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RECEIVED
Oct 23 2018
STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Bradley

October 23, 2018

Via Electronic Filing

Mr. Alva M. Lambert
Executive Director
State Health Planning & Development Agency
100 North Union Street
Suite 870
Montgomery, Alabama 36104

**Re: Notice of Proposed Change in Ownership of Brookwood Home Health
(SHPDA ID 073-H7175)**

Dear Mr. Lambert:

We respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter and Exhibit A 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”). The proposed change of ownership involves the purchase by CareSouth HHA Holdings of Dothan, LLC d/b/a Encompass Health Home Health (the “Buyer”) of the operating assets of Brookwood Home Health (the “Agency”), a home health agency in Birmingham, Alabama, from Brookwood Home Health, LLC (the “Seller”). The following summarizes the transaction proposed to take place on or after November 1, 2018 (the “Proposed Transaction”), and addresses SHPDA requirements for a change of ownership.

Facts

The Seller has CON authority to provide home health services in Jefferson, St. Clair, Bibb, Blount, Shelby, Talladega, Walker and Tuscaloosa Counties under the trade name Brookwood Home Health. The Seller initiated and continues to operate its home health operations pursuant to the CON 073-H7175.

The Seller will transfer substantially all of the assets of the Agency to the Buyer. Following the close of the Transaction, the Agency will be operated by and under the name of the Buyer.

SHPDA Requirements for Changes of Ownership

In answer to the specific questions posed in the Change of Ownership Application, please note the following:

1. The Financial Scope of the Project. The financial scope of the project will encompass the fair market value payment that Buyer will make to Seller as consideration for the transfer of the Agency and related assets. The fair market value payment involved in the Proposed

Transaction does not reflect new costs exceeding the following expenditure thresholds: (i) \$2,997,918 for major medical equipment; (ii) \$1,199,166 for new annual operating costs; and (iii) \$5,995,836 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 Agency.

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.

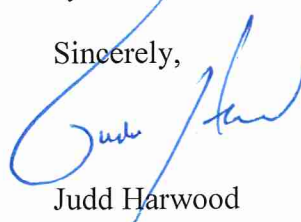
5. Whether the Assets and Stock (if any) Will be Acquired. As described more particularly above, Buyer will acquire the Agency operating assets from Seller.

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 this proposed transaction. In accordance with the Rules, a check in the amount of \$2,500.00 made payable to the Alabama State Health Planning and Development Agency has been sent to the Agency via Federal Express.

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,



Judd Harwood

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: 073-H7175
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Brookwood Home Health, LLC
(ADPH Licensure Name)

Physical Address: 801 Princeton Ave. SW, suite 210
Birmingham, AL 35211

County of Location: Jefferson County

Number of Beds/ESRD Stations: Not applicable.

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Jefferson, St. Clair, Bibb, Blount, Shelby, Talladega, Walker and Tuscaloosa Counties

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: Brookwood Home Health, LLC

Mailing Address: 801 Princeton Ave SW, Suite 210
Birmingham, AL 35211-1344

Operator (Entity Name): Brookwood Home Health, LLC

Part III: Acquiring Entity Information

Name of Entity: CareSouth HHA Holdings of Dothan, LLC d/b/a
Encompass Health Home Health

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

Operator (Entity Name): CareSouth HHA Holdings of Dothan, LLC d/b/a
Encompass Health Home Health

Proposed Date of Transaction is
on or after: On or after November 1, 2018

Part IV: Terms of Purchase

Monetary Value of Purchase: Please see attached letter

Type of Beds: Not applicable

Number of Beds/ESRD Stations: Not applicable

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

Please see attached letter

Projected Equipment Cost: \$ _____

Projected Construction Cost: \$ _____

Projected Yearly Operating Cost: \$ _____

Projected Total Cost: \$ _____

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.

Please see attached letter

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): **[Name]**
[Title]
Brookwood Home Health, LLC

Operator(s): **[Name]**
[Title]
Brookwood Home Health, LLC

Date: 10-16-18

SWORN to and subscribed before me, this 16 day of October, 2018.

(Seal)



A-84

Mary Ann Page
Notary Public

My Commission Expires: May 6, 2019

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): **G. Robert Thompson**
Chief Financial Officer and Vice President
CareSouth HHA Holdings of Dothan, LLC

Operator(s): **G. Robert Thompson**
Chief Financial Officer and Vice President
CareSouth HHA Holdings of Dothan, LLC

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

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): **[Name]** _____
[Title]
Brookwood Home Health, LLC

Operator(s): **[Name]** _____
[Title]
Brookwood Home Health, LLC

Date: _____

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

(Seal) A-84 _____
Notary Public
My Commission Expires: _____

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): **G. Robert Thompson** _____
Chief Financial Officer and Vice President
CareSouth HHA Holdings of Dothan, LLC

Operator(s): **G. Robert Thompson** _____
Chief Financial Officer and Vice President
CareSouth HHA Holdings of Dothan, LLC

Date: 10/12/2018

SWORN to and subscribed before me, this 12th day of October, 2018.

(Seal) 

Notary Public

My Commission Expires: 04/04/2019

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