

April 23, 2015

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

RECEIVED
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STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

RE: Notice of Proposed Change in Ownership Structure – Atmore Community Hospital (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 purpose of this letter is to notify SHPDA of a proposed transaction between the Escambia County Health Care Authority and Baptist Health Care Corporation and the related changes to the ownership structure of Atmore Community Hospital (the “Hospital”). As described more fully below, the proposed transaction will not result in any change in the direct ownership of the Hospital, nor will it result in any change in the Hospital’s legal business name, federal tax identification number, or Medicare provider number.

A. Description of the Proposed Transaction

The Hospital is a 49-bed facility, serving several communities in Escambia, Baldwin, and Monroe counties in Alabama, as well as those in nearby Escambia County, Florida. The Hospital additionally, directly or indirectly, owns or operates a home health agency (operated by Atmore Community Home Care, LLC) and certain other healthcare facilities (collectively referenced as “Hospital”).

The Escambia County Health Care Authority (“Authority”) currently leases the Hospital to Escambia County Alabama Community Hospitals, Inc., an Alabama nonprofit corporation (“ECACH”). Baptist Health Care Corporation, a Florida nonprofit corporation (“Baptist”), is currently the sole member of ECACH. On or before June 1, 2015, the Authority will enter into an agreement with Baptist pursuant to which the Authority will acquire one hundred percent (100%) of Baptist’s membership interest in ECACH. Following the closing of the Authority’s transaction with Baptist, the Authority will be the sole member of ECACH. Contemporaneously

with the transfer of the membership interest by Baptist to the Authority, the Authority and ECACH will enter into a new lease agreement for the Hospital.

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 transfer of the membership interest in ECACH from Baptist to the Authority is made in exchange for the assumption of certain liabilities and assets of ECACH by the Authority.

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

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

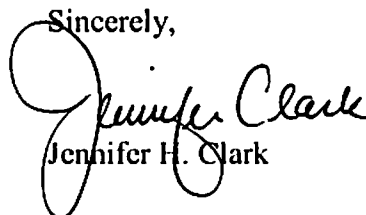
4. Whether the Proposal will Involve the Conversion of Beds. The contemplated transaction will not result in the conversion of beds.

5. Whether the Assets and Stock (if any) will be acquired. As described more particularly above, the Authority will acquire 100% of Baptist's interests in ECACH. Therefore, the Authority will be the sole member of ECACH following closing of the transaction.

C. 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,

Jennifer H. Clark

Enclosures

CHANGE OF OWNERSHIP

Part I: Purchasing Organization Information

Name of Organization: Escambia County Alabama Community Hospitals, Inc.

Facility Name:
(ADPH Licensure name) Atmore Community Hospital

SHPDA ID Number: _____

Address (PO Box #): 401 Medical Park Dr

City, State, Zip, County: Atmore, AL 36502

Number/Type Licensed Beds: 49

Owner(s): Escambia County Alabama Community Hospitals, Inc.

Operator(s): Escambia County Alabama Community Hospitals, Inc.

Part II: Selling Organization Information

Name of Organization: Escambia County Alabama Community Hospitals, Inc.

Address (PO Box #): 401 Medical Park Dr

City, State, Zip, County: Atmore, AL 36502

Number/Type Licensed Beds: 49

Owner(s): Escambia County Alabama Community Hospitals, Inc.

Operator(s): Escambia County Alabama Community Hospitals, Inc.

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: 49

Types of Institutional Health Services: General acute care hospital

List Service Area by County for Home Health Agencies: _____

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 \$2,600 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:

Pete Hance

Chairman - Executive Healthcare Authority

4/17/15

Corp.
4/23/15