

Holly S. Hosford  
hhosford@bradley.com  
(205) 521-8376 direct

**Bradley**

September 13, 2017

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STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

**Via Electronic Filing**

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

**Re: Notice of Proposed Change in Ownership of RRC Northridge (SHPDA ID 01-2618)**

Dear Mr. Lambert:

The purpose of this letter is to provide notice of a proposed transaction involving Reliant Renal Care – Alabama, LLC (the “Company”), a subsidiary of Reliant Renal Care, Inc. (the “Parent Company”) and the owner and operator of RRC Northridge (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 Care 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 seventy percent (70%) 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.

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

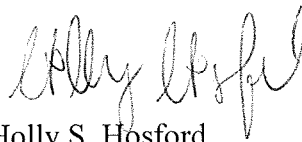
5. Whether the Assets and Stock (if any) Will be Acquired. As described more particularly above, the Proposed Transaction involves the acquisition by Buyer of 100% of the stock of Parent Company.

**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: 125-D6306  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: RRC Northridge  
(ADPH Licensure Name)

Physical Address: 4400 Watermelon Rd., Ste. A  
Northport, AL 35473

County of Location: Tuscaloosa County

Number of Beds/ESRD Stations: 24 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 of Alabama, 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 of Alabama, 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: 24 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: \$ \_\_\_\_\_

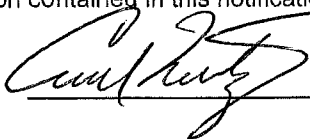
**On an Attached Sheet Please Address the Following:**

- 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.

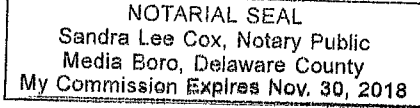
Owner(s):  Carl Motz

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

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

SWORN to and subscribed before me, this 12<sup>th</sup> day of September, 2017

(Seal) COMMONWEALTH OF PENNSYLVANIA A-84



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.

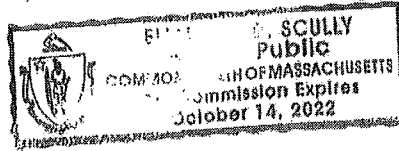
Purchaser(s): \_\_\_\_\_

Operator(s): [Signature] Ryan Valle

Title/Date: Vice President \_\_\_\_\_

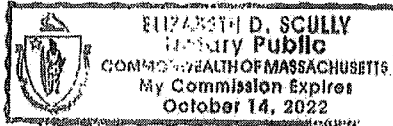
SWORN to and subscribed before me, this 17<sup>th</sup> day of August

(Seal)



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