

Holland & Knight

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CO2024-027

RECEIVED

Jul 12 2024

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

July 12, 2024

VIA EMAIL (shpda.online@shpda.alabama.gov)

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

**Re: Change of Ownership/Control Notice – Saad Hospice Services at Providence
(SHPDA Facility ID no. 069-P2491D).**

Dear Ms. Marsal:

This letter is intended to provide you with written notice of a proposed change of ownership/control concerning a lease of the Certificate of Need for Sadd Hospice Services at Providence (the “Hospice”).

USA Health HCA Providence Hospital, LLC (“USA” or the “Current CON Holder”) currently maintains Certificate of Need no. 2694-HPC (the “CON”), to operate the Hospice as a fifteen (15) bed, hospital-based, inpatient hospice facility located at 6801 Airport Blvd., Mobile, Mobile County, AL 36608 (the “CON”).

Effective on or after August 1, 2024 (the “Effective Date”), the Current CON Holder intends to lease the space occupied by the Hospice together with applicable operating authorities and rights, including the CON, to the extent legally assignable, to Saad Enterprises, Inc. d/b/a Saad Hospice Service (“Saad” or “New CON Holder”), to operate the Hospice (the “Proposed Lease”). The Proposed Lease does not involve the acquisition of stock; rather, the Proposed Lease will be limited to Saad, an existing hospice operator, acquiring only that space and those authorizations required to operate the Hospice.

Under the Proposed Lease, Saad will make fair market value payments to USA to acquire a leasehold interest in the space and in the CON. After the Effective Date, the services to be provided pursuant to the CON will remain the same. The Proposed Lease will not result in (i) the offering of any new services, (ii) the addition or reduction of beds, or (iii) the conversion of existing beds.

Please consider this letter as official notice of the Proposed Lease and the corresponding change of ownership/control, and find enclosed a completed Notice of Change of Ownership/Control Form. The required fee in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) has been submitted via online portal.

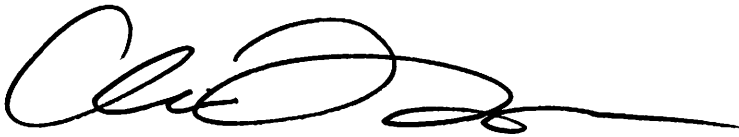
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Based on the information above and enclosed showing that the Proposed Lease will not involve (i) a change in health services, (ii) an expenditure in excess of the spending thresholds, or (iii) a change in existing bed capacity, we respectfully ask that you exercise your authority under Ala. Admin. Code r. 410-1-1-.01, *et seq.* to determine that a certificate of need or other action by SHPDA is not required for the consummation of the Proposed Lease.

Should you have any questions or require any additional information, please contact me by phone at 205.226.5739 or email at Chris.Thompson@hklaw.com.

Sincerely yours,
HOLLAND & KNIGHT LLP

A handwritten signature in black ink, appearing to read 'Chris Thompson', with a long horizontal flourish extending to the right.

Chris Thompson

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) (*Lease*)

Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

SHPDA ID Number: 069-P2491D
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Covenant Inpatient Care Ctr at Providence
(ADPH Licensure Name)

Physical Address: 6801 Airport Blvd.
Mobile, AL 36608

County of Location: MOBILE

Number of Beds/ESRD Stations: 15

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

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: USA Health HCA Providence Hospital, LLC

Mailing Address: 307 N. University Blvd.
Mobile, AL 36688

Operator (Entity Name): USA Health HCA Providence Hospital, LLC

Part III: Acquiring Entity Information

Name of Entity: Saad Enterprises, Inc.

Mailing Address: 1515 S. University Blvd.
Mobile, AL 36609-2958

Operator (Entity Name) Saad Enterprises, Inc. d/b/a Saad Hospice Service (attached license)

Proposed Date of Transaction is on or after: 08/01/2024

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ Fair Market Rent as set forth in Lease Agreement

Type of Beds: Hospital-Based, Inpatient Hospice

Number of Beds/ESRD Stations: 15

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

~~Projected Equipment Cost: \$ \$250,000~~

~~Projected Construction Cost: \$ \$175,000~~

~~Projected Yearly Operating Cost: \$ \$2,799,088~~

~~Projected Total Cost: \$ \$3,224,088~~

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.~~

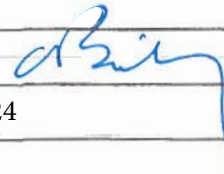
Part V: Certification of Information

Current Authority Signature(s):

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

Owner(s): USA Heath HCA
Providence Hospital, LLC

Operator(s): _____

Owen Bailey 
July 10, 2024

Title/Date: CEO

SWORN to and subscribed before me, this 10th day of July, 2024



Kathy Parks Hurst
Notary Public

My Commission Expires: 5/16/28

Acquiring Authority Signature(s):

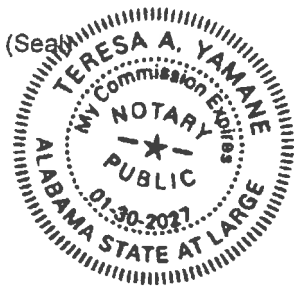
I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): N/A (lease interest) [Signature]

Operator(s): Saad Enterprises, Inc. Henry B. Fulgham

Title/Date: Chief Operating Officer July 9, 2024

SWORN to and subscribed before me, this 9th day of July, 2024



Teresa A. Yamane
Notary Public

My Commission Expires: 1/30/27

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