

**Judd A. Harwood**  
jharwood@bradley.com  
(205) 521-8016 direct

November 8, 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: Revised Notice of Proposed Change in Ownership of Citizens Baptist Hospice  
(SHPDA ID 121-P6113)**

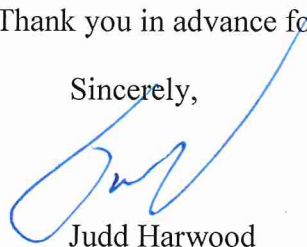
Dear Mr. Lambert:

We respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter updating the cover letter we filed with SHPDA on November 6<sup>th</sup>. The cover letter and an updated Notice of Change of Ownership form were submitted to address a series of scrivener’s errors with respect to the Certificate of Need Authorization of Citizens Baptist Hospice (the “Agency”).

The first sentence of the section titled “Updated Facts” in the cover letter incorrectly referred to the owner of the Agency as follows: “BBH CBMC, LLC d/b/a Citizens Baptist Home Health.” We submit this update to correct the first sentence of the section titled “Updated Facts.” The first sentence of the section should read as follows: “BBH CBMC, LLC (the “Hospital”) has authority to provide in-home hospice services in Talladega County under the trade name Citizens Baptist Hospice.”

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



**Judd A. Harwood**  
jharwood@bradley.com  
(205) 521-8016 direct

November 6, 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: Revised Notice of Proposed Change in Ownership of Citizens Baptist Hospice  
(SHPDA ID 121-P6113)**

Dear Mr. Lambert:

We respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter and Exhibit A updating the Notice of Change of Ownership form that we originally filed with SHPDA pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the “Rules”) on October 23, 2018. This cover letter and the updated Notice of Change of Ownership form are being submitted to address a series of scrivener’s errors with respect to the Certificate of Need Authorization of Citizens Baptist Hospice (the “Agency”).

**Updated Facts**

BBH CBMC, LLC d/b/a Citizens Baptist Home Health (the “Hospital”) has authority to provide in-home hospice services in Talladega County under the trade name Citizens Baptist Hospice. The Hospital initiated and continues to operate its in-home hospice operations pursuant to the rural hospital exception provisions found at Alabama Code Section 22-21-263(a)(4). Authorization pursuant to the rural hospital exception was granted to the Hospital on May 29, 2013, and amended on July 15, 2013.

**Updated Summary of Transaction**

Camellia Home Health of Alabama, LLC, an Alabama limited liability company (“Camellia”), and Hospital will form a joint venture (the “Joint Venture”) to continue the operations of the Agency pursuant to the rural hospital exception provisions found at Alabama Code Section 22-21-263(a)(4). The Joint Venture will be owned as follows: (i) Camellia will own seventy-five percent (75%) and (ii) Hospital will own twenty-five (25%). The parties do not contemplate that the Hospital’s membership interest in the Joint venture will ever be less than twenty-five percent (25%).

In connection with the formation of the Joint Venture, the parties will make certain capital contributions to the Joint Venture, including the Hospital transferring the assets owned and operated by it in connection with the Agency's in-home hospice operations to the Joint Venture.

Because this proposed transaction involves an in-home hospice agency operating pursuant to the rural hospital exception, the following additional provisions will be made a part of the Joint Venture operating agreement:

1. Subject to the Hospital's consent, the name of the hospital will be included in the name of the hospice agency. Initially, the Hospital has requested that the Joint Venture not use its name.

2. Camellia will be prohibited from taking on duties and/or services that are otherwise reserved to the rural hospital by Alabama or federal law.

3. Upon the dissolution of the Joint Venture, all regulatory authority to own and operate the hospice agency will remain with the Hospital.

4. The Hospital will have 50% voting rights in all joint venture decisions. In the event there is a deadlock, the Hospital will have the right to purchase the interest held by Camellia in the Joint Venture.

5. The day to day management of the joint venture operations will be conducted by a manager under the oversight and direction of a Management Committee, on which the Hospital will have equal representation with Camellia. The Management Committee will oversee and direct all clinical operations of the hospice agency. The clinical operations shall include operational management, quality of care, provision of services, compliance, personnel, medical records, physical environment, and use of supplies. The Management Committee may not take or recommend any action which may affect the hospice agency's licensure or Medicare certification or which would violate any state or federal law or regulation.

6. In the event the manager defaults in the performance of its duties under its management agreement and is not removed after a demand for removal by the Hospital, or the parties cannot agree on a new manager, the Hospital, at its option, may exercise its default option to purchase the interest of Camellia in the Joint Venture at fair market value. Camellia will not have an option to purchase the Hospital's remaining interest in the Joint Venture.

7. The Joint Venture will be required to ensure continuity of care and further the mission of the Hospital, and in the furtherance thereof, the Joint Venture will admit any patient for in-home hospice services who is referred by the Hospital, as long as the patient's needs meet the eligibility criteria set up by the Management Committee and established by the patient's payor source.

8. An authorized representative of the Hospital will have the reasonable right to access and examine records and information of the Joint Venture to ensure compliance with all the provisions of the Joint Venture documents.

9. The Joint Venture will not be allowed to offer or provide services other than in-home hospice services without the express consent of the Hospital.

10. The office for the hospice agency operated by the Joint Venture will be located within a 10-mile radius of the main campus of the acute care hospital operated by Hospital.

### **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 contributions made by Hospital and Camellia to the Joint Venture. 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, the parties have formed the Joint Venture to operate the Agency. In connection with the formation of the Joint Venture, the parties will make certain capital contributions to the Joint Venture, including the Hospital transferring the assets owned and operated by it in connection with the Agency's in-home hospice operations to the Joint Venture.

### **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

Mr. Alva Lambert  
Re: SHPDA ID 121-P6113  
November 6, 2018  
Page 4

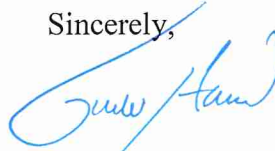
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the Alabama State Health Planning and Development Agency was previously sent to the Agency via Federal Express.

Please be advised that on October 22, 2018, the Hospital provided SHPDA with written notice advising SHPDA that the hospice agency had relocated to another building on the Hospital's campus on March 1, 2018. Since March 1, 2018, the Hospital has operated the hospice agency out of the following address: 650 Stone Avenue, Talladega, Alabama 35160.

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

Enclosure

**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: 121-P6113  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: Citizens Baptist Hospice  
(ADPH Licensure Name)

Physical Address: 650 Stone Avenue  
Talladega, AL 35160

County of Location: Talladega County

Number of Beds/ESRD Stations: Not applicable.

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

**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: BBH CBMC, LLC

Mailing Address: 650 Stone Avenue, P.O. Box 978  
Talladega, AL 35160

Operator (Entity Name): BBH CBMC, LLC

**Part III: Acquiring Entity Information**

Name of Entity: Encompass Health Hospice of Talladega, LLC d/b/a Encompass Health Hospice Talladega

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

Operator (Entity Name): Camellia Home Health of Alabama, LLC d/b/a Encompass Health Hospice Talladega

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):**

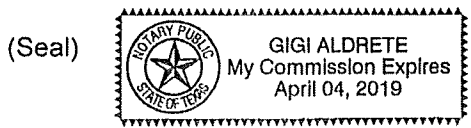
The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): **Douglas E. Rabe**  
Vice President and Assistant Treasurer  
BBH CBMC, LLC Douglas E. Rabe

Operator(s): **Douglas E. Rabe**  
Vice President and Assistant Treasurer  
BBH CBMC, LLC Douglas E. Rabe

Date: 11/6/2018

SWORN to and subscribed before me, this 6<sup>th</sup> day of November, 2018.



A-84 Gigi Aldrete  
Notary Public  
My Commission Expires: 4-4-19

**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  
Encompass Health Hospice of Talladega, LLC \_\_\_\_\_

Operator(s): **G. Robert Thompson**  
Chief Financial Officer and Vice President  
Camellia Home Health of Alabama, 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] \_\_\_\_\_  
BBH CBMC, LLC

Operator(s): [Name] \_\_\_\_\_  
[Title] \_\_\_\_\_  
BBH CBMC, LLC

Date: \_\_\_\_\_

SWORN to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)


A-84

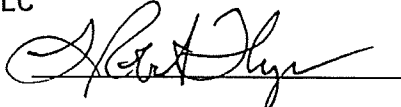
Notary Public

My Commission Expires: \_\_\_\_\_

**Acquiring Authority Signature(s):**

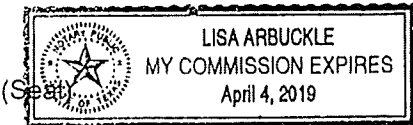
I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): G. Robert Thompson  
Chief Financial Officer and Vice President  
Encompass Health Hospice of Talladega, LLC 

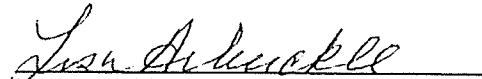
Operator(s): G. Robert Thompson  
Chief Financial Officer and Vice President  
Camellia Home Health of Alabama, LLC 

Date: 11/06/2018

SWORN to and subscribed before me, this 16<sup>th</sup> day of November, 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

**Judd A. Harwood**  
jharwood@bradley.com  
(205) 521-8016 direct

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 Citizens Baptist Hospice  
(SHPDA ID 121-P6113)**

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 Camellia Home Health of Alabama, LLC d/b/a Encompass Health Hospice Talladega (the “Buyer”) of the operating assets of Citizens Baptist Hospice (the “Agency”), a hospice agency in Talladega, Alabama, from BBH CBMC, LLC d/b/a Citizens Baptist Hospice (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 hospice services in Talladega County under the trade name Citizens Baptist Hospice. The Seller initiated and continues to operate its hospice operations pursuant to the CON 121-P6113.

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)

Mr. Alva Lambert  
Re: SHPDA ID 121-P6113  
October 23, 2018  
Page 2

\$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.

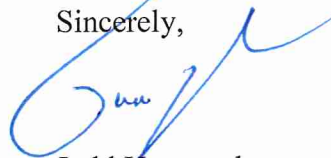
**Requested Action**

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.

Please be advised that on October 22, 2018, the Hospital provided SHPDA with written notice advising SHPDA that the hospice agency had relocated to another building on the Hospital's campus on March 1, 2018. Since March 1, 2018, the Hospital has operated the hospice agency out of the following address: 650 Stone Avenue, Talladega, Alabama 35160.

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

Enclosure

**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: 121-P6113  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: Citizens Baptist Hospice  
(ADPH Licensure Name)

Physical Address: 650 Stone Avenue

Talladega, AL 35160

County of Location: Talladega County

Number of Beds/ESRD Stations: Not applicable.

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

**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: BBH CBMC, LLC

Mailing Address: 650 Stone Avenue, P.O. Box 978

Talladega, AL 35160

Operator (Entity Name): BBH CBMC, LLC

**Part III: Acquiring Entity Information**

Name of Entity: Camellia Home Health of Alabama, LLC d/b/a  
Encompass Health Hospice Talladega

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

Operator (Entity Name): Camellia Home Health of Alabama, LLC d/b/a  
Encompass Health Hospice Talladega

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]  
BBH CBMC, LLC

Operator(s): [Name]  
[Title]  
BBH CBMC, LLC

*[Handwritten signature in blue ink]*  
\_\_\_\_\_  
\_\_\_\_\_  
Date: 10-16-18

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



(Seal)

A-84

Maya C. 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**  
**Camellia Home Health of Alabama, LLC** \_\_\_\_\_

Operator(s): **G. Robert Thompson**  
**Chief Financial Officer and Vice President**  
**Camellia Home Health of Alabama, 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]**  
**BBH CBMC, LLC**

Operator(s): **[Name]** \_\_\_\_\_  
**[Title]**  
**BBH CBMC, 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**  
**Camellia Home Health of Alabama, LLC**

Operator(s): **G. Robert Thompson** \_\_\_\_\_  
**Chief Financial Officer and Vice President**  
**Camellia Home Health of Alabama, LLC**

Date: 10/12/2018

SWORN to and subscribed before me, this 12<sup>th</sup> day of October, 2018.



\_\_\_\_\_  
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