

Angie Cameron
acameron@burr.com
Direct Dial (205) 458-5209

10-20-2015

URGENT

420 North 20th Street
SUITE 3400
Birmingham, AL 35203

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

BURR.COM

October 19, 2015

VIA FEDEX

Mr. Alva M. Lambert
Executive Director
State Health Planning and Development
Agency
100 North Union Street
Suite 870
Montgomery, AL 36104

**Re: Hospice Change of Ownership - Mercy Medical
Baldwin and Mobile Counties**

Dear Mr. Lambert:

We respectfully submit the attached Notice of Change of Ownership pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The Change of Ownership involves the purchase of two (2) licensed in-home hospice businesses owned and operated by Mercy Medical, A Corporation ("Mercy") under a single certificate of need. Mercy is authorized by Certificate of Need Number 2400-HPC to provide in-home hospice services in Mobile County (the "Mobile Hospice") and Baldwin County (the "Baldwin Hospice" and collectively with the Mobile Hospice the "Mercy Hospice Businesses"). The following is a summary of the proposed transaction:

I. **Facts.**

1. The Mercy Hospice Businesses are owned and operated by Mercy.
2. On January 27, 2015, Mercy entered into a Letter of Intent with Comfort Care Hospice, LLC, and its assigns ("Comfort Care Hospice", and together with Mercy, the "Parties") to sell to Comfort Care Hospice substantially all of the assets utilized in the operation of the Mercy Hospice Businesses.
3. Pursuant to the Letter of Intent, the Parties have negotiated an asset purchase agreement to consummate the transaction whereby substantially all of the assets of the Mercy Hospice Businesses shall be purchased by and transferred to Comfort Care Hospice's wholly owned subsidiary, Comfort Care Coastal Hospice, LLC ("Coastal Hospice").

4. The Parties intend that the transfer of the assets occur upon the later of November 16, 2015, or receipt of regulatory approval (the "Closing").
5. Operations are ongoing at the Mercy Hospice Businesses and shall continue through the Closing.
6. The resulting "change in control" requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
7. The change in control of the Mercy Hospice Businesses will be documented by the enclosed executed change of ownership forms, namely, one each for the Baldwin Hospice and the Mobile Hospice.

II. Financial Scope of Project.

For fair market consideration, Coastal Hospice will acquire substantially all of the assets relating to the operation of the Mercy Hospice Businesses. The purchase and transfer includes the certificate of need ("CON") rights held by the Mercy Hospice Businesses. This transaction does not involve the purchase of any new equipment, new operating costs, or other capital expenditures in excess of the spending thresholds set forth in Section 22-21-263(a)(2) of the Code of Alabama.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services by the Mercy Hospice Businesses.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds.
2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

V. Stock and Assets.

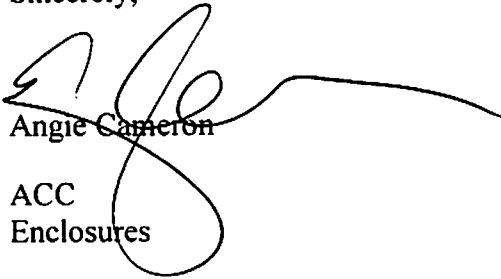
The transaction involves the acquisition of substantially all of the assets relating to the operation of the Mercy Hospice Businesses by Coastal Hospice. Other than the foregoing, the transaction will not involve the acquisition of stock or assets.

Mr. Alva M. Lambert
October 19, 2015
Page 3

Based on the above showing that there has been no (i) change in health service, (ii) conversion of beds or (iii) increase in bed capacity we respectfully ask that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON is not required for the consummation of the above-described proposed transaction. In accordance with the Rules, I am enclosing a check in the amount of \$2,500.00, and the executed change of ownership form.

Should you have any questions or need further information, please contact me at 205-458-5209.

Sincerely,



Angie Cameron

ACC
Enclosures

CHANGE OF OWNERSHIP

Part I: Purchasing Organization Information

003 10 2015
STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

Name of Organization: Comfort Care Coastal Hospice, LLC

Facility Name:
(ADPH Licensure name) Comfort Care Coastal Hospice

SHPDA ID Number: 003-P2400 and 003-P2400A

Address (PO Box #): 245 Cahaba Parkway, Suite 200

City, State, Zip, County: Pelham, Alabama 35243

Number/Type Licensed Beds: In-home hospice

Owner(s): Comfort Care Coastal Hospice, LLC

Operator(s): Comfort Care Coastal Hospice, LLC

Part II: Selling Organization Information

Name of Organization: Mercy Medical, A Corporation

Address (PO Box #): P.O. Box 79957

City, State, Zip, County: Mobile, AL 36607

Number/Type Licensed Beds: In-home hospice

Owner(s): Mercy Medical, A Corporation

Operator(s): Mercy Medical Hospice - Mobile

Part III: Value of Consideration

Monetary Value of Purchase: \$see attached No./Type Beds: In-home hospice

Terms of Purchase: see attached
(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: In-home hospice

List Service Area by County for Home Health Agencies: N/A

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): Mercy Medical, A Corporation

By: _____

Operator(s): _____

Title/Date: _____

Executive Director ICFU 10/14/2015

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: Comfort Care Coastal Hospice, LLC

By: _____

Title/Date: _____

Chris Deel
Chief Operating Officer 10/14/2015