

March 29, 2017

**RECEIVED**

**MAR 30 2017**

**STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY**

**VIA OVERNIGHT DELIVERY**

Mr. Alva Lambert  
Executive Director  
State Health Planning and Development Agency  
100 North Union Street  
RSA Union Building, Ste. 870  
Montgomery, AL 36130-3025

RE: Notice of Change of Ownership of Stringfellow Memorial Hospital and related assets pursuant to an Asset Purchase Agreement by and among Anniston HMA, LLC, Alabama HMA Physician Management, LLC, CHS/Community Health Systems, Inc. and The Health Care Authority of the City of Anniston, dated March 3, 2017 (the "APA").

Dear Mr. Lambert,

We respectfully submit to the State Health Planning and Development Agency ("SHPDA") this letter as an attachment to the Notice of Change of Ownership/Control form that we are filing pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The proposed change of ownership involves the sale by Anniston HMA, LLC, an Alabama limited liability company ("AHMA"), and Alabama HMA Physician Management, LLC, an Alabama limited liability company ("AHMAPM" and, collectively with AHMA, the "Sellers") of substantially all of their assets including those related to, necessary for and used in connection with the operation of Stringfellow Memorial Hospital (the "Hospital"), together with certain medical office buildings, physician clinics, outpatient care facilities and ancillary services (collectively, the "Assets"), to The Health Care Authority of the City of Anniston, an Alabama health care authority ("Buyer") pursuant to the terms and conditions of the APA. CHS/Community Health Systems, Inc., a Delaware corporation ("CHS") is also a party to the APA.

The Hospital is a general acute care hospital located in Anniston, Alabama. There are a total of 125 licensed acute care beds at the Hospital. The following summarizes the transaction with a proposed effective date of on or about May 1, 2017, and responds to inquiries posed in the SHPDA Change of Ownership/Control form.

The proposed transaction will transfer legal title of the Assets as described in the APA to Buyer. Following the consummation of the transaction, Buyer will operate the Hospital and other Assets. Therefore, with regards to the questions posed in the Change of Ownership/Control form, please note the following:

waller

1. Services to be Offered. The contemplated transaction will not result in any new or additional services to those already being provided by the Sellers at this time. The applicant is an experienced operator of two existing acute care hospitals and will assume the current operations of the Hospital and other Assets.

2. Whether the Proposal will Include the Addition of Any New Beds. The contemplated transaction will not result in the addition of any new beds.

3. Whether the Proposal will Involve the Conversion of Beds. The contemplated transaction will not result in the conversion of any beds.

4. Whether the Assets and Stock (if any) will be acquired. Legal title for the Assets, including, without limitation, the Hospital, will transfer to Buyer from Sellers in this transaction.

I have enclosed with this correspondence a check in the amount of \$2,500, pursuant to Ala. Admin. Code r. 410-1-7-.04, made payable to the Alabama State Health Planning and Development Agency, for the filing fee associated with this change of ownership.

Should you have any questions or need further information, please feel free to contact me at the number or address listed above. Thank you in advance for your assistance with this matter.

Sincerely,

  
Kristen A. Larremore

Enclosures

cc: Colin Luke

**NOTICE OF CHANGE OF OWNERSHIP/CONTROL**

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

☒ Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))

☐ Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))

☐ Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

**Part I: Facility Information**

SHPDA ID Number: 015-6530073  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: Stringfellow Memorial Hospital  
(ADPH Licensure Name)

Physical Address: 301 East 18th Street  
Anniston, AL 36201

County of Location: CALHOUN

Number of Beds/ESRD Stations: 125

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. \_\_\_\_\_

**Part II: Current Authority** (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I: Anniston HMA, LLC

Mailing Address: c/o CHSPSC, LLC 4000 Meridian Blvd., Franklin,  
TN 37067 - Attn: Sr. Vice Pres. - Development

Operator (Entity Name): Anniston HMA, LLC d/b/a Stringfellow Mem. Hosp.

**Part III: Acquiring Entity Information**

Name of Entity: The Health Care Authority of the City of Anniston

Mailing Address: 400 East Tenth Street, Anniston, Alabama 36207  
Attn: Louis Bass

Operator (Entity Name): The Health Care Authority of the City of Anniston

Proposed Date of Transaction is on or after: 05/01/2017

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ 25,000,000.00

Type of Beds: Hospital Acute Care

Number of Beds/ESRD Stations: 125

**Financial Scope:** to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Projected Equipment Cost: \$ 6,900,000.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 42,500,000.00

Projected Total Cost: \$ 49,400,000.00

**On an Attached Sheet Please Address the Following:**

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

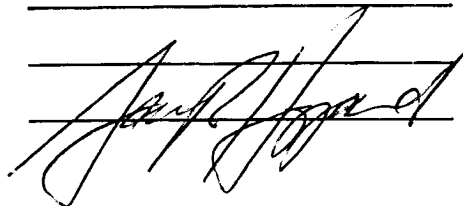
**Part V: Certification of Information****Current Authority Signature(s):**

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Anniston HMA, LLC

Operator(s): \_\_\_\_\_

Title/Date: Aaron Hazzard, Interim CEO



SWORN to and subscribed before me, this 34 day of March, 2017.

(Seal)

Dora A. Black  
Notary Public

My Commission Expires: \_\_\_\_\_

My Commission Expires August 7, 2019

**Acquiring Authority Signature(s):**

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): \_\_\_\_\_

Operator(s): \_\_\_\_\_

Title/Date: Louis Bass, CEO

SWORN to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule

SWORN to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

Notary Public

My Commission Expires: \_\_\_\_\_

**Acquiring Authority Signature(s):**

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): The Health Care Authority of the City of Anniston

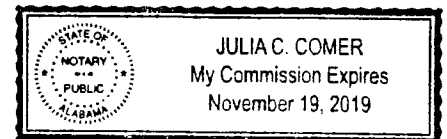
Operator(s): \_\_\_\_\_

Title/Date: Louis Bass, CEO \_\_\_\_\_SWORN to and subscribed before me, this 22<sup>nd</sup> day of March, 2017.

(Seal)

Notary Public

My Commission Expires: \_\_\_\_\_



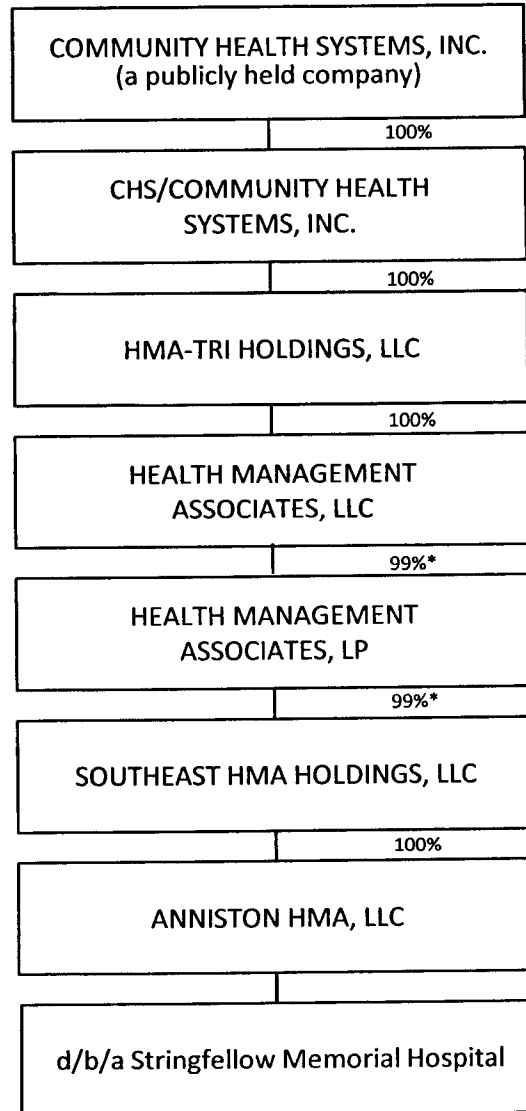
Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

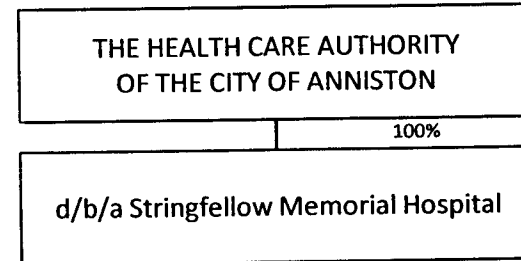
History: New Rule

# Stringfellow Memorial Hospital OWNERSHIP STRUCTURE CHART

## BEFORE PROPOSED TRANSACTION



## AFTER PROPOSED TRANSACTION



### NOTES:

\* Remaining interests held by affiliated entities under common control