

March 9, 2020

**VIA EMAIL / ORIGINAL VIA HAND DELIVERY**

Craig Miskovich  
Tel: (802) 258-3070  
cmiskovich@drm.com

Ms. Donna Jerry  
Health Policy Analyst  
State of Vermont  
Green Mountain Care Board  
89 Main Street  
Montpelier, VT 05620-3101  
donna.jerry@vermont.gov

**RE: OAS, LLC (VALLEY VISTA) REQUEST FOR JURISDICTIONAL DETERMINATION**

Dear Ms. Jerry:

This firm represents Meridian Behavioral Health, LLC (“Meridian”), a Minnesota-based entity which owns 100% of the membership interests of OAS, LLC (“OAS”) d/b/a Valley Vista. Valley Vista operates as an 80-bed alcohol and chemical dependency treatment center in Bradford, Vermont and as a 19-bed alcohol and chemical dependency treatment center in Vergennes, Vermont. Each facility is licensed by the Vermont Department of Disabilities, Aging and Independent Living Division of Licensing and Protection (“DAIL”) as a Therapeutic Community Residence.

In 2017, Meridian acquired the ownership interests of OAS in a transaction which the Green Mountain Care Board (the “Board”) determined was not subject to its Certificate of Need (“CON”) review. (See the Board’s 2017 No-Jurisdiction Determination attached as Exhibit A). In consultation with representatives of Division of Alcohol & Drug Abuse Programs, Meridian has decided that it wishes to return ownership of OAS to its prior majority owners, Richard DiStefano and John Duffy. The attached Exhibit B contains organizational charts detailing the ownership structure of OAS pre- and post-transfer of membership interests.

Like the 2017 transaction, the proposed sale will involve the transfer of the membership interests of OAS. For your convenience we have attached as Exhibit C the March 3, 2017 letter of intent submitted to the Board by Shireen Hart as counsel for OAS. Consistent with the approach taken in 2017, Meridian will obtain confirmation from DAIL that no new license is necessary in connection with the proposed transaction.

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Pursuant to 18 V.S.A. § 9440(c)(2)(A), Meridian submits this letter requesting that the Board find that Meridian's proposed unwinding of the 2017 transaction by selling the membership interests of OAS to its prior owners does not fall within the Board's CON review.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Craig Miskovich', with a stylized flourish at the end.

Craig Miskovich

EXHIBIT A

2017 No-Jurisdiction Determination



**Green Mountain Care Board**  
89 Main Street  
Montpelier, VT 05620

[phone] 802-828-2177  
www.gmcboard.vermont.gov

*Cornelius Hogan*  
*Jessica Holmes, PhD*  
*Robin Lunge, JD, MHCDS*  
*Susan Barrett, JD, Executive Director*

**DELIVERED ELECTRONICALLY**

March 31, 2017

Shireen Hart  
Primmer, Piper, Eggleston & Cramer, PC  
150 South Champlain St.  
PO Box 1489  
Burlington, VT 05402

**RE: Docket No. GMCB-006-17con, Proposed 100% Stock Transfer from OAS, LLC to Meridian Behavioral Health, LLC**

Dear Shireen:

Thank you for your March 3, 2017 letter regarding the proposed 100% stock transaction of OAS, LLC to Meridian Behavioral Health, LLC, a Minnesota-based entity.

In the letter, you state that the proposed transaction involves the acquisition of 100% of the stock of OAS, LLC, the current owner of OAS, LLC, d/b/a Valley Vista, which owns and operates an 80-bed alcohol and chemical dependency treatment center in Bradford. Valley Vista is licensed as a Therapeutic Community Residence. It is represented that the transaction will not change Valley Vista's legal name, tax identification number, location, operations, services or personnel, and that the transaction does not fundamentally change the financial stability and the legal liability of the facility.

As represented, the proposed transaction is not subject to Certificate of Need review. However, if the transaction triggers a new license from the Division of Licensing and Protection or if the transaction affects the current ownership of the real estate, or if there are further changes in the proposed transaction now or in the future, please contact the Board immediately so we may determine whether the changes are subject to further review.

If you have further questions, please do not hesitate to contact me at 802-828-2918.

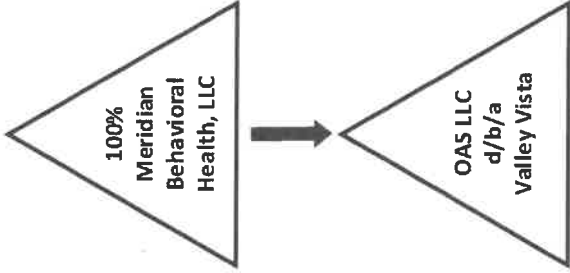
Sincerely,

*s/ Donna Jerry*  
Donna Jerry  
Senior Health Policy Analyst



EXHIBIT B  
Organizational Chart

Pre-Transaction Structure



Post-Transaction Structure

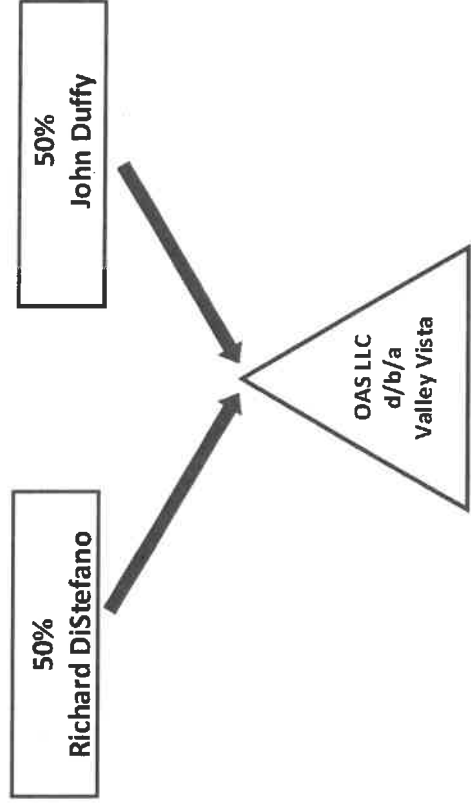


EXHIBIT C

Hart Letter

**PRIMMER PIPER EGGLESTON & CRAMER PC**

Attorneys at Law

SHIREEN T. HART  
ADMITTED IN VT AND NH  
*shart@primmer.com*  
TEL: 802-864-0880  
FAX: 802-864-0328

March 3, 2017

**VIA EMAIL / ORIGINAL AND COPY BY U.S. MAIL**

Donna Jerry  
Senior Health Policy Analyst  
State of Vermont  
Green Mountain Care Board  
89 Main Street  
Montpelier, VT 05620-3101

**RE: OAS, LLC (VALLEY VISTA) REQUEST RE JURISDICTIONAL  
DETERMINATION**

Dear Ms. Jerry:

This firm represents OAS, LLC d/b/a Valley Vista ("OAS") which owns and operates the 80-bed Valley Vista Alcohol and Chemical Dependency Treatment Center ("Valley Vista") located in Bradford, Vermont. Valley Vista is licensed as a Therapeutic Community Residence.

Pursuant to 18 V.S.A. § 9440(c)(2)(A), OAS submits this letter requesting that the Green Mountain Care Board (the "Board") find that OAS's proposed stock transfer to Meridian Behavioral Health, LLC, a Minnesota-based entity, does not fall within the Board's Certificate of Need ("CON") jurisdiction. To clarify, the transaction will not involve a change in the ownership interests of Valley Vista which is currently 100% owned by OAS, LLC and will continue to be 100% owned by OAS, LLC.

OAS and Meridian are currently in negotiations for Meridian to acquire 100% of the stock of OAS. Enclosed are organizational charts detailing the ownership structure pre- and post- stock transfer. There will be no changes to Valley Vista's legal name, tax identification number, location, operations, services or personnel.

We submit that the proposed stock transfer would not constitute a "new health care project" requiring a certificate of need. Even if this were deemed a transfer of ownership interests, we do not believe that a Certificate of Need is required because the "financial stability" and "legal liability" of the facility will not fundamentally change.

Financial Stability

There will be no risk to Valley Vista's "financial stability." Meridian was recently recapitalized by the Audax Group (Boston, MA) in November 2015. As one of the leading healthcare investment firms in the nation, Audax brings significant financial and operational resources to bear to support Meridian's growth initiatives. Meridian is very well capitalized and would enhance Valley Vista's already solid financial position.

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Legal Liability

Likewise, the “legal liability” of Valley Vista will not change. OAS will remain the legally liable entity for Valley Vista’s operations, in that it will retain its 100% ownership interest in Valley Vista and will continue to be the direct owner of OAS.

In support of this request, we offer the following background and details:

- To remain viable, addiction facilities across the country have needed to affiliate with other providers to obtain access to greater staff resources and expertise, reduce administrative costs and more economically spread overhead.
- The very recent closing of Maple Leaf Farms is an example of the difficulties stand-alone addiction facilities are facing every day.
- While Valley Vista is not struggling economically, OAS is being proactive in positioning Valley Vista to maintain and improve its quality of care into the future. Likewise, it seeks an affiliation with Meridian to have access to deeper staff resources in order to expand its programs and potentially add new beds in the future.
- Meridian is located in Minnesota where it runs a large network of residential and outpatient drug and alcohol addiction treatment programs, including medication-assisted treatment.
- OAS has identified Meridian as the most compatible organization with which to affiliate due to their shared mission and history of high quality of services and financial stability, while dealing with a primarily state funded census.
- Founded in 1985, Meridian has grown to operate and support ten (10) residential facilities (500 beds; MN and MD), one acute psychiatric hospital (ND), four (4) medication-assisted treatment clinics (census of ~4,000; MN), and seven (7) outpatient sites including two jail programs (MN). Although a Minnesota based behavioral health provider, Meridian has been expanding operations to the east coast. Meridian recently invested in what will become a 103 bed, co-ed, residential treatment campus near Annapolis, MD.
- There will be continuation of the same management that currently operates Valley Vista. Rick DiStefano and Jack Duffy, the current owners and operators of OAS, would remain as managers of Valley Vista (possibly pursuant to employment contracts).
- Under the affiliation, there would be no change in services at Valley Vista.
- There would, however, be more administrative and clinical bandwidth available to Valley Vista for expertise and manpower for any proposed expansion of services.
- The proposed transfer will not negatively impact the strength of Valley Vista’s financial operations and will provide it access to Meridian’s more extensive financial resources.

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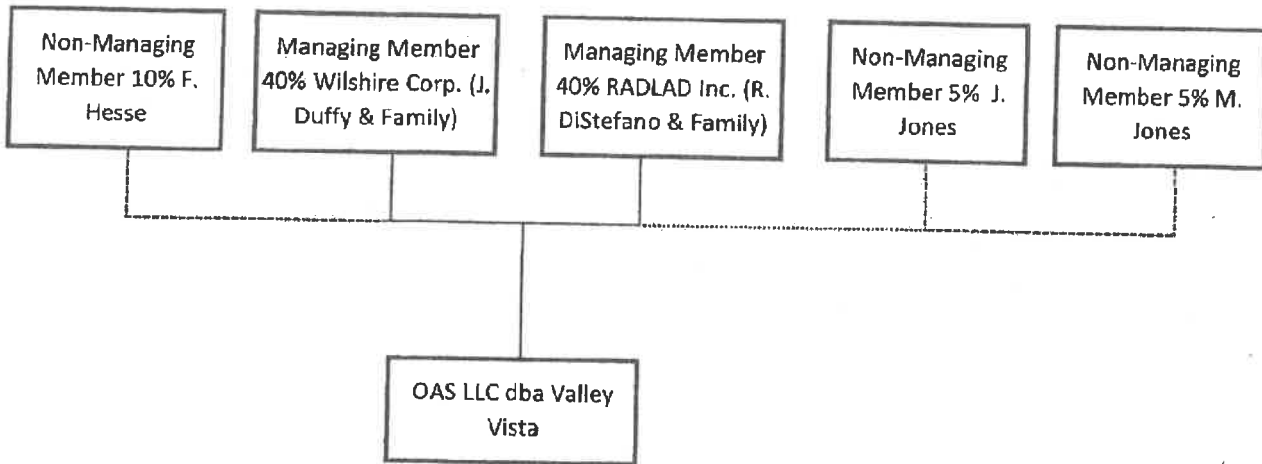
Based on the foregoing, we respectfully request that the GMCB rules that the proposed transfer of OAS, LLC stock to Meridian is not subject to Certificate of Need review.

Sincerely,

A handwritten signature in black ink, appearing to be 'Shireen Hart', with a large loop and a horizontal stroke extending to the right.

Shireen Hart  
Anne Cramer

**Current Ownership Valley Vista**



**Proposed Ownership**

