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Oct 10 2017

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

August 28, 2017

VIA EMAIL shpda.online@shpda.alabama.gov

Karen McGuire
State Health Planning and Development Agency (“SHPDA”)
100 North Union Street, Suite 870
Montgomery, AL 36104

RE: CareSouth HHA Holdings of Valley, LLC d/b/a Encompass Home Health of Alabama
PTAN: 01-7092
SHPDA ID: 107-H7092

Dear Karen:

The attached “Notice of Change of Ownership/Control” form is being submitted pursuant to Code of Alabama Rule 410-1-7-.04 for a change of ownership (“CHOW”) to be effective October 1, 2017 between Pickens County Health Care Authority dba Pickens County Medical Center (“Seller”) and CareSouth HHA Holdings of Valley, LLC dba Encompass Home Health of Alabama (“Buyer”). Seller is authorized to provide home health services in the counties of Fayette, Greene, Lamar, Pickens, Sumter, and Tuscaloosa. The information below addresses SHPDA’s required disclosures for a CHOW:

I. Financial Scope of the Project.

The financial scope of the project will not include any purchase of equipment or any construction costs. Since this is an existing provider, no additional operating expense costs are anticipated to be incurred due to this CHOW. Specifically, the financial scope of the project will encompass the fair market value amount that Buyer will pay as consideration for the purchase of the assets of the Seller. The fair market value payment involved in the proposed transaction does not reflect new costs exceeding the following expenditure thresholds: (i) \$2,923,059 for major medical equipment; (ii) \$1,169,223 for new annual operating costs; and (iii) \$5,846,117 for capital expenditures.

II. Services to be Offered.

This transaction will not result in any new or additional services other than those previously provided by the Seller.

III. Beds.

This transaction does not involve the addition or conversion of any beds.

IV. Stock and Assets.

The Seller will transfer the certificate of need approval for the 6 approved counties referenced above. In addition, Buyer will acquire certain other assets owned by Seller. This transaction will not involve the acquisition of any stock.



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In conclusion, based upon the proposed transaction, Buyer requests SHPDA's approval of this CHOW and rule that no further action will be required. In accordance with Code of Alabama Rule 410-1-3.09, the required filing fee of \$2500 is being paid via the online portal contemporaneously with the electronic filing of this letter and application.

If you should have any questions or require further information, please contact me at (469) 621-8681 or ddoud@ehhi.com. Thank you for your assistance with this matter.

Sincerely,

Diana Doud
Director, Licensing & Enrollment

Enclosures

Oct 10 2017

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: 107-H7092
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Medical Center Home Health
(ADPH Licensure Name)

Physical Address: 194 WILLIAM E. HILL DRIVE
CARROLLTON, AL 35447

County of Location: PICKENS

Number of Beds/ESRD Stations: 0

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Fayette, Greene, Lamar, Pickens, Sumter, Tuscaloosa

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: PICKENS COUNTY HEALTH CARE AUTHORITY

Mailing Address: 241 ROBERT K. WILSON DRIVE
CARROLLTON, AL 35447

Operator (Entity Name): _____

Part III: Acquiring Entity Information

Name of Entity: CareSouth HHA Holdings of Valley, LLC

Mailing Address: 6688 N Central Expressway, Suite 1300
Dallas, TX 75206

Operator (Entity Name): _____

Proposed Date of Transaction is on or after: 10/01/2017

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ not to exceed expenditure thresholds

Type of Beds: 0

Number of Beds/ESRD Stations: 0

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

Projected Equipment Cost: \$ 0

Projected Construction Cost: \$ 0

Projected Yearly Operating Cost: \$ 0

Projected Total Cost: \$ 0.00

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): *Richard McGehee* _____

Operator(s): _____

Title/Date: INTERIM CEO _____

SWORN to and subscribed before me, this 23rd day of August, 2017.

(Seal)

Vocui Britt
Notary Public

My Commission Expires: 10/15/2018

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): _____

Title/Date: Vice President _____

SWORN to and subscribed before me, this _____ day of _____, 2017.

(Seal)

Notary Public

My Commission Expires: _____

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

