

January 22, 2021

**VIA EMAIL**

**shpda.online@shpda.alabama.gov**

Ms. Emily T. Marsal, Esq.  
Executive Director  
c/o Karen McGuire  
State Health Planning and Development Agency  
100 North Union Street  
Suite 870  
Montgomery, AL 36104

***Re: Request to Approve Transfer of Certificate of Need 2806-ASC-MOD #1  
The East Alabama Health Care Authority d/b/a  
East Alabama Medical Center  
Project No. AL2017-16***

Dear Ms. Marsal:

Pursuant to *Ala. Code* 22-21-270(e) and 410-1-11-.09, Rules and Regulations of the Alabama Certificate of Need (“CON”) Program (the “Rules”), we submit the attached Notice of Change of Ownership/Control and request that the State Health Planning and Development Agency (the “Agency”) approve the transfer of the unvested CON issued to The East Alabama Health Care Authority d/b/a East Alabama Medical Center (“EAMC”) for the construction of an ambulatory surgery center in Auburn, Alabama (the “Project”) to East Alabama Ambulatory Surgery Center, LLC (“EAASC”), 50% of which is owned by EAMC. The CON was originally issued December 4, 2017 and assigned CON # 2806-ASC. A modification of the CON was subsequently approved and issued May 6, 2019 with CON # 2806-ASC-MOD #1.

As you may recall, when EAMC submitted its original CON Application, it was opposed by a group of local surgeons. To settle the dispute, EAMC and the surgeons reached an agreement to work together on the Project. Part of that agreement (which was disclosed to SHPDA) involved a commitment by EAMC to transfer the CON, prior to commencing the service, to an entity under the joint ownership and control of EAMC and the surgeons (i.e., EAASC). Per their agreement, the parties formed EAASC, an entity in which EAMC owns 50% of the membership interests and the surgeons each own fractional shares of the remaining 50%.

Once the Project is completed, the ASC will be owned and operated by EAASC, which will apply for a license from the Alabama Department of Public Health to operate the facility as an ambulatory surgery center serving Lee County, Alabama. The parties wish to transfer the CON to

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EAASC so that the CON will be held by the same entity that holds the license to operate the facility.

As indicated above, since the CON is not yet vested pursuant to Rule 410-1-11-.09(a), the proposed CON transfer is permitted by Ala. Code 22-21-270(e) and Rule 410-1-11-.09(b). Further, the proposed CON transfer does not involve the transfer of any direct ownership or control of the facility. The proposal does not involve the transfer of any stock, nor does it include the addition of any new beds or the conversion of any existing beds. The parties only wish to transfer the CON to EAASC, an entity under common ownership and control as EAMC, the current CON holder.

Payment of the \$2,500 filing fee is being made today via the SHPDA Electronic Payment Portal.

Should you have any questions or need further information, please feel free to contact me. Thank you in advance for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Brake', with a stylized flourish at the end.

Gaines B. Brake

## 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: Project No. AL2017-16  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: The East Alabama Health Care Authority d/b/a  
(ADPH Licensure Name) East Alabama Medical Center

Physical Address: \_\_\_\_\_  
Auburn, AL

County of Location: Lee

Number of Beds/ESRD Stations: N/A

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: The East Alabama Health Care Authority d/b/a  
East Alabama Medical Center

Mailing Address: 2000 Pepperell Parkway  
Opelika, AL 36801

Operator (Entity Name): The East Alabama Health Care Authority d/b/a  
East Alabama Medical Center

### Part III: Acquiring Entity Information

Name of Entity: East Alabama Ambulatory Surgery Center, LLC

Mailing Address: 2000 Pepperell Parkway  
Opelika, AL 36801

Operator (Entity Name): East Alabama Ambulatory Surgery Center, LLC

Proposed Date of Transaction is on or after: March 1, 2021

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ N/A

Type of Beds: N/A

Number of Beds/ESRD Stations: N/A

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

Projected Equipment Cost: \$ N/A

Projected Construction Cost: \$ N/A

Projected Yearly Operating Cost: \$ N/A

Projected Total Cost: \$ N/A

**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(s):  \_\_\_\_\_

Operator(s): \_\_\_\_\_

Title/Date: President & CEO January 22, 2021

SWORN to and subscribed before me, this 22 day of January, 2021.

(Seal)

Roi Connor  
Notary Public

My Commission Expires: 9/12/2021

**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.

Purchaser(s): [Signature] \_\_\_\_\_

Operator(s): \_\_\_\_\_

Title/Date: President and CEO, The East Alabama January 22, 2021  
Health Care Authority dba East Alabama  
Medical Center, Member

SWORN to and subscribed before me, this 22 day of January, 2021.

(Seal)

Roi Connor  
Notary Public

My Commission Expires: 9/12/2021

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