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DELIVERED ELECTRONICALLY

April 4, 2023

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, VT 05633-3601
Donna.Jerry@vermont.gov

RE: Request for Jurisdictional Determination

Dear Ms. Jerry:

We are writing on behalf of Integrative Life Network, LLC (“ILN”) to inform you of a proposed transaction affecting the treatment facility commonly known as Sana at Stowe (the “Facility” or “Sana”). Silver Pines Partners, LLC (“Silver Pines”) currently owns and operates the Facility, a 32-bed rehabilitation facility located in Stowe, Vermont, that offers medically supervised withdrawal and trauma-informed treatment for individuals experiencing a Substance Use Disorder. Silver Pines currently holds a certificate of need (“CON”) that was issued by the Green Mountain Care Board (the “Board”) on June 23, 2020 (see Docket No. GMCB-016-19con) as amended, and a Therapeutic Community Residence license (No. 0665) issued by the Vermont Department of Disabilities, Aging and Independent Living for 32 beds. Silver Pines holds a 100% interest in the operations of the Facility.

ILN submits this letter requesting the Board make the determination that Silver Pines’ proposed 100% membership share transfer to ILN does not fall within the Board’s CON jurisdiction. The Facility is currently owned 100% by Silver Pines and will continue to be owned 100% by Silver Pines; therefore, this transaction will not involve a change in the ownership interests of the operations of the Facility. Further, the physical property of the Facility is leased by Silver Pines who will continue to be the lessee, and those terms will not change as a result of this transfer.

ILN will purchase 100% of the ownership interest in Silver Pines from the current owners, twenty-four (24) individuals, trusts, and LLCs that own membership interests in Silver Pines. Silver Pines would become a wholly-owned subsidiary of ILN. An exemplary organization chart is attached as Exhibit A. Following the anticipated transaction, Silver Pines will continue to be the legal entity who operates Sana as a premier substance abuse rehabilitation facility with the same programs and services that are currently offered. There will be no changes to the Facility's legal name, tax

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identification number, location, operations, treatment modalities, evidence-based practices, management, or personnel and staffing. Because the services and modalities will remain the same, there is no anticipation that there will be an increased need for staffing.

Green Mountain Care Board, Rule 4.000, is the controlling regulation for whether this transaction requires a Certificate of Need. Section 4.203 provides:

1. If a health care facility other than a hospital undergoes a change in ownership, corporate structure or other organizational modification such that a new license from the appropriate state or federal licensing entity is required, such action shall be a new health care project.
2. The transfer or conveyance of an ownership interest in a health care facility other than a hospital that fundamentally changes the financial stability or legal liability of the facility shall be a new health care project.

As to the first provision in Section 4.203, as recently conveyed by the Division of Licensing and Protection (“DLP”) to ILN, ILN has received a variance such that a new license will not be required. Instead, Silver Pines will be expected to renew its annual license in July 2023, as it would in the normal course. A copy of the letter is submitted as Exhibit B. ILN respectfully submits that because no new license is required by DLP, this proposed transfer does not constitute a new health care project.

As to the second provision in Section 4.203, a CON is not required because the “financial stability” and “legal liability of the operations” will not fundamentally change as a result of the transfer of the shares of Silver Pines from the current owners to ILN, as further detailed below. To clarify, as detailed below, to the extent financial stability or legal liability change, it will be an improvement.

ILN is a for profit, Delaware-formed limited liability company based in Nashville, Tennessee, and is a nationally respected family of unique and innovative treatment programs, with over a decade of experience working with those experiencing the effects of substance use, addiction, trauma, depression, mental health and intimacy disorders. The executive leadership has over 75 years of collective, extensive experience working in the behavioral health field, providing the highest quality of care.

As we previously shared with you, ILN began with its original family brand of Integrative Life Centers (“ILC”) in Nashville, Tennessee—a multi-location, medically supervised withdrawal and residential treatment center for mental health and addictive disorders, and now ILN also includes family brands such as, Colorado-based, Begin Again Institute and Boulder Recovery, 14-day clinically intensives for men living with intimacy disorders. Additionally, the ILN family includes ILC-Oxford (formerly RecoverDream), an Intensive Outpatient Program (“IOP”) in Oxford, Mississippi, with a focus on providing services and support to the collegiate community; ILC-Chattanooga in Chattanooga, Tennessee, providing Partial Hospitalization Program (“PHP”) and IOP services for mental health and substance use disorders; and Integrative NeuroLife Centers

("INC"), providing transcranial magnetic stimulation treatment to individuals, ages 18 to 65, living with treatment-resistant depression in Nashville, Tennessee. Finally, the most recent addition to the ILN family is Shadow Mountain Recovery ("Shadow Mountain"), a 57-licensed bed treatment program across four centers in New Mexico, providing residential detox and medically assisted detox services, residential treatment for substance use disorders, and PHP/IOP for substance use disorders and behavioral health issues in Albuquerque, Santa Fe, Taos and Rio Rancho.

ILN's super-majority (approximately 80%) owners, with controlling interest of ILN, are Ryan Chapman and Martin Ventures. Mr. Chapman is an established entrepreneur, with multiple large investments in five other portfolio companies in the behavioral health space. Mr. Chapman was also the former CEO of a real estate management company with a national presence that recently had a very successful exit. Martin Ventures is founded by Charlie Martin, who was the founder of Vanguard Health, which was subsequently sold to Tenet Healthcare for over \$4.3 billion dollars. Since then, Martin Ventures has successfully invested in, cultivated, and stabilized more than 40 healthcare businesses, including Wellvana (<https://wellvana.com/>) which produces over \$1 billion in annual revenues. Here is a link to Martin Venture's website: <https://www.martinventures.com/>. Both of their contact information is provided for below:

Ryan Chapman Executive Chairman, ILN 1104 16th Ave S Suite A, Nashville, TN 37212 ryan.chapman@integrativelifenetwork.com (615) 455-3903	Devin Carty CEO, Martin Ventures 40 Burton Hills Blvd Nashville, TN 37215 dcarty@martinventures.com (615) 829-7300
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The remaining 20% of ILN is owned by ILN management employees.

Mr. Chapman is the key contact person if financial or quality of care issues were to arise with the operations of the Facility following the proposed transaction.

With ILN as the equity owner of Silver Pines, there will be no risk to the Facility's future "financial stability." In fact, ILN has taken on significant risk by making a number of substantial, financial aid investments into the operations of the Facility while working through this transaction in order to maintain the Facility's current operations and financial stability, all in good faith. As detailed above, Mr. Chapman and Martin Ventures are very well capitalized, but regardless, ILN, itself, is extremely healthy and continuing to grow its national footprint with projections of generating over \$33 million in revenue through the end of this year. Therefore, the "financial stability" of the Facility, to the extent it changes, would be strengthened following this transaction.

The legal liability also will not fundamentally change. After the acquisition, Silver Pines will remain the legally liable entity of and for the Facility's operations, as Silver Pines will retain its 100% ownership interest in the operations of the Facility and will continue to be the only direct

owner of the operations of the Facility. Again, there are no anticipated changes to the current staff list following the proposed transaction.

In further support of this request that this transaction does not fall within the Board's CON jurisdiction, we offer the following background and details:

- To remain viable, Substance Use Disorder treatment facilities across the country have needed to affiliate with other providers to obtain access to greater resources and expertise, reduce administrative costs, and more economically spread overhead.
- Silver Pines has identified ILN as the most compatible organization with which to affiliate due to their shared mission and ILN's history of high quality services and financial stability.
- There will be continuation of the same senior leadership that currently operates Silver Pines, with support from ILN.
- Under the affiliation, there would be no change in services at the Facility. There would, however, be more administrative and clinical bandwidth and efficiencies available to Silver Pines.
- The proposed transfer will provide Silver Pines access to ILN's more extensive financial resources.
- ILN was initially attracted to the operations of the Facility given the quality of care and vision they have to help Vermonters. ILN's vision for a partnership with Sana is simple: provide the necessary support needed for Sana to continue to operate their organization, keeping the staff intact so that they can continue to serve the community and those in need. Sana is a special place that Vermont can be proud of and deserves to survive. ILN has been successful in partnering with other like-treatment facilities to support and build upon what has already begun to flourish at Sana. Conversely, at this point in time, Sana also needs ILN for immediate financial and other support. As a dynamic, independently owned company, ILN is designed to provide such support to special programs such as Sana in a way that also frees up founder-partners to focus on client care and would be a win-win for all.
- Under ILN's guidance, Sana has become the only residential treatment facility in Vermont that is accredited by The Joint Commission.
- Because Silver Pines is currently in the four-year implementation reporting period, ILN recognizes the ongoing obligation to continue with the submission of the implementation

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reports, in accordance with Paragraph 11 of the CON issued on June 23, 2020 (see Docket No. GMCB-016-19con).

ILN recognizes that it had previously acknowledged Board jurisdiction over this project, but, since that communication, ILN has received clarification from DLP that they are not requiring a new license. As such, ILN does not believe this transaction falls under the Board's jurisdiction and hereby withdraws Christi Cessna MS's introductory letter to the Board on behalf of ILN dated on December 22, 2022.

Thank you for your time and attention to this matter. Should you have any questions or need any additional information, please feel free to contact me.

Sincerely,

Shireen T. Hart

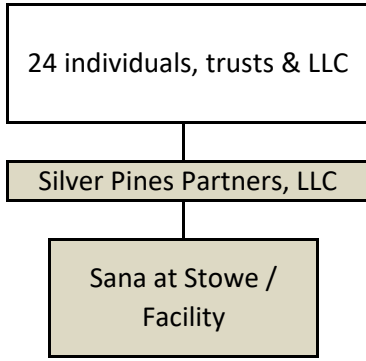
Shireen T. Hart, Attorney at Law

cc: Elizabeth Wohl

Enclosures

EXHIBIT A
Transaction Before and After with No Changes to Silver Pines Partners, LLC

Before ILN Transaction



After ILN Transaction

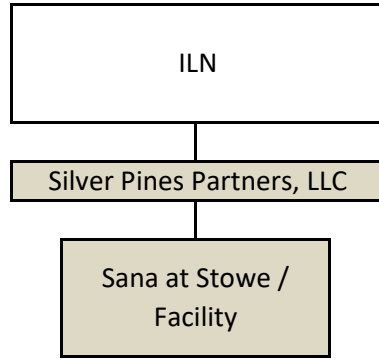


Exhibit B
DLP Letter – No New License Needed



AGENCY OF HUMAN SERVICES

DEPARTMENT OF DISABILITIES, AGING AND INDEPENDENT LIVING
Division of Licensing and Protection

HC 2 South, 280 State Drive

Waterbury VT 05671-2060

<http://www.dail.vermont.gov>

Survey and Certification Voice/TTY (802) 241-0480

Survey and Certification Fax (802) 241-0343

Survey and Certification Reporting Link: (888) 700-5330

To Report Adult Abuse: (800) 564-1612

March 27, 2023

Ryan Chapman
Executive Chairman, ILN
1104 16th Ave S Suite A
Nashville, TN 37212

Dear Mr. Chapman:

Your request for a variance to Therapeutic Community Residence (TCR) regulation at section 4.8(a), dated 3/21/23 was received and reviewed by the Division of Licensing and Protection. In the letter, you address requirements for variances, specifically that strict compliance with 4.8(a) [Change in Status] would impose substantial hardship on the licensee and you state that the variance will not conflict with other legal requirements. I have determined that the request is based on necessity, the licensee will otherwise meet the goal of the provisions, the variance will not adversely affect the programmatic needs of residents, and the variance will not present a hazard to the safety, health or wellbeing of the residents.

The requirement states:

4.8 Change in Status

(a) When a change of ownership or location is planned, the licensee or prospective licensee is required to file a new application for license at least ninety (90) days prior to the proposed date of the change. The new licensee shall provide each resident with a written agreement that describes all rates and charges as defined in 5.2(a).

The variance to TCR requirement 3.8(a) is GRANTED. You have submitted the names and contact information for the new responsible parties of the Licensee LLC (Silver Pines Partners, LLC) and nothing on the physical license will be changing with this transaction. A new licensing application is not required to be submitted to the Division of Licensing and Protection until the annual renewal is due in July 2023.

Sincerely,

Pamela M Cota RN

Pamela M. Cota, RN, BS

CC: William Catz-Baril
Donna Jerry, GMCB