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October 10, 2014

**VIA FEDEX**

Mr. Alva Lambert  
Executive Director  
State Health Planning and Development Agency  
100 North Union Street  
RSA Union Building  
Suite 870  
Montgomery, AL 36130-3025

**RE: Change of Ownership – Troy Regional Medical Center Home Health Agency  
(Attachment to Change of Ownership form)**

Dear Mr. Lambert:

We respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter as an attachment to the Notice of Change of Ownership form 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 a two-step transaction with respect to the home health agency owned and operated by Troy Hospital Healthcare Authority, d/b/a Troy Regional Medical Center (“The Hospital”) in Troy, Pike County, Alabama. The following summarizes the transaction proposed to take place on or about November 1, 2014, and addresses SHPDA requirements for a change of ownership.

**A. Facts**

The Hospital offers home health services in Pike County, Alabama under the trade name Troy Regional Medical Center Home Health Agency (“TRMCHHA”). SHPDA granted Certificate of Need (“CON”) Number 1286-HHA, under which TRMCHHA currently operates, to Edge Regional Medical Center (now Troy Regional Medical Center) to operate a home health agency in Pike County on November 12, 1999.

In step one of this proposed transaction, The Hospital will transfer the assets owned and operated by it in connection with all of its home health operations to LHCG LXIV, LLC, a newly formed Alabama limited liability company in which the Hospital will initially be the only member. In step two of this proposed transaction, in exchange for an amount that the parties have determined to be fair market value, the Hospital will then transfer 80% of its membership interest in LHCG LXIV, LLC to Southeast Alabama HomeCare, LLC (“SAH”), a joint venture between the Houston County Healthcare Authority d/b/a Southeast Alabama Medical Center and Alabama Health Care Group, LLC, a wholly-owned subsidiary of LHC Group, Inc. Enclosed herein is a diagram of the post-closing structure.

**B. SHPDA Requirements for Change of Ownership**

In answer to the specific questions posed in the Change of Ownership Application, please note the following:

1. The Financial Scope of the Project. The financial scope of the project will encompass the fair market value payment that SAH will make to The Hospital as Consideration for the purchase of a eighty percent (80%) membership interest in LHCG LXIV, LLC.

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

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, in step one of the transaction, The Hospital will contribute all of the assets it owns in connection with its provision of home health services to LHCG LXIV, LLC in which The Hospital will initially be the only member. In step two of the transaction, SAH will purchase from the Hospital eighty percent (80%) of the membership interest in LHCG LXIV, LLC

**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 the proposed transaction. In accordance with the SHPDA 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.

Sincerely,



Holly S. Hosford

Enclosures

## CHANGE OF OWNERSHIP

### Part I: Purchasing Organization Information

Name of Organization: LHCG LXIV, LLC

Address (PO Box #): 420 West Pinhook Road

City, State, Zip, County: Lafayette, LA70503, Lafayette Parish

Number/Type Licensed Beds: N/A

Owner(s): Southeast Alabama HomeCare, LLC (80%); Troy Hospital  
Healthcare Authority, d/b/a Troy Regional Medical Center (20%)

Operator(s): Southeast Alabama HomeCare, LLC

### Part II: Selling Organization Information

Name of Organization: Troy Hospital Healthcare Authority, d/b/a Troy Regional Medical  
Center

Facility Name: Troy Regional Medical Center Home Health Agency

Address (PO Box #): 1330 Highway 231 South

City, State, Zip, County: Troy, Alabama 36081, Pike County

Number/Type Licensed Beds: N/A

Owner(s): Troy Hospital Healthcare Authority

Operator(s): Troy Hospital Healthcare Authority

### Part III: Value of Consideration

Monetary Value of Purchase: Please see attached letter No./Type Beds: N/A

Terms of Purchase: Please see attached letter.  
*(add more pages as necessary to describe the sale)*

### Part IV: List of Certificate of Need Authority

Number of Beds: N/A

Types of Institutional Health Services: Home health services

List Service Area by County for Home Health Agencies: Pike County and all contiguous counties  
thereto

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**On an Attached Sheet Please Address the Following:**

- \*1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- \*2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
- \*3.) Whether the proposal will include the addition of any new beds.
- \*4.) Whether the proposal will involve the conversion of beds.
- \*5.) Whether the assets and stock (if any) will be acquired.

**Part V: Certification of Information**

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

**Seller(s) Signature(s):**

Owner(s): \_\_\_\_\_

Operator(s): \_\_\_\_\_

Title/Date: \_\_\_\_\_

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,500 made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

☐ YES    ☐ NO    The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: \_\_\_\_\_

Title/Date: \_\_\_\_\_

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**Seller(s) Signature(s):**Owner(s): The Troy Hospital Health Care Authority, Denisea DimesOperator(s): The Troy Hospital Health Care Authority, Denisea DimesTitle/Date: CEO 10-8-14

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,500 made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

☐ YES ☐ NO The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: \_\_\_\_\_

Title/Date: \_\_\_\_\_

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**Seller(s) Signature(s):**

Owner(s): \_\_\_\_\_

Operator(s): \_\_\_\_\_

Title/Date: \_\_\_\_\_

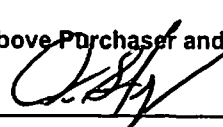
I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$1,000 made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

☒ YES    ☐ NO

The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: \_\_\_\_\_

Title/Date: \_\_\_\_\_

 \_\_\_\_\_  
President, LHC Group, Inc. \_\_\_\_\_