

April 07, 2023

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Kelli C. Fleming
kfleming@burr.com
Direct Dial: (205) 458-5429
Direct Fax: (205) 244-5762

420 North 20th Street
Suite 3400
Birmingham, AL 35203

Office (205) 251-3000
Fax (205) 458-5100

BURR.COM

April 7, 2023

VIA EMAIL ONLY

Ms. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery Alabama 36104
shpda.online@shpda.alabama.gov

**Re: Notice of Change of Ownership
Trussville Health & Rehabilitation Center (Jefferson)
073-N0043
Anticipated Effective Date: May 1, 2023**

Dear Ms. Marsal:

I respectfully submit this Notice of Change of Ownership pursuant to Section 410-1-7-.04 of the Rules and Regulations of the Alabama Certificate of Need Program (the "CON Rules") in anticipation of the proposed transaction described below. The Change of Ownership involves a change in the licensed operator and lessee of Trussville Health & Rehabilitation Center, a 125-bed skilled nursing facility located at 119 Watterson Parkway in Trussville, Alabama (Jefferson County) (the "Facility"). The following is a summary of the proposed transaction:

I. Scope of the Transaction

1. GPH Trussville LLC (“GPH”) owns the real estate and other assets comprising the Facility. GPH currently leases the Facility to ProHealth LTC-Trussville, LLC (“ProHealth”). ProHealth has been the lessee and licensed operator of the Facility since 2016.
2. GPH and ProHealth mutually propose to terminate the existing lease arrangement for the Facility.
3. Upon termination of the existing lease arrangement, GPH proposes to immediately enter into a new Lease for the Facility with Cavalier Healthcare of Trussville, LLC (“Cavalier”), pursuant to which Cavalier will become the new lessee and licensed operator of the Facility, replacing ProHealth.
4. It is contemplated that the new operating lease with Cavalier will take effect on the later of May 1, 2023, or upon receipt of all governmental authorizations and certifications required for Cavalier to operate the Facility.

II. Financial Scope of the Project

Cavalier will lease the Facility from GPH under an operating lease with customary terms and conditions for this type of transaction. Other than entering into the lease of the Facility, the Change of Ownership transaction will not involve new construction, the purchase of any new equipment, or the incurrence of new operating costs. There will be no additional expenditures

other than payment of the rent as a result of this change of ownership, and current expenditures are not expected to increase as a result of this transaction.

III. Services to be Offered

1. The proposed transaction does not involve the offering of any new institutional health services. A 125-bed skilled nursing facility will continue to be operated at 119 Watterson Parkway, Trussville, Alabama following the transaction.
2. The proposed transaction will not result in the addition or reduction of beds.
3. The proposed transaction will not involve the conversion of beds.
4. Cavalier has not previously operated a skilled nursing facility in Alabama.
5. The transaction solely involves the lease and operation of the Facility by Cavalier. Other than as set forth in the Lease and as minimally necessary for continued, seamless operation of the Facility, the proposed change in licensed operator and lessee does not include the sale of stock or acquisition of assets.

In accordance with the CON Rules, payment in the amount of \$2,500.00 for the Change of Ownership Filing fee is being submitted via the SHPDA Electronic Payment Portal. Enclosed please find an executed Notice of Change of Ownership form.

Based on the facts presented above, I respectfully request that you exercise your authority under § 410-1-7-.04 of the CON Rules and determine that neither a certificate of need, nor any further certificate of need regulatory review, is required for the consummation of the above-described proposed transaction.

Ms. Emily T. Marsal
April 7, 2023
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Should you have any questions or need further information, please feel free to contact me
at (205) 458-5429 or at kfleming@burr.com.

Sincerely,



Kelli C. Fleming

KCF/caj
Enclosure (CHOW Form)

cc: J.P. Sauer, Esq.
Angie C. Smith, Esq.

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-N0043
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Trussville Health & Rehabilitation Center
(ADPH Licensure Name)

Physical Address: 119 Watterson Parkway
Trussville, Alabama 35173

County of Location: JEFFERSON

Number of Beds/ESRD Stations: 125

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. N/A

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: GPH Trussville, LLC

Mailing Address: 119 Watterson Parkway
Birmingham, Alabama 35173

Operator (Entity Name): ProHealth LTC - Trussville, LLC

Part III: Acquiring Entity Information

Name of Entity: Cavalier Healthcare of Trussville, LLC

Mailing Address: 136 Waterford Drive
Hattiesburg, Mississippi 39402

Operator (Entity Name): Cavalier Healthcare of Trussville, LLC

Proposed Date of Transaction is on or after: 05/01/2023

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ See attached letter (lease of facility at FMV)

Type of Beds: skilled nursing beds

Number of Beds/ESRD Stations: 125

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

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 0.00

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.

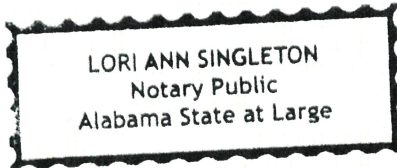
Owner(s): ProHealth LTC-Trussville, LLC

Operator(s):  David A. Lester

Title/Date: CEO 4-7-23

SWORN to and subscribed before me, this 7th day of April, 2023.

(Seal)



Lori Ann Singleton
Notary Public

My Commission Expires: 9-12-23

My Commission Expires
September 12, 2023

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: _____

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

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

(Seal)

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.

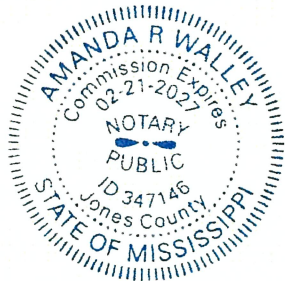
Purchaser(s): _____

Operator(s): F - B - - 41 BRIEN B. HUBBARD

Title/Date: SOLE OWNER 4/7/2023

SWORN to and subscribed before me, this 7 day of April, 2023.

(Seal)



Amanda R Walley
Notary Public

My Commission Expires: 2/21/2027

Author: Alva M. Lambert

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

History: New Rule