

**Holly S. Hosford**  
hhosford@bradley.com  
205.521.8376



CO2021-076  
**RECEIVED**

**Oct 08 2021**

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

October 8, 2021

Via Electronic Filing  
(shpda.online@shpda.alabama.gov)

Ms. Emily Marsal, Esq.  
Executive Director  
State Health Planning and Development Agency  
100 North Union Street, Suite 870  
Montgomery, Alabama 36104

RE: Change of Ownership; Community Hospital of Andalusia, LLC d/b/a Andalusia Health; SHPDA ID 039-6530050

Dear Ms. Marsal:

We respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter as an attachment to the Notice of Change of Ownership/Control form (the “Notice”) 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 reorganization resulting in a transfer of 100% of the equity interest of Community Hospital of Andalusia, LLC (the “CON Holder”) to an affiliate of the CON Holder. The CON Holder operates Andalusia Health, an 88-bed general acute care hospital located in Covington County (the “Hospital”).

### **I. Overview of Proposed Transaction.**

LifePoint Health, Inc. (“LifePoint”) and its affiliates intend to effect an internal reorganization that will transfer ownership of the 100% equity interest in the CON Holder from a wholly-owned subsidiary of LifePoint to Knight Healthcare New-A LLC (“Knight Health”), an affiliate under common ownership with LifePoint (the “Reorganization”). The Reorganization will be accomplished by transferring the equity of the parent of CON Holder to Knight Healthcare New-A Sub LLC (“Knight Sub”), a wholly-owned subsidiary of LifePoint, and immediately thereafter transferring the equity of Knight Sub to Knight Health. The Reorganization is anticipated to take place on or about November 1, 2021.

Organizational charts showing the ownership of the CON Holder before and after the Reorganization are attached as Attachment A. We understand that the Reorganization does not constitute a “transfer, assignment, or conversion” of the CON, as described in Rule 410-1-11-.09. However, we are submitting the enclosed Notice because the Notice of Change of Ownership/Control is the method by which parties have historically notified SHPDA of a change in the indirect ownership of a CON.

Please note that following the completion of the Reorganization the CON Holder will continue to be under common ownership with LifePoint. There will be no change in the EIN/tax ID, organizing documents, offered services, service area, name, or address of the Hospital as a result of the Reorganization. Both before and after the Reorganization closing date, the entity operating the Hospital and holding the CON is Community Hospital of Andalusia, LLC. Furthermore, the Reorganization does not constitute a change of ownership for Medicare purposes.

## **II. SHPDA Requirements for Change of Ownership**

Concerning the questions posed in the Change of Ownership Application, please note the following:

1. The Financial Scope of the Project. The transaction involves transfer of ownership of the 100% equity interest in the CON Holder to an affiliate of the CON Holder. The transaction does not involve new cost associated with the Hospital exceeding the following expenditure thresholds: (i) \$3,079,347 for major medical equipment; (ii) \$1,231,738 for new annual operating costs; and (iii) \$6,158,695 for capital expenditures.
2. Services to be Offered. The contemplated transaction will not result in any new or additional services to those already authorized to be provided by the Hospital.
3. Whether the Proposal will Include the Addition of Any New Beds. The contemplated transaction will not result in the addition of new beds.
4. Whether the Proposal will Involve the Conversion of Beds. The contemplated 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, 100% of the equity interest in the CON Holder will be transferred to an affiliate of the CON Holder.

## **III. Requested Action**

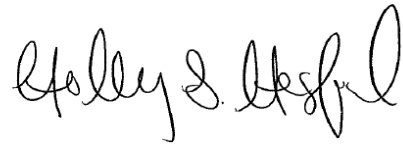
Based upon the above description of the proposed transaction and a showing that there will be no change in health services, conversion of beds, or increase or decrease in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a Certificate of Need is not required for the consummation of this proposed transaction. In accordance with the Rules, I am enclosing with this request a check in the amount of \$2,500 made payable to the Alabama State Health Planning and Development Agency.

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.

Ms. Marsal  
Andalusia Health  
September 29, 2021  
Page 3

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Best regards,

A handwritten signature in black ink, appearing to read "Holly S. Hosford". The signature is written in a cursive style with a large, looped initial "H".

Holly S. Hosford

**Holly S. Hosford**

hhosford@bradley.com  
205.521.8376

**Bradley**

CO2021-076

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Sep 28 2021

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

September 24, 2021

Via Electronic Filing  
(shpda.online@shpda.alabama.gov)

Ms. Emily Marsal, Esq.  
Executive Director  
State Health Planning and Development Agency  
100 North Union Street, Suite 870  
Montgomery, Alabama 36104

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Organizational charts showing the ownership of the CON Holder before and after the Reorganization are attached as Attachment A.

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operating the Hospital and holding the CON is Community Hospital of Andalusia, LLC. Furthermore, the Reorganization does not constitute a change of ownership for Medicare purposes.

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Concerning the questions posed in the Change of Ownership Application, please note the following:

1. The Financial Scope of the Project. The transaction involves transfer of ownership of the 100% equity interest in the CON Holder to an affiliate of the CON Holder. The transaction does not involve new cost associated with the Hospital exceeding the following expenditure thresholds: (i) \$3,024,899 for major medical equipment; (ii) \$1,209,958 for new annual operating costs; and (iii) \$6,049,799 for capital expenditures.

2. Services to be Offered. The contemplated transaction will not result in any new or additional services to those already authorized to be provided by the Hospital.

3. Whether the Proposal will Include the Addition of Any New Beds. The contemplated transaction will not result in the addition of new beds.

4. Whether the Proposal will Involve the Conversion of Beds. The contemplated transaction will not result in the conversion of beds.

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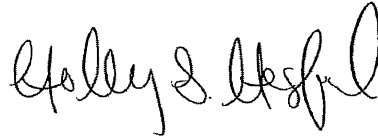
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Should you have any questions or need further information, please feel free to contact me at the number or address listed above. Thank you in advance for your assistance with this matter.

Ms. Marsal  
Andalusia Health  
September 20, 2021  
Page 3

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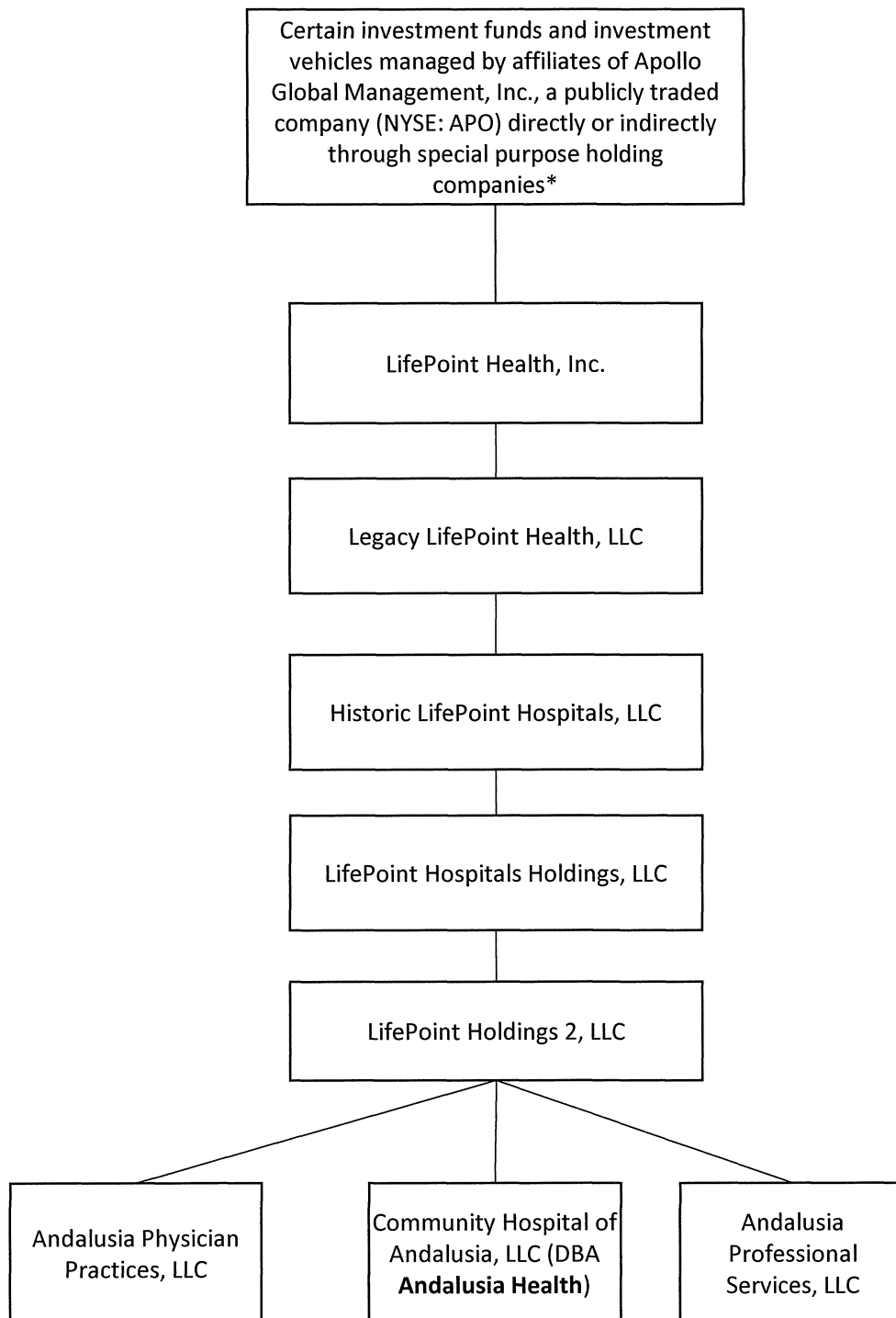
Best regards,

A handwritten signature in black ink, appearing to read "Holly S. Hosford". The signature is written in a cursive style with a large, looped initial "H".

Holly S. Hosford

**Attachment A**

**Pre-Transaction Structure**  
*Andalusia Health*

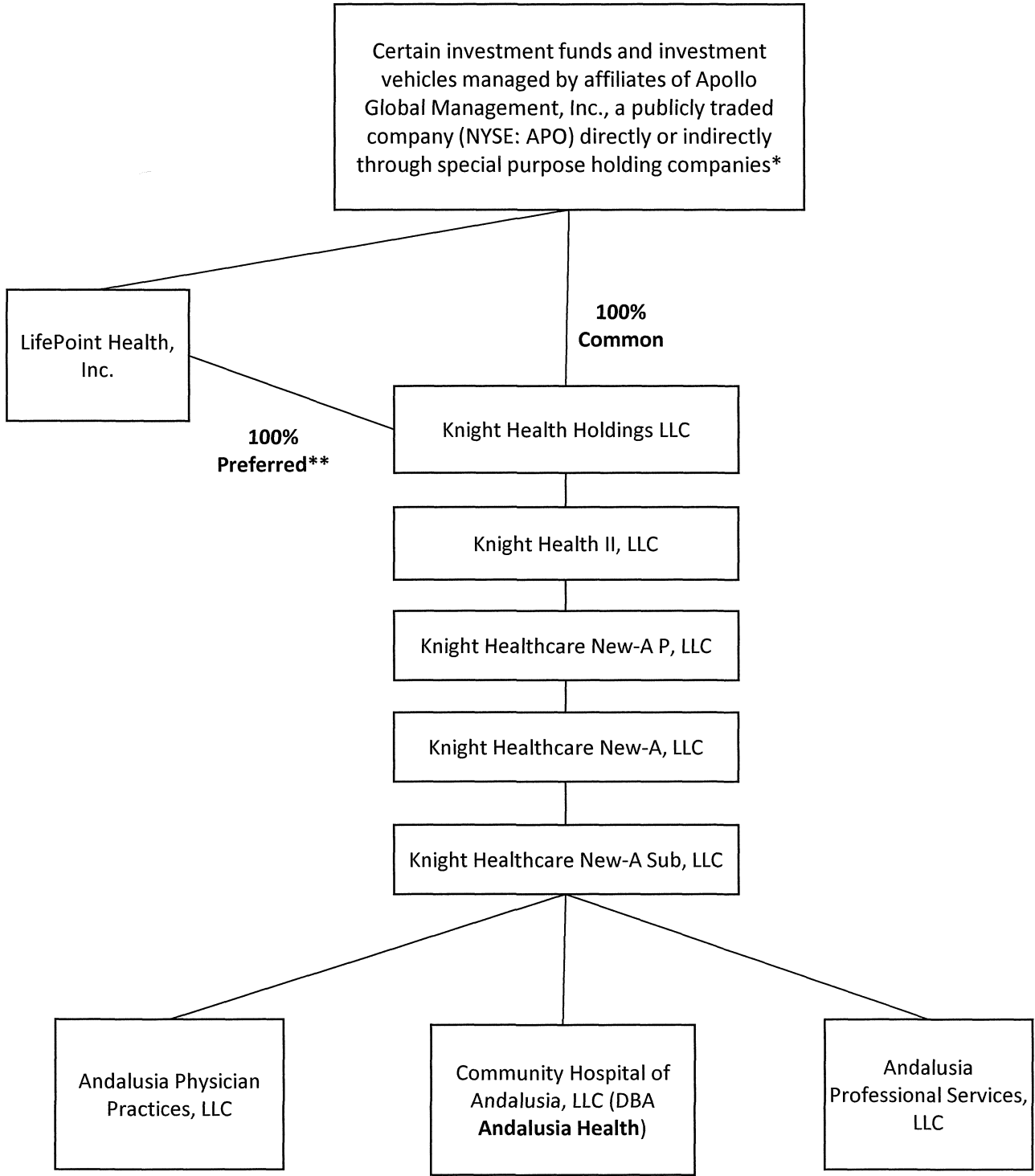


**Note:** All ownership percentages are 100% unless specifically noted otherwise.

**\*Officers, directors, employees and consultants hold less than 10% ownership interest in the aggregate, and no such individual holds more than 1% individually.**



**Post-Transaction Structure**  
*Andalusia Health*



**Note:** All ownership percentages are 100% unless specifically noted otherwise.  
 \*Officers, directors, employees and consultants hold less than 10% ownership interest in the aggregate, and no such individual holds more than 1% individually.  
 \*\*Represents a non-voting and non-participating preferred security interest.

**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: **039-6530050**  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: **Andalusia Health**  
(ADPH Licensure Name)

Physical Address: **849 South Three Notch Street**  
**Andalusia, Alabama 36420**

County of Location: **Covington**

Number of Beds/ESRD Stations: **88 hospital beds**

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. **Not applicable.**

**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: **Community Hospital of Andalusia, LLC**

Mailing Address: **330 Seven Springs Way**  
**Brentwood, TN 37027**

Operator (Entity Name): **Community Hospital of Andalusia, LLC**

**Part III: Acquiring Entity Information**

Name of Entity: **Community Hospital of Andalusia, LLC**

Mailing Address: **330 Seven Springs Way**  
**Brentwood, TN 37027**

Operator (Entity Name): Community Hospital of Andalusia, LLC

Proposed Date of Transaction is on or after: November 1, 2021

**Part IV: Terms of Purchase**

Monetary Value of Purchase: See attached 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:

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.

**Part V: Certification of Information**

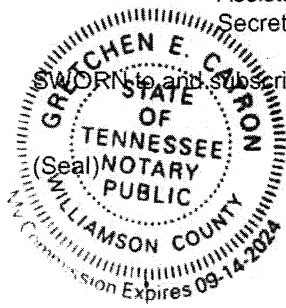
**Current Authority Signature(s):**

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

Owner(s): Community Hospital of Andalusia, LLC

Operator(s): Community Hospital of Andalusia, LLC

Title/Date: Kathy Teague Kathy Teague  
Assistant Vice President,  
Secretary



SWORN to and subscribed before me, this 21 day of September, 2021.

A-84

Gretchen E. Catron  
Notary Public

My Commission Expires: 9-14-2024

**Acquiring Authority Signature(s):**

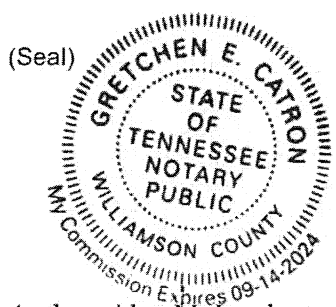
I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): Community Hospital of Andalusia, LLC

Operator(s): Community Hospital of Andalusia, LLC

Title/Date: Kathy Teague Kathy Teague  
Assistant Vice President,  
Secretary

SWORN to and subscribed before me, this 21 day of September, 2021.



Gretchen E. Catron  
Notary Public

My Commission Expires: 9-14-2024

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule