

Attorneys at Law

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July 9, 2019

VIA EMAIL & EXPRESS MAIL

Mr. Alva Lambert
Executive Director
State Health Planning and Development Agency
RSA Union Building
100 N. Union Street – Suite 870
Montgomery, Alabama 36104
Email: shpda.online@shpda.alabama.gov

Re: Hospice of North Alabama, LLC
Certificate of Need: CON 2446-HPC
SHPDA ID Number 089-P2446

Dear Mr. Lambert:

We respectfully submit this letter to the State Health Planning and Development Agency as part of an informational filing relating to an indirect change of ownership interest in Hospice of North Alabama, LLC.

I. Overview of Proposed Transaction

Hospice of North Alabama, LLC owns and operates a home-based hospice agency located at 2905 Westcorp Blvd. SW Suite 116, Huntsville, AL 35805. Hospice of North Alabama provides hospice services in Blount, Cullman, DeKalb, Fayette, Jackson, Lawrence, Limestone, Madison, Marshall, Morgan, Franklin, Colbert, Lauderdale, Lamar, Marion, Walker, and Winston Counties pursuant to the authority granted to Hospice of North Alabama under Certificate of Need 2446-HPC.

Specifically, in the proposed transaction, Silverton Intermediate Holdings, Inc. will acquire one-hundred percent (100%) of the equity interests in Tailwind Abode Holding Corporation, the great grandparent of Hospice of North Alabama. As a result of this transaction, Silverton Intermediate Holdings, Inc. will become an indirect owner of Hospice of North Alabama at the great-great grandparent level. The transaction is expected to take place on or about August 5, 2019. Charts outlining the business structure both before and following the proposed transaction are enclosed as **Attachment A**.

I. SHPDA Notice of Change of Ownership Requirements

With regards to the questions posed in the SHPDA Change of Ownership Form, please note the following:

1. Financial Scope of the Project. The financial scope of the project will encompass the fair market value payment that Silverton Intermediate Holdings, Inc. ("Buyer") will make to Tailwind Abode Investor, LLC ("Seller") as consideration for the transfer of 100 percent of Seller's equity interests in Tailwind Abode Holding Corporation (the "Proposed Transaction"), which, as noted above, is an indirect owner of the North Alabama hospice. The fair market value payment involved in the Proposed Transaction does 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: \$2,000,000 for major medical equipment; \$800,000 for new annual operating costs; or \$4,000,000 for any capital expenditures.
2. Services to be Offered. The Proposed Transaction will not result in any new or additional services to those already authorized to be provided by Hospice of North Alabama.
3. Whether the Proposal will Include the Addition of New Beds. The Proposed Transaction will not result in the addition of new beds.
4. Whether the Proposal will Involve the Conversion of new Beds. The Proposed Transaction will not result in the conversion of new beds.
5. Whether the Assets of Stock (if any) Will be Acquired. As described above, Silverton Intermediate Holdings, Inc. will acquire one-hundred percent (100%) of the equity interests in Tailwind Abode Holding Corporation.

II. Requested Action

Based upon the above description of the proposed transaction and a showing that there will be no change in the services offered, no increase or decrease in bed capacity, or conversion of beds, we understand that the proposed transaction is exempt from and not subject to Certificate of Need approval in accordance with Ala. Code 1975, § 22-21-270(f). We, therefore, respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Alabama Administrative Code and determine that a certificate of need is not required for consummation of the Proposed Transaction.

As required, we are submitting payment electronically in the amount of \$2,500 through the SHPDA Electronic Payment Portal.

If you have any questions or require further information, please do not hesitate to contact me at the email address or phone number listed above, or contact David Kosloff, Secretary and Chief Financial Officer of Hospice of North Alabama, by phone at (206) 576-0087 or by email at dkosloff@abodehealthcare.com.

Very truly yours,



Mr. Alva Lambert
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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: 089-P2446
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Hospice of North Alabama, LLC
(ADPH Licensure Name)

Physical Address: 2905 Westcorp Blvd. SW Suite 116
Huntsville, AL 35805

County of Location: Madison

Number of Beds/ESRD Stations: N/A

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Blount, Cullman, DeKalb, Fayette, Jackson, Lawrence, Limestone, Madison, Marshall, Morgan, Franklin, Colbert, Lauderdale, Lamar, Marion, Walker, Winston

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: Abode Healthcare, Inc.

Mailing Address: 2200 6th Ave., Suite 1200, Seattle, WA 98121

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

Part III: Acquiring Entity Information

Name of Entity: Silverton Intermediate Holdings, Inc.

Mailing Address: 222 Berkeley Street, 18th Floor, Boston, MA 02116

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

Proposed Date of Transaction is
on or after: August 5, 2019

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:

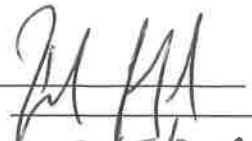
- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 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):

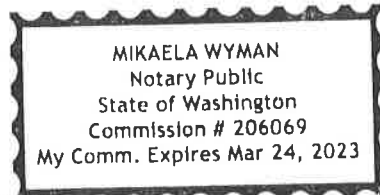
The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Abode Healthcare, Inc.
Operator(s): Hospice of North Alabama, LLC / David Kosloff
Title/Date: Secretary & CFO


7/5/2019

SWORN to and subscribed before me, this 5th day of July, 2019.

(Seal)

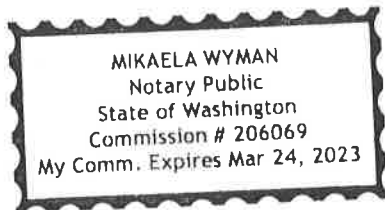

Notary PublicMy Commission Expires: March 24th, 2023**Acquiring Authority Signature(s):**

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): David Kosloff Title/Date: Secretary & CFO 7/5/2019SWORN to and subscribed before me, this July day of 5th, 2019.

(Seal)


Notary PublicMy Commission Expires: March 24th, 2023

Author: Alva M. Lambert

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

History: New Rule

(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): Ross Stern, Secretary & Vice President RSOperator(s): David KosloffTitle/Date: Secretary & CFOSWORN to and subscribed before me, this 8 day of July, 2019.

(Seal)

Notary Public

My Commission Expires: Dec. 3, 2021

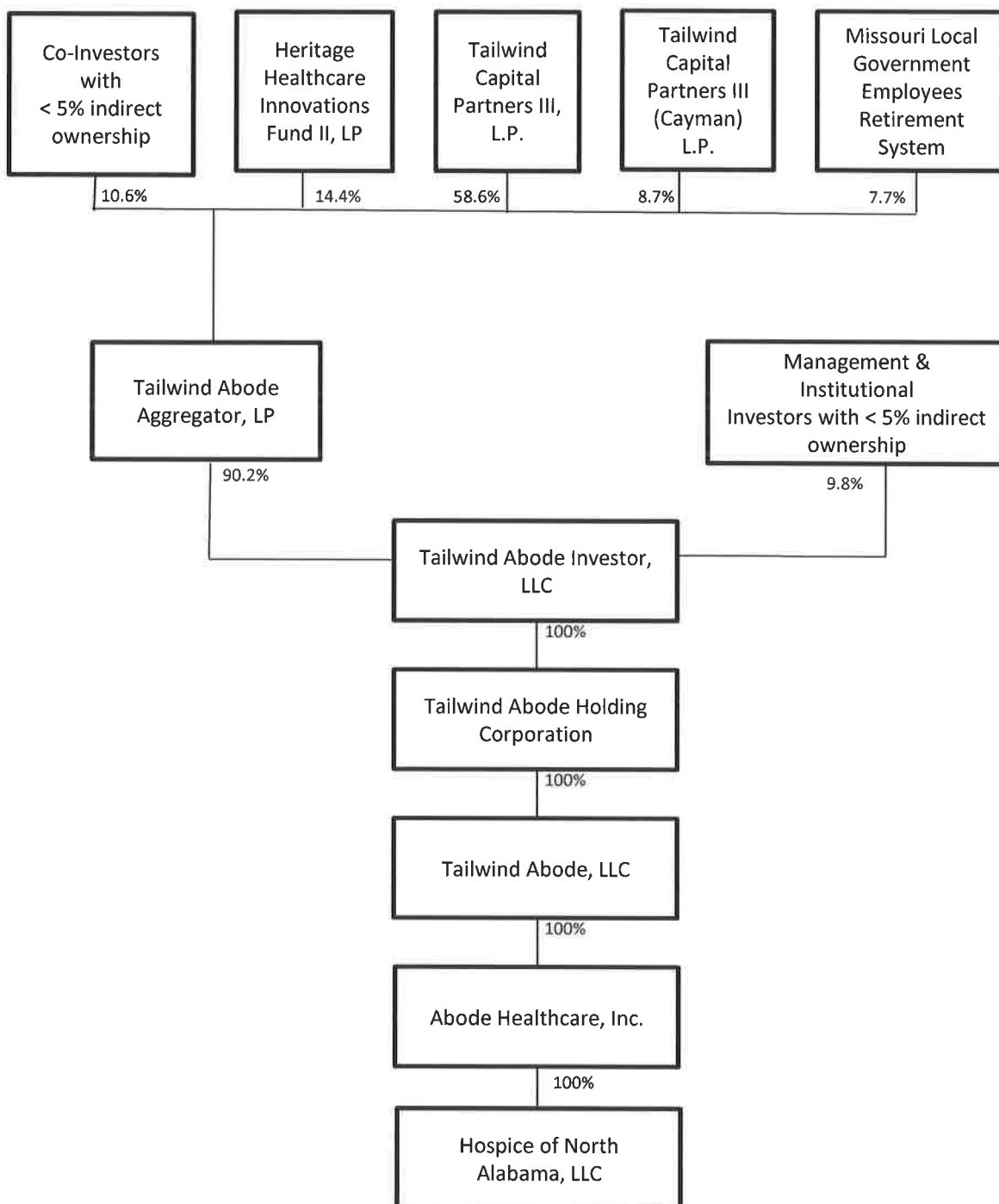
Author: Alva M. Lambert

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

History: New Rule

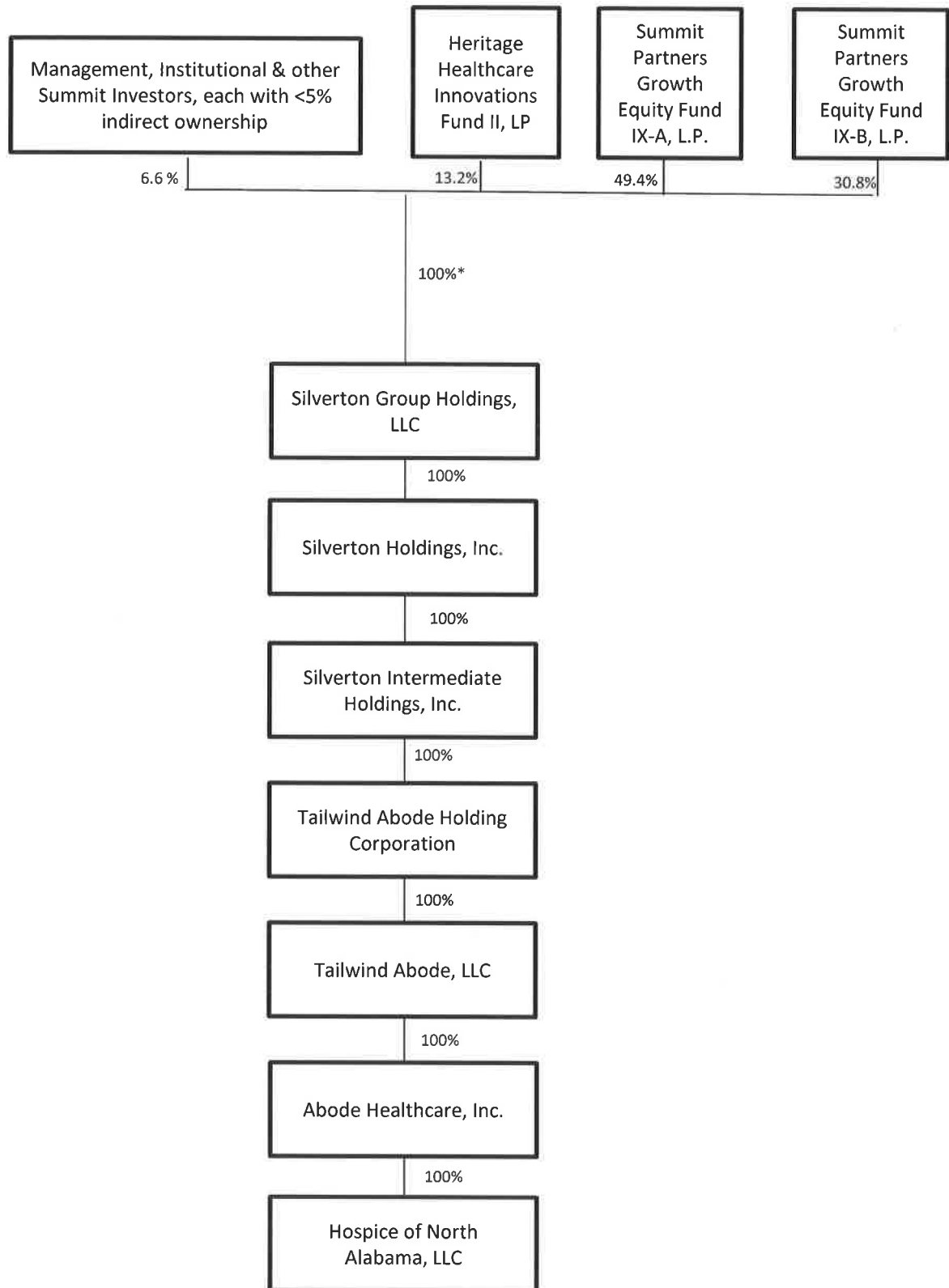
Attachment A

Hospice of North Alabama, LLC Corporate Ownership Structure Before the Transaction



Attachment A

Hospice of North Alabama, LLC Corporate Ownership Structure Following the Transaction



*Summit Fund ownership percentages are estimates to be finalized at closing