

Holly S. Hosford
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September 13, 2017

Via Electronic Filing

Mr. Alva M. Lambert
Executive Director
State Health Planning & Development Agency
100 North Union Street
Suite 870
Montgomery, Alabama 36104

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STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

**Re: Notice of Proposed Change in Ownership of RRC Bessemer Home Choice
(SHPDA ID 073-D3740)**

Dear Mr. Lambert:

The purpose of this letter is to provide notice of a proposed transaction involving Reliant Renal Care Bessemer Home Choice, LLC (the "Company"), a subsidiary of Reliant Renal Care, Inc. (the "Parent Company") and the owner and operator of RRC Bessemer Home Choice (the "Facility"), pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The Proposed Transaction is a stock transaction, in which Fresenius Medical Ventures, LLC (the "Buyer"), a subsidiary of Fresenius Medical Care Holdings, will acquire one hundred percent (100%) of stock of Parent Company. As a result of the Proposed Transaction, the Buyer will own one hundred percent (100%) of the membership interest in the Company. The Company will retain all of its assets, and there will be no change in its business name, federal tax identification number, or Medicare provider number of the Facility. The anticipated effective date for the Proposed Transaction is October 1, 2017.

SHPDA Requirements for Changes of Ownership

In answer to the specific questions posed in the Change of Ownership Application, please note the following:

1. The Financial Scope of the Project. The financial scope of the project will encompass the fair market value amount that Buyer will pay as consideration for the purchase of one hundred percent (100%) of the stock of Parent Company. The fair market value payment involved in the Proposed Transaction does not reflect new costs exceeding the following expenditure thresholds: (i) \$2,923,059 for major medical equipment; (ii) \$1,169,223 for new annual operating costs; and (iii) \$5,846,117 for capital expenditures.

2. Services to be Offered. The Proposed 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 Proposed Transaction will not result in the addition of new beds or dialysis stations.

4. Whether the Proposal Will Involve the Conversion of Beds. The Proposed Transaction will not result in the conversion of beds.

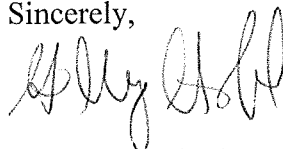
5. Whether the Assets and Stock (if any) Will be Acquired. As described more particularly above, the Proposed Transaction involves the acquisition by Buyer of 100% of the stock of Parent Company.

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 in the amount of \$2,500.00 made payable to the Alabama State Health Planning and Development Agency has been sent to the Agency via Federal Express.

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.

Sincerely,



Holly S. Hosford

HSH/mgd

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-D3740**
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: **RRC Bessemer Home Choice**
(ADPH Licensure Name)

Physical Address: **650 9th Avenue, SW, Suite 104**
Bessemer, AL 35020

County of Location: **Jefferson County**

Number of Beds/ESRD Stations: **6 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: **Reliant Renal Care Bessemer Home Choice, LLC**

Mailing Address: **1400 North Providence Road, Bldg 2, Suite 1040**
Media, Pennsylvania 19063-2043

Operator (Entity Name): **Reliant Renal Management, LLC**

Part III: Acquiring Entity Information

Name of Entity: **Reliant Renal Care Bessemer Home Choice, LLC**

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

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Operator (Entity Name): Reliant Renal Management, LLC

Proposed Date of Transaction is on or after: October 1, 2017

Part IV: Terms of Purchase

Monetary Value of Purchase: See attached letter.

Type of Beds: Not applicable.

Number of Beds/ESRD Stations: 6 stations.

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: \$ _____

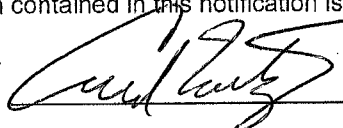
On an Attached Sheet Please Address the Following:

- 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):  Carl Motz

Operator(s): _____

Title/Date: Chief Executive Officer, 9-12-2017
Reliant Renal Care, Inc.

SWORN to and subscribed before me, this 17th day of September, 2017

(Seal) COMMONWEALTH OF PENNSYLVANIA A-84
NOTARIAL SEAL
Sandra Lee Cox, Notary Public
Media Boro, Delaware County
My Commission Expires Nov. 30, 2018

Sandra Lee Cox
Notary Public

My Commission Expires: 11-30-2018

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): _____

Operator(s): Ryan Valle

Title/Date: Vice President _____

SWORN to and subscribed before me, this 17th day of August, 2017.

(Seal) ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

Elizabeth D. Scully
Notary Public

My Commission Expires: 10/14/22

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