



David A. Lester
Chief Executive Officer
717 37th Street South
Birmingham, AL 35222
Tel: (205) 820-7000
Fax: (855) 301-9880
Email: david.lester@prohealthgroup.com

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STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

(DELIVERED BY EMAIL TO: shpda.online@shpda.alabama.gov)

Ms. Emily T. Marsal, Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104

Re: Changes of Ownership: Intrepid USA Healthcare Services

Dear Ms. Marsal,

I am writing on behalf of ProHealth of Northeast Alabama, LLC and ProHealth HH-MGM, LLC (collectively, "ProHealth") to submit the enclosed Change of Ownership ("CHOW") forms that we are filing pursuant to Chapter 410-107-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The Changes of Ownership involve multiple certificates of need held by Intrepid USA Healthcare Services ("Intrepid") to provide home health services in the counties identified on the enclosed CHOW forms.

Following closing of this proposed transaction, ProHealth of Northeast Alabama, LLC will relocate its parent agency to Birmingham, AL and establish branches in Centre (Cherokee County) and Tuscaloosa (Tuscaloosa County). ProHealth of Northeast Alabama, LLC will make all required notifications and filings with the Alabama Department of Public Health and CMS to effectuate these changes.

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 pay Intrepid as consideration for the transfer of the Certificates of Need (SHPDA IDs: 073-H7030 and 101-H7067) to ProHealth. The proposed transaction does not contemplate new costs exceeding the following expenditure threshold: (i) \$2,997,918 for major medical equipment; (ii) \$1,199,166 for new annual operating costs; and (iii) \$5,995,836 for capital expenditures.

II. Services to be Offered

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

III. Beds

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

IV. Stock and Assets

As described above, Intrepid will transfer the Certificates of Need (SHPDA IDs: 073-H7030 and 101-H7067) to ProHealth. In addition, ProHealth will acquire certain other intangible assets owned by Intrepid. 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 Certificates of Need are 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 \$5,000 (\$2,500 for each CHOW) 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,



David A. Lester

cc: Mr. John Kunysz
Mr. John Nix