

Dec 12 2023

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Angie C. Smith
acsmith@burr.com
Direct Dial: (205) 458-5209
Direct Fax: (205) 458-5100

Burr & Forman LLP
420 North 20th Street
Suite 3400
Birmingham, AL 35203

Office (205) 251-3000
Fax (205) 458-5100

BURR.COM

December 12, 2023

VIA EMAIL ONLY

Ms. Emily Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street
Suite 870
Montgomery, AL 36104

Re: REVISED Skilled Nursing Facility Change of Ownership – Gadsden Health and Rehab Center; SHPDA ID 055-N0007

Dear Ms. Marsal:

Pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the “Rules”), we respectfully submit the attached Notice of Change of Ownership. The Change of Ownership involves the purchase and lease of the 168-bed skilled nursing facility located in Gadsden, Etowah County, Alabama, and known as Gadsden Health and Rehab Center (the “Facility”). Following is a summary of the proposed transaction:

I. Facts.

1. The Facility is currently owned by Gadsden Health Care Center, Inc. (the “Seller”) and is licensed to and operated under an operating lease by US Health Care, LLC, d/b/a Gadsden Health and Rehab Center (the “Current Operator”). Seller owns the real property on which the Facility is located at 1945 Davis Drive, Gadsden, AL 35904, and leases the building to the Current Operator, who holds the license from the Alabama Department of Public Health.
2. Seller has negotiated a real estate purchase agreement (the “Real Estate Purchase Agreement”) with Etowah Health Holdings, LLC (“Buyer”), for the sale of the real and personal property comprising the Facility, including the Certificate of Need rights required to be a licensed 168-bed nursing facility at the current location in Etowah

- County Alabama. At the time of the closing on the real property, Seller will assign the lease between Seller and Current Operator (the “Current Lease”), and Buyer will become the new landlord. Until the transaction described in paragraph 3 of this letter is closed, the Current Operator will continue to be the Facility’s licensed operator.
3. In conjunction with the real estate purchase agreement, the Current Operator (joined by Seller) has entered into an Operations Transfer Agreement (“OTA”) with Gadsden HC Operations, LLC (“New Operator”) whereby New Operator will become the licensee of Facility, pending approval by all necessary regulatory agencies. The closing of the OTA shall occur either (i) contemporaneously with the closing of the Real Estate Purchase Agreement, or (ii) subsequent to the closing of Real Estate Purchase Agreement. Immediately following the closing of the OTA between Seller/Current Operator and New Operator, the current lease will be terminated, and Buyer will enter into an operating lease with New Operator. New Operator will become the Facility’s licensed operator.
 4. Under certain documents to be negotiated and entered into in order to effectuate the above described transaction (the “Transaction”), subject to approval by the Alabama Department of Public Health (“ADPH”) and the issuance of a license by ADPH to New Operator to operate the Facility as an 168-bed nursing facility, the OTA Transaction is expected to become effective as of February 1, 2024 (the “Commencement”).
 5. The resulting “change in ownership and control” requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
 6. The change in control of the Facility is documented by the enclosed executed change of ownership form.

II. Financial Scope of Project.

This transaction does not involve the purchase of new equipment, new operating costs, or other capital expenditures in excess of the spending thresholds set forth in Section 22-21-263(a)(2) of the Code of Alabama. The specific costs related to the project are itemized on the attached change of ownership application.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services by the Facility.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds.
2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

V. Stock and Assets.

Other than 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 has been no (i) change in health service, (ii) spending in excess of the spending thresholds, (iii) conversion of beds or (iv) increase in bed capacity we respectfully ask that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON or other action by SHPDA is not required for the consummation of the above-described proposed transaction. In accordance with the Rules, the filing fee of \$2,500.00 has been paid via the electronic payment portal. I enclose the executed change of ownership form.

Should you have any questions or need further information, please contact me at 205-458-5209.

Sincerely,

s/ *Angie Smith*

Angie C. Smith

ACS/jlr
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: 055-N0007
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Gadsden Health and Rehab
(ADPH Licensure Name)

Physical Address: 1945 Davis Drive
Gadsden, AL 35904

County of Location: Etowah

Number of Beds/ESRD Stations: 168

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. NA

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: Gadsden Health Care Center, Inc.

Mailing Address: 1800 Corporate Drive
Birmingham, AL 35242

Operator (Entity Name): US Health Care, LLC

Part III: Acquiring Entity Information

Name of Entity: Etowah Health Holdings, LLC

Mailing Address: 230 West Main Street
Centre, AL 35960

Operator (Entity Name): Gadsden HC Operations, LLC

Proposed Date of Transaction is on or after: Real Estate 1/1/24; Operations 2/1/24

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ Fair market value

Type of Beds: SNF

Number of Beds/ESRD Stations: 168

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

Projected Equipment Cost: \$ NA

Projected Construction Cost: \$ NA

Projected Yearly Operating Cost: \$ \$11,402,470

Projected Total Cost: \$ \$11,402,470

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): Gadsden Health Care Center, Inc.



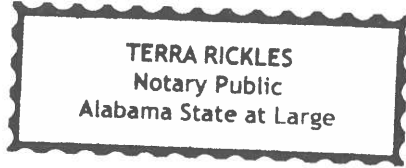
Operator(s): US Health Care, LLC



Title/Date: _____

SWORN to and subscribed before me, this 12th day of December, 2023

(Seal)



Terra Rickles
Notary Public

My Commission Expires: My Commission Expires
June 30, 2027

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): Etowah Health Holdings, LLC _____

Operator(s): Gadsden HC Operations, LLC _____

Title/Date: _____

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

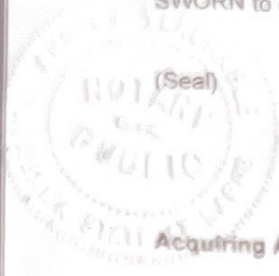
(Seal)

Notary Public

My Commission Expires: _____

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

SWORN to and subscribed before me, this 12th day of December, 2023



Angela Venerable
Notary Public

My Commission Expires: _____

My Commission Expires
June 29, 2027

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): Etowah Health Holdings, LLC [Signature]

Operator(s): Gadsden HC Operations, LLC [Signature]

Title/Date: _____

SWORN to and subscribed before me, this 12th day of December, 2023



Angela Venerable
Notary Public

My Commission Expires: _____

My Commission Expires
June 29, 2027

Author: Alva M. Lambert

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

History: New Rule