



ProHealth

H O S P I C E

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July 31, 2017

RECEIVED

AUG 03 2017

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

Via Electronic Filing
(shpda.online@shpda.alabama.gov)

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

Re: Vitas Innovative Hospice Care of Fultondale
SHPDA IDs: 073-P2409, 073-P2410, and RV2011-029

Dear Mr. Lambert,

I am writing on behalf of ProHealth Hospice-Gadsden, LLC ("ProHealth") to submit the enclosed Change of Ownership form that we are filing pursuant to Chapter 410-107-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The Change of Ownership involves Vitas Healthcare Corporation Midwest d/b/a Vitas Innovative Hospice Care of Fultondale (the "Provider"), an in-home hospice agency authorized to provide services in Bibb, Blount, Chilton, Coosa, Jefferson, St. Clair, Shelby, Tuscaloosa, and Walker Counties (the "Service Area"). The information below addresses SHPDA's required disclosures for a change of ownership:

I. Financial Scope of the Project.

The financial scope of the project will encompass the fair market value payment that ProHealth will make to the Provider as consideration for the transfer of the consolidated certificate of need approval (SHPDA IDs 073-P2409, 073-P2410, and RV2011-029) for the Service Area to ProHealth. 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, as referenced in the attached memorandum issued by SHPDA on September 19, 2016.

II. Services to be Offered

This transaction will not result in any new or additional services other than those that have been provided by the Provider.

III. Beds

This transaction will not involve the addition or conversion of any beds.

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IV. Stock and Assets

As described above, Provider will transfer the consolidated certificate of need approval (SHPDA IDs 073-P2409, 073-P2410, and RV2011-029) for the Service Area to ProHealth. In addition, ProHealth will acquire certain other intangible assets owned by the Provider. Other than the foregoing, the transaction will not involve the acquisition of any stock or other assets.

V. Conclusion

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/decrease in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules to determine that a Certificate of Need is not required for the consummation of the proposed transaction. In accordance with SHPDA rules, I am making an online payment to SHPDA in the amount of \$2,500 contemporaneously with the filing of this letter and enclosures.

If you have any questions or need further information, please do not hesitate to contact me at the number or address listed above. Thank you in advance for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'DALESTER', with a long horizontal flourish extending to the right.

David A. Lester

Enclosures



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

MEMORANDUM

DATE: September 19, 2016
TO: Interested Parties
FROM: Alva M. Lambert *aml*
Executive Director
SUBJECT: New Certificate of Need Application Fee and
Monetary Threshold for Review
Effective October 1, 2016

Section 22-21-271, Code of Alabama, 1975 and Rule 410-1-7-.06 of the *Alabama Certificate of Need Program Rules and Regulations* require that the maximum application fee be indexed for inflation along with the threshold for new institutional health services listed in §22-21-263, Code of Alabama, 1975. The United States Department of Labor Consumer Price Index (CPI) – All Urban Consumers, Professional Medical Services, averaged an increase of 2.4% for the months of September 2015 through August 2016 (series id CUUR0000SEMC).

The expenditure threshold for major medical equipment will be increased from \$2,854,550 to \$2,923,059; the new annual operating cost will be increased from \$1,141,819 to \$1,169,223; and any other capital expenditure by or on behalf of a healthcare facility or health maintenance organization will be increased from \$5,709,099 to \$5,846,117.

Based on a 2.4% increase in the CPI, the maximum Certificate of Need filing fee will be increased from \$21,736 to \$22,258.

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STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

State Health Planning and Development Agency

Alabama CON Rules & 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: 073-P2409, 373-P2410, and RV2011-029

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

Name of Facility/Provider: Vitas Innovative Hospice Care of Fultondale
 (ADPH Licensure Name)

Physical Address: 2215 Decatur Highway, Suite 101
 Gardendale, AL 35071

County of Location: JEFFERSON

Number of Beds/ESRD Stations: 0

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Bibb, Blount, Chilton, Coosa, Jefferson, St. Clair, Shelby, Tuscaloosa, and Walker

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: Vitas Healthcare Corporation Midwest

Mailing Address: 201 S. Biscayne Blvd.
 Miami, FL 33131

Operator (Entity Name): Vitas Healthcare Corporation Midwest

Part III: Acquiring Entity Information

Name of Entity: ProHealth Hospice, Gadsden, LLC

Mailing Address: 717 37th Street South
 Birmingham, Alabama 35222

Operator (Entity Name): ProHealth Hospice Gadsden, LLC

Proposed Date of Transaction is
on or after: 08/21/2017

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ Fair Market Value

Type of Beds: NA

Number of Beds/ESRD Stations: 0

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 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): _____

Operator(s): [Signature] _____

Title/Date: President and CEO 8/1/17 _____

SWORN to and subscribed before me, this 1st day of August, 2017

(Seal)

VIRGINIA VALIENTE-PEREZ
MY COMMISSION # GG 058706
EXPIRES: December 20, 2020
Bonded thru Budget Notary Services

Notary Public

My Commission Expires: 12/20/2020

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): ProHealth Hospice - Gadsden, LLCOperator(s): [Signature]Title/Date: CEO 8/1/2017SWORN to and subscribed before me, this 2 day of Sept

(Seal)

Terra Rickles

Notary Public

My Commission Expires: 6-22-19TERRA NICHOLE RICKLES
Notary Public
Alabama State at LargeAuthor: Alva M. Lambert
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975
History: New Rule