

April 2, 2024

VIA EMAIL (shpda.online@shpda.alabama.gov)

Hon. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
100 N. Union Street, Suite 870
Montgomery, Alabama 36104

Re: Change of Ownership/Control Notice – Covenant Hospice Inpatient & Palliative Care Center at Providence Hospital (CON no. 2694-HPC).

Dear Ms. Marsal:

This letter is intended to provide you with written notice of a proposed change of ownership/control (“CHOW”) concerning the Certificate of Need for Covenant Hospice Inpatient & Palliative Care Center at Providence Hospital (the “Hospice”).

Covenant Hospice, Inc. (the “Current CON Holder”) currently maintains Certificate of Need no. 2694-HPC (Facility ID no. 069-P2491D), to operate Covenant Hospice as a fifteen (15) bed, hospital-based, inpatient hospice facility located at 6801 Airport Blvd., Mobile, Mobile County, AL 36608 (the “CON”).

Effective on or after May 1, 2024 (the “Effective Date”), the USA Health HCA Providence Hospital, LLC (“USA” and the “New CON Holder”) intends to acquire from the Current CON Holder all of the operating authorizations and rights, to the extent legally assignable, to operate the Hospice, including the CON (the “Proposed Transaction”). The Proposed Transaction shall not involve the acquisition of stock; rather, the Proposed Transaction shall be limited to acquiring only those authorizations required to operate the Hospice.

Under the proposed transaction, the Purchaser will make a fair market value payment to the Seller to acquire the equity interest in the CON Holder. The proposed transaction will not involve the purchase of any new equipment, new operating costs, or other capital expenditures in excess of the spending thresholds of \$3,322,582 for new equipment, \$1,327,734 for new operating costs, or \$6,638,679 for capital expenditures.

After the Effective Date, the services to be provided pursuant to the CON will remain the same, namely, inpatient hospice services. The Proposed Transaction will not result in (i) the offering of any new services, (ii) the addition or reduction of beds, or (iii) the conversion of existing beds.

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Please consider this letter as official notice of the Proposed Transaction and the corresponding CHOW, and find enclosed a completed Notice of Change of Ownership/Control Form. The required fee in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) has been submitted via online portal as of today's date.

Based on the information above and enclosed showing that the Proposed Transaction will not involve (i) a change in health services, (ii) an expenditure in excess of the spending thresholds, or (iii) a change in existing bed capacity, we respectfully ask that you exercise your authority under Ala. Admin. Code r. 410-1-1-.01, *et seq.* to determine that a certificate of need or other action by SHPDA is not required for the consummation of the Proposed Transaction.

Should you have any questions or require any additional information, please contact me by phone at 205.226.5739 or email at Chris.Thompson@hklaw.com.

Sincerely yours,

HOLLAND & KNIGHT LLP

A handwritten signature in blue ink, appearing to read "Chris Thompson", with a long horizontal flourish extending to the right.

Chris Thompson

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: 069-P2491D
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Covenant Hospice Inpatient Care Ctr at Providenc
(ADPH Licensure Name)

Physical Address: 6801 Airport Blvd.
Mobile, AL 36608

County of Location: MOBILE

Number of Beds/ESRD Stations: 15

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

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: Covenant Hospice, Inc.

Mailing Address: 6801 Airport Boulevard 11th Floor
Mobile, AL 36608

Operator (Entity Name): Covenant Hospice, Inc.

Part III: Acquiring Entity Information

Name of Entity: USA Health HCA Providence Hospital, LLC

Mailing Address: 307 N. University Blvd.
Mobile, AL 36688

Operator (Entity Name): USA Health HCA Providence Hospital, LLC

Proposed Date of Transaction is on or after: 05/01/2024

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 200,000.00

Type of Beds: Hospital-Based, Inpatient Hospice

Number of Beds/ESRD Stations: 15

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.

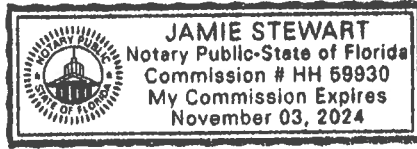
Owner(s): Covenant Hospice Inc. 

Operator(s): Covenant Hospice Inc. 

Title/Date: President & CEO 3/28/2024

SWORN to and subscribed before me, this 28th day of March, 2024.

(Seal)



Jamie Stewart
Notary Public

My Commission Expires: 11/03/2024

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): USA [Signature]
Operator(s): USA Health HCF Providence LLC [Signature]
Title/Date: CEO 3-29-24

SWORN to and subscribed before me, this 29th day of March, 2024.

(Seal)

Kathy Parks Hurst
Notary Public

My Commission Expires:



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