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NOV 26 2013

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

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November 25, 2013

VIA FEDERAL EXPRESS

Mr. Alva Lambert, Executive Director
Alabama State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36104

Re: Change of Ownership Notification
Facility: Decatur Morgan Hospital – Parkway Campus

Dear Alva,

Please accept this letter as notice pursuant to SHPDA Rules 410-1-7-.04 Notice of Change of Ownership, of the merger of HH Health System – Morgan, Inc. d/b/a Decatur Morgan Hospital – Parkway Campus into HH Health System – Morgan, LLC. Both HH Health System – Morgan, Inc. and HH Health System – Morgan, LLC are wholly owned subsidiaries of The Health Care Authority of the City of Huntsville (“Authority”).

This transaction is a corporate merger to combine hospitals into a single National Provider Identification Number. The effective date for HH Health System – Morgan, LLC assuming Decatur Morgan Hospital – Parkway Campus operations is January 1, 2014.

The following information is provided in compliance with SHPDA Rules 410-1-7-.04(3):

- (a) This transaction is a merger between entities that are wholly owned by the Authority. There will be no purchase or cost to this transaction.
- (b) Decatur Morgan Hospital – Parkway Campus will continue to function as an acute care hospital, licensed under Alabama Department of Public Health as a hospital. There will be no new services.
- (c) The merger will not result in the addition of new beds.
- (d) The merger will not result in the conversion of beds.

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(e) The merger does not involve stock.

Enclosed with this letter is the \$2,800.00 check for the Change of Ownership fee as well as one original plus twelve copies of the Change of Ownership Application.

If you have any questions please contact me.

Sincerely,



Joe W. Campbell

cc: David S. Spillers, CEO

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CHANGE OF OWNERSHIP

NOV 26 2013

Part I: Purchasing Organization Information

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

Name of Organization: HH Health System – Morgan, LLC, a wholly owned subsidiary of The Health Care Authority of the City of Huntsville

Facility Name: Decatur Morgan Hospital – Parkway Campus
(ADPH Licensure name)

SHPDA ID Number: _____

Address (PO Box #): 101 Sivley Road

City, State, Zip, County: Huntsville, AL 35801, Madison County

Number/Type Licensed Beds: _____

Owner(s): HH Health System – Morgan, LLC, a wholly owned subsidiary of The Health Care Authority of the City of Huntsville

Operator(s): _____

Part II: Selling Organization Information

Name of Organization: HH Health System – Morgan, Inc., a wholly owned subsidiary of The Health Care Authority of the City of Huntsville

Address (PO Box #): 1874 Beltline Road

City, State, Zip, County: Decatur, Alabama, 35601

Number/Type Licensed Beds: 120 acute care beds

Owner(s): HH Health System – Morgan, Inc., a wholly owned subsidiary of The Health Care Authority of the City of Huntsville

Operator(s): _____

Part III: Value of Consideration

Monetary Value of Purchase: \$0

No./Type Beds: 120 acute care beds

Terms of Purchase: See Part IV
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: 120 beds

Types of Institutional Health Services: _____

List Service Area by County for Home Health Agencies: N/A

On an Attached Sheet Please Address the Following:

- *1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- *2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
- *3.) Whether the proposal will include the addition of any new beds.
- *4.) Whether the proposal will involve the conversion of beds.
- *5.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms.

Seller(s) Signature(s):

Owner(s) David S. Spillers _____

Operator(s): _____

Title/Date: David S. Spillers, CEO _____

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of **\$1,000** made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

YES NO The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: David S. Spillers _____

Title/Date: David S. Spillers, CEO _____

*1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.

In order to achieve efficiencies and cost reductions, The Health Care Authority of the City of Huntsville desires to merge the operations of HH Health System – Morgan, Inc. d/b/a Decatur Morgan Hospital – Parkway Campus into HH Health System – Morgan, LLC d/b/a Decatur Morgan Hospital – Decatur Campus. There will be no cost for this merger.

*2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).

Decatur Morgan Hospital – Parkway Campus will continue to function as an acute care hospital. There will be no new services.

*3.) Whether the proposal will include the addition of any new beds.

The merger will not result in the addition of new beds.

*4.) Whether the proposal will involve the conversion of beds.

The merger will not result in the conversion of beds.

*5.) Whether the assets and stock (if any) will be acquired.

The merger is an asset transfer does not involve stock.