

**JUL 27 2015**

July 16, 2015

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 Jasper**

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 Jasper (Facility ID 127-P2417, CON 2417-HPC, current CON Authorized service area of Fayette, Marion, Walker, and Winston counties will retain its parent status).

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

- SouthernCare Bessemer, Facility ID 07-P2425, CON 2425-HPC, current CON Authorized service area of Jefferson County;
- SouthernCare Demopolis, Facility ID 091-P2424, CON 2424-HPC, current CON Authorized service area of Dallas, Greene, Hale, Marengo, Perry, and Sumter counties<sup>1</sup>;
- SouthernCare Tuscaloosa, Facility ID 125-P2362, CON 2362-HPC, current CON Authorized service area of Fayette, Lamar, Pickens, and Tuscaloosa counties.

After consolidation, the new service area of New Beacon of Jasper would consist of Fayette, Marion, Walker, Winston, Jefferson, Dallas, Greene, Hale Marengo, Perry, Sumter,

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<sup>1</sup> RV 2015-014 was issued March 10, 2015, to establish a satellite office in Dallas County under the parent provider of SouthernCare Demopolis.

Fayette, Lamar, Pickens, and Tuscaloosa counties. It is acknowledged these counties will be served under Medicare Provider 01-1506 and may not be transferred or divided.

Importantly, this request to consolidate the CONs for New Beacon and SouthernCare would 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 to the SouthernCare hospice agencies 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 Jasper. 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](mailto:rsallade@polsinelli.com), or Stephen Angelette at (214) 661-5563 or via email at [sangelette@polsinelli.com](mailto:sangelette@polsinelli.com).

Very truly yours,

A handwritten signature in black ink, appearing to read "Gusti McGee". The signature is fluid and cursive, with the first name "Gusti" and last name "McGee" clearly distinguishable.

Gusti McGee, MBA/HCM

Enclosures