



CO2022-098
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STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

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August 4, 2022

Via Email (shpda.online@shpda.alabama.gov)

Emily T. Marsal, Executive Director
Alabama State Health Planning &
Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36104

**Re: Notice of Change of Ownership
Falkville Health Care Center**

Dear Ms. Marsal:

We respectfully submit this letter to the Alabama State Health Planning and Development Agency (“SHPDA”) as an attachment to the Notice of Change of Ownership form that we are filing pursuant to the Alabama Certificate of Need Program Rules and Regulations (the “CON Rules”) Chapter 410-1-7-.04. The proposed change of ownership involves the purchase of the 116-bed skilled nursing facility located in Falkville, Morgan County, Alabama and known as Falkville Health Care Center (the “Facility”). The following summarizes the transaction proposed to take place and addresses SHPDA requirements under the CON Rules for change of ownership.

I. Facts

1. The Facility is currently owned by AGE-Falkville, LLC (“Current Owner”) and operated by U.S.A. Healthcare-Falkville, L.L.C. (the “Current Operator”) pursuant to a lease agreement between Current Owner and Current Operator (Current Owner and Current Operator, collectively, the “Seller”).
2. Seller and Falkville SNF Realty, LLC (“Purchaser”) have entered into an asset purchase agreement (the “APA”) for the sale of substantially all of the assets used in the operation of the Facility (the “Transaction”).
3. Prior to the Commencement (as defined below), Purchaser shall lease the Facility under a lease agreement (“Lease Agreement”) to Falkville SNF

Operations, LLC (“New Operator”) so that the New Operator will be responsible for the operation of the Facility as of the Commencement.

4. Under certain documents to be negotiated and entered into in order to effectuate the Transaction, subject to approval by the Alabama Department of Public Health (“ADPH”) and the issuance of a license to New Operator to operate the Facility as a 116-bed skilled nursing facility, the Transaction will become effective on or after September 20, 2022 (the “Commencement”).
5. The resulting “change in control” requires notification to your agency pursuant to Ala. Admin. Code 410-1-7-.04(1). The change in control will be documented by the attached executed change of ownership form.

II. Financial Scope of Project.

As outlined in the attached change of ownership form, this Transaction does not involve the purchase of new equipment or other capital expenditures in excess of the applicable spending thresholds set forth in Alabama Code 22-21-263(a)(2). As disclosed in the attached change of ownership form, it is anticipated that first year annual operating costs will be approximately \$9,032,798, which does not represent an increase in such annual operating costs in excess of the applicable spending threshold.

III. No New Services to be Offered.

The Transaction does not involve the offering of any new services by the Facility. The Facility will continue to operate as a skilled nursing facility.

IV. No New Beds or Conversion of Beds.

The Transaction does not involve any addition or reduction of beds. The Transaction does not involve the conversion of any beds.

V. Acquisition of Stock and Assets.

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

Based on the above showing that there will be no change in health service, no conversion of beds or increase in bed capacity, or any capital expenditure in excess of the applicable spending thresholds set forth in *Alabama Code* § 22-21-263(a)(2), we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the CON Rules and determine that a new Certificate of Need is not required for the consummation of the above-described Transaction. In accordance with the CON Rules, the Purchaser has paid the filing fee of \$2,500 through SHPDA’s online payment portal.

Emily T. Marsal
August 4, 2022
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If you have any questions or need any additional information, please let me know.

Sincerely,



David M. Hunt
Attorney for Purchaser and New Operator

DMH/aeg


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: 103-N003
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)
 Name of Facility/Provider: Falkville Health Care Center
(ADPH Licensure Name)
 Physical Address: 10 West 3rd Street
Falkville, AL 35622
 County of Location: MORGAN 
 Number of Beds/ESRD Stations: 116
 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: AGE-Falkville, LLC
 Mailing Address: 401 Arnold Street NE
Cullman, AL 35055
 Operator (Entity Name): U.S.A. Healthcare-Falkville, L.L.C.

Part III: Acquiring Entity Information

Name of Entity: Falkville SNF Realty LLC
 Mailing Address: 2 North Jackson Street, Suite 605
Montgomery, AL 36104

Operator (Entity Name): Falkville SNF Operations LLC

Proposed Date of Transaction is on or after: 09/20/2022

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 79,000,000.00 *

Type of Beds: Skilled Nursing Facility

Number of Beds/ESRD Stations: 116

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

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 9,032,798.00

Projected Total Cost: \$ 9,032,798.00


On an Attached Sheet Please Address the Following:

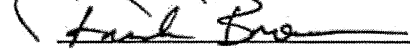
- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.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

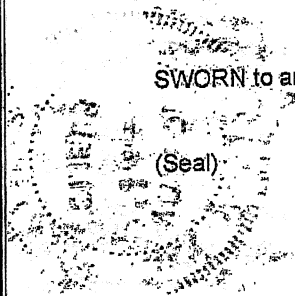
The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Frank Brown 

Operator(s): Frank Brown 

Title/Date: Manager 8/1/2022

*This transaction involves the sale of eight health care facilities. The purchase price of \$79,000,000 represents the total for all eight facilities.



SWORN to and subscribed before me, this 1st day of August, 2022

Cindy D. Hollis
Notary Public

(Seal)

My Commission Expires: 8-23-2025

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): Susan Strauss _____

Operator(s): Susan Strauss _____

Title/Date: Authorized Representative _____

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal)

Notary Public

My Commission Expires: _____

Author: Alva M. Lambert
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975
History: New Rule

SWORN to and subscribed before me, this 2 day of August, 2022.

(Seal)

SHOSHANA R. MUNK
NOTARY PUBLIC OF NEW JERSEY
Comm # 50082613
My Commission Expires May. 15, 2023

[Signature]
Notary Public

My Commission Expires: May 15, 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): Susan Strauss [Signature]

Operator(s): Susan Strauss [Signature]

Title/Date: Authorized Representative 8/2/22

SWORN to and subscribed before me, this 2 day of August, 2022.

(Seal)

SHOSHANA R. MUNK
NOTARY PUBLIC OF NEW JERSEY
Comm # 50082613
My Commission Expires May. 15, 2023

[Signature]
Notary Public

My Commission Expires: May 15, 2023

Author: Alva M. Lambert
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975
History: New Rule