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February 4, 2015

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Alva M. Lambert
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36130

Re: Covenant Hospice, Inc. / Notice of Change of Ownership
SHPDA ID 069-P2491
Medicare ID 01-1577

Dear Mr. Lambert:

We represent Covenant Hospice, Inc., which is a non-profit corporation organized under Florida law and qualified to do business in Alabama. Covenant Hospice, Inc. is authorized under Certificate of Need 2491-HPC and 2347-HPC-MOD1 to provide in-home hospice services in Autauga, Baldwin, Barbour, Bullock, Butler, Chilton, Choctaw, Clarke, Coffee, Conecuh, Coosa, Covington, Crenshaw, Dale, Dallas, Elmore, Escambia, Geneva, Henry, Houston, Lee, Lowndes, Macon, Marengo, Mobile, Monroe, Montgomery, Pike, Russell, Tallapoosa, Washington, and Wilcox counties. Covenant Hospice, Inc. also has recently been issued CON 2694-HPC to establish a new 15-bed inpatient hospice facility to be located at Providence Hospital in Mobile County.

This letter is submitted as an attachment to the Notice of Change of Ownership form being filed pursuant to SHPDA Rule 410-1-7-.04. The proposed change is simply an internal reorganization to bring Covenant Hospice, Inc. under the control of a parent corporation, Covenant Health & Community Services, Inc. ("Parent"). The Parent is a Florida non-profit corporation under the same common ownership and control as Covenant Hospice, Inc. (the two entities currently have identical boards of directors). This common ownership and control between the two entities qualifies under the provisions of *Ala. Code* § 22-21-270(e). It is expected that the restructuring will occur effective March 31, 2015.

SHPDA Change of Ownership Requirements

The following information is provided in response to questions on page two of the Notice of Change of Ownership form.

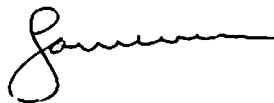
1. Financial Scope of the Project: There is no cost of equipment, construction, or change in yearly operating costs. Covenant Hospice, Inc. is merely reorganizing itself as a subsidiary of Parent.
2. Services to be Offered: There are no new services to be offered because of the reorganization.
3. Additional Beds: There will be no additional beds because of the reorganization.
4. Conversion of beds: There will be no conversion of beds because of the reorganization.
5. Assets/stock acquisition: No assets or stock will be acquired because of the reorganization. It is contemplated the Covenant Hospice, Inc.'s governing documents will be amended to reflect the proposed change in control.

Based upon the facts contained herein, we respectfully request that you determine that neither a Certificate of Need, nor any further regulatory review, is required for the change of control to take place. A check in the amount of \$2,500 and a fully executed Notice of Change of Ownership Form is enclosed.

Please let me know if you have any questions regarding this proposed reorganization and change in control.

Sincerely,

ADAMS AND REESE LLP



Laurence J. McDuff

LJM/lbl
Enclosures

cc: Mr. Ray Sherer
Mr. Guy Nevins

CHANGE OF OWNERSHIP**Part I: Purchasing Organization Information**

Name of Organization: Covenant Health & Community Services, Inc.

Facility Name:
(ADPH Licensure name) Covenant Hospice, Inc.

SHPDA ID Number: 069-P2491

Address (PO Box #): 5041 N. 12th Avenue

City, State, Zip, County: Pensacola, Florida 32504, Escambia County

Number/Type Licensed Beds: 15 inpatient hospice beds to be licensed

Owner(s): Covenant Hospice, Inc.

Operator(s): Covenant Hospice, Inc.

Part II: Selling Organization Information

Name of Organization: Covenant Hospice, Inc.

Address (PO Box #): 5041 N. 12th Avenue

City, State, Zip, County: Pensacola, Florida 32504, Escambia County

Number/Type Licensed Beds: 15 inpatient hospice beds to be licensed

Owner(s): Covenant Hospice, Inc.

Operator(s): Covenant Hospice, Inc.

Part III: Value of Consideration

Monetary Value of Purchase: \$ See attached No./Type Beds: N/A

Terms of Purchase: N/A
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: 15

Types of Institutional Health Services: In-home hospice and inpatient hospice

List Service Area by County for Home Health Agencies: See attached

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): [Signature] Covenant Hospice, Inc.
Owner(s): [Signature] Covenant Hospice, Inc.
Operator(s): [Signature] President and CEO
Title/Date: 1/29/15

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 \$2,500 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: [Signature]
Title/Date: 1/29/15 President and CEO