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MONTGOMERY, AL 36104

CO2020-041
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Sep 29 2020

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

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September 29, 2020

Via Electronic Filing

(shpda.online@shpda.alabama.gov)

* ALSO ADMITTED IN MISSISSIPPI

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Emily T. Marsal, Executive Director
State Health Planning & Development Agency
100 North Union St., Suite 870
Montgomery AL 36104

Re: ***Change of Ownership: VisionaryUSA.com Surgery Institute
SHPDA ID 003-U0203; CON 2913-ASC***

Dear Ms. Marsal:

On behalf of Gulf Health Hospitals, Inc., d/b/a Thomas Hospital (“Thomas Hospital”), 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 the purchase by Thomas Hospital of the ambulatory surgery center known as VisionaryUSA.com Surgery Institute located at 411 North Section Street, Fairhope in Baldwin County, Alabama (the “Facility”).

Bay Eyes Surgery Center, Inc. (“Bay Eyes”) currently owns and operates the Facility. On September 8, 2020, SHPDA issued CON-2913-ASC to Bay Eyes to, among other things, expand the Facility’s ambulatory surgery services from single-specialty to include multiple specialties. On September 28, 2020, Bay Eyes notified SHPDA of the inauguration of multi-specialty ambulatory surgery services and vesting of CON-2913-ASC pursuant to Ala. Code § 22-21-270(d) and Ala. Admin. Code 410-1-11-.05.¹ Bay Eyes now desires to transfer ownership of the Facility to Thomas Hospital.

¹ Section 22-21-270(d) states in pertinent part “[u]pon completion of the construction and issuance of a certificate of completion or the receipt of proof of purchase of equipment or inauguration of a new health service, the certificate of need shall be vested . . .”

Rule 410-1-11-.05 states in pertinent part “[u]pon completion of the construction project and issuance by the contractor of the certificate of completion, a copy of which shall be forwarded to the State Agency, or upon receipt by the Agency of proof of purchase of equipment, or upon receipt by the State Agency by the chief executive officer or other authorized person, of a letter of inauguration of the service, then the Certificate of Need shall be considered fully vested . . .”

The following summarizes the transaction proposed to take place upon receipt of an ASC facility license in the name of Thomas Hospital 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 Thomas Hospital of assets required to operate the Facility from Bay Eyes. In consideration for the assets being transferred, Thomas Hospital will make a fair market value payment to Bay Eyes. Following the proposed transaction, Thomas Hospital will operate the Facility as Thomas Hospital Ambulatory Surgery Center.

II. SHPDA Requirements for Change of Ownership

Concerning the questions posed in the Change of Ownership Application, please note the following:

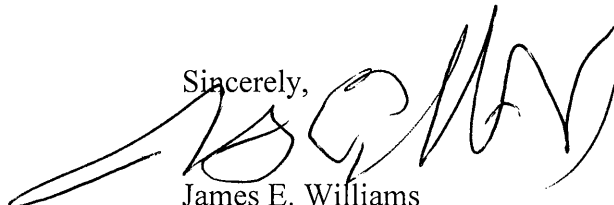
1. The Financial Scope of the Project. Bay Eyes will transfer the assets of the Facility to Thomas Hospital in exchange for a fair market value payment. The proposed transaction does not involve new costs associated with the Facility exceeding the following expenditure thresholds: (i) \$3,024,899 for major medical equipment; (ii) \$1,209,958 for new annual operating costs; and (iii) \$6,049,799 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.
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, Thomas Hospital will acquire the Facility assets from Bay Eyes. The proposed transaction does not involve the acquisition of stock.

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 in the amount of \$2,500 made payable to the Alabama State Health Planning and Development Agency will be delivered to the Agency’s Office.

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. With kindest personal regards, I am

Sincerely,

A handwritten signature in black ink, appearing to read 'James E. Williams', written over the typed name.

James E. Williams

JW/1

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: 003-U0203
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: VisionaryUSA.Com Surgery Institute
(ADPH Licensure Name)

Physical Address: 411 N. Section Street
Fairhope, AL 36532

County of Location: Baldwin County

Number of Beds/ESRD Stations: Not applicable

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: Bay Eyes Surgery Center, Inc.

Mailing Address: 411 N. Section Street
Fairhope, AL 36532

Operator (Entity Name): Bay Eyes Surgery Center, Inc.

Part III: Acquiring Entity Information

Name of Entity: Gulf Health Hospitals, Inc., d/b/a Thomas Hospital

Mailing Address: 750 Morphy Avenue
Fairhope, AL 36532

Operator (Entity Name): Gulf Health Hospitals, Inc., d/b/a Thomas Hospital

Proposed Date of Transaction is on or after: Upon approval of the change in ownership of the ASC license from the Alabama Department of Public Health

Part IV: Terms of Purchase

See Attached Letter

Monetary Value of Purchase: \$ _____

Type of Beds: _____

Number of Beds/ESRD 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:

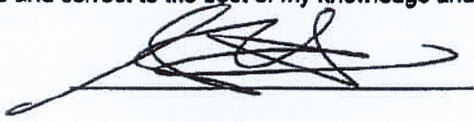
- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 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):

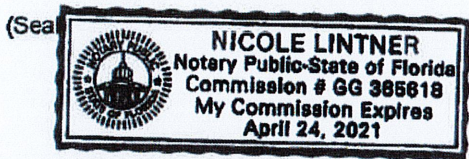
The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Sunil Gupta, M.D.



Title/Date: Owner, Bay Eyes Surgery Center, Inc. 9/25/2020

SWORN to and subscribed before me, this 25th day of September, 2020.



A-84

Nicole Lintner
Notary Public

My Commission Expires: 4/24/2021

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.

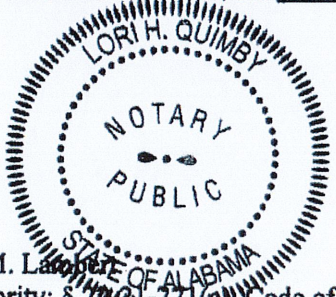
Purchaser(s): Gulf Health Hospitals, Inc., d/b/a Thomas Hospital

Operator(s): _____

Title/Date: Vice-President/CEO 09/28/2020
Joe T. Stough, III

SWORN to and subscribed before me, this 28th day of September, 2020.

(Seal)



Lori H. Quimby
Notary Public

My Commission Expires: 5/9/2023

Author: Alva M. Lammert
Statutory Authority: § 22-2-1(a), Code of Alabama, 1975
History: New Rule