State Health Planning and Development Agency

Sep 29 2017

Alabama CON Rules & Regulations

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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 Certificate of Need Hold Change in Facility Management (F 	etrol (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e)) der (ALA. CODE § 22-20-271(f)) facility Operator) e-described requires an application for a Certificate of Need.			
Part I: Facility Information				
SHPDA ID Number: (This can be found at www.shpda.alabama.gov ,	<u>013-6530500</u> Health Care Data, ID Codes)			
Name of Facility/Provider: (ADPH Licensure Name)	L. V. Stabler Memorial Hospital			
Physical Address:	29 L.V. Stabler Drive			
9	Greenville, Alabama 36037			
County of Location:	Butler County			
Number of Beds/ESRD Stations:	72 beds			
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:	Greenville Hospital Corporation			

Brentwood, TN 37027

Mailing Address:

Operator (Entity Name): <u>Greenville Hospital Corporation</u>

Part III: Acquiring Entity Information

Name of Entity: The Health Care Authority of the City of Greenville – L.V.

1573 Mallory Lane, Suite 100

Stabler Hospital

Mailing Address: P.O. Box 158

Operator (Entit	y Name):	The Health Care Authority of the City of Greenville – L.V. Stabler Hospital			
Proposed Date on or after:	of Transaction is	October 31, 2017			
Part IV: Terr	ms of Purchase				
Monetary Value	e of Purchase:	See attached letter.			
Type of Beds:		acute care beds, geriatric inpatient psychiatric beds			
Number of Bed	s/ESRD Stations:	72 licensed beds (59 general acute care beds and 13 geriatric inpatient psychiatric beds)			
	pe: to Include Preliminand Yearly Operating Cos	ary Estimate of the Cost Broken Down by Equipment, t:			
See attached le	etter.				
Projected	Equipment Cost:	\$			
Projected	Construction Cost:	\$			
Projected	Yearly Operating Cost:	\$			
Projected	Total Cost:	\$			
On an Attac	ched Sheet Please A	Address the Following:			
	The services to be offered by the proposal				
		addition of any new beds.			
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 Autho	rity Signature(s):				
The information belief.	contained in this notifica	tion is true and correct to the best of my knowledge and			
Owner(s):	Kenneth F. King	KJ F. K			
Operator(s):					
Title/Date:	Senior Vice President, G	Greenville Clinic Corporation Date: 09/26/2017			

Greenville, AL 36067

SWORN to and	subscribed before me, this 36 H day of	of September 2017.				
(Seal)	TENNESSEE AND A-84 TENNESSEE AND A-84 TENNESSEE AND A-84 TENNESSEE AND A-84 TOTAL COMMON TOT	Notary Public My Commission Expires:				
I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-312. The information contained in this notification is true and correct to the best of my knowledge and belief.						
Purchaser(s):	Dexter McLendon					
Operator(s):						
Title/Date:	Chairman, The Health Care Authority of The City of Greenville – L. V. Stabler	Date: Hospital				
SWORN to and	subscribed before me, this day o	f				
(Seal)		Notary Public				
		My Commission Expires:				

Author: Alva M. Lambert

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

			2
SWORN to an	d subscribed before me, this _	day	of
(Seal)		A-84	Notary Public
			My Commission Expires:
Acquiring Aut	hority Signature(s):		
period, as spe		r. 410-1-3	rovided during the current annual reporting 312. The information contained in this dge and belief.
Purchaser(s):	Dexter McLendon	1	Late Melon
Operator(s):	(#		
Title/Date:	Chairman, The Health Care A of The City of Greenville – L.		Date: 9-26-17 Hospital
SWORN to and	I subscribed before me, this $\overline{2}$	6 day o	September 2017.
(Seal)	KAREN W. FAIL MY Commission Expires		Karen W. Fail Notary Public
	February 4, 2018		My Commission Expires: 2-4-18

Author: Alva M. Lambert

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

Holly S. Hosford hhosford@bradley.com (205) 521-8376 direct



September 28, 2017

Via Electronic Filing

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

Re: Notice of Proposed Change in Ownership of L. V. Stabler Memorial Hospital (SHPDA ID 013-6530500)

Dear Mr. Lambert:

On behalf of Greenville Hospital Corporation, we respectfully submit to the State Health Planning and Development Agency ("SHPDA") this letter and Exhibit A as an attachment to the Notice of Change of Ownership 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 purchase by The Health Care Authority of the City of Greenville – L.V. Stabler Hospital (the "Buyer") of the operating assets of The L.V. Stabler Memorial Hospital (the "Facility"), a 72-bed general acute care hospital in Greenville, Butler County, from Greenville Hospital Corporation (the "Seller"). The following summarizes the transaction proposed to take place on or about October 31, 2017 (the "Proposed Transaction"), and addresses SHPDA requirements for a change of ownership.

SHPDA Requirements for Changes of Ownership

In answer to the specific questions posed in the Change of Ownership Application, please note the following:

- 1. The Financial Scope of the Project. The financial scope of the project will encompass the fair market value payment that Buyer will make to Seller as consideration for the transfer of the Facility and related assets. The fair market value payment involved in the Proposed Transaction does not reflect new costs exceeding the following expenditure thresholds: (i) \$2,981,520 for major medical equipment; (ii) \$1,192,607 for new annual operating costs; and (iii) \$5,963,039 for capital expenditures.
- 2. <u>Services to be Offered</u>. The proposed transaction will not result in any new or additional services to those already authorized to be provided by the Facility.
- 3. Whether the Proposal Will Include the Addition of Any New Beds. The Proposed Transaction will not result in the addition of new beds.

Mr. Alva Lambert

Re: SHPDA ID 013-6530500

September 28, 2017

Page 2

- 4. <u>Whether the Proposal Will Involve the Conversion of Beds.</u> The Proposed Transaction will not result in the conversion of beds.
- 5. Whether the Assets and Stock (if any) Will be Acquired. As described more particularly above, Buyer will acquire the Facility operating assets from Seller.

Requested Action

Based upon the above description of the Proposed Transaction and a showing that there will be no change in health services, conversion of beds, or increase or decrease in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a Certificate of Need is not required for the consummation of this proposed transaction. In accordance with the Rules, a check in the amount of \$2,500.00 made payable to the Alabama State Health Planning and Development Agency has been sent to the Agency via Federal Express.

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,

Holly Hosford

HSH/mgd

Exhibit A

Organizational Charts

Pre-Closing Ownership and Control

Quorum Health Corporation (a publicly held company) **Greenville Hospital Corporation** is wholly owned by Quorum **Health Corporation** Greenville Hospital Corporation Greenville Hospital Corporation owns and operates L.V. Stabler Memorial L. V. Stabler Hospital Memorial Hospital

Post-Closing Ownership and Control

City of Greenville, Alabama

(a political subdivision of the State of Alabama)

City of Greenville organized the Authority and elects a majority of its directors (3 of 5). The City will enter into a Contribution Agreement to provide financial support for the Hospital.

The Health Care Authority of the City of Greenville – L.V. Stabler Hospital

(a public corporation organized under Section 22-21-310 et. seq. of the Alabama Code)

> L. V. Stabler Memorial Hospital

UAB Health System

(an Alabama nonprofit corporation affiliated with the University of Alabama School of Medicine. UABHS manages University of Alabama Hospital)

> UAB Health System will manage the Authority's hospital and will elect 2 of 5 directors of the Authority while the management agreement is in effect.