

JOE W. CAMPBELL, SHAREHOLDER  
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February 22, 2024

CO2024-006  
**RECEIVED**  
**Feb. 23, 2024**

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

**VIA ELECTRONIC FILING**

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

Re: CHOW Application  
DeKalb Regional Medical Center

Dear Ms. Marsal,

Please accept this letter as notice that effective April 1, 2024, HH Health System – DeKalb, LLC will acquire the assets comprising DeKalb Regional Medical Center from Fort Payne Hospital Corporation. Enclosed please find a “Change of Ownership” form and supporting information.

If you have any questions or need anything further, please contact me.

Sincerely,

  
Joe W. Campbell

cc: Jeff Samz, CEO Huntsville Hospital  
Alabama Department of Public Health, Division of Provider Services

State Health Planning and Development Agency

Alabama CON Rules &amp; Regulations

## 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: 049-6530455  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: DeKalb Regional Medical Center  
(ADPH Licensure Name)

Physical Address: 200 Medical Center Drive  
Fort Payne, AL 35968

County of Location: DEKALB ▼

Number of Beds/ESRD Stations: 134

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

**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: Fort Payne Hospital Corporation

Mailing Address: 200 Medical Center Drive  
Fort Payne, AL 35968  
Fort Payne Hospital Corporation

Operator (Entity Name): \_\_\_\_\_

### Part III: Acquiring Entity Information

Name of Entity: HH Health System - DeKalb, LLC

Mailing Address: 200 Medical Center Drive  
Fort Payne, AL 35968

Operator (Entity Name): HH Health System - DeKalb, LLC

Proposed Date of Transaction is on or after: 04/01/2024

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ 5,000,000.00

Type of Beds: acute care

Number of Beds/ESRD Stations: 134

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

Projected Equipment Cost: \$ \_\_\_\_\_

Projected Construction Cost: \$ \_\_\_\_\_

Projected Yearly Operating Cost: \$ Projected \$8 million loss first year

Projected Total Cost: \$ ~~0.00~~ \$5,000,000 purchase price / \$8m loss first year

**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**

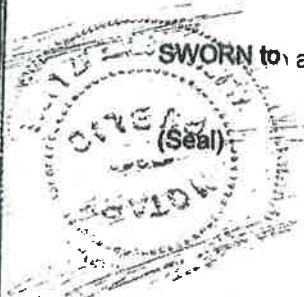
**Current Authority Signature(s):**

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

Owner(s): Fort Payne Hospital Corporation Donald Blythe

Operator(s): Fort Payne Hospital Corporation Donald Blythe

Title/Date: Chief Executive Officer 2/22/2024



SWORN to and subscribed before me, this 22<sup>nd</sup> day of February, 2024

Brenda Ogle  
Notary Public

My Commission Expires: 2-23-26

**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): HH Health System - DeKalb, LLC  
Operator(s): HH Health System - DeKalb, LLC  
Title/Date: Chief Executive Officer

[Signature]  
[Signature]

SWORN to and subscribed before me, this 22<sup>nd</sup> day of February, 2024

Michele Cox  
Notary Public

My Commission Expires: 11/13/2024

(Seal)



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

Attachment to  
ALABAMA STATE HEALTH PLANNING AND DEVELOPMENT AGENCY  
NOTICE OF CHANGE OF OWNERSHIP/CONTROL

Fort Payne Hospital Corporation

Part IV

- 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).  
***The proposal does not involve the offering of any new services by Applicant. The Facility will continue to operate as an acute care hospital.***
- 2.) Whether the proposal will include the addition of any new beds.  
***The proposal does not include the addition of any new beds.***
- 3.) Whether the proposal will involve the conversion of beds.  
***The proposal does not involve the conversion of beds.***
- 4.) Whether the assets and stock (if any) will be acquired.  
***Certain assets will be acquired from the current owner.***

CON Change of Ownership Transaction Structure  
HH Health System- DeKalb, LLC

Current Owner of the Assets

**Quincy Health, LLC**  
(Owns 100% of Quorum Health Corporation)

**Quorum Health Corporation**  
(Owns 100% of Fort Payne Hospital Corporation)

**Fort Payne Hospital Corporation**  
(Current owner of Assets comprising DeKalb Regional Medical Center)

Change of Ownership Transaction  
(Asset Transfer)

Pursuant to an Asset Purchase Agreement, Fort Payne Hospital Corporation and other of its affiliates will sell the Purchased Assets as described below.

Post-Transaction Owner of the Assets

**The Health Care Authority of the City of Huntsville**  
(Owns 100% of HH Health System – DeKalb, LLC)

**HH Health System – DeKalb, LLC**  
(Post-closing owner of Assets comprising DeKalb Regional Medical Center)

The Asset Purchase Agreement will transfer certain assets (furniture, fixtures, equipment and personal property, etc.) comprising the DeKalb Regional Medical Center, together with certain related business including medical office buildings, physician clinics, outpatient care facilities, a rural health clinic and other related ancillary operations located in the hospital’s service area. Fort Payne Hospital Corporation leases the land upon which DeKalb Regional Medical Center and certain medical office buildings are situated from DeKalb County Hospital Association. The ground lease will terminate upon consummation of the Asset Purchase with HH Health System- DeKalb, LLC, and HH Health System – DeKalb, LLC will enter into a new ground lease with DeKalb County Hospital Association for the same real property.

**GENERAL ASSIGNMENT, CONVEYANCE AND BILL OF SALE  
(FORT PAYNE HOSPITAL CORPORATION)**

**THIS GENERAL ASSIGNMENT, CONVEYANCE AND BILL OF SALE** (this “Bill of Sale”) is made and entered into effective as of 12:00:01 a.m. on April 1, 2024, by and between **FORT PAYNE HOSPITAL CORPORATION**, an Alabama corporation (“Seller”), and **HH HEALTH SYSTEM – DEKALB, LLC**, an Alabama non-profit limited liability company (“Buyer”). This Bill of Sale is being delivered in connection with that certain Asset Purchase Agreement dated as of December 21, 2023, by and among (i) Seller, (ii) Fort Payne Clinic Corp., an Alabama corporation, (iii) Fort Payne RHC Corp., an Alabama corporation, (iv) Fort Payne HBP, LLC, a Delaware limited liability company, (v) Buyer, (vi) Quorum Health Corporation, a Delaware corporation, and (vii) The Health Care Authority of the City of Huntsville d/b/a Huntsville Hospital Health System, an Alabama health care authority (the “Agreement”), and is subject to all of the terms and conditions thereof. Any capitalized terms used but not otherwise defined herein shall have the meanings specified in the Agreement.

Seller hereby sells, assigns, transfers, conveys and delivers unto Buyer, its successors and assigns forever, all of its right, title and interest in and to any and all of the Assets owned by Seller, other than the Owned Real Property, the Improvements, the Leased Real Property and the Contracts (collectively, the “Transferred Assets”), free and clear of all liabilities, claims, liens, security interests and restrictions other than the Assumed Liabilities.

Seller agrees that it will at any time and from time to time do, execute, acknowledge and deliver any and all other acts, deeds, assignments, transfers, conveyances, powers of attorney or other instruments that Buyer reasonably deems necessary to carry out the assignment and conveyance intended to be made hereunder.

This Bill of Sale may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute the same instrument. This Bill of Sale shall be binding upon and inure to the benefit of Seller and Buyer and their successors and assigns.

**IN WITNESS WHEREOF**, the parties have executed this Bill of Sale effective as of the date first above written.

**SELLER:**

**FORT PAYNE HOSPITAL CORPORATION**

By: \_\_\_\_\_  
Richard Charbonneau, Senior Vice President

**BUYER:**

**HH HEALTH SYSTEM – DEKALB, LLC**

By: \_\_\_\_\_  
Jeff Samz, CEO