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CO2023-007

RECEIVED

Jan 10 2023

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

January 10, 2023

VIA EMAIL shpda.online@shpda.alabama.gov
State Health Planning and Development Agency
Attn: Hon. Emily Marsal, Executive Director
RSA Union Building
100 North Union Street, Ste. 870
Montgomery, Alabama 36104

RE: Notice of Reportable Changes of SmoothRock Surgery Center (SHPDA ID No. 073-U3714)

Dear Ms. Marsal:

On behalf of Cutaneous Oncology and Surgery Center, LLC d/b/a SmoothRock Surgery Center ("SRSC"), we respectfully submit to the State Health Planning and Development Agency ("SHPDA") this letter as an attachment to the Notice of Change of Ownership/Control form that we are filing pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program.

SRSC is the holder of vested certificate of need ("CON") rights related to, and operator of, a licensed limited multi-specialty ambulatory surgery center located in Jefferson County, Alabama, which offers dermatology, plastic and oculoplastic services (the "ASC"). There are a total of four (4) operating rooms located at the ASC. The following summarizes the transaction with a proposed effective date on or about January 31, 2023 (the "Effective Date"), which, as described below, involves the transfer of equity in SRSC and requires provision of the attached Change of Ownership/Control form.

The proposed changes will occur on the Effective Date pursuant to an agreement by and between Aqua Dermatology Management, LLC ("Buyer") and Christopher B. Harmon, MD ("Seller"), who is currently the sole equity owner of SRSC (the "Agreement"). Pursuant to the Agreement, Seller will sell one hundred percent (100%) of the equity in SRSC to Buyer. For your reference, we have attached a before and after organization chart detailing these proposed changes.

With regards to the questions posed in the Change of Ownership/Control form, please note the following:

1. Services to be Offered. The contemplated transaction will not result in any new or additional services to those already being provided by the ASC at this time. The Buyer will assume sole

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US practice conducted through McDermott Will & Emery LLP.

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ownership of the entity's membership interest of the entity currently operating the ASC. Following the Effective Date, the Seller, who is the current owner of the membership interest of SRSC, will also remain engaged in the operation of the ASC and continue to perform clinical procedures there.

2. Whether the Proposal will Include the Addition of Any New Beds. The contemplated transaction will not result in the addition of any new beds.
3. Whether the Proposal will Involve the Conversion of Beds. The contemplated transaction will not result in the conversion of any beds.
4. Whether the Assets and Stock (if any) will be acquired. The Agreement involves Buyer purchasing one hundred percent (100%) of the membership interest in SRSC pursuant to this transaction. There is no change in the entity directly owning and operating the ASC.

I have paid the \$2,500.00 fee electronically, pursuant to Ala. Admin. Code r. 410-1-7-.04, for the filing fee associated with this change of ownership.

Should you have any questions or require additional information, please do not hesitate to contact me via e-mail at arogers@mwe.com or telephone at (305) 329-4455. Thank you in advance for your assistance with this matter.

Sincerely,



Adam Rogers

Enclosures:

Notice of Change of Ownership/Control Form
Pre- and Post-Closing Organization Chart

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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-U3714
 (This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: SmoothRock Surgery Center
 (ADPH Licensure Name)

Physical Address: 1940 Stonegate Drive, Suite 140
 Vestavia Hills, AL 35242

County of Location: Jefferson

Number of Beds/ESRD Stations: N/A

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. N/A.

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: Cutaneous Oncology and Surgery Center, LLC d/b/a SmoothRock Surgery Center

Mailing Address: 1940 Stonegate Drive, Suite 140
 Vestavia Hills, AL 35242

Operator (Entity Name): Cutaneous Oncology and Surgery Center, LLC /b/a SmoothRock Surgery Center

Part III: Acquiring Entity Information

Name of Entity: Aqua Dermatology Management, LLC

Mailing Address: 900 Village Square Crossing, Suite 290
 Palm Beach Gardens, FL 33410

Operator (Entity Name): Aqua Dermatology Management, LLC

Proposed Date of Transaction is on or after: January 31, 2023

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 1,000,000

Type of Beds: N/A (ASC)

Number of Beds/ESRD Stations: N/A

Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Projected Equipment Cost: \$ No increase expected

Projected Construction Cost: \$ No increase expected

Projected Yearly Operating Cost: \$ No increase expected

Projected Total Cost: \$ No increase expected

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

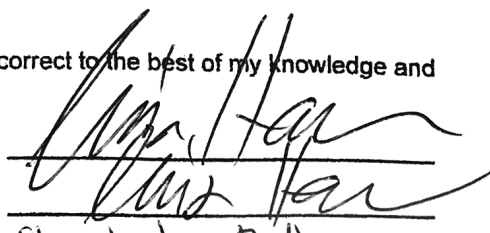
Current Authority Signature(s):

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

Owner(s): Cutaneous Oncology and Surgery Center, LLC d/b/a SmoothRock Surgery Center

Operator(s): Cutaneous Oncology and Surgery Center, LLC d/b/a SmoothRock Surgery Center

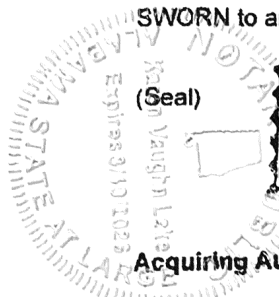
Title/Date: Owner/Physician 1/10/2023



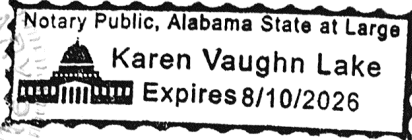
Christopher B. Harman

PRINT

SWORN to and subscribed before me, this 10 day of January, 2023.



(Seal)



Karen Vaughn Lake
Notary Public

My Commission Expires: 8/10/2026

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): Aqua Dermatology Management, LLC

Kirk Bayle

Operator(s): Aqua Dermatology Management, LLC

Kirk Bayle

Title/Date: CFO

1-10-2023

SWORN to and subscribed before me, this 10th day of January, 2023.

(Seal)



Deanna Forsythe
Notary Public

My Commission Expires: 3-21-2024

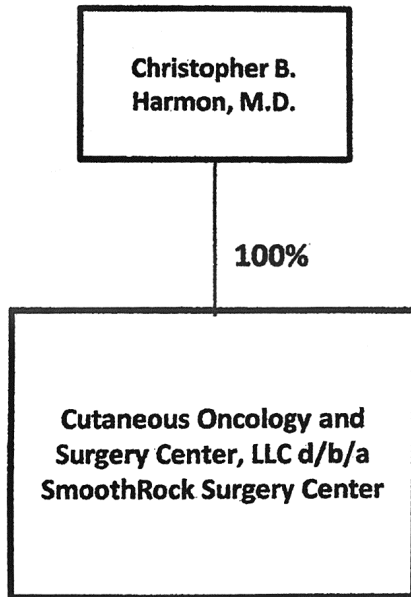
Author: Alva M. Lambert

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

History: New Rule

Pre- and Post-Closing Ownership

Current Ownership



Post-Transaction Ownership

