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February 7, 2019

CO2019-024

Via Electronic Filing

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Feb 19 2019

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Mr. Bradford L. Williams
Acting Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36104

**Re: Notice of Change of Ownership – Hospice of the Shoals In-Home Hospice
(SHPDA ID 077-P2372)**

Dear Mr. Williams:

We respectfully submit to the State Health Planning and Development Agency ("SHPDA") this letter as an attachment to the Notice of Change of Ownership form that we are filing pursuant to Rule 410-1-7-.04 of the Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The Change of Ownership involves Hospice of the Shoals, Inc., an entity that is authorized by Certificate of Need 2372-HPC (the "CON") to provide in-home hospice services in Colbert, Franklin, and Lauderdale Counties. The following addresses SHPDA's notice requirements, under Rule 410-1-7-.04(3), for a change of ownership.

Notice of Change of Ownership Requirements

1. Financial Scope of the Project. Hospice of North Alabama, LLC ("Buyer") will pay to Hospice of the Shoals, Inc. ("Seller") a fair market value price as consideration for Seller's transfer of an asset, the CON, to Buyer (the "Proposed Transaction"). This transaction will not exceed any of the expenditure thresholds set forth in Ala. Code § 22-21-263(a)(2) and Rule 410-1-2-.07, which are presently: \$2,997,918 for major medical equipment; \$1,199,166 for new annual operating costs; and \$5,995,836 for any other capital expenditure.

2. Services to be Offered. The transaction will not result in any new or additional services. Seller provides in-home hospice services under the CON, and Buyer provides in-home hospice services under separate certificate of need authority.

3. Whether the Proposal will Include the Addition of New Beds. The Proposed Transaction will not result in the addition of new beds.

3. Whether the Proposal will Involve the Conversion of New Beds. The Proposed Transaction will not result in the conversion of beds.

4. Whether the Assets and Stock (if any) Will be Acquired. As described above, the Buyer will acquire from Seller an asset, the CON. Other than the CON, the Proposed Transaction will not involve the acquisition of any stock or other assets.

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 to consummate the Proposed Transaction. In accordance with the Rule 410-1-7-.04(2), I am enclosing with this request a check in the amount of \$2,500 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,

A handwritten signature in blue ink, appearing to read "Justin K. Brown", with a stylized flourish extending to the right.

Justin K. Brown

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 §§ 22-21-271(d), (e))

☒ Change in Certificate of Need Holder (ALA. CODE § 22-21-271(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: 077-P2372

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

Name of Facility/Provider: Hospice of the Shoals
(ADPH Licensure Name)

Physical Address: 115 Fairground Road

Florence, AL 35630

County of Location: Lauderdale

Number of Beds/ESRD Stations: N/A – In-Home Hospice

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Colbert, Franklin, and Lauderdale Counties

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: Hospice of the Shoals, Inc.

Mailing Address: 115 Fairground Road

Florence, AL 35630

Operator (Entity Name): Hospice of the Shoals, Inc.

Part III: Acquiring Entity Information

Name of Entity: Hospice of North Alabama, LLC

Mailing Address: 2457 Mall Road
Florence, AL 35260

Operator (Entity Name): Hospice of North Alabama, LLC

Proposed Date of Transaction is on or after: February 28, 2019 or, if sooner, upon receiving confirmation that the proposed transaction does not require Certificate of Need approval.

Part IV: Terms of Purchase

Monetary Value of Purchase: Please see attached letter.

Type of Beds: N/A – In-Home Hospice

Number of Beds/ESRD Stations: N/A – In-Home Hospice

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

Projected Equipment Cost: Please see attached letter.

Projected Construction Cost: Please see attached letter.

Projected Yearly Operating Cost: Please see attached letter.

Projected Total Cost: Please see attached letter.

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): Hospice of the Shoals, Inc.

By: Jeffrey Jones
Print

Sign Jeffrey Jones

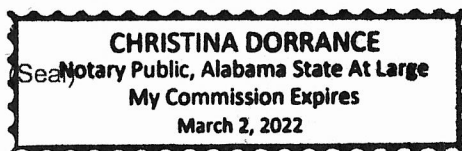
Its: President / Board of Directors
Title

Date 2/7/19

Operator(s): Hospice of the Shoals, Inc.

Sign Jeffrey Jones

SWORN to and subscribed before me, this 7th day of February, 2019



Christina Dorrance
Notary Public

My Commission Expires: MARCH 2, 2022

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): Hospice of North Alabama, LLC

By: DAVID KOSLOFF
Print

Sign DK

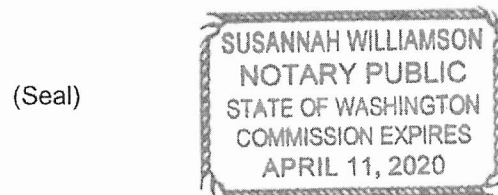
Its: Secretary and CFO
Title

Date 2/7/19

Operator(s): Same

Sign DK

SWORN to and subscribed before me, this 7 day of February, 2019



Susannah Williamson
Notary Public

My Commission Expires: 4-11-20