 121-P2439, CON 2439-HPC-MOD1, current CON Authorized service area of Clay, Coosa, Randolph, Talladega, and Tallapoosa counties
- SouthernCare Clanton, Facility ID 021-P2327, CON 2327-HPC-MOD1, current CON Authorized service area of Bibb, Chilton, Shelby, and Autauga counties

After consolidation, the new service area of New Beacon of Scottsboro would consist of Autauga, Bibb, Blount, Chilton, Cullman, Coosa, Clay, Jefferson, Randolph, St. Clair, Shelby,

¹ New Beacon of Sylacauga is currently operating as a branch office under New Beacon of Alabaster.

Talladega, Tallapoosa, and Tuscaloosa counties. It is acknowledged these counties will be served under Medicare Provider 01-1501 and may not be transferred or divided.

Importantly, this request to consolidate the CONs for New Beacon and SouthernCare does not include a request to change the service areas currently served by these agencies or encompassed in the issued CONs, simply a consolidation of the CONs into a lesser number of "parent" agencies. Following the approval of this request for consolidation, the individual CONs issued for the new branch offices will be surrendered.

This request to consolidate these CONs will be necessary to enable New Beacon to add new branch locations in place of the currently operating SouthernCare parent agencies. To facilitate this process, it will be necessary for the prospective New Beacon branch office to apply for and obtain state licenses to operate branch locations in their place, and apply for approval from CMS to operate those branch locations as multiple offices of New Beacon of Birmingham. Doing so will enable New Beacon to achieve greater administrative efficiencies in the operation of this agency, as well as continuity of care to its patients.

The request to consolidate these CONs under New Beacon is expressly dependent upon New Beacon and SouthernCare receiving approvals from the Alabama Department of Public Health and the Centers for Medicare and Medicaid Services ("CMS") for the surrender of these parent hospice agencies and the establishment of New Beacon branch offices at the locations currently occupied by the existing SouthernCare hospice agencies. Once these regulatory agency approvals are obtained, we will notify your office of the effective date for the consolidation of the CONs. As we have discussed with Karen McGuire, should either or both these approvals not be obtained from the Alabama Department of Public Health or CMS, Curo Health Services would surrender the right for consolidations under this request and will continue operating under the separate CONs in the current structure outlined above.

Lastly, to facilitate this request, included with this correspondence you will find a check for \$1,000 for the filing fee under the Alabama State Health Planning and Development Agency rules. Thank you in advance for your time and assistance with this matter. If you have any questions or are in need of further information regarding this request, please contact our outside legal counsel, Ross Sallade at (919) 832-1718 or via email at rsallade@polsinelli.com, or Stephen Angelette at (214) 661-5563 or via email at sangelette@polsinelli.com.

Very truly yours,



Gusti McGee, MBA/HCM

Enclosures