

Greer, Leslie

From: Jennifer Groves Fusco <jfusco@uks.com>
Sent: Wednesday, October 19, 2016 12:34 PM
To: User, OHCA
Subject: CON Determination Requests
Attachments: River Valley.pdf; Surgical Center of CT.PDF

Hi, Leslie.

Attached please find two CON Determination requests for the acquisition of minority interests in River Valley Ambulatory Surgery Center and Surgical Center of Connecticut by subsidiaries of Surgical Care Affiliates. Please confirm receipt and let me know if you need anything further.

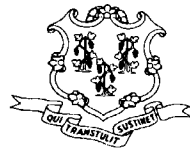
Thanks and I hope all is well.

Jen

Jennifer Groves Fusco, Esq.
Principal
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510
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State of Connecticut Office of Health Care Access CON Determination Form Form 2020

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner	Petitioner
Full Legal Name	River Valley ASC, LLC	
Doing Business As	River Valley Ambulatory Surgery Center	
Name of Parent Corporation	N/A	
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	45 Salem Turnpike Norwich, CT 06360	
What is the Petitioner's Status: P for profit and NP for Nonprofit	Profit	
Contact Person at Facility, including Title/Position: This Individual at the facility will be the	Susan Carocari Administrator	Jennifer G. Fusco Legal Counsel for Surgical Care

Petitioner's Designee to receive all correspondence in this matter.		Affiliates
Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	45 Salem Turnpike Norwich, CT 06360	Updike, Kelly & Spellacy, P.C. 265 Church Street New Haven, CT 06510
Contact Person's Telephone Number	(860) 859-9948, Ext. 112	(203) 786-8316
Contact Person's Fax Number	(860) 859-9971	(203) 772-2037
Contact Person's e-mail Address	<u>scarocari@river valleyasc.com</u>	<u>ifusco@uks.com</u>

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title: **Transfer of Minority Ownership Interest**
- b. Estimated Total Project Cost: **The purchase price being paid for the minority ownership interest is subject to confidentiality restrictions and cannot be disclosed at this time.**
- c. Location of proposal, identifying Street Address, Town and Zip Code:

45 Salem Turnpike, Norwich, CT 06360
- d. List each town this project is intended to serve: **Griswold, Groton, Ledyard, New London, Norwich, Montville, Mystic, Willimantic, and Waterford.**
- e. Estimated starting date for the project: **November 1, 2016**

SECTION IV. PROPOSAL DESCRIPTION

Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following elements need to be addressed, if applicable:

1. If applicable, identify the types of services currently provided and provide a copy of each Department of Public Health license held by the Petitioner.

2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable.
3. Identify the current population served and the target population to be served.

Proposal Description

River Valley ASC, LLC (“Petitioner”) owns and operates a licensed outpatient surgical facility located at 45 Salem Turnpike in Norwich (the “Center”) (DPH License No. 338 attached as Exhibit A). The Center, known as River Valley Ambulatory Surgery Center, offers surgical services in multiple specialties including gastroenterology, general surgery, ophthalmology, orthopedics, otolaryngology, pain management, plastic and reconstructive surgery, and podiatry. The Petitioner is presently owned by a number of private physicians (each, a “Physician,” and collectively, the “Physicians”), either individually or through entities they control, and a subsidiary of Merritt Healthcare (“Merritt”). The Petitioner is seeking a determination from the Office of Health Care Access (“OHCA”) that Certificate of Need (“CON”) approval is not required to transfer a minority interest in the Petitioner to a subsidiary of Surgical Care Affiliates, LLC (“SCA”) where control of the governing body will not change.

The Physicians, collectively, own 79.05% of Petitioner’s membership interests. The remaining 20.95% of Petitioner’s membership interests are owned by Merritt affiliate MHH Norwich, LLC (“MHH Norwich”). The Center is currently controlled by a governing body comprised of four (4) Physician members and one (1) member who is a representative of MHH Norwich. Merritt provides management services for the Center. The proposed transaction includes the acquisition by SCA-River Valley, LLC (“SCA River Valley”), an SCA subsidiary, of a 49% interest in the Petitioner. This will be accomplished through the sale by MHH Norwich of all of its interests in the Petitioner, and the transfer of an additional 28.05% of Petitioner’s membership interests held by the Physicians, to SCA River Valley. SCA will take over day-to-day management of the Center from Merritt and SCA River Valley will assume MHH Norwich’s one (1) seat on the governing body. The Physicians will continue to own a majority of Petitioner’s membership interests, and the composition of the Center’s governing body will remain the same.

The Center will offer the same surgical services and serve the same target population after the proposed transaction is complete. The Center will accept the same payers, including Medicare, Medicaid and most commercial insurance. There will be no change in the number of operating or procedure rooms as a result of this proposal. The only changes will be the substitution of SCA as manager of the Center in lieu of Merritt, and the substitution of SCA River Valley as a minority owner in and governing body member of Petitioner in lieu of MHH Norwich.

Based on the foregoing, Petitioner requests that OHCA make a determination that the proposed transaction does not constitute a transfer of ownership pursuant to Conn. Gen. Stat. §19a-638(a)(2), because there is no anticipated change to the governing or controlling body of the Center. Please be advised that, at some time following the closing of SCA River Valley’s purchase of a 49% interest in the Petitioner as described above, Petitioner anticipates filing a CON Application with OHCA seeking approval for the transfer of a majority, controlling interest in the Center to SCA River Valley.

SECTION V. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: **River Valley ASC, LLC**

Project Title: **Transfer of Minority Ownership Interest**

I, Matthew J. Searles, President
(Name) (Position – CEO or CFO)

of River Valley ASC, LLC being duly sworn, depose and state that the
(Organization Name)

information provided in this CON Determination form is true and accurate to the best of my knowledge.

[Signature] 10/17/16
Signature Date

Subscribed and sworn to before me on 10/17/16

[Signature]
Notary Public/Commissioner of Superior Court

My commission expires: 10/09/20

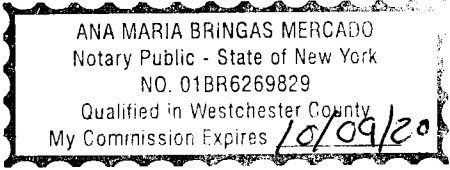


EXHIBIT A

STATE OF CONNECTICUT

Department of Public Health

LICENSE

License No. 0338

Out-Patient Surgical Facility

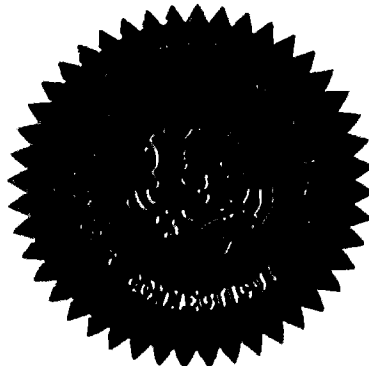
In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

River Valley ASC, LLC of Norwich, CT, d/b/a River Valley ASC, LLC is hereby licensed to maintain and operate an Out-Patient Surgical Facility.

River Valley ASC, LLC is located at 45 Salem Turnpike, Norwich, CT 06360.

This license expires **June 30, 2017** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, July 1, 2015. **RENEWAL**



Jewel Mullen MD

Jewel Mullen, MD, MPH, MPA
Commissioner

Olejarz, Barbara

Subject: FW: 16-32127-DTR River Valley ASC, LLC

From: jfusco@uks.com [<mailto:jfusco@uks.com>]
Sent: Friday, October 21, 2016 2:22 PM
To: Mitchell, Micheala <Micheala.Mitchell@ct.gov>
Subject: RE: 16-32127-DTR River Valley ASC, LLC

Hi, Attorney Mitchell.

There will be no change in the governance or control of River Valley ASC, LLC with the transfer of interests.

Please let me know if you have any further questions.

Thanks,
Jen

From: Mitchell, Micheala [<mailto:Micheala.Mitchell@ct.gov>]
Sent: Friday, October 21, 2016 10:51 AM
To: Jennifer Groves Fusco
Subject: 16-32127-DTR River Valley ASC, LLC

Hi Attorney Fusco,

I am in receipt of the abovementioned CON Determination Request Form. Conn Gen Stat §19a-630 (16) defines transfer of ownership as a "transfer that impacts or changes the governance or controlling body of a health care facility, institution or group practice, including, but not limited to, all affiliations, mergers or any sale or transfer of net assets of a health care facility."

Can you tell me whether the transfer of interest described in the in determination request will result in a change in the governance and control of River Valley ASC, LLC?

Thanks,

Micheala L. Mitchell
Staff Attorney
State of Connecticut
Department of Public Health
410 Capitol Avenue, MS# 13-HCA
P.O. Box 340308
Hartford, CT 06134
Phone: (860) 418-7055
Email: micheala.mitchell@ct.gov



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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.
Commissioner

Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

Office of Health Care Access

October 26, 2016

Via Email Only

Jennifer G. Fusco, Esq.
Updike, Kelly & Spellacy, P.C.
265 Church Street
New Haven, CT 06510

RE: Certificate of Need Determination Report Number 16-32127-DTR
Transfer of Minority Ownership Interest

Dear Attorney Fusco:

On October 20, 2016, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request on behalf of River Valley ASC, LLC. ("Petitioner") with respect to the transfer of minority ownership interest from Petitioner to a subsidiary of Surgical Care Affiliates, LLC ("SCA"). Petitioner owns and operates River Valley Ambulatory Surgery Center (the "Center"), a for-profit freestanding ambulatory surgery center, located at 45 Salem Turnpike in Norwich, Connecticut. Petitioner is currently owned by a number of private physicians (collectively, the "Physicians") and a subsidiary of Merritt Healthcare (Merritt). The Physicians, collectively, own 79.05% of Petitioner's membership interests and Merritt affiliate MHH Norwich ("MHH") owns 20.95%. The Center is controlled by a five-person governing body comprised of four (4) Physician members and one (1) member who is a representative of MHH Norwich.

The proposed transaction includes the sale of 28.05% of the Physicians' membership interests; and all of MHH's membership interests to SCA-River Valley, LLC ("SCA River Valley"), a subsidiary of SCA. The proposed transfer will result in the Physicians owning 51% of Petitioner's membership interests, SCA River Valley owning a minority membership interest of 49%, and the substitution of SCA River Valley as a governing body member of Petitioner in lieu of MHH Norwich. The transfer will not result in a change of the governance or controlling body of Petitioner, nor will it result in any other changes in terms of the facility's services, licensure physical space, billing practices, third-party payers or the target population served.

Connecticut General Statutes § 19a-638(a)(2) requires CON authorization for the "transfer of ownership of a health care facility." Connecticut General Statutes §19a-630(14) defines a "transfer of ownership" as "a transfer that impacts or changes the governance or controlling body of a health care facility..." Since the proposed transfer will not impact or change to the governance or controlling body of River Valley ASC, LLC., OHCA hereby determines that a **CON is not required** for the proposal.

Sincerely,

A handwritten signature in black ink that reads "Kim Martone".

Kimberly R. Martone
Director of Operations

cc: Rose McLellan, License and Applications Supervisor, DPH, DHSR



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Assurance Action/Equal Opportunity/Employment

Olejarz, Barbara

From: Olejarz, Barbara
Sent: Wednesday, October 26, 2016 2:50 PM
To: 'jfusco@uks.com'
Cc: Hansted, Kevin; Mitchell, Micheala; Martone, Kim; Riggott, Kaila; McLellan, Rose
Subject: Determinations
Attachments: 32127-2.pdf; 32128-2.pdf

Tracking:	Recipient	Delivery
	'jfusco@uks.com'	
	Hansted, Kevin	Delivered: 10/26/2016 2:50 PM
	Mitchell, Micheala	Delivered: 10/26/2016 2:50 PM
	Martone, Kim	Delivered: 10/26/2016 2:50 PM
	Riggott, Kaila	Delivered: 10/26/2016 2:50 PM
	McLellan, Rose	Delivered: 10/26/2016 2:50 PM

10/26/16

Please see attached determinations for River Valley ASC, LLC and Surgical Center of Connecticut, LLC

Barbara K. Olejarz
Administrative Assistant to Kimberly Martone
Office of Health Care Access
Department of Public Health
Phone: (860) 418-7005
Email: Barbara.Olejarz@ct.gov

