

RECEIVED

Oct 28 2019

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

October 28, 2019

Via Electronic Filing

(shpda.online@shpda.alabama.gov & SHPDA Online Filing)

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

RE: Project Modification Request
CON-2541-REHAB (Project Numbers AL 2009-062, AL 2010-006)
Encompass Health Rehabilitation Hospital of North Alabama

Dear Ms. Marsal:

This letter requests a project modification, pursuant to Rule 410-1-10-.03 of the Alabama Certificate of Need Program Rules and Regulations ("SHPDA Rules") for CON 2541-REHAB, for the reasons expressed herein.

CON 2541-REHAB was originally issued to the Health Care Authority of the City of Huntsville ("Huntsville Hospital") following a contested case hearing. (CON 2541-REHAB is attached as Exhibit A.) CON 2541-REHAB approved the relocation of Huntsville Hospital's existing seventy (70) inpatient rehabilitation beds to a new building to be constructed adjacent to Huntsville Hospital's general acute care hospital and the addition of six (6) beds for a total of seventy-six (76) beds.

A project modification was approved for this project on June 21, 2012 (2541-REHAB-MOD 1), to include Inkana, LLC (the developer of the replacement hospital property) and HealthSouth Corporation (the operator of the existing inpatient rehabilitation beds) as joint venture partners in the development of the replacement rehabilitation hospital. (CON 2541-REHAB and 2541-REHAB-MOD 1 will be referenced as the "Replacement Hospital CON" herein.) While the project modification added joint venture partners to the project, the modification did not change the originally-approved site of the project adjacent to Huntsville Hospital. (Request for Project Modification and CON 2541-REHAB-MOD 1 are attached as Exhibit B & Exhibit C.)

Since the issuance of 2541-REHAB-MOD 1, Huntsville Hospital and Encompass Health Corporation (formerly known as HealthSouth Corporation) negotiated an arrangement for Rehabilitation Hospital of North Alabama, LLC d/b/a Encompass Health Rehabilitation Hospital of North Alabama ("Encompass"), an indirect subsidiary of Encompass Health Corporation, to acquire the Certificate of Need authority for the current inpatient rehabilitation beds and to assume full responsibility for the Replacement Hospital CON. The change of ownership was approved by the Agency on April 29, 2019 (CO 2019-039). (The Notice of Change of Ownership and SHPDA approval are attached as Exhibit D and Exhibit E.)

Encompass and Huntsville Hospital request a second modification of the Replacement Hospital CON in order to obtain approval of a new site selected for the 76-bed inpatient rehabilitation hospital and to reflect Encompass as the sole owner of the Replacement Hospital CON.¹ The new site is approximately 7.8 acres located at the southwest corner of Harris Hill Boulevard and Moores Mill Road in the City of Huntsville, Alabama. A site plan is attached hereto as Exhibit F. The new site is approximately six miles from the Huntsville Hospital campus. By relocating the project to this site, Huntsville Hospital will be able to utilize the originally-approved site on its campus for expansion of its acute care hospital services and ancillary services that necessitate proximity to the main hospital. The change in site will not result in an increase in total project costs exceeding the \$69,116,625 initially approved by the Replacement Hospital CON, and these costs will be funded by Encompass Health. The modification will not involve the addition of beds, a change in bed classification, or the provision of new health services not specified in the Replacement Hospital CON.

The following documents supporting the project modification are enclosed herein:

- (A) CON 2541-REHAB;
- (B) Project Modification Request for CON-2541-REHAB, dated June 4, 2012;
- (C) 2541-REHAB-MOD 1;
- (D) Notice of Change of Ownership submitted to SHPDA on April 5, 2019;
- (E) SHPDA Letter dated April 29, 2019 approving CO 2019-039;
- (F) A site plan for the new location; and
- (G) Inkana, LLC's Consent to Project Modification and Withdrawal of Interest.

Rehabilitation Hospital of North Alabama, LLC d/b/a Encompass Health Rehabilitation Hospital of North Alabama and Health Care Authority of the City of Huntsville respectfully request the issuance of a second project modification to CON 2541-REHAB to reflect (i) the proposed location for the 76-bed inpatient rehabilitation hospital as the southwest corner of Harris Hill Boulevard and Moores Mill Road in Huntsville, Alabama; and (ii) Rehabilitation Hospital of North Alabama, LLC as the sole owner of the CON. CON 2541-REHAB qualifies for a project modification pursuant to Rule 410-1-10-.03 (project modifications after issuance of CON) for the reasons stated herein. RCHP-Florence, LLC d/b/a Shoals Hospital, the other participant in the contested case hearing resulting in CON 2541-REHAB, has been notified of this request for project modification as required by Rule 410-1-10-.03(1)(b). A filing fee in the

¹ Inkana, LLC has relinquished its interest in the project and consents to the filing of this Project Modification Request. See Exhibit G.

Ms. Emily T. Marsal
Encompass Health Rehabilitation Hospital of North Alabama
Project Modification Request
Page 3

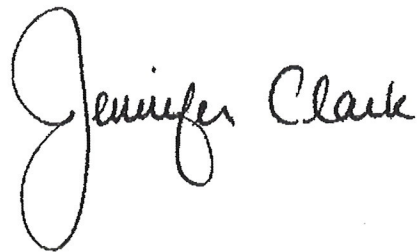
amount of \$6,513.85, which is 35% of the original CON Application fee, will be delivered to the Agency via Fed Ex.

We respectfully request that this project modification be placed for hearing on November 20, 2019, agenda of the CON Review Board. Should you have any questions or need further information, please feel free to contact either of us. Thank you in advance for your assistance with this matter.

Sincerely,



Joe W. Campbell
Counsel for Health Care Authority
of the City of Huntsville



Jennifer H. Clark
Counsel for Rehabilitation Hospital
of North Alabama

Enclosures

cc: Jim Williams, Counsel for RCHP-Florence, LLC d/b/a Shoals Hospital

Exhibit A

CON 2541-REHAB

ALABAMA
STATE HEALTH PLANNING & DEVELOPMENT AGENCY
CERTIFICATE OF NEED
FOR HEALTH CARE SERVICES

I. IDENTIFICATION

1. Certificate of Need 2541-REHAB	2. Date Issued: June 28, 2011	3. Termination Date: June 27, 2012
4. Project Number: AL2009-062 AL2010-006	5. Name of Facility: The Health Care Authority of the City of Huntsville	
6. Service Area: Madison County	7. Location of Facility: Adjacent to Huntsville Hospital Huntsville, Alabama	
8. Type of Facility: Inpatient Rehab Beds	9. Number of Beds: See item #11	10. Estimated Cost: \$69,116,625

11. Services to be provided: A new facility would be created adjacent to the general acute care Huntsville Hospital with up to five floors, depending upon space needed for additional physician offices. The facility would house the relocation of the current 70 inpatient rehabilitation beds from the present HealthSouth Rehabilitation Hospital of North Alabama, together with the six beds awarded for a total of 76 beds. Those inpatient rehabilitation beds and services would be housed on the first three floors with the remaining floors being developed for physician offices.

II. CERTIFICATE OF NEED

Findings of Fact and Conclusions of Law by Administrative Law Judge James F. Hampton became the final decision of the agency without further proceedings as no exceptions were filed pursuant to §41-22-15 *Code of Alabama* 1975. The proposed order of a contested case hearing shall become the final decision of the agency without further proceedings, unless there are exceptions filed or an appeal to the agency within the time period by rule. No exceptions were filed by any party; therefore, the proposed Findings of Fact and Conclusions of Law became the final decision of the agency without Board action.

III. ISSUANCE OF CERTIFICATE OF NEED

This Certificate of Need is issued to **The Health Care Authority of the City of Huntsville** only, for a period not to exceed 12 months from the date of issuance. This Certificate of Need is not transferable and any action on the part of the Applicant to transfer this Certificate of Need will render the Certificate of Need null and void.

ORIGINAL

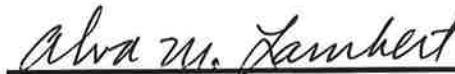

Alva M. Lambert
Executive Director

Exhibit B

Project Modification Request for CON-2541-REHAB, dated June 4, 2012

JUN 06 2012

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

June 4, 2012

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

**RE: Project Modification Request
CON-2541-REHAB (Project Numbers AL2009-062, AL2010-006) The
Health Care Authority of the City of Huntsville**

Dear Mr. Lambert:

This letter requests a project modification, pursuant to Rule 410-1-10-.03 of the *Alabama Certificate of Need Program Rules and Regulations ("SHPDA Rules")*, for CON 2541-REHAB. This Certificate of Need was originally issued on June 28, 2011 to The Health Care Authority of the City of Huntsville ("Huntsville Hospital"), and stated as follows:

A new facility would be created adjacent to the general acute care Huntsville Hospital with up to five floors, depending upon space needed for additional physician offices. The facility would house the relocation of the current 70 inpatient rehabilitation beds from the present HealthSouth Rehabilitation Hospital of North Alabama, together with the six beds awarded for a total of 76 beds. Those inpatient rehabilitation beds and services would be housed on the first three floors with the remaining floors being developed for physician offices.

Huntsville Hospital now respectfully requests the issuance of a project modification to this CON, to permit the continued construction of this new facility, under slightly different parameters.

As you are aware, SHPDA Rules 410-1-10-.03 provides that a project modification is a proposed change in a project for which SHPDA has previously issued a CON; such a change shall include, but not be limited to, any change in the bed capacity or bed use of a facility, the addition of a health service or services, an increase in the cost of the project, or a change in the financing methods of a project.


CON 2541-REHAB was awarded pursuant to Findings of Fact and Conclusions of Law rendered by Administrative Law Judge James F. Hampton, which became the final decision of SHPDA without further proceedings when no exceptions were filed. The change proposed under this project modification request does not relate to a change in the bed capacity or bed use of the facility, does not alter the health services encompassed in the facility, and should not increase the estimated project cost, which was stated on the face of the CON as \$69,116,625.

However, since the issuance of the CON last June, Huntsville Hospital and HealthSouth Rehabilitation Hospital of North Alabama ("HealthSouth") have been engaged in discussions and negotiations regarding the long-term relationship between the two entities. For a number of years, HealthSouth has operated the inpatient rehabilitation hospital under a long-term lease arrangement with Huntsville Hospital. As this new facility has been being planned, the parties determined that it would be in the best interests of both Huntsville Hospital and HealthSouth, as well as the health care system as a whole, for the relationship to enter a new phase. At this point, that phase would begin through the joint ownership of the facility to be developed under CON 2541-REHAB. Details and documents relating to the joint ownership are in the process of being finalized, but the jointly owned entity would involve Huntsville Hospital, HealthSouth and Inkana, LLC, the company that will serve as developer of the facility. None of the three entities will own a majority interest in the joint venture entity. As shown in the attached exhibits, this change in the development structure will result in a change in the information previously shown in the above-referenced CON applications. Previously, the total amount of \$69,116,625 was shown as being paid by cash on hand from Huntsville Hospital. Since the facility will now be owned jointly, that entity will be responsible for the cash infusion for development of the facility, with each partner bearing its proportionate share of the costs.

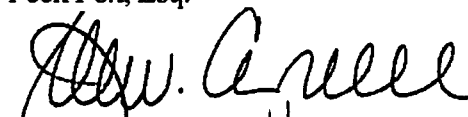
CON 2541-REHAB qualifies for a project modification pursuant to SHPDA Rules. There was no opposition to the approved CON following the contested case hearing, and the distribution of beds pursuant to ALJ Hampton's Order. The other participant in that proceeding, RCHP-Florence, LLC, which received CON-2540-REHAB pursuant to that same proceeding, has been notified as required by regulation.

Thank you for your attention to this request. Should you have questions or concerns, please feel free to contact us.

Sincerely,



HealthSouth Rehabilitation Hospital of North Alabama
Peck Fox, Esq.



The Health Care Authority of the City of Huntsville
Joe W. Campbell, Esq.

MAYNARD COOPER
& GALE PC
ATTORNEYS AT LAW

Mr. Alva Lambert

June 4, 2012

Page Three

cc: Jim Williams
Counsel for RCHP – Florence, LLC

Executive Summary

This project originally proposed the addition of beds available under the Alabama State Health Plan to HealthSouth Rehabilitation Hospital of North Alabama ("HealthSouth") for inclusion in a new facility, as more fully described in SHPDA Projects AL 2009-062 and AL 2010-006. This project modification request would modify Certificate of Need 2541-REHAB, which was originally issued on June 28, 2011 to The Health Care Authority of the City of Huntsville ("Huntsville Hospital") as follows:

A new facility would be created adjacent to the general acute care Huntsville Hospital with up to five floors, depending upon space needed for additional physician offices. The facility would house the relocation of the current 70 inpatient rehabilitation beds from the present HealthSouth Rehabilitation Hospital of North Alabama, together with the six beds awarded for a total of 76 beds. Those inpatient rehabilitation beds and services would be housed on the first three floors with the remaining floors being developed for physician offices.

As modified, the CON for the beds would still be issued to The Health Care Authority of the City of Huntsville. However, under the modification sought, the building itself would be owned by an entity which would be jointly owned by Huntsville Hospital, HealthSouth and Inkana, LLC, the company that will serve as developer of the facility. The project cost of \$69,116,625, as shown on CON 2541-REHAB, would remain the same, but would no longer be paid by cash on hand from Huntsville Hospital. Instead, each of the three joint ownership entities (Huntsville Hospital, HealthSouth and Inkana) would bear its own proportionate share of the project costs.

As originally approved, the project will still be developed on vacant land currently owned by Huntsville Hospital. Also as originally approved, the project will still utilize Inkana as the developer. The building is still planned to consist of 158,475 square feet on five floors.

HealthSouth will lease approximately 92,875 square feet of space in the building for operation of the inpatient rehabilitation hospital. The remainder of the building will be used for physician office space.

Exhibit C

2541-REHAB-MOD 1



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

June 21, 2012

Peck Fox, Esquire
Maynard Cooper & Gale PC
100 North Union Street, Suite 650
Montgomery, AL 36104

RE: AL2009-062, CON 2541-REHAB-Mod 1
AL2010-006, CON 2541-REHAB-Mod 1
The Health Care Authority of the City of Huntsville

Dear Mr. Fox:

According the *Alabama Certificate of Need Rules and Regulations*, 410-1-10-.03, a project modification may be approved by me ten (10) business days after publication on the SHPDA website, provided the project falls below financial thresholds and does not involve relocation. Your request for a project modification for CON 2541-REHAB was published on June 6, 2012.

You have requested a project modification to reflect joint ownership of this project to include Huntsville Hospital, HealthSouth and Inkana, LLC. HealthSouth will lease approximately 92,875 square feet of space in the building for the operation of the inpatient rehabilitation hospital. The remainder of the building will be used for physician office space. The owners will also be jointly responsible for the cash infusion for development of the facility. No other terms of CON 2541-REHAB will change; therefore, your request for a project modification is approved. If you have questions or comments, please call Betty Schoenfeld at (334) 242-4103.

Sincerely,

Alva M. Lambert
Executive Director

AML:bws

Enclosure

ALABAMA
STATE HEALTH PLANNING & DEVELOPMENT AGENCY
CERTIFICATE OF NEED
FOR HEALTH CARE SERVICES

I. IDENTIFICATION

1. Certificate of Need 2541-REHAB-MOD 1	2. Date Issued: June 21, 2012	3. Termination Date: June 20, 2013
4. Project Number: AL2009-062 AL2010-006	5. Name of Facility: The Health Care Authority of the City of Huntsville	
6. Service Area: Madison County	7. Location of Facility: Adjacent to Huntsville Hospital Huntsville, Alabama	
8. Type of Facility: Inpatient Rehab Beds	9. Number of Beds: See item #11	10. Estimated Cost: \$69,116,625
11. Services to be provided: A new facility with up to five floors would be created adjacent to the general acute care Huntsville Hospital. HealthSouth Rehabilitation Hospital of North Alabama will lease approximately 92,875 sq. ft. of space to operate a 76 bed inpatient rehabilitation hospital. The remaining space will be used for physician offices. This project modification also includes joint ownership of the project by Huntsville Hospital, HealthSouth and Inkana, LLC. The owners will also be jointly responsible for the cash infusion to develop the facility. There are no other changes to the CON.		


II. CERTIFICATE OF NEED

Findings of Fact and Conclusions of Law by Administrative Law Judge James F. Hampton became the final decision of the agency without further proceedings as no exceptions were filed pursuant to §41-22-15 *Code of Alabama* 1975. The proposed order of a contested case hearing shall become the final decision of the agency without further proceedings, unless there are exceptions filed or an appeal to the agency within the time period by rule. No exceptions were filed by any party; therefore, the proposed Findings of Fact and Conclusions of Law became the final decision of the agency without Board action.

III. ISSUANCE OF CERTIFICATE OF NEED

This Certificate of Need is issued to **The Health Care Authority of the City of Huntsville** only, for a period not to exceed 12 months from the date of issuance. This Certificate of Need is not transferable and any action on the part of the Applicant to transfer this Certificate of Need will render the Certificate of Need null and void.

Project Modification No. 1



Alva M. Lambert
Executive Director

Exhibit D

Notice of Change of Ownership submitted to SHPDA on April 5, 2019

Holly S. Hosford
 hhosford@bradley.com
 205.521.8376



April 5, 2019

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Apr 05 2019

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Via Electronic Filing

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

**Re: Notice of Proposed Change in Ownership of Encompass Health
 Rehabilitation Hospital of North Alabama (SHPDA ID 089-0530038)**

Dear Ms. Marsal:

We respectfully submit to the State Health Planning and Development Agency ("SHPDA") this letter as an attachment to the Notice of Change of Ownership forms that we are filing pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The proposed change of ownership involves the purchase of seventy (70) inpatient rehabilitation beds currently owned by The Health Care Authority of the City of Huntsville d/b/a Huntsville Hospital (the "Seller") and operated as Encompass Health Rehabilitation Hospital of North Alabama (the "Hospital"). The following summarizes the proposed transaction and addresses SHPDA requirements for a change of ownership.

I. Facts

Seller holds two (2) Certificates of Need, number 705-H and 1618-H (together, the "Rehab Bed CONs"), from the State Health Planning and Development Agency for the operation of a 70 bed inpatient rehabilitation hospital. Seller and Rebound, LLC, a subsidiary of Encompass Health Corporation, (the "Operator") are parties to a Lease Agreement whereby Seller leases space and the Rehab Bed CONs to Operator for the operation of the Hospital.

In the transaction proposed to take place on or about the fifth business day following receipt of approval from SHPDA, Rehabilitation Hospital of North Alabama, LLC, an indirect subsidiary of Encompass Health Corporation, (the "Buyer") will purchase the 70 existing inpatient rehabilitation beds and the right to operate such beds under the Rehab Bed CONs from Seller for an amount the parties have determined to be fair market value.

II. SHPDA Requirements for Changes of Ownership

In answer to the specific questions posed in the Change of Ownership Application, please note the following:

Emily T. Marsal

April 5, 2019

Page 2 of 2

1. The Financial Scope of the Project. The financial scope of the change in ownership project will encompass the fair market value payment that Buyer will make to Seller as consideration for the purchase of seventy (70) inpatient rehabilitation beds. The fair market value payment involved in the proposed transaction does not reflect new costs exceeding the following expenditure thresholds: (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.

2. Services to be Offered. The proposed transaction will not result in any new or additional services to those already authorized to be provided by the Hospital.

3. Whether the Proposal Will Include the Addition of Any New Beds. The proposed transaction involving the purchase of seventy (70) existing beds will not result in the addition of new beds.

4. Whether the Proposal Will Involve the Conversion of Beds. The proposed transaction will not result in the conversion of beds.

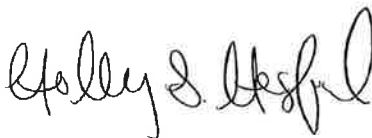
5. Whether the Assets and Stock (if any) Will be Acquired. The proposed transaction involves only the purchase of beds. No other assets and no stock will be acquired as part of the proposed transaction.

Requested Action

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 or decrease in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a Certificate of Need is not required for the consummation of this proposed transaction. In accordance with the Rules, a check in the amount of \$2,500.00 made payable to the Alabama State Health Planning and Development Agency has been sent to SHPDA office via Federal Express.

Should you have any questions or need further information, please feel free to contact me at the number or address listed above. Thank you in advance for your assistance with this matter.

Sincerely,



Holly S. Hosford

Enclosure

cc: Joe Campbell via email (joe.campbell@hhsys.org)
Jennifer Clark

Holly Hosford
hhosford@Bradley.com
205.521.8376

Bradley

RECEIVED

Apr 24 2019

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

April 24, 2019

Via Electronic Filing

Ms. Emily Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street
RSA Union Building
Suite 870
Montgomery, AL 36130-3025

**Re: CO2019-039, Encompass Health Rehabilitation Hospital of North Alabama;
Response to Request for Additional Information**

Dear Ms. Marsal:

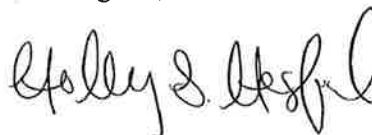
On behalf of our client, Rehabilitation Hospital of North Alabama, LLC, this letter is submitted in response to the Alabama State Health Planning and Development Agency's April 18, 2019, request for additional information relating to the Notice of Change of Ownership of Encompass Health Rehabilitation Hospital of North Alabama (SHPDA ID: 089-0530038) (the "Notice Filing").

The request for additional information states that the signature page included for Mr. Douglas Beverly does not contain the required signatures. The draft signature page with fields for Mr. Beverly's signatures was included in the Notice Filing by mistake. Patrick Darby, as Vice President and Secretary of Rehabilitation Hospital of North Alabama, LLC d/b/a Encompass Health Rehabilitation Hospital of North Alabama, signed the Notice of Change of Ownership for the acquiring authority on page 7 of the Notice Filing. The Notice Filing includes all necessary signatures.

The request for additional information requests that the parties provide information concerning the effect the proposed transaction will have on projects AL2009-062 and AL2010-006 to add an additional six (6) beds. The parties to the proposed transaction, the Health Care Authority of the City of Huntsville d/b/a Huntsville Hospital and Rehabilitation Hospital of North Alabama, LLC, will file a modification request with the Agency for Certificate of Need 2541-REHAB (Project Numbers AL2009-062, AL 2010-006), as modified by 2541-REHAB-MOD1 (the "Replacement Hospital CON"), seeking to replace the current owners of the Replacement Hospital CON with Rehabilitation Hospital of North Alabama, LLC.

We appreciate your assistance with this project and your consideration of this additional information. As always, please do not hesitate to contact me if you have any questions or if we can address any further issues relating to this project.

Best regards,



Holly S. Hosford

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 §§ 22-21-270(d), (e))

☐ Change in Certificate of Need Holder (ALA. CODE § 22-21-270(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: **089-0530038**
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: **Encompass Health Rehabilitation Hospital of North Alabama**

(ADPH Licensure Name)

Physical Address: **107 Governors Drive**
Huntsville, Alabama 35801

County of Location: **Madison County**

Number of Beds/ESRD Stations: **70 Inpatient Rehabilitation Beds**

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. **Not applicable.**

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: **The Health Care Authority of the City of Huntsville**
d/b/a Huntsville Hospital

Mailing Address: **101 Sivley Road SW**
Huntsville, Alabama 35801

Operator (Entity Name): **Rebound, LLC, a subsidiary of Encompass Health Corporation**

Part III: Acquiring Entity Information

Name of Entity: Rehabilitation Hospital of North Alabama, LLC

Mailing Address: 9001 Liberty Parkway
Birmingham, Alabama 35242

Operator (Entity Name): Rehabilitation Hospital of North Alabama, LLC

Proposed Date of Transaction is on or after: On or about the fifth business day following approval of the Change of Ownership by the State Health Planning and Development Agency

Part IV: Terms of Purchase

Monetary Value of Purchase: Please see attached letter

Type of Beds: Inpatient Rehabilitation Beds

Number of Beds/ESRD Stations: 70 Beds

Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Please see attached letter

Projected Equipment Cost: \$ _____

Projected Construction Cost: \$ _____

Projected Yearly Operating Cost: \$ _____

Projected Total Cost: \$ _____

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.

Please see attached letter

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): **David Spillers**
Chief Executive Officer
The Health Care Authority of the City of Huntsville d/b/a Huntsville Hospital

Date: 3/29/19

SWORN to and subscribed before me, this 29th day of March, 2019.

(Seal)



Stephanie Keno
Notary Public

My Commission Expires: 2/21/22

Operator(s):

Rebound, LLC

Date: _____

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal)

A-84

Notary Public

My Commission Expires: _____

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): **David Spillers**
Chief Executive Officer
The Health Care Authority of the City of Huntsville d/b/a Huntsville Hospital

Date: _____

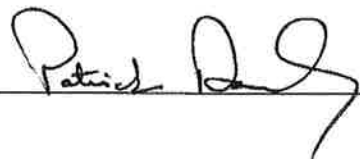
SWORN to and subscribed before me, this _____ day of _____.

(Seal)

Notary Public

My Commission Expires: _____

Operator(s): **Patrick Darby**
Vice President and Secretary
Rebound, LLC

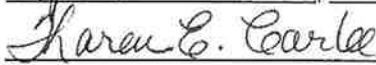


Date: 4-4-19

SWORN to and subscribed before me, this 4 day of April, 2019.

(Seal)

A-84


Notary Public

My Commission Expires: 10-14-20



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): **Patrick Darby**
Vice President and Secretary
Rehabilitation Hospital of North Alabama, LLC d/b/a Encompass Health
Rehabilitation Hospital of North Alabama



Operator(s): **Patrick Darby**
Vice President and Secretary
Rehabilitation Hospital of North Alabama, LLC d/b/a Encompass Health
Rehabilitation Hospital of North Alabama



Date: 4-4-19

SWORN to and subscribed before me, this 4 day of April, 2019.




Notary Public

My Commission Expires: 10-14-20

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule

Exhibit E

SHPDA Letter dated April 29, 2019 approving CO 2019-039



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

April 29, 2019

Holly S. Hosford, Esquire
Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203-2119

RE: CO2019-039
Encompass Health Rehabilitation
Hospital of North Alabama
SHPDA ID: 089-0530038

Dear Ms. Hosford:

This is written in response to the Change of Ownership filed on April 5, 2019, and additional information filed on April 24, 2019, whereby Rehabilitation Hospital of North Alabama, LLC will acquire the referenced facility from The Health Care Authority of the City of Huntsville d/b/a Huntsville Hospital. This transaction is to become effective on or about the fifth business day following approval of the change of ownership by the State Health Planning and Development Agency. This proposed transaction will also involve a change in the operator from Rebound, LLC to Rehabilitation Hospital of North Alabama, LLC.

This transaction will not involve the offering of new services, the addition or reduction of beds, the conversion of beds, or the acquisition of stock.

Agency records indicate Certificate of Need ("CON") 706-H was issued November 16, 1984 to The Hospital Authority of the City of Huntsville to add and renovate the existing old "South Annex" hospital which is owned and controlled by the Huntsville Hospital into a 50-bed rehabilitation facility. Certificate of Need ("CON") 1618-H was issued January 19, 1999 to HealthCare Authority of the City of Huntsville, d/b/a Huntsville Hospital to renovate an existing nursing unit and the conversion of 20 acute care beds to rehabilitation beds to be leased and operated by HealthSouth, Inc. under Huntsville Hospital's existing agreement for the North Alabama Rehabilitation Hospital.

Based on information provided, this Notice of Change of Ownership/Control requires no further action from this Agency. This decision is based on the information provided, and on the assumption that all pertinent information has been disclosed. This response is made with the understanding that there will be no substantial deviations from the facts and premises provided to this Agency. Should circumstances prove to be other than represented, this letter may become null and void.

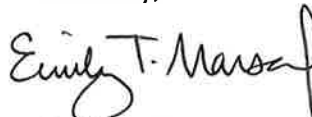
Pursuant to ALA. ADMIN. CODE r 410-1-3-.11(7), a health care reporter is required to maintain a current listing of at least two contacts of record for purposes of Mandatory Reporting. Should changes be necessary to the current designated contacts, an interactive form to update designations is available on the Agency's website at www.shpda.alabama.gov / CON Information / Forms / Change in Designation of Contact of Record for Purposes of Mandatory Reporting. The facility will be responsible for filing all mandatory annual reports for the entire reporting period, to include the time frame prior to acquisition.

Effective October 1, 2018, all notifications required pursuant to the Alabama Certificate of Need Program Rules and Regulations are distributed in electronic format. No more than two (2) individuals designated as the recipients must provide a valid e-mail address for receipt of all such notifications. It is suggested that a corporate official or professional representative of the health care provider, i.e., attorney, consultant, CPA, etc., be included as a designated recipient. Failure to maintain accurate e-mail addresses on file with the Agency may result in the facility/provider not receiving the requested notifications, to include letters of intent, reviewability determination requests, review schedules for certificate of need applications, proposed changes to the Agency's Rules and Regulations and/or the State Health Plan, and other notifications distributed in the normal course of the Agency's business. An interactive form to update designations is also located on the Agency's website at www.shpda.alabama.gov / CON Information / Forms / Change in Electronic CON Notification Appointments.

Pursuant to ALA. ADMIN. CODE r. 410-1-3-.09, all documents to be filed with SHPDA must be submitted electronically to shpda.online@shpda.alabama.gov in text searchable, PDF format.

Should you have any questions, please contact the Agency at (334) 242-4103.

Sincerely,



Emily T. Marsal
Executive Director

ETM:kfn

cc: Felicia Williams-Smith, ADPH
Guy Nevins, ADPH

Exhibit F

Site Plan

Exhibit G

Inkana, LLC's Consent to Project Modification and Withdrawal of Interest



RECEIVED

Oct 28 2019

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

October 28, 2019

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

RE: Project Modification Request
CON-2541-REHAB (Project Numbers AL 2009-062, AL 2010-006)
Encompass Health Rehabilitation Hospital of North Alabama

Dear Ms. Marsal:

I am writing in support of the Project Modification Request to be submitted on behalf of Rehabilitation Hospital of North Alabama, LLC d/b/a Encompass Health Rehabilitation Hospital of North Alabama to request a project modification, pursuant to Rule 410-1-10-.03 of the Alabama Certificate of Need Program Rules and Regulations ("SHPDA Rules") for CON 2541-REHAB.

Inkana, LLC ("Inkana") was a party to the first project modification issued on June 21, 2012 (2541-REHAB-MOD 1) as the proposed developer of the replacement rehabilitation hospital. Following the acquisition and assumption of responsibility by Rehabilitation Hospital of North Alabama, LLC of the current CON for operation of the Encompass Health Rehabilitation Hospital of North Alabama and for CON 2541-REHAB, 2541-REHAB-MOD 1 project, which was approved by the Agency on April 29, 2019 (CO 2019-039), Inkana is no longer a party to this project. However, Inkana fully supports the requested project modification.

Inkana respectfully requests that you approve the requested project modification for CON 2541-REHAB. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Austin Blackwell".

Austin Blackwell, Partner

Comprehensive Facility Solutions.