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Nov 29, 2018

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

November 21, 2018

VIA HAND DELIVERY AND EMAIL

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

Re: Change of Ownership – The Health Care Authority of the City of Greenville – L.V. Stabler Hospital d/b/a L.V. Stabler Memorial Home Health (ID: 013-H7138) and Ivy Creek of Butler, LLC d/b/a Reliable Home Health (ID: 013-H7136)

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 forms 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 changes of ownership involve the home health operations of L.V. Stabler Memorial Hospital (the “Hospital”) in Greenville, Butler County, Alabama, and the home health operations of Ivy Creek of Butler, LLC d/b/a Reliable Home Health (“Ivy Creek”) both of which are being contributed to Butler – Ivy Creek Home Health, LLC, a newly formed Alabama limited liability company. The following summarizes the transaction and addresses SHPDA requirements for a change of ownership.

I. Facts

The Hospital owns and operates a home health agency located in Greenville, Butler County, Alabama. The home health agency was started and continues to operate under the “rural hospital exemption” set forth by Alabama Code section 22-21-263(a)(4). Ivy Creek owns and operates a home health agency located in Georgiana, Butler County, Alabama. In a transaction scheduled to close on or about November 30, 2018, the home health operations of the Hospital and the home health operations of Ivy Creek will be contributed to Butler – Ivy Creek Home Health, LLC, owned 40% by the Hospital and 60% by Ivy Creek. Hereinafter, for the sake of clarity, Butler – Ivy Creek Home Health, LLC will be referred to as the “Joint Venture.”

Because this proposed transaction involves the Joint Venture operating as home health agency pursuant to the rural hospital exemption, the following additional provisions will be made a part of the operating agreement for the Joint Venture:

1. The Joint Venture will be prohibited from taking on duties and/or services that are otherwise reserved to the rural hospital by Alabama or federal law.
2. The Joint Venture will hold the certificate of need, and all existing provider numbers will be transferred to the Joint Venture. In addition, the Hospital will cease operation of its home health business as long as the Joint Venture continues to operate and serve the citizens of Butler County,

including Greenville and Georgiana. Ivy Creek will cease operations of its hospital in Georgiana as a part of the transaction, and therefore, the Joint Venture will be connected to the only hospital in Butler County.

3. Upon the dissolution of the Joint Venture, all regulatory authority to own and operate the home health agency will remain with the owner and operator of the Hospital.
4. The Hospital will have supermajority voting rights in certain Joint Venture decisions.
5. The day to day management of the Joint Venture operations will be conducted by the manager, Ivy Creek. In the event the manager defaults in the performance of its duties under its management agreement and is not removed after a demand for removal by the Hospital, or the parties cannot agree on a new manager, the Hospital, at its option, may exercise its default option to purchase the interest of Ivy Creek in the Joint Venture at fair market value or demand a dissolution of the joint venture. Ivy Creek will not have an option to purchase the Hospital's interest in the Joint Venture.
6. An authorized representative of the Hospital will have the reasonable right to access and examine records and information of the Joint Venture to ensure compliance with all the provisions of the Joint Venture documents.
7. The Joint Venture will not be allowed to offer or provide services other than home health services without the express consent of representatives of the Hospital.
8. The office for the Joint Venture will be located within a 20-mile radius of the main campus of the Hospital.

II. SHPDA Requirements for Change of Ownership

With regard to the questions posed in the Change of Ownership Applications, please note the following:

1. **The Financial Scope of the Project.** The financial scope of the project will encompass the contribution of assets of the Hospital's home health agency and Ivy Creek's Butler County home health agency to the Joint Venture. The proposed transaction does not reflect new costs exceeding the following expenditure thresholds: (i) \$2,997,918 for major medical equipment; (ii) \$1,199,166 for new annual operating costs; and (iii) \$5,995,836 for capital expenditures.
2. **Services to be Offered.** The contemplated transaction will not result in any new or additional services to those already being provided by the home health agencies.
3. **Whether the Proposal will Include the Addition of Any New Beds.** The contemplated transaction will not result in the addition of new beds.
4. **Whether the Proposal will Involve the Conversion of Beds.** The contemplated transaction will not result in the conversion of beds.

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5. Whether the Assets and Stock (if any) will be acquired. The Hospital and Ivy Creek each will contribute assets it owns in connection with its home health agency to the Joint Venture.

III. Requested Action

Based upon the above description of the proposed transaction, 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, I am enclosing with this request a check in the amount of \$5,000 made payable to the Alabama State Health Planning and Development Agency.

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,


Lauren C. DeMoss

Enclosures

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: 013-H7136
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)
 Name of Facility/Provider: Reliable Home Health
(ADPH Licensure Name)
 Physical Address: 435 Meeting Street
Georgiana, Alabama 36033
 County of Location: BUTLER
 Number of Beds/ESRD Stations: N/A
 CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Butler, Crenshaw, Conecuh, Covington, Lowndes, Monroe, Wilcox

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: Ivy Creek of Butler, LLC
435 Meeting Street
 Mailing Address: Georgiana, Alabama 36033
Ivy Creek of Butler, LLC
 Operator (Entity Name): _____

Part III: Acquiring Entity Information

Name of Entity: Butler-Ivy Creek Home Health, LLC
 Mailing Address: 435 Meeting Street
Georgiana, Alabama 36033

Operator (Entity Name): Butler-Ivy Creek Home Health, LLC

Proposed Date of Transaction is on or after: November 30, 2018

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ See attached

Type of Beds: N/A

Number of Beds/ESRD Stations: N/A

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

Projected Equipment Cost: \$ See attached

Projected Construction Cost: \$ See attached

Projected Yearly Operating Cost: \$ See attached

Projected Total Cost: \$ See attached

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): RELIABLE HOME HEALTH
IVY CREEK of Butler, LLC M.B.

Operator(s): RELIABLE HOME HEALTH
IVY CREEK of Butler, LLC M.B.

Title/Date: MANAGER - Nov 29, 2018

SWORN to and subscribed before me, this 20th day of November, 2018.

(Seal)

Mark A. J. Lambert

Notary Public

My Commission Expires: 11/20/2021

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): BUTLER-ZUY CREEK HOME HEALTH, LLC M. B.

Operator(s): BUTLER-ZUY CREEK HOME HEALTH, LLC M. B.

Title/Date: MANAGER NOVEMBER 20, 2018

SWORN to and subscribed before me, this 20th day of November, 2018.

(Seal)

Mark A. J. Lambert

Notary Public

My Commission Expires: 11/20/2021

Author: Alva M. Lambert

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

History: New Rule

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STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

**CERTIFICATE OF FORMATION
OF
BUTLER – IVY CREEK HOME HEALTH, LLC**

For the purpose of forming a limited liability company under the Alabama Limited Liability Company Law of 2014 and any act amendatory thereof, supplementary thereto, or substituted therefor, the undersigned does hereby sign and adopt this Certificate of Formation, and, upon filing for record of this Certificate of Formation in the office of the Judge of Probate of Butler County, Alabama, the existence of a limited liability company (hereinafter referred to as the "Company") under the name set forth below shall commence.

1. The name of the Company shall be BUTLER – IVY CREEK HOME HEALTH, LLC.
2. There is at least one member of the Company.
3. The location and mailing address of the initial registered office of the Company shall be 435 Meeting Street, Georgiana, Alabama 36033. The initial registered agent at such address shall be Michael Bruce.

IN WITNESS WHEREOF, the undersigned organizer has caused this Certificate of Formation to be duly executed, on this the 20th day of NOVEMBER, 2018.



Michael Bruce

THIS INSTRUMENT PREPARED BY:
Jon L. Mills
Maynard, Cooper & Gale, P.C.
2400 Regions/Harbert Plaza
1901 Sixth Avenue North
Birmingham, Alabama 35203-2618
(205) 254-1000

STATE OF ALABAMA

DOMESTIC LIMITED LIABILITY COMPANY (LLC)
CERTIFICATE OF FORMATION

PURPOSE: In order to form a limited liability company (LLC) under Section 10A-5A-2.01 of the Code of Alabama 1975 this Certificate Of Formation and the appropriate filing fees must be filed with the Office of the Judge of Probate in the county where the entity's initial registered office is located. **The information required in this form is required by Title 10A.**

INSTRUCTIONS: Mail one (1) signed original and two (2) copies of this completed form and the appropriate filing fees to the Office of the Judge of Probate in the county where the limited liability company's (LLC) registered office is/will be located. Contact the Judge of Probate's Office to determine the county filing fees. **Make a separate check or money order payable to the Secretary of State for the state filing fee of \$100.00** for standard filing (based on date of receipt and volume) **or \$200.00 for expedited service** (processed within approximately 3 business days after date of receipt from the County Probate Office) and the Judge of Probate's Office will transmit the fee along with a certified copy of the Certificate to the Office of the Secretary of State within 10 days after the Certificate is filed. Once the Secretary of State's Office has indexed the filing the information will appear at www.sos.alabama.gov under the Government Records tab and the Business Entity Records link – you may search by entity name. Your notification of filing was provided by the Probate Judge's Office via a stamped copy which is evidence of existence (if it is certified by the Probate Office) according to 10A-1-4.04(c) and the Secretary of State's Office does not send out a copy. You may pay the Secretary of State fees by credit card if the county you are filing in will accept that method of payment. Your entity will not be indexed if the credit card does not authorize and will be removed from the index if the check is dishonored.

(For County Probate Office Use Only)

The information completing this form must be typed (for your convenience the information is fill-able on this computer form on the website above).

1. The name of the limited liability company (must contain the words "Limited Liability Company" or the abbreviation "L.L.C." or "LLC," and comply with Code of Alabama, Title 10A-1-5.06. You may use Professional or Series before Limited Liability Company if they apply or you may use those abbreviations):
Butler - Ivy Creek Home Health, LLC
2. **A copy of the Name Reservation certificate from the Office of the Secretary of State must be attached and the name reserved must agree with item 1 above [proves name reservation under 10A-1-4.02(f)].**

This form was prepared by: (type name and full address)

Hon. Mark Allen Treadwell
Oliver & Treadwell LLP
129 W Columbus St.
Dadeville AL 36853

(For SOS Office Use Only)

DOMESTIC LIMITED LIABILITY COMPANY (LLC) CERTIFICATE OF FORMATION

3. The name of the Registered Agent located at the Registered Office (only one agent):

Michael Bruce

Street (**No PO Boxes**) address of Registered Office (must be located in Alabama):

435 Meeting Street Georgianna, AL 36033

Mailing address in Alabama of Registered Office (if different from street address):

4. The undersigned certify that there is at least one member of the limited liability company.

5. Check **only** if the type applies to the Limited Liability Company being formed:

Series LLC complying with Title 10A, Chapter 5A, Article 11


Professional LLC complying with Title 10A, Chapter 5A, Article 8

6. The filing of the limited liability company is effective immediately on the date filed by the Judge of Probate or at the delayed filing date (cannot be prior to the filing date) specified in this filing. 10A-1-4.12

The undersigned specify ____/____/____ as the effective date (must be on or after the date filed in the office of the county Judge of Probate, but no later than the 90th day after the date this instrument was signed) and the time of filing to be ____:____ AM PM (cannot be noon or midnight – 12:00)

Attached are any other matters the members determine to include herein (if this item is checked there must be attachments with the filing).

11 / 20 / 2010
Date (MM/DD/YYYY)


Signature as required by 10A-5A-2.04

Michael Bruce
Typed Name of Above Signature

Manager
Typed Title (Organizer or Attorney-in-fact)

Additional Organizers/Attorney-in-facts may sign (add additional sheets if necessary).