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December 23, 2020

CO2021-010

RECEIVED

Dec 23 2020

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

(DELIVERED BY EMAIL TO [shpda.online@shpda.alabama.gov](mailto: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:  
ProHealth of Northeast Alabama, LLC;  
ProHealth of North Central Alabama, LLC; and  
ProHealth-Gulf Coast, LLC

Dear Ms. Marsal,

I am writing on behalf of ProHealth Home Health, LLC ("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 an internal reorganization through which ProHealth will acquire:

- (a) one Certificate of Need ("CON") (SHPDA ID: 019-H7178) and Medicare provider number (01-7178) held by ProHealth of Northeast Alabama, LLC ("PHNE") to provide home health services in the counties identified on the enclosed CHOW forms;
- (b) one CON (SHPDA ID: 009-H7179) and Medicare provider number (01-7179) held by ProHealth of North Central Alabama, LLC ("PHNC") to provide home health services in the counties identified on the enclosed CHOW forms; and
- (c) one CON (SHPDA ID: 003-H7180) and Medicare provider number (01-7180) held by ProHealth-Gulf Coast, LLC ("PHGC") to provide home health services in the counties identified on the enclosed CHOW forms;

ProHealth anticipates closing this reorganization on or after January 31, 2021. 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 a nominal payment in which ProHealth related entities will conduct an internal reorganization through which PHNE (SHPDA ID: 019-H7178), PHNC (SHPDA ID: 009-H7179), and PHGC (SHPDA ID: 003-H7180) transfer their

Certificates of Need and Medicare provider numbers to ProHealth Home Health, LLC. The proposed transaction does not contemplate new costs exceeding the following expenditure threshold: (i) \$3,079,347.00 for major medical equipment; (ii) \$1,231,738.00 for new annual operating costs; and (iii) \$6,158,695.00 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 PHNE, PHNC, and PHGC.

**III. Beds**

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

**IV. Stock and Assets**

As described above, PHNE, PHNC, and PHGC will transfer ownership of their CONs and Medicare provider numbers to ProHealth. In addition, ProHealth will acquire certain other intangible assets owned by PHNE, PHNC, and PHGC. 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 \$7,5000 (\$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,

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

David A. Lester

cc: Ms. Karen McGuire (SHPDA)  
Mr. Guy Nevins (ADPH)

**Affirmation of Requesting Party**

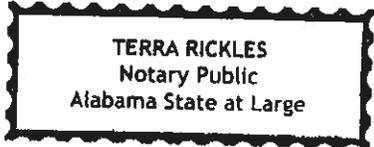
The undersigned, being first duly sworn, hereby make oath or affirm that he is the Chief Executive Officer of ProHealth Home Health, LLC; ProHealth of Northeast Alabama, LLC; ProHealth of North Central Alabama, LLC; and ProHealth-Gulf Coast, LLC has knowledge of the facts in this request , and to the best of his knowledge and belief, such facts are true and correct.

Affiant: 

Subscribed and sworn to before me on this the 23rd day of December, 2020.

Notary Public: 

My Commission Expires: My Commission Expires June 21, 2023



**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: 003-H7180  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: ProHealth-Gulf Coast, LLC  
(ADPH Licensure Name)

Physical Address: 101B Villa Drive  
Daphne, AL 36526

County of Location: BALDWIN

Number of Beds/ESRD Stations: 0

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Baldwin County, Escambia County, Mobile County, Monroe County, and Washington County

**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: ProHealth-Gulf Coast, LLC

Mailing Address: 101B Villa Drive  
Daphne, AL 36526

Operator (Entity Name): ProHealth-Gulf Coast, LLC

**Part III: Acquiring Entity Information**

Name of Entity: ProHealth Home Health, LLC

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

Operator (Entity Name): ProHealth Home Health, LLC

Proposed Date of Transaction is on or after: 01/31/2021

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ NOMINAL PAYMENT

Type of Beds: 0

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: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 3,145,000.00

Projected Total Cost: \$ 3,145,000.00

**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.

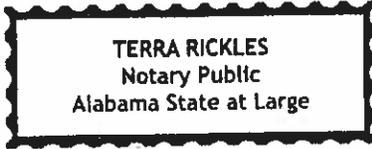
Owner(s):  \_\_\_\_\_

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

Title/Date: CEO, 12-23-2020 \_\_\_\_\_

SWORN to and subscribed before me, this 23<sup>rd</sup> day of December, 2020

(Seal)



Terra Rickles  
Notary Public

My Commission Expires June 21, 2023

**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.

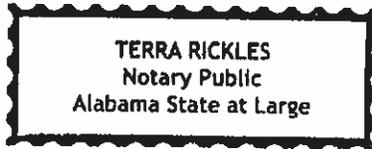
Purchaser(s): [Signature] \_\_\_\_\_

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

Title/Date: CEO, 12-23-2020 \_\_\_\_\_

SWORN to and subscribed before me, this 23<sup>rd</sup> day of December, 2020

(Seal)



Terra Rickles  
Notary Public

My Commission Expires June 21, 2023

Author: Alva M. Lambert  
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975  
History: New Rule