

Christopher C. Puri

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Bradley

February 23, 2021

CO2021-016
RECEIVED

Feb 23 2021

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Via Electronic Filing, Email and U.S. Mail

(shpda.online@shpda.alabama.gov)

Emily T. Marsal, Esq.

Executive Director

State Health Planning and Development Agency

100 North Union Street, Suite 870

Montgomery, Alabama 36104

Re: Behavioral Healthcare Center at Huntsville, Inc. d/b/a Unity Psychiatric
Care - Huntsville, SHPDA ID 089-6534505

Dear Ms. Marsal:

This letter provides supplemental information concerning the filings we made on February 9, 2021 regarding the above-referenced facility, based on a conversation and request from Ms. McGuire at the agency.

First, enclosed is the chart referenced as Exhibits A showing the upstream reorganization details described in the letter. Note there is only one attachment, Exhibit A.

Second, we are clarifying the spending thresholds referenced in our letter. The letter references the 2020 threshold amounts, but the 2021 spending thresholds will also not be exceeded. The proposed transaction does not involve the purchase of new equipment, the undertaking of new construction, or the addition of new operating costs, and it does not involve expenditures exceeding any of the Fiscal Year 2021 spending thresholds effective on October 1, 2021 as set forth in the agency's memo dated September 23, 2020. Those threshold amounts for fiscal year 2021 (10/1/2020 – 9/31/2021) are \$3,079,347 for major medical equipment, \$1,231,738 for new annual operating cost, and \$6,158,695 for any other capital expenditure.

Third, the proposed closing date for the transaction has been delayed. We estimate actions needed to close will be completed by March 15, 2021, which is our new proposed closing date.

If you have any questions, please feel free to call me at the above number.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP



By:

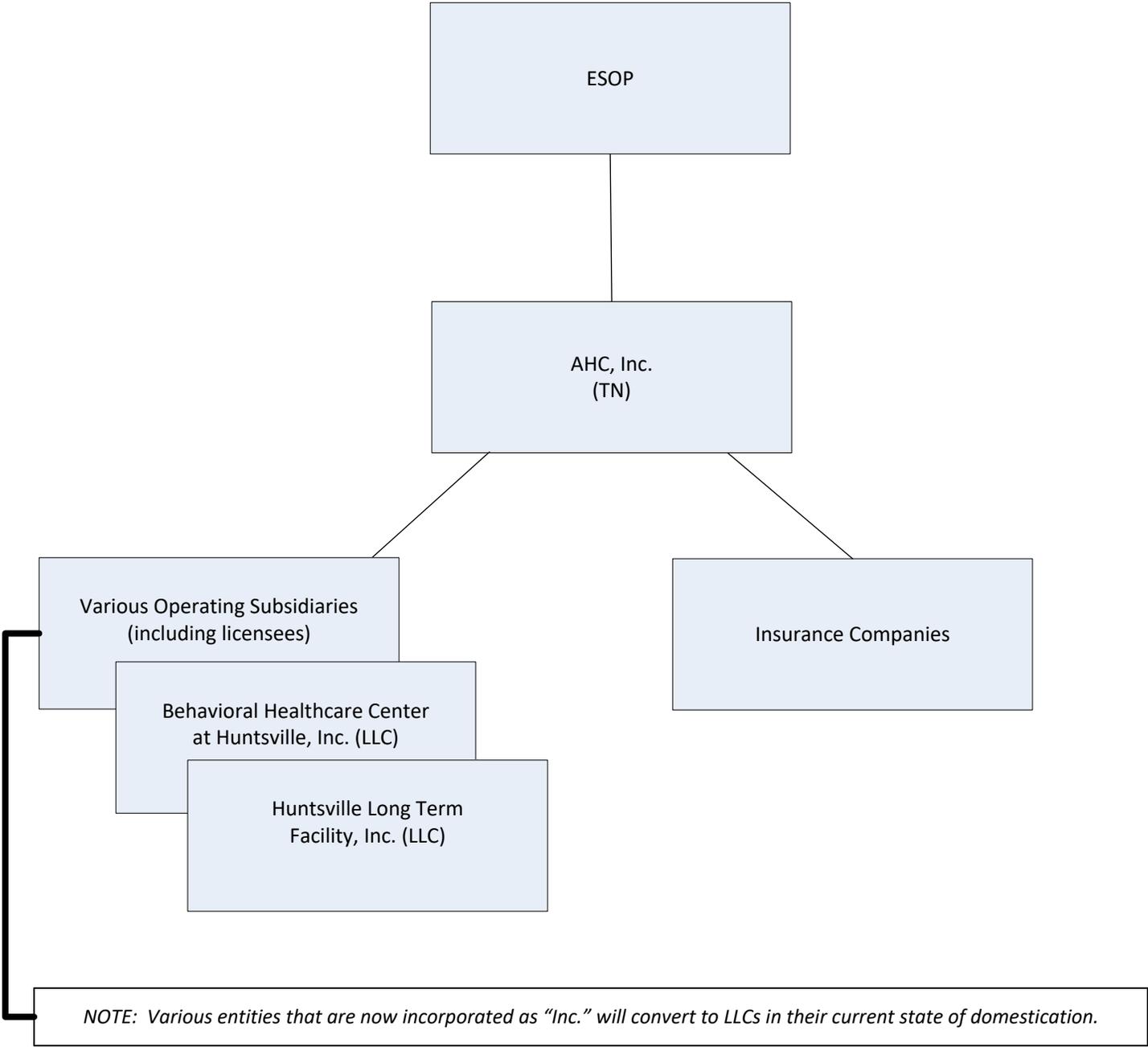
Christopher Puri

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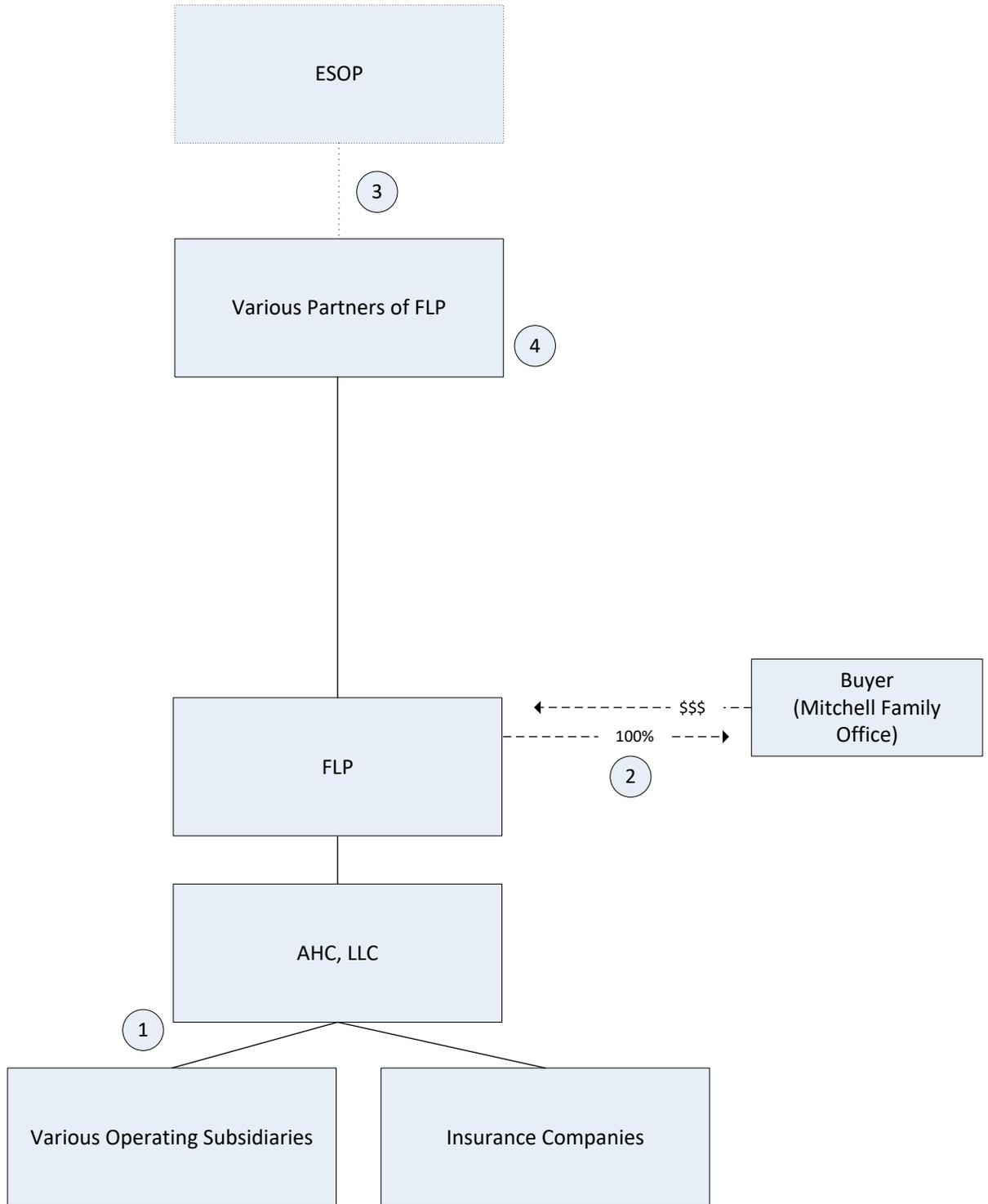
EXHIBIT A

AMERICAN HEALTH COMPANIES, INC.

Current Structure



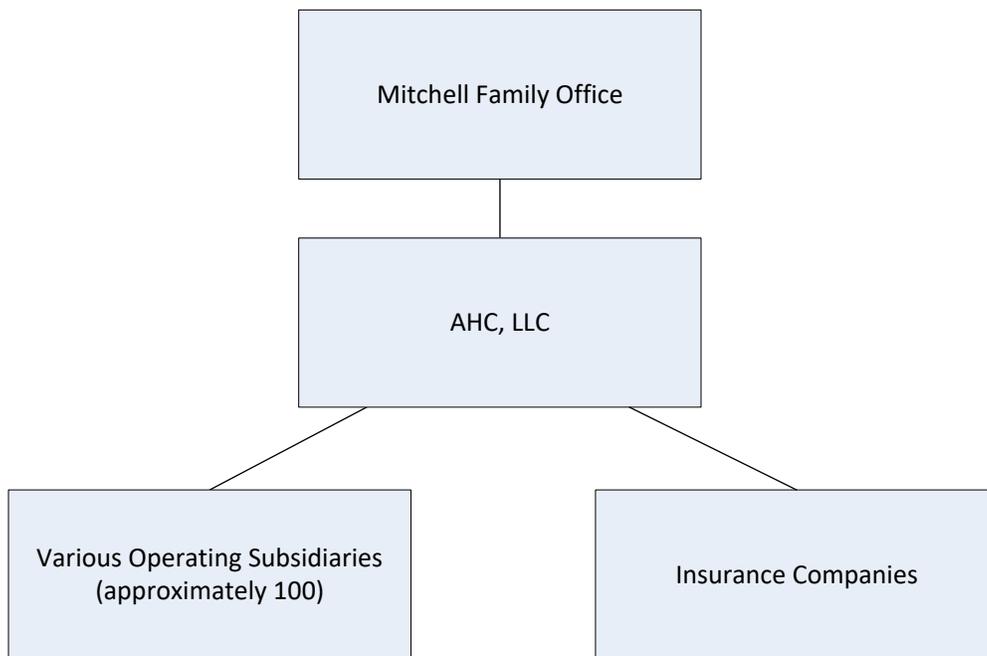
AMERICAN HEALTH COMPANIES, INC. Transaction Steps



Step:

1. AHC, Inc. and Various Operating Subsidiaries are converted to LLCs in their current states.
2. Buyer purchases all of the partnership equity interests held by the members of FLP.
3. ESOP is liquidated.
4. Various Former Partners of FLP are dissolved.

AMERICAN HEALTH COMPANIES, INC.
Post Transaction Structure



Mitchell Family Office is now the 100% stock owner of AHC, LLC.

[Upstream ownership of Mitchell Family Office TBD.]

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State Health Planning and Development Agency

100 North Union Street, Suite 870

Montgomery, Alabama 36104

Re: Behavioral Healthcare Center at Huntsville, Inc. d/b/a Unity Psychiatric Care -
Huntsville, SHPDA ID 089-6534505

Dear Ms. Marsal:

Pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the “Rules”), we respectfully submit the attached Notice of Change of Ownership on behalf of Behavioral Healthcare Center at Huntsville, Inc. d/b/a Unity Psychiatric Care - Huntsville (“Unity” or “Facility”), a licensed Alabama specialty psychiatric hospital, to provide notice of a proposed transaction (“Transaction”) involving the Facility, which operates under the facility identification number listed above, pursuant to the consolidated Certificate of Need authority issued under Facility ID #089-6534505. The transaction, as explained in more detail below, will involve an upstream reorganization of the indirect owners entities of the Facility where American Health Companies, Inc. (the “Seller”) will sell to Mitchell Family Office (the “Buyer”) all of the assets of the Facility. Seller is the ultimate parent owner of Unity.

Prior to the transaction, and pursuant to Tenn. Code § 48-249-703, Behavioral Healthcare Center at Huntsville, Inc. will convert from a corporation into a limited liability company, which is referred to as Phase 1. As a result of the conversion, the Facility owner/operator will, thereafter, be Behavioral Healthcare Center at Huntsville, LLC. In accordance with Tenn. Code §48-249-703, once converted to a limited liability company, Unity is “deemed to be the same entity” before and after the conversion, and will continue to have all rights, privileged, obligations, and liabilities as it had prior to the conversion. Unity will retain its federal tax identification number and Medicaid and Medicare provider numbers.

An upstream reorganization will take place in two phases. Phase 2 will involve adding four (4) new entities were added as upstream indirect owners of the Facility. As evidenced by enclosed Exhibit A, a diagram depicting the change, this will take place at the Company’s “grandparent” level. In Phase 3 of the Transaction, Seller will sell to Buyer all of the assets of Seller and its subsidiaries, including the Facility. Please see enclosed Exhibits A and B depicting the Transaction. The planned closing date to complete the Transaction is March 15, 2021.

The resulting “change in control” requires notification to your agency pursuant to Ala. Admin. Code §410-1-7-.04(1). An enclosed executed change of ownership form is in attached. With respect to the impact on the facility’s operations from the transaction:

1. **Ownership:** The current owner/operator entity, Behavioral Healthcare Center at Huntsville, does and will continue to own and operate the Facility following the conversation as well as the Transaction. Neither the conversion nor the Transaction will result in any change in the Company's federal tax identification number, legal or "doing business as" name, or Medicaid and/or Medicare provider number.
2. **Services/Beds:** The proposed Transaction will not result in the addition of any new beds, the conversion of existing beds, or a change in the services the Facility provides.
3. **Financial Scope:** The proposed transaction does not involve the purchase of new equipment, the undertaking of new construction, or the addition of new operating costs, and it does not involve expenditures that exceed any of the does not involve the purchase of 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.

Other than described above, the transaction does not involve the acquisition of stock or assets relating to the operation of the Facility.

Based on the above description of the proposed transaction, we respectfully request you exercise your authority under Ala. Admin. Code § 410-1-7-.04(2) to determine a certificate of need is not required for the consummation of the proposed transaction. In accordance with Ala. Admin. Code § 410-1-7-.04(2), a check in the amount of \$2,500.00 made payable to the Alabama State Health Planning and Development Agency will be submitted for the reviewability determination fee.

Should you have any questions or need any additional information, please do not hesitate to contact me. Thank you in advance for your assistance with this matter.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP



By:

Christopher Puri

CCP/ced

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: 089-N0015
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Unity Psychiatric Care- Huntsville (ADHP#H4505)
(ADPH Licensure Name)

Physical Address: 5315 MILLENNIUM DR
HUNTSVILLE, AL 35806

County of Location: MADISON

Number of Beds/ESRD Stations: 20

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. _____

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: Behavioral Healthcare Center at Huntsville, Inc.

Mailing Address: 201 Jordan Road, STE 200
Franklin, TN 37067-4495

Operator (Entity Name): Behavioral Healthcare Center at Huntsville, Inc.

Part III: Acquiring Entity Information

Name of Entity: Behavioral Healthcare Center at Huntsville, LLC

Mailing Address: 201 Jordan Road, STE 200
Franklin, TN 37067-4495

Operator (Entity Name): Behavioral Healthcare Center at Huntsville, LLC

Proposed Date of Transaction is on or after: 03/15/2021

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ See Attached Letter

Type of Beds: Specialized Psychiatric Hospital

Number of Beds/ESRD Stations: 20

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):

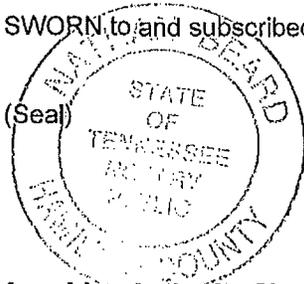
The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Behavioral Healthcare Center at Huntsville, Inc.

Operator(s): [Handwritten Signature]

Title/Date: VP Hospital Operations 2/3/21

SWORN to and subscribed before me, this 3 day of February, 2021.



[Signature]
Notary Public

My Commission Expires: 4/13/21

Acquiring Authority Signature(s):

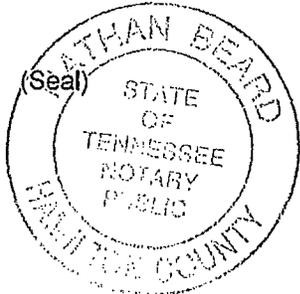
I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): Behavioral Healthcare Center at Huntsville, LLC

Operator(s): [Signature]

Title/Date: VP Hospital Operations 2/3/21

SWORN to and subscribed before me, this 3 day of February, 2021.



[Signature]
Notary Public

My Commission Expires: 4/13/21

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