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CO2021-031

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Jun 23 2021

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

073-D5674

June 22, 2021

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; US Renal Care South Dialysis (SHPDA ID 073-D5674)

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 transfer of US Renal Care South Dialysis, a twenty (20) station ESRD facility, and related assets located in Jefferson County, Alabama (the “Facility”) from Dialysis Newco, Inc. (“Dialysis Newco”) to Fresenius Medical Care Ventures, LLC (“FMC”).

I. Overview of Proposed Transaction.

The Facility is located at 3201 3rd Avenue South, Birmingham, Jefferson County, Alabama 35222. Dialysis Newco is authorized to operate twenty (20) in-center hemodialysis stations.

The following summarizes the transaction proposed to take place upon 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 Dialysis Newco. In consideration for the assets being transferred, FMC will make a fair market value payment to Dialysis Newco. Following the proposed transaction, the Facility will be referred to as Fresenius Kidney Care South Avenue

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. Dialysis Newco will transfer the assets of the Facility in exchange for a fair market value payment. The Transaction does not involve new cost

associated with the Facility exceeding the following expenditure thresholds: (i) \$3,079,347 for major medical equipment; (ii) \$1,231,738 for new annual operating costs; and (iii) \$6,158,695 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 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.

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

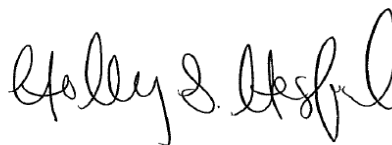
5. Whether the Assets and Stock (if any) will be acquired. As described more particularly above, FMC will acquire the Facility assets from Dialysis Newco

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, a check for the applicable filing fee will be delivered to the 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: **073-D5674** (This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider:
(ADPH Licensure Name) **U.S. Renal Care South Dialysis**

Physical Address: **3201 3rd Avenue South**
Birmingham, AL 35222

County of Location: **Jefferson**

Number of Beds/ESRD Stations: **20 stations**

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. **Not applicable.**

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: **Dialysis Newco, Inc.** (effective 12-31-2020 name change to
Dialysis Newco, LLC)

Mailing Address: **5851 Legacy Circle, Suite 900**
Plano, TX 75024

Operator (Entity Name): **Dialysis Newco, Inc.** (effective 12-31-2020 name change to
Dialysis Newco, LLC)

Part III: Acquiring Entity Information

Name of Entity: **Fresenius Medical Care Ventures, LLC**

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

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

Proposed Date of Transaction is on or after: Upon ADPH Approval of Change of Ownership License Application

Part IV: Terms of Purchase

Monetary Value of Purchase: See attached letter.

Type of Beds: Not applicable.

Number of Beds/ESRD Stations: 20 stations (19 in-center stations and one home training station)

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(s): Dialysis Newco, Inc.

(effective 12-31-2020 name change to Dialysis Newco, LLC)

Operator(s): Dialysis Newco, Inc.

(effective 12-31-2020 name change to Dialysis Newco, LLC)

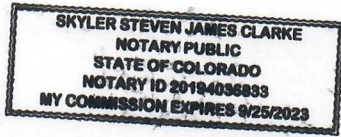
Title/Date: xxx CDO 2-12-2021

Michael Huguelet, Secretary



SWORN to and subscribed before me, this 12TH day of February, 2021.

(Seal)



A-84

[Signature]
Notary Public

My Commission Expires: 09/25/2023

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): Patrick Odom

Signature: _____

Title/Date: Regional Vice President

Date: _____

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal)

Notary Public

My Commission Expires: _____

Author: Alva M. Lambert

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

History: New Rule

SWORN to and subscribed before me, this _____ day of _____.

(Seal)

A-84

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): Patrick Odom

Signature: *Patrick Odom*

Title/Date: Regional Vice President

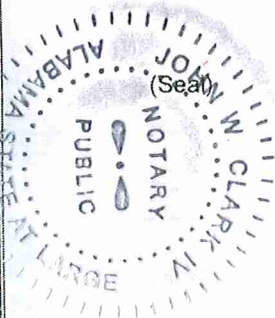
Date: 2/8/2021

SWORN to and subscribed before me, this 8th day of February, 2021.

John W. Clark
Notary Public

My Commission Expires

JOHN W. CLARK, IV
Notary Public, Alabama State At Large
My Commission Expires Nov. 18, 2022



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