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A PROFESSIONAL CORPORATION

September 13, 2011

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SEP 14 2011

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

VIA FEDERAL EXPRESS AND EMAIL

Mr. James E. Sanders
Deputy Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104

**Re: Project Modification Request
DSI Renal, Inc. d/b/a DSI Norwood Renal Center
CON 2525-ESRD
Project No. AL 2010-221**

Dear Mr. Sanders:

This Project Modification Request is filed regarding CON 2525-ESRD issued to DSI Renal, Inc. d/b/a DSI Norwood Renal Center ("DSI Norwood") on April 21, 2011, to relocate twenty (20) hemodialysis stations from 1424 North Carraway Boulevard, Birmingham, Alabama, to 3201 3rd Avenue South, Birmingham, Alabama, due to non-renewal of DSI Norwood's current lease ("Project"). A copy of CON 2525-ESRD is enclosed.

Pursuant to CON Rule 410-1-10-.03, DSI Norwood hereby requests a modification of this Project as follows:

1. DSI Norwood is a dialysis facility owned and operated by DSI Renal, Inc., a wholly owned subsidiary of CDSI I Holding Company, Inc. ("CDSI"), and CDSI became a wholly owned subsidiary of DaVita, Inc. ("DaVita") on September 2, 2011.¹
2. As soon as reasonably possible after all requisite regulatory approvals have been obtained, substantially all of the assets of DSI Norwood, including all equipment, leasehold interests, third party payor assignable provider contracts and numbers, and, to the extent such are assignable, all regulatory authorities, Certificates of Need, licenses, permits and approvals relating and necessary to the current and future operations of DSI Norwood including, but not limited to, that Certificate of Need 2525-ESRD, issued April 21, 2011, approving the relocation of DSI Norwood to 3201 3rd Avenue South, Birmingham, Alabama ("Assets"),

¹ On August 1, 2011, DaVita notified the State Health Planning and Development Agency ("SHPDA") of DaVita's proposed Stock Purchase of 100% of the stock of CDSI, which owned and continues to own, two dialysis facilities currently operated in the State of Alabama: DSI Renal, Inc. d/b/a DSI Norwood Renal Center and DSI Renal, Inc. d/b/a DSI Walker County Renal Center. SHPDA approved the proposed Stock Purchase on August 2, 2011.

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will be purchased by Dialysis Newco, Inc. via an asset purchase ("Asset Purchase") which is scheduled to close in October 2011 ("Closing").

3. Simultaneously to the filing of this Project Modification Request, a Notice of Change of Ownership is also being filed with the State Health Planning and Development Agency ("SHPDA"), pursuant to CON Rule 410-1-7-.04(1), outlining the Asset Purchase of DSI Norwood by Dialysis Newco, Inc.
4. We respectfully request that the legal entity name on CON 2525-ESRD be changed from DSI Renal, Inc. d/b/a DSI Norwood Renal Center to Dialysis Newco, Inc. d/b/a DSI Norwood Renal Center effective as of the Closing of the Asset Purchase.
5. Per your discussions with Kelli Robinson on August 30, 2011, you confirmed that this Project Modification Request does not require any revised pages from the original CON Application or a revised signature page since it involves only the change of the legal entity name on the CON, pursuant to the above-referenced Notice of Change of Ownership being filed simultaneously.

Since the Closing of the Asset Purchase is contingent on the issuance of all required regulatory approvals, including this Project Modification, please confirm in writing that no further information is needed by SHPDA to change the legal entity name on CON 2525-ESRD and that CON 2525-ESRD will be re-issued in the new legal entity name once we inform you that the closing of the Asset Purchase has occurred.

If you have any questions, please give me a call immediately.

Very truly yours,



Lenora W. Pate
FOR THE FIRM

LWP/lcc
Enclosure

c: Heather F.H. Haworth, Esq.
Kelli F. Robinson, Esq.

073-03074

ALABAMA
STATE HEALTH PLANNING & DEVELOPMENT AGENCY SEP 14 2011
CERTIFICATE OF NEED
FOR HEALTH CARE SERVICES
STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

I. IDENTIFICATION

1. Certificate of Need 2525-ESRD	2. Date Issued: April 21, 2011	3. Termination Date: April 20, 2012
4. Project Number: AL2010-221	5. Name of Facility: DSI Norwood Renal Center	
6. Service Area: Jefferson County	7. Location of Facility: 3201 3 rd Avenue South Birmingham, AL 35222	
8. Type of Facility: ESRD	9. Number of Beds: N/A	10. Estimated Cost: \$3,871,009.62

11. Services to be provided: Relocation of twenty (20) hemodialysis stations from 1424 North Carraway Boulevard, Birmingham, AL to 3201 3rd Avenue South, Birmingham, AL due to non-renewal of the current lease.

II. CERTIFICATE OF NEED

In accordance with Section 22-21-260 through 22-21-279, Code of Alabama, 1975, the Certificate of Need Review Board finds as follows:

1. There is a need for the project.
2. There are in force in the State of Alabama reasonable minimum standards of licensure and methods of operation for hospitals and health facilities.
3. The prescribed standards of licensure and operation will be applied and enforced with respect to the applicant, hospital or other health facility.

III. ISSUANCE OF CERTIFICATE OF NEED

This Certificate of Need is issued to DSI Renal, Inc. dba DSI Norwood Renal Center only, for a period not to exceed 12 months from the date of issuance. This Certificate of Need is not transferable and any action on the part of the Applicant to transfer this Certificate of Need will render the Certificate of Need null and void.

ORIGINAL

Alva M. Lambert
Alva M. Lambert
Executive Director