

June 2, 2025

**Via Electronic Filing:** [shpda.online@shpda.alabama.gov](mailto:shpda.online@shpda.alabama.gov)

Emily T. Marsal  
Executive Director  
State Health Planning & Development Agency  
100 N. Union Street, Suite 870  
Montgomery, Alabama 36104

CO2025-024

RECEIVED

Jun 03 2025

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

RE: UAB Callahan Eye Hospital Authority (Facility ID No. 073-6530187)  
Reorganization and Transition of UAB Callahan Eye Hospital to Provider-Based Location of  
University of Alabama Hospital (Facility ID No. 073-6530304)

Dear Ms. Marsal:

The purpose of this letter is to provide the State Health Planning & Development Agency ("SHPDA") with advance notice of a reorganization within the UAB Medicine Enterprise. Effective August 1, 2025 (the "Effective Date"), UAB Callahan Eye Hospital Authority (Facility ID No. 073-6530187) ("Callahan") will transition into a provider-based location of the University of Alabama Hospital (Facility ID No. 073-6530304) ("University Hospital"). The facilities are already closely affiliated and under common ownership through the Board of Trustees of the University of Alabama ("UA Board"). Both Callahan and University Hospital are integral parts of the academic and clinical mission of the University of Alabama at Birmingham, which is a division of the UA Board.<sup>1</sup>

The governing boards responsible for the clinical operations of both Callahan and University Hospital separately approved resolutions on May 1, 2025, and May 14, 2025, respectively, authorizing the reorganization. Callahan's operations will be fully integrated into the operations of University Hospital, and the Callahan facility will become a provider-based location of University Hospital by the Effective Date. To meet the Centers for Medicare & Medicaid Services' ("CMS") requirements for provider-based locations as outlined in 42 C.F.R. § 413.65, Callahan will be operated under the same state hospital license as University Hospital. See, 42 C.F.R. § 413.65(d)(1). Callahan's 106 licensed beds will be added to University Hospital's licensed bed capacity in accordance with the requirements of the Alabama Department of Public Health. Upon completion of the reorganization, Callahan will continue to offer the same inpatient and outpatient hospital services it currently provides, including an emergency department dedicated solely to eye trauma.

Attached hereto as **EXHIBIT A** are charts reflecting the pre- and post-reorganization structure of Callahan and University Hospital. As reflected in **EXHIBIT A**, while the ultimate owner of the facilities, the UA Board, will remain the same after the reorganization, Callahan's operations will be fully integrated into the operations of University Hospital, resulting in both facilities operating under one state hospital license, one Federal Tax ID number, and

<sup>1</sup> Callahan is a "university authority" formed pursuant to *Alabama Code* § 16-17A-1 et seq. and sponsored by the UA Board. The UA Board organized Callahan for the purpose of "owning and operating" the eye hospital. UAB Medicine Enterprise (formerly known as the UAB Health System) manages Callahan pursuant to a Management Agreement dated October 25, 2017. The UAB Medicine Enterprise also manages University Hospital. Callahan's 2017 Articles of Reincorporation confirm that it is under the operational and management control of the UA Board and that the UA Board has the power to appoint **100%** of the members of Callahan's 13-member Board of Directors.

one CMS Certification Number.

Section 410-1-11-.09(c) of the CON Program Rules and Regulations provides that *"the merger [reorganization] of any legal business entity which holds a [CON] shall not constitute a transfer, assignment, or conversion of a [CON] and shall not require SHPDA approval unless the transaction also involves implementing . . . [new institutional health services], a new health care facility, or health maintenance organization."* The UA Board considers the Callahan reorganization akin to a merger of related parties already under common ownership given that the UA Board has the right to appoint **100%** of Callahan's 13-member board, and University Hospital, as set forth in the organization charts, is owned by the UA Board.

Nevertheless, enclosed for your consideration as **EXHIBIT B** hereto is a *Notice of Change of Ownership/Control Form* detailing the reorganization.<sup>2</sup> In response to questions 1 through 4 on page two of the *Notice of Change of Ownership/Control Form*, please note the following:

1. Services Offered. The reorganization will not result in any new or additional services to those already authorized to be provided at Callahan.
2. Addition of Beds. The reorganization will not result in the addition of new CON-authorized beds in Jefferson County, but it will result in an increase in the number of acute care beds at University Hospital.
3. Conversion of Beds. The reorganization will not result in the conversion of beds.
4. Acquisition Type. The reorganization is an integration of Callahan's assets, liabilities, and operations into University Hospital's operations.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me at [cransburgbrown@uasystem.edu](mailto:cransburgbrown@uasystem.edu) or 205-975-4844 if you have any questions or need additional information or documentation regarding this letter or the enclosed filings.

Respectfully submitted,



Cynthia Ransburg-Brown  
University Counsel III  
UAB Medicine Enterprise

Enclosures

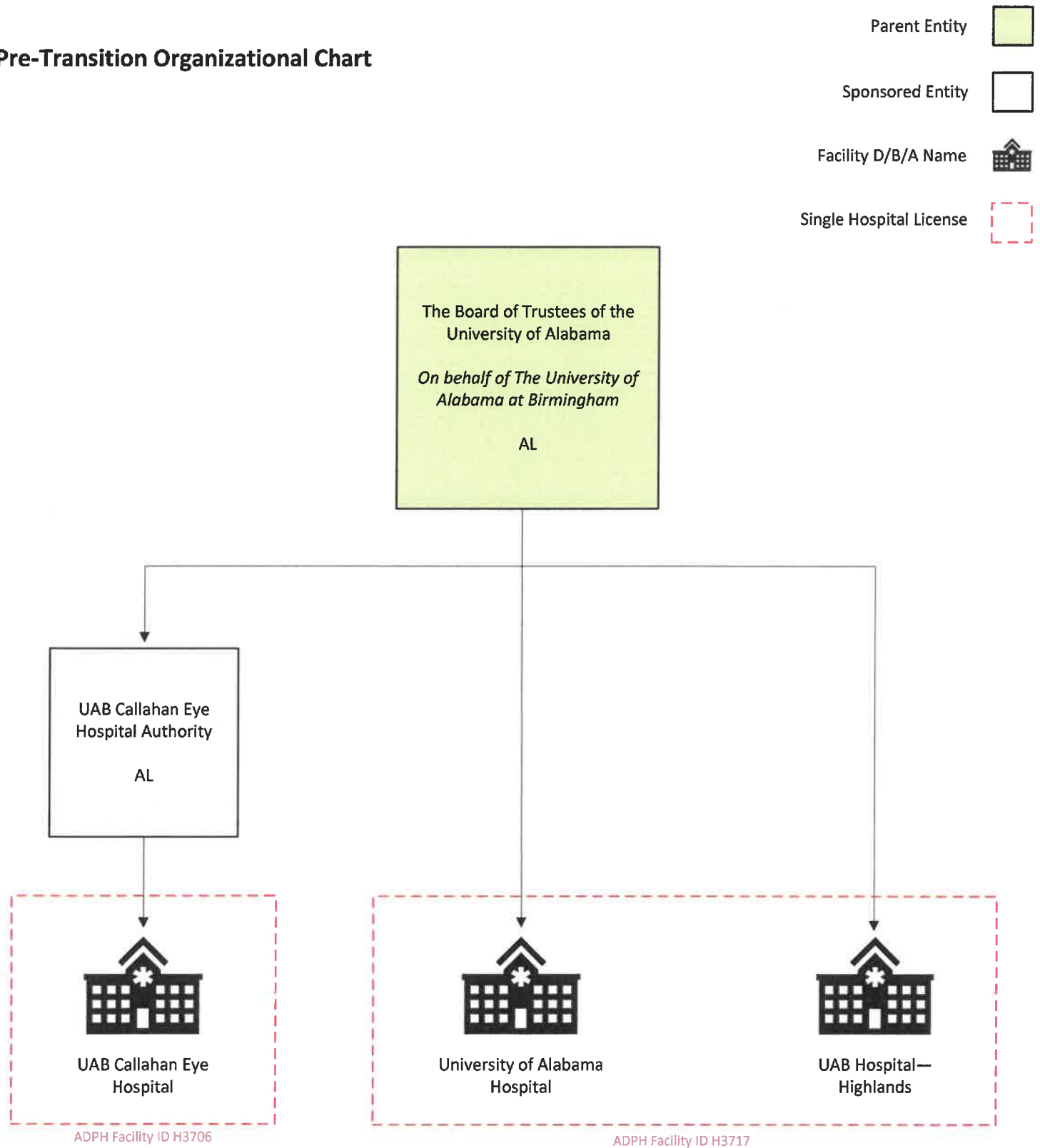
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<sup>2</sup> The \$2,500 filing fee for *Notice of Change of Ownership/Control Form* has been submitted electronically.

**Exhibit A**

**Pre- and Post-Transition Organizational Charts**

## Pre-Transition Organizational Chart




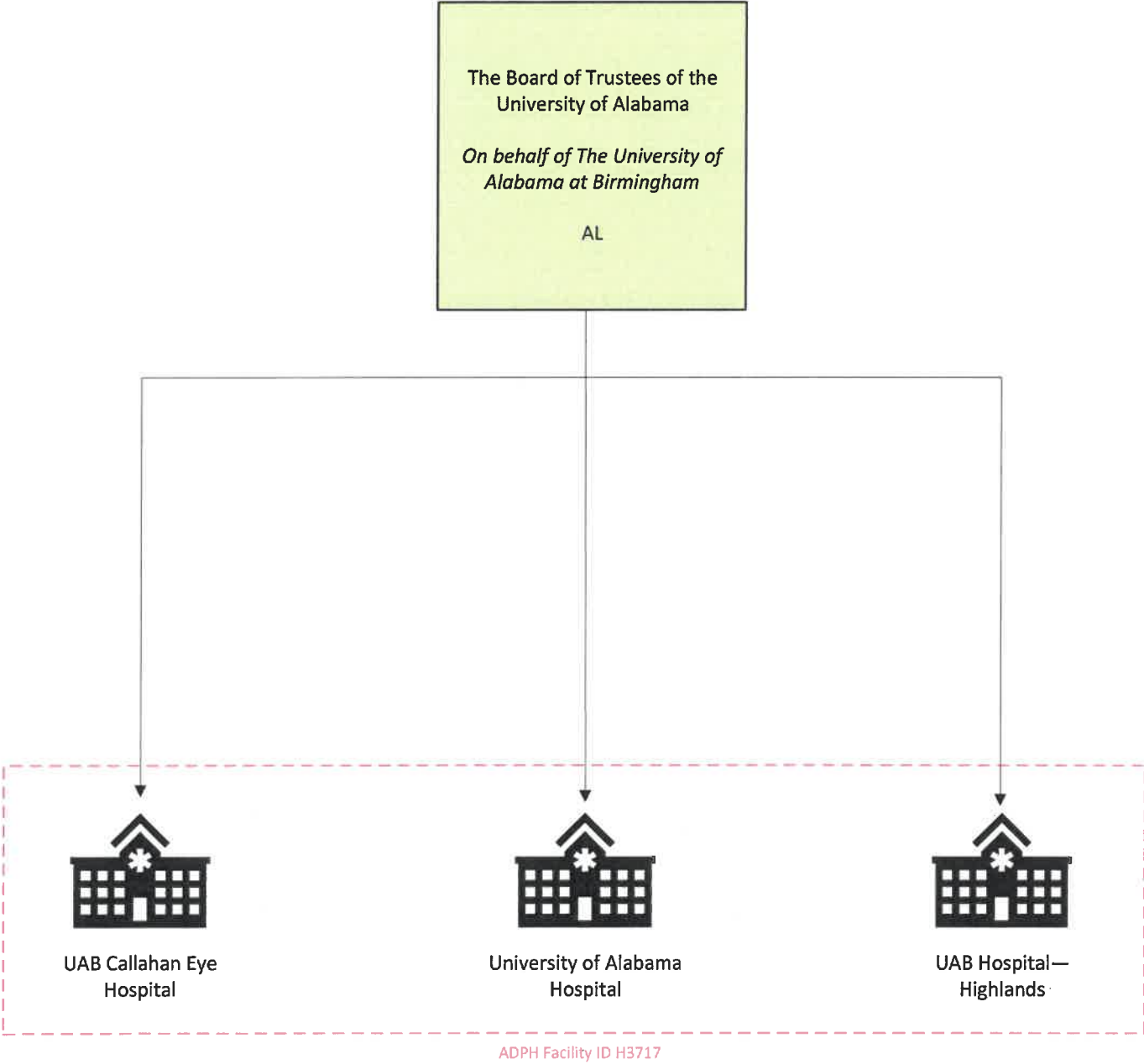
*Facilities and sponsored entities reflected in this chart are included for illustrative purposes and are not intended to be exhaustive of all entities sponsored by The Board of Trustees of the University of Alabama.*

Post-Transition Organizational Chart

Parent Entity 

Facility D/B/A Name 

Single Hospital License 



*Facilities and sponsored entities reflected in this chart are included for illustrative purposes and are not intended to be exhaustive of all entities sponsored by The Board of Trustees of the University of Alabama.*

**Exhibit B**

**Notice of Change of Ownership/Control**

**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: 073-6530187  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: UAB Callahan Eye Hospital Authority  
(ADPH Licensure Name)

Physical Address: 1720 University Blvd, Suite 305  
Birmingham, Alabama 35233-1816

County of Location: JEFFERSON

Number of Beds/ESRD Stations: 106

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. \_\_\_\_\_

**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: UAB Callahan Eye Hospital Authority

Mailing Address: same as above

Operator (Entity Name): UAB Callahan Eye Hospital Authority

**Part III: Acquiring Entity Information**

Name of Entity: Board of Trustees of the University of Alabama

Mailing Address: c/o University of Alabama Hospital  
619 19th Street, South BHAM, AL 35233

Operator (Entity Name): University of Alabama Hospital (073-6530304)

Proposed Date of Transaction is on or after: 08/01/2025

#### Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 0.00

Type of Beds: Acute Care

Number of Beds/ESRD Stations: 106

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

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 0.00

Projected Total Cost: \$ 0.00

#### 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): Tamara Johnson

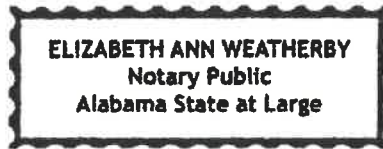
Operator(s): \_\_\_\_\_

Title/Date: Chief Executive Officer UAB Callahan Eye Hospital  
Authority



SWORN to and subscribed before me, this 30th day of May, 2025.

(Seal)

Elizabeth Ann Weatherby  
Notary PublicMy Commission Expires: 06/29/2028**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): \_\_\_\_\_

Title/Date: Chief Executive Officer University of Alabama Hospital

SWORN to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Author: Alva M. Lambert

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

History: New Rule

SWORN to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

Notary Public

My Commission Expires: \_\_\_\_\_

**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.

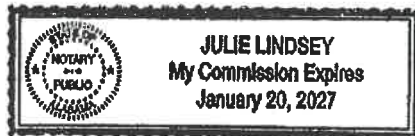
Purchaser(s): \_\_\_\_\_

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

Title/Date: Chief Executive Officer University of Alabama Hospital

SWORN to and subscribed before me, this 30<sup>th</sup> day of may, 2025.

(Seal)



Notary Public

My Commission Expires: 1/20/2027

Author: Alva M. Lambert

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

History: New Rule