

Green Mountain Care Board
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DELIVERED ELECTRONICALLY

August 21, 2018

Ms. Karen Tyler
Dunkiel, Saunders, Elliott, Raubvogel, Hand
91 College Street
Burlington, VT 05402

RE: Docket No. GMCB-022-18con, Proposed Internal Restructure of Bayada Home Health Care

Dear Ms. Tyler:

Thank you for your August 15, 2018 letter regarding the proposed internal restructuring of Bayada Home Health Care, Inc. (Bayada), currently licensed as a home health agency in Vermont.

According to your letter, Joseph Mark Baiada, sole owner of Bayada Home Health Care, Inc., will gift 100% of his equity in the company to Bayada Newco, LLC., a newly formed entity of which he will be the sole indirect owner, and which is a wholly owned subsidiary of Bayada Newco, Corp. Mr. Baiada will thereafter gift his interest in Bayada Newco, Corp. to a newly formed 501(c)(3) corporation, which will become the 100% owner of Bayada Newco, LLC and Bayada.

No real estate or monetary compensation will be exchanged between the parties to these transactions. After the transaction is complete, the same nurses, attendants and administrators will continue to care for Bayada's patients, and the 501(c)(3) corporation will be managed by a board of directors. The restructuring will not alter the existing employer identification number (EIN) or national provider identifiers (NPIs). Further, the Department of Disabilities, Aging and Independent Living, Division of Licensing and Protection has confirmed that the transaction will not impact Bayada's existing state licenses, which Bayada will retain following the transaction. Because Medicare will not classify the transaction as a change of ownership, Bayada will also retain its existing Medicare Provider Agreement.

Relevant to this transaction, Vermont statute requires an applicant to obtain a CON for "the transfer or conveyance of more than a 50 percent ownership interest in a health care facility other than a hospital." 18 V.S.A. § 9434(a)(3). The Board's administrative rule, GMCB Rule 4.000, further provides that a change of ownership of a facility other than a hospital will trigger CON jurisdiction 1) if the change of ownership or change in corporate structure requires a new license from the applicable state or federal licensing agency, 2) or second, the transfer of ownership changes the financial stability or legal liability of the facility. GMCB Rule 4.203.

Based on the representations in your letter, the transaction will neither require any new licensing, nor will the financial stability or legal liability of the facility change. Accordingly, the transaction will not be subject to certificate of need (CON) review. However, all conditions contained in the original certificate of need issued to Bayada remain in full force and effect.



If in the future there are any additional changes in the proposed internal restructuring, please contact the Board so we may determine whether such changes are subject to CON review. If you have any questions, please do not hesitate to contact me at (802) 828-2918.

Sincerely,

s/ Donna Jerry
Senior Health Policy Analyst

