

Stephanie M. Hoffmann

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615.252.3837 direct



CO2023-020

RECEIVED

Jun 01 2023

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

June 1, 2023

Via E-Mail (shpda.online@shpda.alabama.gov)

Ms. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104
shpda.online@shpda.alabama.gov

RE: Notice of Intent for Change of Ownership/Control: Congress Street Partners, L.P. d/b/a Kensington Health and Rehabilitation (SHPDA ID 097-N7006)

Dear Ms. Marsal:

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 Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the “Rules”). This filing is to inform you of an anticipated change in the indirect owner of Congress Street Partners, L.P. (the “Company”), which operates Kensington Health and Rehabilitation, a skilled nursing facility located at 550 Congress Street, Mobile, Alabama, 36603-6152 (the “Facility”). As described more fully below, the proposed transaction will not result in any change in the direct ownership of the Facility, nor will it result in any change in the Facility’s legal business name, federal tax identification number, or Medicare provider number. However, we are sending this letter to provide SHPDA with background information about and notification of the proposed transaction.

I. Overview of Proposed Transaction

The Company, a limited partnership, is currently owned 0.01% by Elkin Road Associates, LLC, its general partner, and 99.99% by Wellington Healthcare Services, L.P., its limited partner (which also holds 100% of the membership interest in Elkin Road Associates, LLC) (“Wellington”). Wellington, in turn, is held 0.01% by Andwell GP, LLC, its general partner, and 99.99% by Andwell Investments, LLC, its limited partner (collectively, the “Andwell Entities”). The Andwell Entities are wholly owned by James J. Andrews.

Pursuant to a proposed membership interest transfer agreement (the “Agreement”), Southeast Management Holdings LLC and Southeast HC Holdings LLC (the “Southeast Entities”) will acquire 100% of the partnership interest in Wellington from the Andwell Entities such that Southeast Management Holdings LLC becomes Wellington’s general partner and 0.01% owner and Southeast HC Holdings LLC becomes Wellington’s limited partner and 99.99% owner

(the “Proposed Transaction”). The Southeast Entities are wholly owned by Southeast HC Partners LLC, which is in turn owned by the following wholly-owned limited liability companies:

- 46.0% by WHPJS LLC (wholly owned by Joel Sabel);
- 44.0% by WHPGP LLC (wholly owned by Richard Platschek);
- 7.5% by WHPNP LLC (wholly owned by Andrew Platschek); and
- 2.5% by WHPMK LLC (wholly owned by Moshe Kelman).

The parties currently anticipate the Proposed Transaction will be effective **June 15, 2023** (the “Effective Date”). The parties also plan to change Wellington’s legal name from “Wellington Healthcare Services, L.P.” to “Southeast Healthcare L.P.” on or shortly after the Effective Date. A diagram of the Facility’s ownership before and after the Proposed Transaction is enclosed for reference.

As mentioned above, the Proposed Transaction will not result in any change in the direct ownership of the Company. The Company will retain its assets, and there will be no change in its legal business name or federal tax identification number. The Proposed Transaction will not result in a change of ownership for Medicare purposes.

II. SHPDA Requirements for Change of Ownership

Concerning the questions posed in the Change of Ownership Application, please note the following:

1. The Financial Scope of the Project. Pursuant to the Agreement, the “purchase price” of the facility will be the assumption of the Facility’s existing lease and sublease by parties affiliated with the Buyer entities. The Proposed Transaction does **not** involve any new costs associated with the Facility exceeding the following expenditure thresholds: (i) \$3,241,543.00 for major medical equipment; (ii) \$1,296,615.00 for new annual operating costs; and (iii) \$6,483,085.00 for 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 the Facility.

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

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

5. Whether the Assets and Stock (if any) will be acquired. As described more fully above, the Proposed Transaction will not have any impact on the direct ownership interests in the

Ms. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
June 1, 2023
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Company. However, it will entail a transfer of ownership interests in entities upstream from the Company's direct owners.


III. 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 for the consummation of the Proposed Transaction. In accordance with the Rules, we will be submitting the required filing fee in the amount of \$2,500 to the Alabama State Health Planning and Development Agency through the electronic payment portal.

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,

BRADLEY ARANT BOULT CUMMINGS LLP

By: 
Stephanie M. Hoffmann

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: 097-N7006
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Kensington Health and Rehabilitation
(ADPH Licensure Name)

Physical Address: 550 Congress Street
Mobile, AL 36603-6152

County of Location: MOBILE

Number of Beds/ESRD Stations: 120

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

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: Congress Street Partners, L.P.

Mailing Address: 20 Mansell Court East, Suite 200
Roswell, GA 30076

Operator (Entity Name): Congress Street Partners, L.P.

Part III: Acquiring Entity Information

Name of Entity: Congress Street Partners, L.P.

Mailing Address: c/o Topaz Fiscal Services LLC
6085 Strickland Ave. / Brooklyn, NY 11234

Operator (Entity Name): Congress Street Partners, L.P.

Proposed Date of Transaction is on or after: 06/15/2023

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ See attached letter.

Type of Beds: Skilled nursing facility beds

Number of Beds/ESRD Stations: 120

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

Projected Equipment Cost: \$ See attached letter.

Projected Construction Cost: \$ See attached letter.

Projected Yearly Operating Cost: \$ 8,735,135.21

Projected Total Cost: \$ 8,735,135.21

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):

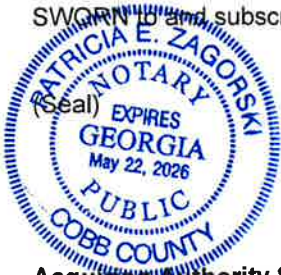
The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Congress Street Partners, L.P.

Operator(s): James J. Andrews

Title/Date: President, 5/23/2023

SWORN to and subscribed before me, this 23rd day of May, 2023.



Patricia E. Zagorski
Notary Public

My Commission Expires: 5/22/2026

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): Congress Street Partners, L.P. _____

Operator(s): _____

Title/Date: _____

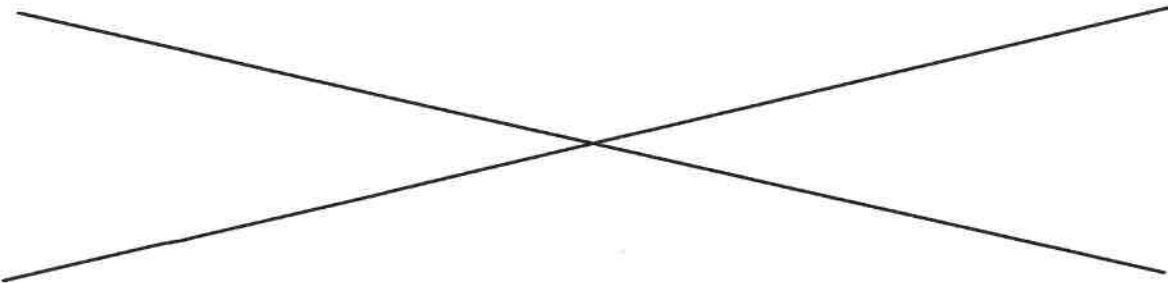
SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal)

Notary Public

My Commission Expires: _____

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



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): Congress Street Partners L.P. _____

Operator(s): Moshe Kelman _____ *Moshe Kelman*

Title/Date: President, 6/1/2023 _____

SWORN to and subscribed before me, this 7 day of June, 2023

(Seal)

Miriam Spiegel

Notary Public

My Commission Expires: 10/23/2026

MIRIAM SPIEGEL
Notary Public, State of New York
NO. 01678049659
Qualified in Kings County
Commission Expires Oct. 23, 2026

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

Stephanie M. Hoffmann

Attorney
shoffmann@bradley.com
615.252.3837 direct



June 26, 2023

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Jun 27 2023

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Via E-Mail (shpda.online@shpda.alabama.gov)

Ms. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104
shpda.online@shpda.alabama.gov

RE: Supplement to Notice of Intent for Change of Ownership/Control: Congress Street Partners, L.P. d/b/a Kensington Health and Rehabilitation Center (SHPDA ID 097-N7006)


Dear Ms. Marsal:

We respectfully submit to the State Health Planning and Development Agency (“SHPDA”) the attached supplement to our recent Notice of Intent for Change of Ownership/Control regarding the anticipated change in the indirect owner of Congress Street Partners, L.P. (the “Company”), which operates Kensington Health and Rehabilitation Center, a skilled nursing facility located at 550 Congress Street, Mobile, Alabama, 36603-6152 (the “Facility”).

The purpose of this letter is to provide an updated transaction diagram in connection with the anticipated change of control of the Facility. Please note that this updated diagram does not change any of the entities referenced in the submitted letter of intent or application form; the sole change from our filing being reported herein is that the parties will **not** be replacing the property company lessee, Warsaw Road, L.P. At the time the Company submitted its filing for this transaction, it had anticipated another company would take on the lease from the property company and sublease it to the Company (Congress Street Partners, L.P.), but the parties have since decided not to make that change at this time.

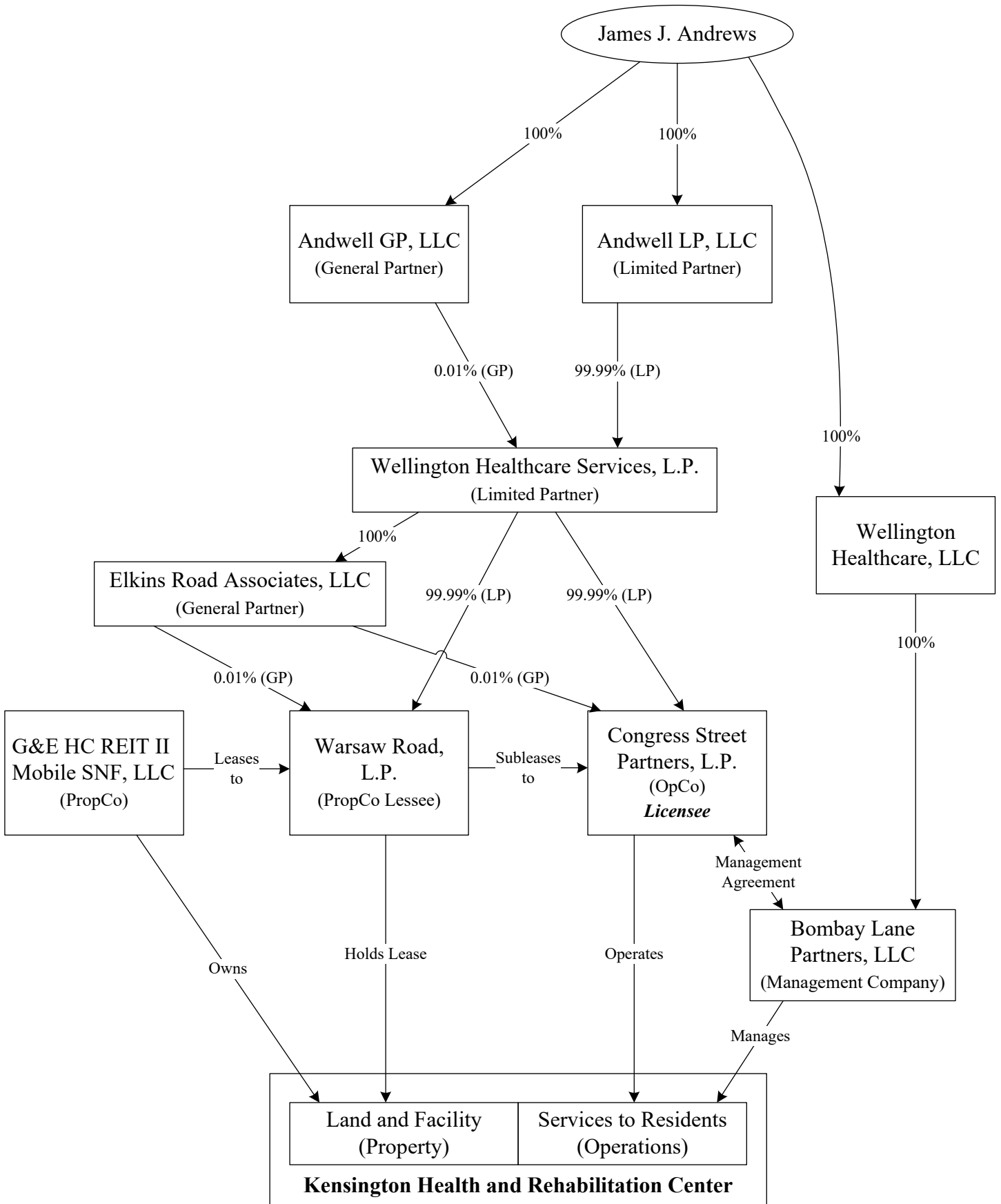
Happy to provide any other information you might need for your records. We will reach out again with a confirmation notice once the proposed transaction is effective. Should you have any questions or need further information, please feel free to contact me at the number or address listed above. Thank you in advance for your assistance with this matter.

Sincerely,
BRADLEY ARANT BOULT CUMMINGS LLP

By: 
Stephanie M. Hoffmann

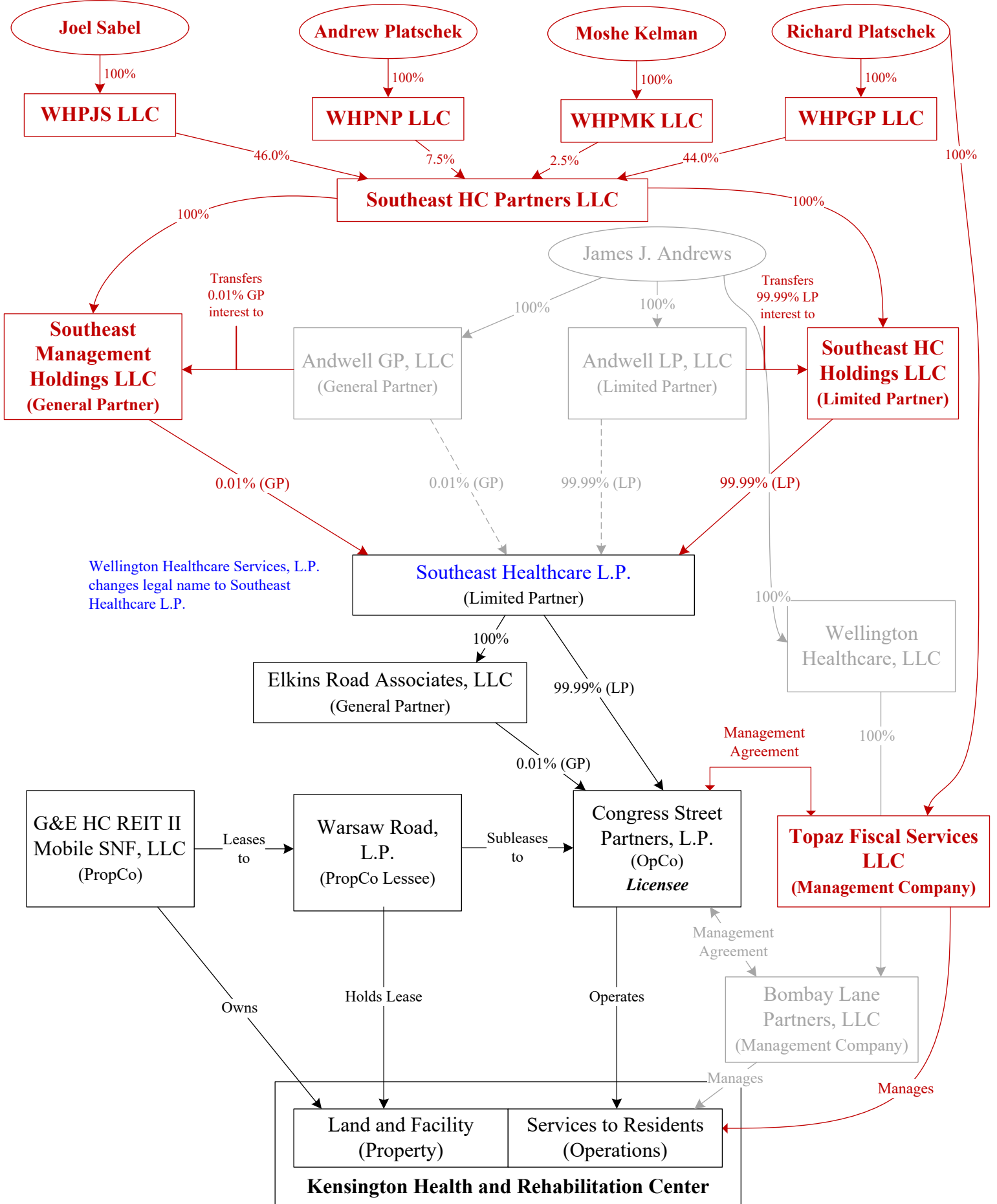
Congress Street Partners, L.P. d/b/a Kensington Health and Rehabilitation Center

BEFORE



Congress Street Partners, L.P. d/b/a Kensington Health and Rehabilitation Center

TRANSACTION



Congress Street Partners, L.P. d/b/a Kensington Health and Rehabilitation Center

AFTER

