

**CERTIFICATION OF ADMINISTRATIVE RULES  
FILED WITH THE LEGISLATIVE REFERENCE SERVICE  
JERRY L. BASSET, DIRECTOR**

(Pursuant to Code of Alabama 1975, § 41-22-6, as amended).

I certify that the attached is/are a correct copy/copies of rule/s as promulgated and adopted on the 19<sup>th</sup> day of August, 2015, and filed with the agency secretary on the 20<sup>th</sup> day of August, 2015.

**AGENCY NAME:** State Health Planning and Development Agency  
(Certificate of Need Review Board)

X  Amendment; \_\_\_\_\_ New; \_\_\_\_\_ Repeal; (Mark appropriate space)

**Rule No. 410-1-11-.09(a) through (c)**

(If amended rule, give specific paragraph, subparagraphs, etc., being amended)

**Rule Title: Certificate of Need Not Transferable**

**ACTION TAKEN:** State whether the rule was adopted without changes from the proposal due to written or oral comments;

No public comments were received; the rule was adopted without changes and as published for comment in the Alabama Administrative Monthly.

**NOTICE OF INTENDED ACTION PUBLISHED IN VOLUME XXXIII**

**ISSUE NO. 9, DATED JUNE 30, 2015.**

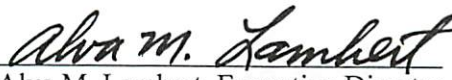
**Statutory Rulemaking Authority: Code of Alabama, 1975 §§ 22-21-271, -274 and -275.**

(Date Filed)  
(For LRS Use Only)

REC'D & FILED

AUG 20 2015

LEGISLATIVE REF SERVICE

  
Alva M. Lambert, Executive Director  
State Health Planning and Development Agency  
(Certifying Officer or his or her Deputy)

(NOTE: In accordance with § 41-22-6(b), as amended, a proposed rule is required to be certified within 90 days after completion of the notice.)

**410-1-11-.09 Certificate of Need Not Transferable**

(a) Upon, as applicable, (1) the completion of construction and issuance of a certificate of completion; (2) the receipt of proof of the purchase of equipment; or (3) the inauguration of a new health service, the Certificate of Need issued for such project shall be vested in and continued in force and effect as a part of the health care facility and shall survive changes of ownership of the health care facility without further certificate of need approval by this agency.

(b) Prior to becoming vested under subsection (a), a certificate of need shall not be transferable, assignable, or convertible, other than to an entity under common ownership or control. As used in this subsection only, "ownership and control" means ownership, directly or through one or more affiliates, of 50 percent or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or 50 percent or more of the voting equity interests in the case of any other type of legal entity, or status as a general partner in any partnership, or any other arrangement whereby an entity including, without limitation, any governmental entity, controls or has the right to control the selection of 50 percent or more of the board of directors, managing members, or equivalent governing body of a legal entity. An "affiliate" under the preceding sentence means any corporation, limited liability company, partnership, or other legal entity that directly or indirectly controls or is controlled by or is under common control with such entity. Any agreement entered into by an applicant, prior to the issuance of a certificate of need, to transfer ownership or control of such health care facility to another person after the certificate becomes vested shall be disclosed to SHPDA prior to a decision by the Certificate of Need Review Board to grant or deny such certificate.

(c) The transfer of equity interests in, or change of names or merger of, any legal business entity which holds a Certificate of Need shall not constitute a transfer, assignment, or conversion of the Certificate of Need and shall not require SHPDA approval unless the transaction also involves implementing one or more of the new institutional health services or a new health care facility or health maintenance organization described in Sections 22-21-263(a)(2), (3) or (4), Code of Alabama, 1975.

(d) A Certificate of Need holder shall notify SHPDA of any change of ownership or control in accordance with Ala. Admin. Code r. 410-1-7-.04.

Author: Alva M. Lambert

Statutory Authority: Code of Ala. 1975, § 22-21-270, as amended by Act 98-341.

History: Amended: Filed 2-1-00; effective 3-7-00. Amended: Filed August 20, 2015; effective Sept. 24, 2015.