

CO2018-060 e

RECEIVED
May 21 2018
STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

May 15, 2018

VIA EMAIL, ORIGINAL TO FOLLOW BY U.S. MAIL

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

Re: Skilled Nursing Facility Change of Ownership – Barfield Health Care, Inc.

Dear Mr. Lambert:

Pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"), we respectfully submit the attached Notice of Change of Ownership. The Change of Ownership involves the acquisition and lease of the assets comprising that certain 113-bed skilled nursing facility located in the Guntersville, Marshall County, Alabama, and known as Barfield Health Care, Inc. (the "Facility"). The Facility is owned and operated by Barfield Health Care, Inc. (the "Current Owner" or "Current Operator") which is the Facility's licensed operator. Immediately after the completion of the below described transaction, the Facility will be renamed Barfield Health Care Acquisition Corporation, d/b/a Barfield Health Care (the "New Operator"). Following is a summary of the proposed transaction:

I. Facts.

1. The Facility is operated as a licensed 113-bed nursing facility.
2. Under a series of contemporaneous transactions, it is anticipated that Current Owner will convey all of its interests in the Facility to Barfield Health Care Properties LLC, an unrelated limited liability company "(New Landlord)", and the New Landlord will enter into an operating Agreement with the New Operator.
3. Under certain transaction documents by and among Current Owner, New Landlord and Barfield Health Care Acquisition Corporation ("New Operator," contemporaneous with the closing of the Facility's conveyance by Current Owner to New Landlord, the New Landlord will lease the Facility to New Operator, under an operating lease that exceeds 2-years (the "Operating Lease").

Mr. Alva M. Lambert

Error! No text of specified style in document.

Page 2

-
4. The transaction described in paragraph 3, above, is subject to approval by the Alabama Department of Public Health ("ADPH") of the license application to be filed by New Operator and the issuance of a license by ADPH to New Operator to operate the Facility as a 113-bed nursing facility, at which time the New Lease will become effective (the "Commencement")
 5. Current Operator and New Operator will enter into an Asset Purchase Agreement providing for the transfer of operations of the Facility to New Operator.
 6. The resulting "change in control" requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
 7. The change in control of the Facility will be documented by the enclosed executed change of ownership form.

II. Financial Scope of Project.

This transaction does not involve the purchase of any new equipment, new operating costs, or other capital expenditures in excess of the spending thresholds set forth in Section 22-21-263(a)(2) of the Code of Alabama.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services by the Facility.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds.
2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

V. Stock and Assets.

Other than described above, the transaction does not involve the acquisition of stock or assets relating to the operation of the Facility.

Mr. Alva M. Lambert

Error! No text of specified style in document.

Page 3

Based on the above showing that there has been no (i) change in health service, (ii) spending in excess of the spending thresholds, (iii) conversion of beds or (iv) increase in bed capacity we respectfully ask that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON or other action by SHPDA is not required for the consummation of the above-described proposed transaction. In accordance with the Rules, I am enclosing a check in the amount of \$2,500.00, and an executed change of ownership form.

Should you have any questions or need further information, please contact me at 334-273-9002 or 334-546-5980.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christopher Schmidt".

Christopher Schmidt
President/CEO

Enclosures

C02018-060

RECEIVED

May 21 2018

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: 095-N006
 (This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Barfield Health Care, Inc.
 (ADPH Licensure Name)

Physical Address: 22444 Highway 431
 Guntersville, AL 35976

County of Location: Marshall

Number of Beds/ESRD Stations: 113 Nursing Home Beds

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. N/A.

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: Barfield Health Care, Inc.

Mailing Address: 22444 Highway 431
 Guntersville, AL 35976

Operator (Entity Name): Barfield Health Care, Inc.

Part III: Acquiring Entity Information

Name of Entity: Barfield Health Care Properties LLC

Mailing Address: 100 Perry Hill Road

Operator (Entity Name): Barfield Health Care Acquisition Corporation

Proposed Date of Transaction is on or after: July 1, 2018

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 7,910,000.00

Type of Beds: Nursing Facility Beds

Number of Beds/ESRD Stations: 113- Beds

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

Projected Equipment Cost: \$No new equipment above spending thresholds

Projected Construction Cost: \$No new construction above spending thresholds

Projected Yearly Operating Cost: \$No new first year operating costs above spending thresholds

Projected Total Cost: \$N/A

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.

Barfield Health Care, Inc.
 Owner(s): E. B. Barfield Jr. President
 Operator(s): E. B. Barfield Jr. Adm
 Title/Date: Pres/Adm 5/18/18

SWORN to and subscribed before me, this 18 day of May, 2018.

(Seal)

Betty Matthews
Notary Public

My Commission Expires: 11-9-19

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.

Barfield Health Care Properties LLC

Purchaser(s): Chris A. Schmidt

Barfield Health Care Acquisition Corporation

Operator(s): Chris A. Schmidt

Title/Date: President/CEO 5-18-18

SWORN to and subscribed before me, this 18th day of May, 2018.

(Seal)

Betty Matthews
Notary Public

My Commission Expires: 11-9-19

Author: Alva M. Lambert

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

History: New Rule

A-85