

RECEIVED

Apr 05 2019

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY**Bradley****Stephanie M. Hoffmann**Attorney at Law  
shoffmann@bradley.com  
(615) 252-3837

April 4, 2019

**Via Email and Federal Express**Emily T. Marsal  
Executive Director  
State Health Planning & Development Agency  
100 North Union Street, Suite 870  
Montgomery, AL 36104**Re: Notice of Proposed Change of Ownership: Alacare Home Health Services, Inc.  
d/b/a Alacare Home Health & Hospice (SHPDA ID No. 109-H7012)**

Dear Ms. Marsal:

I write on behalf of our client, Encompass Health Home Health of Alabama, LLC (“Buyer”), regarding a proposed transaction involving Alacare Home Health Services, Inc. (“Alacare”). Alacare owns and operates Alacare Home Health & Hospice, a home health agency located at 824 U.S. Highway 231 South, Troy, Alabama 36081 (the “Facility”), and holds the above-referenced identification number issued by the Alabama State Health Planning & Development Agency (“SHPDA”).

The purpose of this letter is to notify SHPDA of the proposed transaction, address SHPDA requirements for a change of ownership, and request a determination from the agency that no certificate of need is required for consummation of the proposed transaction. The proposed transaction is structured as an asset purchase between Buyer and the individual and entity owners of Alacare: JGBI, LLC; LRBI, LLC; CDBI, LLC; KBB, LLC; Susan B. Brouillette; and John G. Beard (collectively, “Sellers”). Sellers currently own and operate home health agencies throughout Alabama, including the Facility. The parties have negotiated an agreement that, subject to the satisfaction or waiver of certain conditions, will result in the purchase of substantially all of the assets related to the Facility by Buyer (the “Proposed Transaction”). The Proposed Transaction is expected to occur effective **June 1, 2019**. Please find enclosed as **Exhibit A** a diagram depicting the ownership of the Facility before and after the Proposed Transaction.

Based on the applicable statutes and regulations, we understand that the Proposed Transaction constitutes a change of ownership for certificate of need purposes. Accordingly, please find enclosed as **Exhibit B** a completed Notice of Change of Ownership/Control for the Facility.

**SHPDA Requirements for Changes of Ownership**

In response to the specific questions posed in the SHDPA Notice of Change of Ownership/Control, please note the following:

Emily T. Marsal  
Executive Director  
State Health Planning & Development Agency  
April 4, 2019  
Page 2

**Financial Scope of the Project.** The financial scope of the project will encompass the fair market value payment that Buyer will make to Sellers as consideration for the purchase of substantially all the assets of the Facility. The fair market value payment involved in the proposed transaction does not exceed 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.

**Services to Be Offered.** The Proposed Transaction will not result in any new or additional services beyond those already authorized to be provided by the Facility.

**Whether the Proposal Will Include the Addition of Any New Beds.** The Proposed Transaction will not result in the addition of new beds.

**Whether the Proposal Will Involve the Conversion of Beds.** The Proposed Transaction will not result in the conversion of beds.

**Whether the Assets and Stock (If Any) Will be Acquired.** As described above, pursuant to the Proposed Transaction, Buyer will purchase substantially all of the Facility's assets from Sellers.

**Requested Action**

Based upon the above description of the Proposed Transaction and a showing that there will be no change in services offered, no increase or decrease in bed capacity, or conversion of beds, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Alabama Administrative Code (the "Code") and determine that a certificate of need is not required for consummation of the Proposed Transaction. In accordance with the Code, a check in the amount of \$2,500.00 made payable to SHPDA has been submitted, along with a hard copy of these materials, via Federal Express.

Thank you for your attention to this matter. If you have any questions or require further information, please do not hesitate to contact me at (615) 252-3837 or shoffmann@bradley.com.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By:   
Stephanie M. Hoffmann

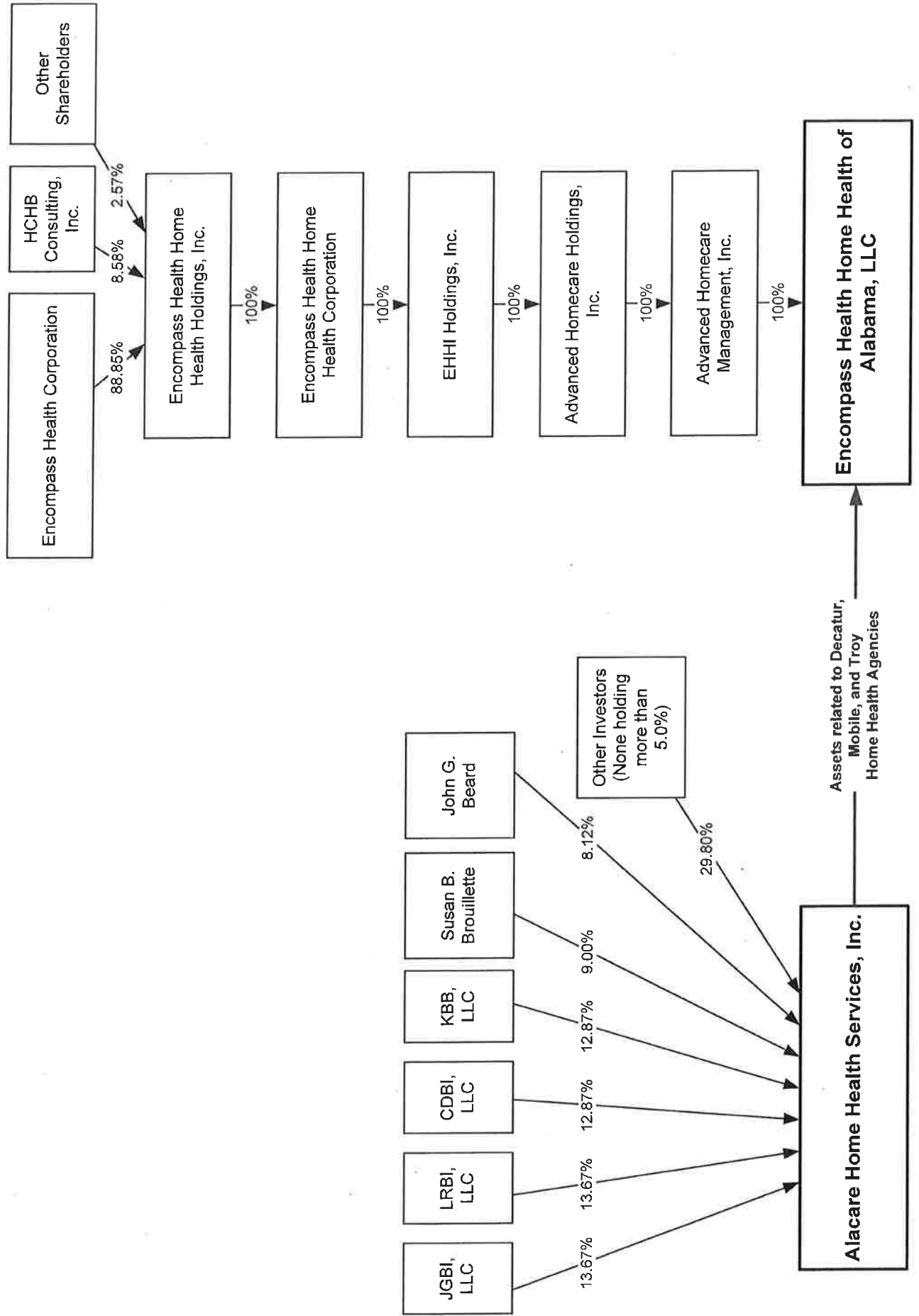
Enclosures

**EXHIBIT A**

**Ownership Diagram**

*Please see attached.*

**Transaction Diagram  
Decatur, Mobile, and Troy Home Health Agencies**



**EXHIBIT B**

**Notice of Change of Ownership/Control**

*Please see attached.*

**Stephanie M. Hoffmann**

Attorney at Law  
shoffmann@bradley.com  
(615) 252-3837

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Apr 25 2019

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

April 25, 2019

*Via Email (shpda.online@shpda.alabama.gov)*

Emily T. Marsal  
Executive Director  
State Health Planning & Development Agency (SHPDA)  
100 North Union Street, Suite 870  
Montgomery, AL 36104

**Re: Additional Response to Notice of Omission: Alacare Home Health Services, Inc. d/b/a Alacare Home Health & Hospice (CO2019-037; SHPDA ID No. 109-H7012)**

Dear Ms. Marsal:

I write on behalf of our client, Encompass Health Home Health of Alabama, LLC (“Buyer”), regarding the proposed acquisition of Alacare Home Health Services, Inc., which owns and operates a home health agency based in Troy, Alabama. Yesterday, April 24, 2019, Buyer submitted a response to SHPDA’s Notice of Omission dated April 16, 2019 regarding Buyer’s submitted change of ownership application (the “Application”) in connection with the transaction.


Buyer wishes to amend yesterday’s response to remove Calhoun, Saint Clair, and Shelby counties from Part I of the Application. Accordingly, please find enclosed as **Exhibit A** a revised Application page reflecting this change.

Thank you for your attention to this matter. If you have any questions or require further information, please do not hesitate to contact me at (615) 252-3837 or shoffmann@bradley.com.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By:



Stephanie M. Hoffmann

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: **109-H7012**  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: **Alacare Home Health Services, Inc.**  
(ADPH Licensure Name) **d/b/a Alacare Home Health & Hospice**

Physical Address: **824 U.S. Highway 231 South**  
**Troy, AL 36081**

County of Location: **Pike County**

Number of Beds/ESRD Stations: **None (0)**

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. **Autauga, Barbour, Bullock, Butler, Chambers, Chilton, Coosa, Crenshaw, Elmore, Lee, Lowndes, Macon, Montgomery, Pike, Randolph, Russell, Tallapoosa, Houston, Covington, Cleburne, Talladega, Monroe, Conecuh, Dallas, Wilcox, Coffee, Clay, Henry, Geneva, and Dale 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: **Alacare Home Health Services, Inc.**

Mailing Address: **2970A Lorna Road**  
**Birmingham, AL 35209**

Operator (Entity Name): **Alacare Home Health Services, Inc.**

**Part III: Acquiring Entity Information**

Name of Entity: **Encompass Health Home Health of Alabama, LLC**

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

## 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: **109-H7012**  
 (This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: **Alacare Home Health Services, Inc. d/b/a**  
 (ADPH Licensure Name) **Alacare Home Health & Hospice**

Physical Address: **824 U.S. Highway 231 South**  
**Troy, AL 36081**

County of Location: **Pike County**

Number of Beds/ESRD Stations: **None (0)**

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. **Autauga, Barbour, Bullock, Butler, Chambers, Chilton, Coosa, Crenshaw, Elmore, Lee, Lowndes, Macon, Montgomery, Pike, Randolph, Russell, Tallapoosa, Houston, Covington, Cleburne, Talladega, Monroe, Conecuh, Dallas, Wilcox, Coffee, Clay, Henry, Geneva, Dale, Calhoun, St. Clair, and Shelby 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: **Alacare Home Health Services, Inc.**

Mailing Address: **2970A Lorna Road**  
**Birmingham, AL 35209**

Operator (Entity Name): **Alacare Home Health Services, Inc.**

### Part III: Acquiring Entity Information

Name of Entity: **Encompass Health Home Health of Alabama, LLC**

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



Operator (Entity Name): Encompass Health Home Health of Alabama, LLC

Proposed Date of Transaction is on or after: June 1, 2019

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ Please see enclosed letter

Type of Beds:

Number of Beds/ESRD Stations:

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

Projected Equipment Cost: \$ Please see enclosed letter

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 enclosed letter

**Part V: Certification of Information**

Please see attached.

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

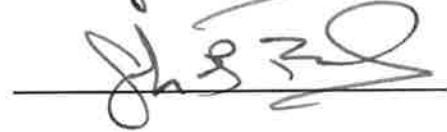
**Current Authority Signature(s):**

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

Owner(s): John G. Beard  
President  
Alacare Home Health Services, Inc.



Operator(s): John G. Beard  
President  
Alacare Home Health Services, Inc.

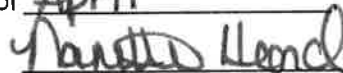


Title/Date:

President, 4/3/2019

SWORN to and subscribed before me, this 3<sup>rd</sup> day of April 2019.

(Seal)

  
Notary Public

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



**MY COMMISSION EXPIRES 9/21/2019**

**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  
Vice President  
Encompass Health Home Health  
of Alabama, LLC

*G. Robert Thompson*

Operator(s): G. Robert Thompson  
Vice President  
Encompass Health Home Health  
of Alabama, LLC

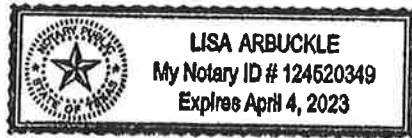
*G. Robert Thompson*

Title/Date:

Vice President, 4/3/2019

SWORN to and subscribed before me, this 3<sup>rd</sup> day of April, 2019.

(Seal)



*Lisa Arbuckle*  
Notary Public

My Commission Expires: 04/04/23

**Stephanie M. Hoffmann**

Attorney at Law  
shoffmann@bradley.com  
(615) 252-3837

**Bradley**

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Apr 24 2019

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

April 24, 2019

*Via Email (shpda.online@shpda.alabama.gov)*

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

**Re: Response to Notice of Omission: Alacare Home Health Services, Inc. d/b/a Alacare Home Health & Hospice (CO2019-037; SHPDA ID No. 109-H7012)**

Dear Ms. Marsal:

I write on behalf of our client, Encompass Health Home Health of Alabama, LLC (“Buyer”), regarding a proposed transaction involving Alacare Home Health Services, Inc. (“Seller”), which owns and operates a home health agency based in Troy, Alabama (the “HHA”). Buyer recently submitted a Notice of Proposed Change of Ownership application (the “Application”) to the Alabama State Health Planning and Development Agency (“SHPDA”) in connection with the anticipated acquisition of substantially all the assets of Seller associated with the operation of the HHA.

The purpose of this letter is to respond to your Notice of Omission dated April 16, 2019, in connection with the Application. A copy of this notice is enclosed as Exhibit A.

Buyer wishes to respond to each identified omission as set forth below:

- 1. The Agency is unable to locate CON Authority to provide services in Calhoun, Saint Clair, and Shelby counties. Please include evidence of the CON Authority granted for services to be provided in these counties.**

Please see enclosed as Exhibit B two letters from SHPDA to Seller dated June 19, 1998, and June 24, 1998, describing Calhoun, Saint Clair, and Shelby counties as part of the agency’s “existing service area.”

- 2. The 2018 Annual Report filed on behalf of this provider indicates six (6) currently certified branch offices of the parent provider. Please advise if these branch offices are expected to remain certified as a result of the transaction, providing the location of all branch offices to continue operations.**

Yes, Buyer anticipates all of these branches will remain certified and operational, and does not anticipate closing any of the existing offices in connection with the transaction. Please see Exhibit C for a complete list of the current branch offices for the HHA.

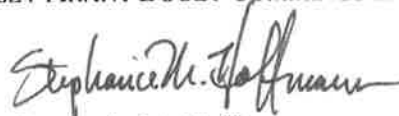
Emily T. Marsal  
Executive Director  
State Health Planning & Development Agency  
April 24, 2019  
Page 2

Thank you for your attention to this matter. If you have any questions or require further information, please do not hesitate to contact me at (615) 252-3837 or shoffmann@bradley.com.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By:



Stephanie M. Hoffmann

Enclosures

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STATE HEALTH PLANNING AND  
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EXHIBIT C

**Branch Offices**

<b>Office Name</b>	<b>Address</b>
Troy (Main Office)	824 US Highway 231 South, Troy, AL 36081-3131
Alexander City	33 Aliant Parkway, Alexander City, AL 35010-3446
Auburn	2312 Center Hills Drive, Suite B & C, Opelika, AL 36801-5475
Dothan	3379 West Main Street, Dothan, AL 36305-1018
Greenville	321 Greenville Bypass, Suite 1, Greenville, AL 36037-3757
Montgomery	4782 Woodmere Boulevard, Montgomery, AL 36016-3065

**EXHIBIT A**

**Revised Application Page 1**

*Please see attached.*

**EXHIBIT A**

**Notice of Omission**

*Please see attached.*





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Apr 24 2019

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STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

April 16, 2019

Stephanie M. Hoffmann, Esquire  
Bradley Arant Boult Cummings LLP  
Roundabout Plaza  
1600 Division Street, Suite 700  
Nashville, Tennessee 37203-2754

RE: CO2019-037  
Alacare Home Health Services, Inc.  
d/b/a Alacare Home Health & Hospice  
SHPDA ID: 109-H7012

Dear Ms. Hoffmann:

This letter is written in response to the referenced Change of Ownership/Control filing received April 5, 2019, whereby Encompass Health Home Health of Alabama, LLC will acquire the referenced provider from Alacare Home Health Services, Inc. in a transaction that will take place on or after June 1, 2019. Additional information is required prior to final review of this proposal.

The Agency is unable to locate CON Authority to provide services in Calhoun, Saint Clair, and Shelby counties. Please include evidence of the CON Authority granted for services to be provided in these counties.

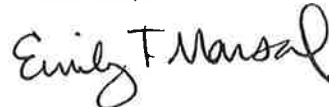
The 2018 Annual Report filed on behalf of this provider indicates six (6) currently certified branch offices of the parent provider. Please advise if these branch offices are expected to remain certified as a result of the transaction, providing the location of all branch offices to continue operations.

Pursuant to ALA. ADMIN. CODE r 410-1-3-.09, all documents to be filed with SHPDA must be submitted electronically to [shpda.online@shpda.alabama.gov](mailto:shpda.online@shpda.alabama.gov) in text searchable, PDF format. Only corrected pages should be resubmitted.

CO2019-037  
April 16, 2019  
Page 2

Should you have any questions please, contact the Agency at (334) 242-4103.

Sincerely,

A handwritten signature in black ink that reads "Emily T. Marsal". The signature is written in a cursive style with a large, looped initial "E".

Emily T. Marsal  
Executive Director

ETM/kfn

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**EXHIBIT B**

**SHPDA Letters Confirming Counties as Part of Existing Service Area**

*Please see attached.*



01-7324 Cleburne County

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Apr 24 2019

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY  
100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

June 19, 1998

George E. Hutchinson  
President/CEO  
Central Alabama Home Health Services, Inc.  
2368 Fairlane Drive  
Suite E-37  
Montgomery, AL 36116

RE: Act No. 98-339

Dear Mr. Hutchinson:

This is in response to your letter received on June 18, 1998. In your letter you stated that on June 9, 1998 your agency accepted its first referral from Cleburne County, a contiguous county to your existing service areas in Calhoun and Randolph Counties. Your notification was received within fourteen days of this referral. You also stated that you have no intention of opening a branch office or incurring a capital expenditure in excess of five hundred dollars (\$500.00) in Cleburne County.

Based on the facts that have been provided, no further action is necessary involving your agency accepting referrals from Cleburne County.

Sincerely,

Alva M. Lambert  
Executive Director

AML/clb

cc: Ed Melton (with enclosure)  
Gary Jordan  
Carlin Smith

01-7324 Talladega County



RECEIVED  
Apr 24 2019

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY  
100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

June 24, 1998

Nanette Sims-Perry  
Alacare Home Health Services  
4752 Highway 280 East  
Birmingham, AL 35242

RE: Act No. 98-339

Dear Mrs. Sims-Perry:

This is in response to your letter received on June 22, 1998. In your letter you stated that on June 12, 1998 your agency accepted its first referral from Talladega County, a contiguous county to your existing service areas in St. Clair and Shelby Counties. Your notification was received within fourteen days of this referral. You also stated that you have no intention of opening a branch office or incurring a capital expenditure in excess of five hundred dollars (\$500.00) in Talladega County.

Based on the facts that have been provided, no further action is necessary involving your agency accepting referrals from Talladega County.

Sincerely,

*Alva M. Lambert*

Alva M. Lambert  
Executive Director

AML/clb

cc: Ed Melton (with enclosure)  
Gary Jordan  
Carlin Smith