State of Tennessee
Health Services and Development Agency
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Date: **February 11, 2016**

To: **HSDA Members**

From: **Melanie M. Hill, Executive Director**

Re: **CONSENT CALENDAR JUSTIFICATION**
Sunrise Community of Tennessee, Chuckey (Greene County), TN – CN1511-055
The establishment of a four bed ICF/IID home for four residents located at 680 Quaker Knob Road, Chuckey (Greene County), Tennessee 37641. The estimated project cost is $965,868.

As permitted by Statute and further explained by Agency Rule later in this memo, I have placed this application on the Consent Calendar based upon my determination that the application appears to meet the established criteria for granting a certificate of need. Need, Economic Feasibility and Contribution to the Orderly Development of Health Care appear to have been demonstrated as detailed below. If Agency Members determine that the criteria have been met, a member may move to approve the application by adopting the criteria set forth in this justification or develop another motion for approval that addresses each of the three criteria required for approval of a certificate of need. If you find one or more of the criteria have not been met, then a motion to deny is in order. Due to the sheer number of ICF/IID applications under review, some being recommended for CONSENT CALENDAR approval did not receive a 30-day review period.

At the time the application entered the review cycle on December 1, 2015, it was not opposed. If the application is opposed prior to it being heard, it will be moved to the bottom of the regular February agenda and the applicant will make a full presentation.

Summary

Sunrise Community of Tennessee, Inc. is seeking to establish a 4-bed ICF/IID home located at 680 Quaker Knob Road, Chuckey (Greene County) Tennessee. Please see the application for a description of the facility.

Sunrise Community of Tennessee, Inc. is a fully owned subsidiary of Sunrise Community Inc. which has over 35 years of ICF/IID experience in Florida and is the largest provider of services there.

Sunrise currently provides Medical Residential, Supported Living, Supported Employment, Community Based Day and Respite Services through Home and Community Based Waiver Services under contract through the Department of Intellectual and Developmental Disabilities (DIDD) throughout Greene, Washington, Carter, Hamblen, and Jefferson Counties. This facility would be licensed as an ICF/IID.

The need for this facility and all the proposed ICF/IID facilities that will be reviewed by the Agency over the next two months is the result of the closure of Greene Valley Developmental Center (GVDC), which is anticipated to close on June 30, 2016. GVDC is being closed as part of the Exit Plan in a 19-year old lawsuit by the Department of Justice against the State of Tennessee, which found unconstitutional conditions at the State of Tennessee's four developmental centers. The lawsuit will be fully dismissed once all residents of GVDC have been transferred into smaller homes in the community and GVDC is closed.

The following information came directly from the DIDD website and helps explain the need for this facility:

In April 1996, DIDD entered into a settlement agreement with the advocacy group People First, which had sued the state, charging violations of Civil Rights of Institutionalized Persons Act (CRIPA) at Clover Bottom and Greene Valley Developmental Centers. The United States Department of Justice strongly suggested that the state settle and, in December 1996, sued the state to become a party in the settlement negotiations.

Starting in May 2014, DIDD, the Bureau of TennCare and the Attorney General's office participated in court-ordered mediation for six months to reach an Exit Plan that ultimately will lead to the end of the nearly 20-year-old lawsuit. The Exit Plan was agreed to and executed by all of the parties to the lawsuit: the State, the U.S. Department of Justice, People First of Tennessee and the Parent Guardian Associations of Clover Bottom Developmental Center and Greene Valley Developmental Center.

On January 29, 2015, an order was issued by U.S. District Judge Kevin Sharp approving the Exit Plan. The order entered by Judge Sharp calls for a two-phase dismissal of the lawsuit based on the state completing obligations set forth in the Exit Plan.

The first phase is comprised of eight responsibilities DIDD and TennCare must complete by December 31, 2015 in order for the lawsuit to be partially dismissed.

The second phase requires the closure of Greene Valley Developmental Center in Greeneville by June 30, 2016. Upon closure, the lawsuit would be fully and finally dismissed.

More information can be found at http://tn.gov/didd/topic/clover-bottom-exit-plan.

When you open the link above you will also find a link identified as "Greene Valley Closure Plan" http://tn.gov/assets/entities/didd/attachments/GVDC_Closure_Plan_FINAL.pdf.

The closure plan provides very detailed information regarding the closure and community transition process. It also notes the State of Tennessee will no longer be a willing provider of Intermediate Care Facility services for Individuals with Intellectual Disabilities (ICF/IID) at Greene Valley Developmental Center (GVDC). Instead, it states current GVDC residents will receive appropriate services and supports in alternative, community-based settings. The plan notes the Vision and Mission of the Department of Intellectual and Developmental Disabilities is to support all Tennesseans with intellectual and developmental disabilities to live fulfilling and rewarding lives and to become the nation's most person-centered and cost effective state support system.

Finally, United States District Court Judge Kevin Sharp of the Middle District of Tennessee who has overseen the Exit Plan was quoted as saying the Plan *is 'fair, reasonable and adequate' and provides the next iteration of improvement to the lives of those with disabilities in Tennessee. It will test political will and legislative leadership to continue that progress and to determine how best to care for those often left in the shadows.*

Please refer to the staff summary and the TDIDD report for a detailed narrative of the project.

Executive Director Justification -

I recommend approval of certificate of need application CN1511-055 to establish a 4-bed ICF/IID at 680 Quaker Knob Road in Greeneville (Greene County). My recommendation for approval is based upon my belief the following general criteria for a certificate of need have been met.

Need- Need is met, as this will transition four residents from the announced closure of GVDC. This is the last obligation that must be met to settle the State's 19-year old lawsuit {DOJ (People First of Tennessee) et al. v. CBDC lawsuit}. Judge Sharp found the State's Exit Plan "fair, reasonable, and adequate". These residents will continue to receive appropriate services and supports but they will now receive them in a community-based setting and in a home-like environment.

Economic Feasibility- The project is economically feasible based upon the applicant obtaining a construction loan to build the facility and the cost-based Medicaid reimbursement it will receive which is set by the Comptroller's Office. Since the State of Tennessee is the payor for this service, this is much more economically feasible for the state.

Contribution to the Orderly Development of Health Care-According to DIDD, this criteria is met based upon this provider's proven track record of providing services within both state and federal regulations, prior contractual relationships with both TennCare and the Department, and an

understanding of both the intellectual disability population and the intellectual disability system in Tennessee. Additionally, it meets the goals set for GVDC residents to receive appropriate services and supports in alternative, community-based settings.

Statutory Citation -TCA 68-11-1608. Review of applications -- Report

(d) The executive director may establish a date of less than sixty (60) days for reports on applications that are to be considered for a consent or emergency calendar established in accordance with agency rule. Any such rule shall provide that, in order to qualify for the consent calendar, an application must not be opposed by any person with legal standing to oppose and the application must appear to meet the established criteria for the issuance of a certificate of need. If opposition is stated in writing prior to the application being formally considered by the agency, it shall be taken off the consent calendar and placed on the next regular agenda, unless waived by the parties.

Rules of the Health Services and Development Agency-- 0720-10-.05 CONSENT CALENDAR

(1)Each monthly meeting's agenda will be available for both a consent calendar and a regular calendar.

(2)In order to be placed on the consent calendar, the application must not be opposed by anyone having legal standing to oppose the application, and the executive director must determine that the application appears to meet the established criteria for granting a certificate of need. Public notice of all applications intended to be placed on the consent calendar will be given.

(3) As to all applications which are placed on the consent calendar, the reviewing agency shall file its official report with The Agency within thirty (30) days of the beginning of the applicable review cycle.

(4)If opposition by anyone having legal standing to oppose the application is stated in writing prior to the application being formally considered by The Agency, it will be taken off the consent calendar and placed on the next regular agenda. Any member of The Agency may state opposition to the application being heard on the consent calendar, and if reasonable grounds for such opposition are given, the application will be removed from the consent calendar and placed on the next regular agenda.

(a) For purposes of this rule, the "next regular agenda" means the next regular calendar to be considered at the same monthly meeting.

(5)Any application which remains on the consent calendar will be individually considered and voted upon by The Agency.

HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
FEBRUARY 24, 2016
APPLICATION SUMMARY

NAME OF PROJECT:	Sunrise Community of Tennessee, Inc.
PROJECT NUMBER:	CN1511-055
ADDRESS:	680 Quaker Knob Road Chuckey, (Greene County), Tennessee 37641
LEGAL OWNER:	Sunrise Community of Tennessee, Inc. 1705 West Main Street Greeneville, TN (Greene County), Tennessee 37743
OPERATING ENTITY:	Not applicable
CONTACT PERSON:	Ann Williams (423) 636-1333, ext. 115
DATE FILED:	November 12, 2015
PROJECT COST:	$965,868
FINANCING:	USDA Rural Development Loan
REASON FOR FILING:	The establishment of a 4 bed Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID). ***The 4 beds are subject to the 160 bed ICF/IID Bed Pool.***

DESCRIPTION:

Sunrise Community of Tennessee, Inc. is seeking approval to establish a 4 bed Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) at 680 Quaker Knob Road, in Greeneville (Greene County), TN. ICF/IIDs are intended to provide individuals with intellectual disabilities individualized health care and rehabilitation to promote their functional status and independence. Sunrise Community of Tennessee, Inc. will provide nursing care, support services, and therapy services including physical, occupational, speech, and nutritional therapy services. Sunrise Community of Tennessee, Inc. will

serve 4 individuals currently residing in the Greene Valley Developmental Center located in Greeneville, (Greene County), TN.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW:

INTELLECTUAL DISABILITY HABILITATION FACILITY (ICF/IID)
ICF/IID FACILITIES

A. Need

1. **The population-based estimate of the total need for ICF/ID facilities is .032 percent of the general population. This estimate is based on the estimate for all mental retardation of 1 percent. Of the 1 percent estimate, 3.2 percent of those are estimated to meet level 1 criteria to be appropriate for ICF/ID services.**

   Application of this formula to the projected 2015 population of Greene County (71,945) results in a gross need for 23 ICF/IID beds.

   It appears that this criterion has been met.

2. **The estimate for total need should be adjusted by the existent ICF-ID beds operating in the area as counted by the Department of Health, the Department of Mental Health and Substance Abuse Services, and the Department of Intellectual and Developmental Disabilities in the Joint Annual Reports."**

   There are currently 84 ICF/IID beds operating in Greene County. Subtracting these 84 beds from the 23 gross bed need results in a bed surplus of 61 beds. The Department of Intellectual and Developmental Disabilities (DIDD) indicates 36 ***ICF/IID*** *beds are needed for GVDC residents who have chosen to remain in Greene County after the closure of GVDC. In addition, DIDD indicates the existing ICF/IID beds in Greene County are full and there is not sufficient existing capacity in Greene County for those persons remaining at GVDC.*

   Since the applicant is proposing a new 4 bed ICF/IID in a County where existing ICF/IIDs are operating at full capacity, it appears that this criterion has been met.

B. Service Area

1. **The geographic service area should be reasonable and based on an optimal balance between population density and service proximity.**

A table of driving distances and times for basic services from the proposed ***ICF/IID*** *location is located on pages 9-10 of the original application. The distance from the site of the proposed project to GVDC is slightly over 8 minutes driving time.*

It appears that this criterion has been met.

2. **The relationship of the socio-demographics of the service area and the project population to receive services should be considered. The proposal's sensitivity and responsiveness to the special needs of the service area should be considered including accessibility to consumers, particularly women, racial and ethnic minorities, low-income groups, and those needing services involuntarily.**

The proposed project will be providing services to individuals currently residing at GVDC and who have chosen to continue to reside in Greene County. These individuals have developmental disabilities and complex medical needs, which include tracheotomy care, tube feeding, oxygen administration, insulin injections, medication administration, and daily medical assessments. These services are available to all who need and qualify for services. The proposed project is 9.5 miles, or 14 minutes driving time, of Laughlin Hospital (140 licensed beds) located in Greenville (Greene County), TN.

It appears that this criterion has been met.

C. Relationship to Existing Applicable Plans

1. **The proposal's relationship to policy as formulated in state, city, county, and/or regional plans and other documents should be a significant consideration."**

The Commissioner of the Department of Intellectual and Developmental Disabilities (DIDD) has submitted a letter that supports this application as it contributes to the policy of moving residents from large developmental centers which are inefficient and do not produce economy of scales due to older inefficient buildings to private operation of smaller 4 person ICF/IID homes which are more efficient and economically feasible for the state.

It appears that this criterion has been met.

2. **The proposal's relationship to underserved geographic areas and underserved population groups such as identified in state, city, county, and/or regional plans and other documents should be a significant consideration.**

   The applicant indicates there are 75 individuals awaiting placement and this facility will be made available in the event a resident being placed from GVDC is discharged from the proposed facility.

   It appears that this criterion has been met.

3. **The impact of the proposal on similar services supported by state and federal appropriations should be assessed and considered.**

   There are 84 ICF/IID 4-bed homes located in Greene County. All the beds are currently occupied. The proposed project will serve current residents of GVDC, so the proposed project should have no impact on similar services supported by state and federal appropriations.

   It appears that this criterion has been met.

4. **The degree of projected financial participation in the Medicare and TennCare programs should be considered.**

   The applicant has indicated that 96% of the funding for the proposed project will be TennCare reimbursement and 4% Supplemental Security Income (SSI).

   It appears that this criterion has been met.

D. Relationship to Existing Similar Services in the Community

1. **The area's trend in occupancy and utilization of similar services should be considered.**

   There are 84 existing ICF/IID 4-bed homes currently in Greene County. These beds are currently occupied. If approved, this project will not impact the utilization of existing **ICF/IID** *providers in Greene County.*

   It appears that this criterion has been met.

2. **Accessibility to specific special need groups should be an important factor.**

   Residents will have access to family practice physicians and the local hospital. Sunrise Community will provide access to employ/contract physical therapists, physical therapy assistants, occupational therapists, speech-language pathologists, dieticians, nurses, and behavioral analysts.

   It appears that this criterion has been met.

STAFF SUMMARY

Note to Agency members: This staff summary is a synopsis of the original application and supplemental responses submitted by the applicant. Any HSDA Staff comments will be presented as a "Note to Agency members" in bold italics.

Sunrise Community of Tennessee, Inc. proposes to construct a new 4-bed Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) in Greeneville (Greene County), TN for the purpose of transitioning 4 individuals into a smaller, group home located in the community. The proposed home will house 4 current residents of the Greene Valley Developmental Center (GVDC), Greeneville (Greene County), TN. Sunrise's Community of Tennessee, Inc. ICF beds are designed to provide long term residential supports to individuals with intellectual and developmental disabilities. ICF/IIDs provide comprehensive and individualized health care and rehabilitation services to promote the functional status and independence of individuals with intellectual disabilities.

These individuals have developmental disabilities and complex medical needs, which include tracheotomy care, tube feeding, oxygen administration, insulin injections, medication administration, and daily medical assessment. The age range of the men and women with developmental disabilities who need ICF/IID services is 18-70.

Sunrise Community of Tennessee, Inc. employs nursing staff, physical therapists, occupational therapists, and speech language pathologists.

The following chart displays the availability of essential services to residents of the proposed project.

Service	Closest Location	Driving Distance	Driving Time
Nearest Incorporated City	Tusculum, TN	7.4 miles	10 minutes
Hospital	Laughlin Memorial Hospital	9.5 miles	14 minutes
Physician Offices	Laughlin Healthcare Center	12.3 miles	21 minutes
EMS/Fire Station	Greeneville Fire Station #3	9.7 miles	13 minutes
Day Treatment (if applicable)	Amedysis (PT, OT, SLP)	7.9 miles	11 minutes
Green Valley Development Center		6.2 miles	8 minutes

Source: CN1511-055

Note to Agency members: The following statement from the DIDD Report on the proposed project provides history and development of 4-bed ICF/IID homes as follows: "The need for the development of the four bed ICF/IID home comes as a direct result of the announced closure of the last large state owned developmental center, Greene Valley Developmental Center (GVDC), which is anticipated to close on June 30, 2016. The closure of GVDC is part of an Exit Plan in a nineteen (19) year old lawsuit against the state of Tennessee by the Department of Justice (People First of Tennessee et.al. v. The Clover Bottom Developmental Center et. Al. No. 3:95-1227), which requires the state of Tennessee to close the Greene Valley Developmental Center and relocate the residents to smaller four person ICF/IIDs in the community." As noted above GVDC is scheduled to close June 30, 2016 but could be extended up to 12 additional months.

The target date for completion of the project is March 2017.

ICF/IID Bed Pool

T.C.A. §71-5-105(b) enacted by the General Assembly, seeks to increase the total number of ICF/IID beds by 160 beds. These beds are then intended to be filled by individuals from state operated Developmental Centers.

- The applicant is requesting 4 beds from the bed pool as the residents of the proposed project currently reside in GVDC.
- As of February 1, 2016, there are currently 76 ICF/IID beds available in the bed pool with 52 ICF/IID beds pending review at HSDA Agency meetings in February – March 2016.
- A copy of the 160 Bed Pool Report is attached at the end of this summary.

Ownership

- Sunrise Community of Tennessee, Inc. is a fully owned subsidiary of Sunrise Community Inc. which has over 35 years of ICF/IID experience in Florida.
- Sunrise Community of Tennessee, Inc. will be the licensed operator of the 4-bed ICF/IID home and will lease the facility from Regional Properties, Inc. for a 5 year renewable term.
- Regional Properties, Inc. is a wholly owned subsidiary of The Phineas Corporation, which also is the sole owner of the applicant's parent corporation Sunrise 2000, Inc.
- Sunrise Community of Tennessee, Inc. is licensed by DIDD to provide medical residential and supported living, nursing, supported employment, community based day care, in home day care, respite care, and transportation services throughout Greene, Washington, Carter, Hamblen, and Jefferson Counties.
- Please refer to the organizational chart in Attachment A.4.

Facility Information

- The facility will be a newly constructed 2,800 square foot, one story fully sprinkled and accessible home located on a 2.0 acre lot.
- The home will consist of a living room, dining room, kitchen, laundry room, four bed rooms, 2 1/2 bathrooms, screened porch, an outside storage closet, and a carport.
- A backup generator will be available on-site to ensure essential resident services are not interrupted by unexpected power outages.

Project Need

The applicant provided the following justification for the project:

- The current bed need formula identified gross need for 23 ICF/IID beds in Greene County. Subtracting the existing 84 ICF/IID beds in Greene County results in a net surplus of 61 additional ICF/IID beds.
- The Department of Intellectual and Developmental Disabilities indicate 36 ***ICF/IID*** beds are needed for GVDC residents who have chosen to remain in Greene County after the closure of GVDC.
- The area wide occupancy for the existing 84 bed homes in Greene County was 98.8% in 2014.
- The families and conservators for individuals moving out of GVDC are requesting that their family members move to ICF beds in the community setting.

Service Area Demographics

The applicant's declared service area is Greene County. An overview of the service area is provided as follows:

- The total population of Greene County is estimated at 71,945 residents in calendar year (CY) 2015 increasing by approximately 3.1% to 74,149 residents in CY 2019.
- The overall statewide population is projected to grow by 4.5% from 2015 to 2019.
- The 65 and older population is expected to comprise approximately 23.2% of the total county population in CY2019 compared to 17.3% statewide.
- The 65 and older population of Greene County will increase by approximately 14.4% from CY2015 to CY2019 compared to a statewide increase of 16% during the period.
- Based on October 2015 TennCare enrollee statistics, TennCare enrollees as a percentage of the total county population is 21.6%, compared with the state-wide average of 21.8%.

Historical Utilization

There are currently 21 4-bed ICF/IID homes in Greene County both owned and operated by Comcare (5 homes) and East Tennessee Homes (16 homes). Historical utilization for these facilities is presented in the table below.

Greene County ICF/IID Home Utilization-2012-2014

Name	Lic. Beds	2012 % Occupancy	2013 % Occupancy	% 2014 Occupancy
Total	84 (21-4 bed homes)	98.8%	99.3%	98.9%

Source: CN1511-055

The historical utilization table reflects the following:

- Greene County ICF/IID homes have remained essentially at full occupancy for each of the past three years.

Projected Utilization

The following table shows the projected utilization of the project.

Applicant's Facility Projected Utilization

Year	Licensed Beds	% Licensed Occupancy
Year 1	4	93.8%
Year 2	4	100.0%

Source: CN1511-055

- The applicant expects to operate at full occupancy in Year Two (2018).

Project Cost

The total project cost is $965,868. Major costs are:

- Facility Lease - $734,000 or 76% of total cost.
- Architectural and Engineering Fees - $62,020 or 6.4% of total cost.
- For other details on Project Cost, see the Project Cost in the original application.

Funding

A letter from George Smith of Capital Resource confirms the availability of a $966,000 USDA guaranteed loan with a 30 year term with a guaranteed loan interest rate that normally prime plus 1% and is adjustable not more often than quarterly.

A November 11, 2015 letter signed by Sunrise Community's Chief Financial Officer attests the applicant's ability to finance the project should the USDA loan be delayed or not funded.

Review of Sunrise Community's financial statements of 12/31/14 revealed current assets of $1,721,215 and current liabilities of $1,522,948 for a current favorable ratio of 1.13 to 1.0.

Note to Agency members: Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Historical Data Chart

- According to the Historical Data Chart, Sunrise Community of Tennessee, Inc. total operation realized a favorable Net Operating Income of $586,021 in Year 2012, $992,893 in 2013, and $782,480 in 2014.

Projected Data Chart

The applicant projects $1,083,673.00 in total gross revenue on 1,370 patient days in Year 1 increasing by 2.8% to $1,114,425 on 1,460 patient days in Year 2 (approximately $763 per day). The Projected Data Chart reflects the following:

- The applicant projects to breakeven in both Years 1 and 2 so that no net income is projected.
- The applicant projects revenue based on expected funding and does not report deductions for contractual adjustments, charity care, and bad debt.

The applicant does have a $7,200 Allowance for Doubtful Accounts on its balance sheet under account receivables.

Charges

In Year 1 of the proposed project (2017), the average gross daily patient charge is projected to be $791.00. Since there are no deductions from revenue reported, the net charge is the same. The charges of 5 private 4 bed licensed Greene County ICF/IIDD homes owned by Comcare range from approximately $408.75/day to a high of $484.43/day. Per the review of a similar application from a different applicant, it was stated that the rates are charged per person supported per day and are established by the Tennessee Comptroller of the Treasury.

Medicare/TennCare Payor Mix

The applicant expects the proposed project to be funded 96% by TennCare/Medicaid and 4% Client Responsibility.

Staffing

A breakout of the staffing in Year 1 includes the following:

- 1.0 FTE Resident Manager
- 0.5 FTE Qualified MR Professional
- 0.5 FTE RN
- 5.6 FTE LPN
- 6.6 FTE Direct Support Workers
- 0.5 Director of Operation
- 0.5 Maintenance Director
- **15.2 FTE TOTAL**

Licensure/Accreditation

If approved, the proposed facility will be licensed by the Department of Intellectual and Developmental Disabilities.

Corporate documentation and site control documents are on file at the Agency office and will be available at the Agency meeting.

Should the Agency vote to approve this project, the CON would expire in **two** years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT

There are no other Letters of Intent, denied or pending applications for this applicant.

Outstanding Certificates of Need

Sunrise Community of Tennessee, Inc., CN1510-043A, has an outstanding Certificate of Need that will expire on March 1, 2018. The project was approved at the January 27, 2016 Agency meeting to establish a 4 bed Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) at 640 Old Shiloh Road, in Greeneville (Greene County), TN. The estimated project cost is **$949,840.00.** *Project Status Update: The project was recently approved.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent, denied applications, or outstanding Certificates of Need for other health care organizations in the service area proposing this type of service.

Pending Applications

Open Arms Care Corporation dba Greeneville # 1 Chuckey Pike, CN1511-050, has a pending application that is scheduled to be heard at the February 24, 2016 Agency meeting for the establishment of a 4 person ICF/IID home on the east side of a 2.72 acre lot on Chuckey Pike, Greeneville (Greene County, TN. **The estimated project cost is $1,370,000.**

Open Arms Care Corporation dba Greeneville #3 East Church Street-East, CN1511-052, has a pending application that is scheduled to be heard at the February 24, 2016 Agency meeting for the establishment of a 4 person ICF/IID home on the east half of a 2.74 acre lot on East Church Street, Greeneville (Greene County), TN. **The estimated project cost is $1,370,000.**

Open Arms Care Corporation dba Greeneville #2 East Church Street-West, CN1511-054, has a pending application that is scheduled to be heard at the February 24, 2016 Agency meeting for the establishment of a 4 person ICF/IID home on the west half of a 2.74 acre lot on East Church Street, Greeneville (Greene County), TN. **The estimated project cost is $1,370,000.**

D & S Residential Services, LP, CN1512-059, has a pending application that is scheduled to be heard at the March 23, 2016 Agency meeting for the establishment of a 4 person ICF/IID home on a 2.086 acre lot on 1010 Old Stage Road, Greeneville (Greene County), TN. **The estimated project cost is $1,015,451.**

D & S Residential Services, LP, CN1512-060, has a pending application that is scheduled to be heard at the March 23, 2016 Agency meeting for the establishment of a 4 person ICF/IID home located at 2609 Erwin Highway, Afton (Greene County), TN on a 4.16 acre lot to be shared with a companion project (D & S Residential Services, LP, CN1512-061). **The estimated project cost is $874,858.**

D & S Residential Services, LP, CN1512-061, has a pending application that is scheduled to be heard at the March 23, 2016 Agency meeting for the establishment of a 4 person ICF/IID home located at 2619 Erwin Highway, Afton (Greene County), TN on a 4.16 acre lot to be shared with a companion project (D & S Residential Services, LP, CN1512-060). **The estimated project cost is $874,858.**

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DIABILITIES FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PE
01/25/2016

ICF/IID BED POOL STATS

T.C.A. §71-5-105(b)
160 BED POOL

ICF/IID Beds APPROVED Since July 1, 2006	84	ICF/IID Beds
ICF/IID Beds DENIED Since July 1, 2006	0	ICF/IID Beds
Total Beds AVAILABLE from Bed Pool	76	ICF/IID Beds
ICF/IID Beds PENDING	52	ICF/IID beds

COUNTY	PROJECT NUMBER	FACILITY	PROJECT DISPOSITION	MEETING DATE	DESCRIPTION
Davidson	CN0707-053	Mur-Ci Homes, Inc.	**Approved** Implemented – 5/13/2009	10/24/2007	The addition of 32 residential ICF/IID beds to the existing 40 beds. Four single story buildings with eight (8) single bedrooms to be built on the existing property site. Located at 2984 Baby Ruther Lane, Antioch, Tennessee.
Hamilton	CN0807-044	Orange Grove Center 3400 Chandler Avenue	Approved Implemented – 11/17/2010	10/22/2008	The establishment of a four (4)-bed* ICF/IID home for four (4) residents who will be referred or transferred from a State of Tennessee Developmental Center. Located at 3400 Chandler Avenue, Chattanooga, Tennessee.
Hamilton	CN0807-045	Orange Grove Center 3406 Chandler Avenue	**Approved** Implemented – 11/17/2010	10/22/2008	The establishment of a four (4)-bed* ICF/IID home for four (4) residents who will be referred or transferred from a State of Tennessee Developmental Center. .Located at 3406 Chandler Avenue, Chattanooga, Tennessee.
Bradley	CN0809-064	Bradley/Cleveland Services, Inc., Site A between 183 and 217, Kile Lake Road, SE	Approved Implemented – 2/24/2011	12/17/2008	The establishment of a four (4) bed* ICF/IID home for four (4) residents who will transfer or be referred from a State of Tennessee development center. Site A will be located between 183 and 217 Kile Lake Road, SE, Cleveland, Tennessee.
Bradley	CN0809-065	Bradley/Cleveland Services, Inc., Site B between 183 and 217, Kile Lake Road, SE	**Approved** Implemented – 2/24/2011	12/17/2008	The establishment of a four (4) bed* ICF/IID home for four (4) residents who will transfer or be referred from a State of Tennessee development center. Site B will be located between 183 and 217 Kile Lake Road, SE, Cleveland, Tennessee.
Rutherford	CN0810-078	Tennessee Family Solutions, Inc 722-724 Stone Trace Drive	Approved Implemented – 9/1/2009	1/28/2009	The addition of four (4)* ICF/IID beds by converting two (2) zero lot line residences at 722-724 Stone Trace Drive, Murfreesboro (Rutherford County), TN into a four (4) bed ICF/IID.
Rutherford	CN0810-079	Tennessee Family Solutions, Inc. 1502-1504 Rochester Drive	**Approved** Implemented – 7/19/2011	1/28/2009	The addition of four (4)* ICF/IID beds by converting two (2) zero lot line residences at 1502-1504 Rochester Drive, Murfreesboro (Rutherford County), TN into a four (4) bed ICF/IID.

Rutherford	CN0810-080	Tennessee Family Solutions, Inc. 1727-1729 Thomas Court	Approved Implemented – 7/1/2010	1/28/2009	The addition of four (4)* ICF/IID beds by converting two (2) zero lot line residences at 1727-1729 Thomas Court, Murfreesboro (Rutherford County), TN into a four (4) bed ICF/IID.
Rutherford	CN0810-081	Tennessee Family Solutions, Inc. 1432-1434 Rochester Drive	**Approved** Implemented – 7/1/2010	1/28/2009	The addition of four (4)* ICF/IID beds by converting two (2) zero lot line residences at 1432-1434 Rochester Drive, Murfreesboro (Rutherford County), TN into a four (4) bed ICF/IID.
Greene	CN0812-117	Comcare, Inc.	Approved Implemented – 3/16/2011	5/27/2009	The establishment of a four (4)*-bed ICF/IID program in an existing facility. This program will service four (4) people with mental disabilities who will transfer from Greene Valley Developmental Center or other State Developmental Centers. Location will be at 32 Whirlwind, Greeneville, Tennessee.
Greene	CN0812-118	Comcare, Inc.	**Approved** Implemented – 3/16/2011	5/27/2009	The establishment of a four (4)*-bed ICF/IID program in an existing facility. This program will service four (4) people with mental disabilities who will transfer from Greene Valley Developmental Center or other State Developmental Centers. Location will be at 8 Burkey Road, Greeneville, Tennessee.
Greene	CN0812-119	Comcare, Inc.	Approved Implemented – 4/27/2011	5/27/2009	The establishment of a four (4)*-bed ICF/IID program in an existing facility. This program will service four (4) people with mental disabilities who will transfer from Greene Valley Developmental Center or other State Developmental Centers. Location will be at 118 Marshall Lane, Greeneville, Tennessee.
Roane	CN1509-038	Michael Dunn Center	**Approved**	12/16/2015	The establishment of a four (4) bed ICF/IID home for four (4) residents located at 313 Michael Dunn Drive in Rockwood (Roane County), Tennessee 37748.
Greene	CN1510-043	Sunrise Community of Tennessee	Approved	1/27/2016	The establishment of a four (4) bed ICF/IID home on 640 Old Shiloh Road, Greeneville, Tennessee.
Greene	CN1511-050	Open Arms Care Corporation dba Greeneville #1 Chuckey Pike	**Pending**	2/24/2016	The establishment of a four (4) person ICF/IID home on the east side of a 2.72 acre lot on Chuckey Pike, Greeneville, Tennessee.
Hamilton	CN1511-051	Open Arms Care Corporation dba Hamilton County #2 Gamble Road - Southwest	Pending	2/24/2016	The establishment of a four (4) person ICF/IID home on the southwest quadrant of a 15.5 acre lot on Gamble Road, Georgetown, Tennessee.
Greene	CN1511-052	Open Arms Care Corporation dba Greeneville #3 East Church Street - East	**Pending**	2/24/2016	The establishment of a four (4) person ICF/IID home the east half of a 2.74 acre lot on East Church Street, Greeneville, Tennessee.
Hamilton	CN1511-053	Open Arms Care Corporation dba Hamilton County #1 Gamble Road - Southeast	Pending	2/24/2016	The establishment of a four (4) person ICF/IID home the southeast quadrant of a 15.5 acre lot on Gamble Road, Georgetown, Tennessee.
Greene	CN1511-054	Open Arms Care Corporation dba Greeneville #2 East Church Street - West	**Pending**	2/24/2016	The establishment of a four (4) person ICF/IID home on the west half of a 2.74 acre lot on East Church Street, Greeneville, Tennessee.
Greene	CN1511-055	Sunrise Community of Tennessee	Pending	2/24/2016	The establishment of a four (4) bed ICF/IID home on Quaker Knob Road, Chuckey, Tennessee.
Greene	CN1512-059	D & S Residential Services, LP	**Pending**	3/23/2016	The establishment of a four (4) bed ICF/IID home on 1010 Old Stage Road, Greeneville, Tennessee.

Greene	CN1512-060	D & S Residential Services, LP	Pending 15	3/23/2016	The establishment of a four (4) bed ICF/IID home on 2609 Erwin Highway, Afton, Tennessee.
Greene	CN1512-061	D & S Residential Services, LP	**Pending**	3/23/2016	The establishment of a four (4) bed ICF/IID home on 2619 Erwin Highway, Afton, Tennessee.
Knox	CN1512-062	Open Arms Care Corporation dba Knox County #1 Bishops Bridge Northeast	Pending	3/23/2016	The establishment of a four (4) bed ICF/IID home on the northeast corner of 1817 Bishop Bridge Road, Knoxville, Tennessee.
Knox	CN1512-063	Open Arms Care Corporation dba Knox County #2 Bishops Bridge Northwest	**Pending**	3/23/2016	The establishment of a four (4) bed ICF/IID home on the northwest corner of 1817 Bishop Bridge Road, Knoxville, Tennessee.
Knox	CN1512-064	Open Arms Care Corporation dba Knox County #4 South Northshore Drive Northwest	Pending	3/23/2016	The establishment of a four (4) bed ICF/IID home on the northwest half of 12629 South Northshore Drive, Knoxville, Tennessee.
Knox	CN1512-065	Open Arms Care Corporation dba Knox County #3 South Northshore Drive Southeast	**Pending**	3/23/2016	The establishment of a four (4) bed ICF/IID home on the southeast half of 12629 South Northshore Drive, Knoxville, Tennessee.

LETTER OF INTENT

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Greeneville Sun (Name of Newspaper), which is a newspaper of general circulation in Greene County (County), Tennessee, on or before November 9 (Month / day), 2015 (Year), for one day.

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This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Sunrise Community of Tennessee, Inc. (Name of Applicant) N/A (Facility Type-Existing)

owned by: Sunrise Community of Tennessee, Inc. with an ownership type of corporation and to be managed by: Sunrise Community of Tennessee, Inc. intends to file an application for a Certificate of Need for: the establishment of a 4-bed ICF/IID home at 680 Quaker Knob Road, Chuckey, Greene County, Tennessee 37641. The estimated project costs, calculated according to HSDA rules, for this project are approximately $965,868. These beds, replacing four beds being closed at Greene Valley Developmental Center, will be licensed by the Tennessee Department of Intellectual and Developmental Disabilities as ICF/IID beds upon project completion. Services provided will include life care support for individuals with intellectual and/or developmental disabilities, appropriate therapies, community integration, and life skills development.

The anticipated date of filing the application is: November 13, 2015.

The contact person for this project is Ann Williams (Contact Name) Executive Director (Title)

who may be reached at: Sunrise Community of Tennessee, Inc. (Company Name) 1705 West Main Street (Address)

Greeneville (City) Tennessee (State) 37743 (Zip Code) 423 / 636-1333 ext 115 (Area Code / Phone Number)

(Signature) 11/9/15 (Date) AWilliams@sunrisegroup.org (E-mail Address)

==========

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

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The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

==========

Copy

Sunrise Community of Tennessee , INC CN1511-055

1. ***Name of Facility, Agency, or Institution***

Sunrise Community of Tennessee, Inc.
Name

680 Quaker Knob Road
Street or Route

Greene
County

Chuckey
City

TN
State

37641
Zip Code

2. ***Contact Person Available for Responses to Questions***

Ann Williams
Name

Executive Director
Title

Sunrise Community of Tennessee, Inc.
Company Name

AWilliams@sunrisegroup.org
Email address

1705 West Main Street
Street or Route

Greeneville
City

TN
State

37743
Zip Code

Executive Director
Association with Owner

(423) 636-1333 ext 115
Phone Number

(423) 636-1466
Fax Number

3. ***Owner of the Facility, Agency or Institution***

Sunrise Community of Tennessee, Inc.
Name

(423) 636-1333 ext 115
Phone Number

1705 West Main Street
Street or Route

Greene
County

Greeneville
City

TN
State

37743
Zip Code

4. ***Type of Ownership of Control (Check One)***

A. Sole Proprietorship ☐
B. Partnership ☐
C. Limited Partnership ☐
D. Corporation (For Profit) ☐
E. Corporation (Not-for-Profit) ☒
F. Government (State of TN or Political Subdivision) ☐
G. Joint Venture ☐
H. Limited Liability Company ☐
I. Other (Specify) _____ ☐

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

5. ***Name of Management/Operating Entity (If Applicable)***

N/A

Name

Street or Route

County

City

State

Zip Code

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

6. ***Legal Interest in the Site of the Institution (Check One)***

A. Ownership ☐
B. Option to Purchase ☐
C. Lease of 5 Years ☒
D. Option to Lease ☐
E. Other (Specify) ☐

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

7. ***Type of Institution (Check as appropriate--more than one response may apply)***

A. Hospital (Specify) ☐
B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty ☐
C. ASTC, Single Specialty ☐
D. Home Health Agency ☐
E. Hospice ☐
F. Mental Health Hospital ☐
G. Mental Health Residential Treatment Facility ☐
H. Mental Retardation Institutional Habilitation Facility (ICF/MR) ☒
I. Nursing Home ☐
J. Outpatient Diagnostic Center ☐
K. Recuperation Center ☐
L. Rehabilitation Facility ☐
M. Residential Hospice ☐
N. Non-Residential Methadone Facility ☐
O. Birthing Center ☐
P. Other Outpatient Facility (Specify) ☐
Q. Other (Specify) ☐

8. **Purpose of Review *(Check) as appropriate--more than one response may apply)***

A. New Institution ☒
B. Replacement/Existing Facility ☐
C. Modification/Existing Facility ☐
D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) ☐
E. Discontinuance of OB Services ☐
F. Acquisition of Equipment ☐
G. Change in Bed Complement [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] ☐
H. Change of Location ☐
I. Other (Specify)_____ ☐

9. Bed Complement Data

Please indicate current and proposed distribution and certification of facility beds.

	Current Beds Licensed	Current Beds *CON	Staffed Beds	Beds Proposed	TOTAL Beds at Completion
A. Medical					
B. Surgical					
C. Long-Term Care Hospital					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolescent Psychiatric					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid Certified)					
M. Nursing Facility Level 1 (Medicaid only)					
N. Nursing Facility Level 2 (Medicare only)					
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P. ICF/MR				4	4
Q. Adult Chemical Dependency					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL				4	4

*CON-Beds approved but not yet in service

10. Medicare Provider Number N/A
Certification Type N/A

11. Medicaid Provider Number 2 numbers: 0430 for East TN & 0482 for Middle TN
Certification Type HCBS Waiver

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid? Yes

13. Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare Participants? Yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.

NOTE: ***Section B*** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. ***Section C*** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

RESPONSE: This project involves the construction of a new 4-bed ICF/IID facility in Chuckey, Tennessee. The home will be a one story, fully accessible family home of approximated 2,800 square feet, with four bedrooms, living room, dining room, kitchen, laundry, and associated storage areas. The home will have two large, fully accessible bathrooms and one half bath. There will be a residential sprinkler system and backup generator to ensure that services essential to the health of residents are not interrupted.

The Greene Valley Developmental Center (GVDC) is scheduled to close on June 30, 2016, pursuant to an Exit Plan provided for in an order of the United States District Court for the Middle District of Tennessee for the settlement of current litigation pending in *People First of Tennessee, et al. v. Clover Bottom Developmental Center, et al.* Under the terms of this Exit Plan, the Tennessee Department of Intellectual and Developmental Disabilities (DIDD) was required to offer the remaining residents of GVDC a choice between ICF/IID services and Medicaid Waiver services. According to Terry Jordan-Henley of the DIDD (in his email of 9/8/15, see Attachment B.I), 75 of the 85 individuals remaining at GVDC chose ICF/IID services; and 36 of them have, via their legal representatives, expressed a desire to remain in the Greene County area. Also, of the 4 individuals who are expected to come to this new facility, 2 have family living in Greeneville, Tennessee, and one more has family living in nearby Elizabethton, Tennessee.

This new facility, located in Greene County, is being developed for the purpose of transitioning 4 of these 36 individuals from GVDC (a large congregate institutional facility) into a smaller group home located in the community. The DIDD strongly supports this application as more fully expressed in the letter of recommendation

from their Commissioner Debra K Payne, a copy of which is attached to this application (Attachment B.I).

Each person who resides in the home will be funded through the ICF/IDD program and each currently is residing in GVDC which is also an ICF/IDD facility. Thus each individual is currently receiving funding through the ICF/IDD program and will continue to receive this funding. The exact amount of the funding is dependent on cost as the ICF/IDD is a cost reimbursement program, assuring adequate funding for Sunrise Community of Tennessee, Inc.

The new facility will be constructed on the lot at 680 Quaker Knob Road, Chuckey, Tennessee, by Regional Properties, Inc., the owner of the lot. Regional Properties, Inc. is a wholly owned subsidiary of The Phineas Corporation, which also is the sole owner of Applicant's parent corporation Sunrise 2000, Inc. (see Organizational Chart included in Attachment A.4.). All of the entities under the Phineas Corporation are 501(c)(3) corporations.

The estimated construction cost of the new facility is $490,000 and the total project cost is estimated at $949,840. These funds will be expended by Regional Properties, Inc., which has leased the property (and the facility to be constructed) back to Applicant at renewable, 5-year terms. Applicant will continually renew the five year lease with Regional Properties, Inc., upon the expiration of each term. A copy of this lease is included in Attachment A.6.

Regional Properties, Inc., is in the process of obtaining a Farmer's Home Administration Rural Development loan to build the home. If unanticipated problems arise with the loan, there is sufficient money available in the Sunrise Community Foundation to build the home. The ICF/IDD rate is sufficient to operate the home since it is a cost reimbursement program.

Currently, Applicant is licensed by DIDD to provide Medical Residential and Supported Living, Nursing, Supported Employment, Community Based Day, In Home Day, Respite, and Transportation services to individuals with intellectual and developmental disabilities in Greene, Washington, Carter, Hamblen, and Jefferson counties in upper east Tennessee.

Applicant does not currently operate ICF/IDD homes in Tennessee, but has extensive experience in operating homes that serve 1-4 persons through the Medicaid Waiver program in Tennessee. In addition, it has access to a wealth of operational expertise via its relationship with Sunrise Community, Inc. Like Applicant's parent company, Sunrise Community, Inc. is a wholly owned subsidiary of the Phineas Corporation. Sunrise Community, Inc. owns and operates eighteen ICF/IDDs: fourteen 6-person, two 12-person, one 24-person and one 120 person. Sunrise Community, Inc., also manages and operates six 24-person ICF/IDDs that are owned by the State of Florida. This is a total of 396 people served in ICF/IDDs. Sunrise Community, Inc. opened the first private ICF facility in Florida in 1978 and has been operating ICF facilities in Florida continuously since that time. Sunrise Community, Inc. is the largest ICF provider in the State of Florida.

Applicant also employs 160-170 staff in the Greeneville area for its current programs. From this group of qualified individuals and from DIDD job fairs for GVDC staff, Applicant will be able to fill out its 15.2 FTE staffing complement (as more fully detailed, below, in section C, Contribution to the Orderly Development of Health Care-3).

Because of Applicant's extensive experience serving individuals with intellectual and developmental disabilities and its solid working relationship with the DIDD, Applicant believes that this project has all the ingredients necessary for success.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of $5 million) and other facility projects (construction cost in excess of $2 million) should complete the Square Footage and Cost per Square Footage Chart **[chart is not included since project cost may not exceed $2 million, in which case it is not needed]**. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

RESPONSE: The home located at 680 Quaker Knob Road, Chuckey, TN, will be a one story, fully accessible family home with four bedrooms, living room, dining room, kitchen, laundry, and associated storage areas. The home will have two large, fully accessible bathrooms and one half bath. It will be constructed of brick and cement fiber siding, with either a standing seam metal roof or dimensional asphalt shingles. There will be a residential sprinkler system. The home will be 2800 square feet, and its estimated construction cost is $175 per square foot, for a total approximated cost of $490,000, which Applicant believes is a reasonable cost for new construction of an ICF/IID facility in this area.

The architectural firm of Clark/Dixon was selected based on their experience in designing and managing the construction of thirty-nine (39) ICF facilities for the state of Tennessee. The architects and Applicant's staff worked closely

with a local realtor to review approximately one dozen sites for suitability to construct the home and to evaluate utility and availability. This was the selected site. Invitations to bid on the construction of the home will be made with a minimum of three bids to be reviewed.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

RESPONSE: The four beds involved in this project are ICF/MR (also styled as ICF/IID) beds. They are beds at a new facility being constructed to serve the individuals transitioning out of the GVDC pursuant to a court-ordered Exit Plan. These 4 ICF/IID beds will replace 4 of the ICF/IID beds being closed at GVDC.

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

RESPONSE: This project involves the establishment of a small ICF/IID group home to house beds for four (4) individuals transitioning from GVDC. The need for these beds is established by the court-ordered Exit Plan, above, in which 85 ICF/IID beds at a large, congregate institution will be replaced by beds in small community group homes selected, by the residents, through a freedom of choice process.

D. Describe the need to change location or replace an existing facility.

RESPONSE: Not applicable. This project involves the establishment of a new, small ICF/IID facility. The only facility being replaced is GVDC, pursuant to the above Court Order.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of $1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed-site major medical equipment (not replacing existing equipment):

   a. Describe the new equipment, including:

      1. Total cost ;(As defined by Agency Rule).

      2. Expected useful life;

      3. List of clinical applications to be provided; and

      4. Documentation of FDA approval.

   RESPONSE: Not applicable.

   b. Provide current and proposed schedules of operations.

   RESPONSE: Not applicable.

2. For mobile major medical equipment:

   a. List all sites that will be served;

   b. Provide current and/or proposed schedule of operations;

   c. Provide the lease or contract cost.

   d. Provide the fair market value of the equipment; and

   e. List the owner for the equipment.

   RESPONSE: Not applicable.

3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

RESPONSE: Not applicable.

III. **(A)** Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must include:**

1. Size of site (***in acres***);

2. Location of structure on the site; and

3. Location of the proposed construction.

4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

RESPONSE: The requested plot plan is attached as Attachment B, Project Description-III.(A). The size of the site is approximately 2.0 acres. It is located at 680 Quaker Knob Road, Chuckey, Greene County, Tennessee. The area surrounding the property at 680 Quaker Knob Road is predominantly agriculture in character. Lots in the area range from lots similar in size to 680 Quaker Knob Road to lots of considerably larger size. There are only a handful of residences within 1,000 feet of this lot.

The following is a table of driving distances and driving time for basic services from the proposed ICF/DD location:

Service	Closest Location	Driving Distance	Driving Time
Nearest Incorporated City	Tusculum, TN	7.4 miles	10 minutes
Hospital	Laughlin Memorial Hospital, 1410 Tusculum Blvd. Suite 2600 Greeneville, TN 37745	9.5 miles	14 minutes

Service	Closest Location	Driving Distance	Driving Time
Physician Offices	Laughlin Healthcare Center, 801 East McKee Street, Greeneville, TN 37743	12.3 miles	21 minutes
EMS/Fire Station	Greeneville Fire Station #3, 1325 East Andrew Johnson Highway	9.7 miles	13 minutes
	Tusculum Volunteer Fire Department, 145 Alexander St, Tusculum Station, TN 37745	7.4 miles	10 minutes
Day Treatment (if applicable)	Amedysis (PT, OT, SLP), 1350 Serral Drive, Suite 1 Greeneville, TN 37745	7.9 miles	11 minutes
Green Valley Development Center	[redacted]	6.2 miles	8 minutes

(B) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

RESPONSE: The project will house individuals transitioning from GVDC and will not be generally open to the public. Transportation to community activities, medical appointments, and other events will be provided by Sunrise staff. Individuals living in the home will not be using public transportation. Families of these individuals will have access to the facility (starting from Greeneville, Tennessee) traveling east on Andrew Johnson Highway (US Highway 11E), then turning left onto Rheatown Road (Tennessee Highway 351), and then turning left onto Quaker Knob Road.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

RESPONSE: The requested floor plan is attached as Attachment B, Project Description-IV. An emergency generator is shown in the floor plan and it is included in the Project Costs Chart below, within line item B.1. This is what CMS Appendix I says regarding surveying processes and generators:

> Does the facility have an emergency generator or admit patients/residents that may require life support equipment? Request documentation of any existing fire safety evacuation plan; fire drills; disaster plan; smoking policy; fire alarm testing; sprinkler maintenance records if applicable; kitchen range hood maintenance; fire extinguisher maintenance and testing reports; generator testing logs; flame spread ratings of interior finishes; or attestations to elect CMS categorical waivers. The type of materials used for any smoke stopping or fireproofing should be obtained.

While this does not explicitly say an emergency generator is required for licensure, this new facility will have life support equipment in the form of oxygen and feeding pumps, and the anticipated residents have significant medical needs for power for heat and air conditioning. It therefore is prudent to have this kind of emergency equipment available.

V. For a Home Health Agency or Hospice, identify:

A. Existing service area by County;

B. Proposed service area by County;

C. A parent or primary service provider;

D. Existing branches; and

E. Proposed branches.

RESPONSE: Not applicable.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and

methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.

   RESPONSE: See Attachment C, Need-1, for a review of how this proposed project relates to the 5 Principles for Achieving Better Health from the Tennessee State Health Plan. This attachment also contains a list and full description of the services Applicant has provided to individuals with intellectual or developmental disabilities through contracts with the state of Tennessee, and a compilation of the number of years each service has been provided.

   a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

ICF/MR FACILITIES

A. Need

1. The population-based estimate of the total need for ICF/MR facilities is .032 percent of the general population. This estimate is based on the estimate for all mental retardation of 1 percent. Of the 1 percent estimate, 3.2 percent of those are estimated to meet level 1 criteria and be appropriate for ICF-MR services.

   RESPONSE: The Greene Valley Developmental Center (GVDC) is scheduled to close on June 30, 2016, pursuant to an Exit Plan provided for in an order of the United States District Court for the Middle District of Tennessee for the settlement of current litigation pending in *People First of Tennessee, et al. v. Clover Bottom Developmental Center, et al.* Under the terms of this Exit Plan, the DIDD was required to offer the remaining residents of GVDC a choice between ICF/IID services and Medicaid Waiver services. This new facility, located in Greene County, is being developed to serve 4 of these individuals.

Variable	*Greene County*	*Tennessee*
CY (2015), Total Population	70,520	6,649,438
PY (2019), Total Population	71,989	6,894,997
Total Pop. % Change	2.1%	3.7%
TennCare Enrollees (Sept. 2015)	15,417	1,461,025
TennCare Enrollees as a % of Total Population	21.9%	22.0%
Median Age	44.2	38.6
Median Household Income	35,545	44,298
Population % Below Poverty Level	22.0%	17.6

The above state computations indicate that, based on the population of Greene County, there only is a total need for 23 total beds (0.032% x 71,989) in this county, this formula was developed prior to the plan for closure of the institution as described above and does not reflect the actual needs for ICF/IID beds in this county due to this court-ordered closure. Due to this planned closure, these additional beds are needed in this area.

2. The estimate for total need should be adjusted by the existent ICF-MR beds operating in the area as counted by the Department of Health, the Department of Mental Health and Developmental Disabilities, and the Division of Mental Retardation Services in the Joint Annual Reports.

RESPONSE: As was the case with the criterion above, this criterion is not applicable. The other existing beds in this area predate the order of the court closing the GVDC and therefore should not be considered in calculating the need for additional beds to meet the requirements of the order of the court to close the GVDC.

Also, even if the 84 other ICF/IID beds in Greene County, listed below in section D, are counted, and even if the 16 other Comcare, Inc. beds in nearby Washington and Unicom counties are considered (and these are the only other ICF/IID facilities in the eleven eastern-most counties of Tennessee), these additional beds can play no part in addressing the need for new ICF/IID beds brought about by the closure of GVDC, since these beds have operated at 99% occupancy for the past 3 years (see section C, Need-5, below).

B. Service Area

1. The geographic service area should be reasonable and based on an optimal balance between population density and service proximity.

RESPONSE: Applicant has attended provider fairs hosted by the DIDD and met with individual residents, their families and conservators. From these meetings and events, Applicant has found that the families and conservators of 36 of the individuals remaining at GVDC desire that their loved ones remain in the Greene County area, since they have lived in this community, in some cases, for 30 to 40 years. Also, of the 4 individuals who are expected to come to this new facility, 2 have family living in Greeneville, Tennessee, and one more has family living in nearby Elizabethton, Tennessee. The facility being created by this application is being located in Greene County to serve their needs.

2. The relationship of the socio-demographics of the service area and the project population to receive services should be considered. The proposal's sensitivity and responsiveness to the special needs of the service area should be considered including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, and those needing services involuntarily.

RESPONSE: The group of individuals to be served (that is, the service area) is the remaining residents of GVDC. Applicant has met with many of them directly, and is well aware of their special needs, including their age distribution, nutritional needs, mobility and visual statuses, and their Psychiatric/behavioral statuses (see Need, 4.A, below). This facility is designed and located with their needs in mind and is dedicated to serving them. Applicant serves all individuals regardless of racial or ethnic status or other demographic issues.

C. Relationship to Existing Applicable Plans

1. The proposal's relationship to policy as formulated in state, city, county, and/or regional plans and other documents should be a significant consideration.

RESPONSE: This facility is being created to serve the needs of the individuals affected by the court-ordered closure of GVDC and will assist the State with fulfilling its responsibility under the

court's Exit Plan, to offer freedom of choice to these individuals to transition to either an ICF/IID or to enroll with a provider in the CAC Waiver.

2. The proposal's relationship to underserved geographic areas and underserved populations groups as identified in state, city, county, and/or regional plans and other documents should be a significant consideration.

   RESPONSE: This criterion is satisfied by the fact 75 individuals currently residing at GVDC and who wish to go to ICF/IID facilities will need to find other homes by June 30, 2016. This facility will ensure that this group will find the services they need.

3. The impact of the proposal on similar services supported by state and federal appropriations should be assessed and considered.

   RESPONSE: Existing ICF/IID beds from a current large institutional setting will be closed requiring the addition of new ICF/IID capacity. This proposal addresses the addition of an individualized four-bed group home to address a portion of the need. Federal and state appropriations currently used to fund the institutional costs will be available for the new ICF/IID homes.

4. The degree of projected financial participation in the Medicare and TennCare programs should be considered.

   RESPONSE: In Applicant's Projected Data Chart, the break-down of the Inpatient Service Revenue funding is 96% TennCare and 4% Client Responsibility.

D. Relationship to Existing Similar Services in the Area

1. The area's trends in occupancy and utilization of similar services should be considered.

   RESPONSE: The following ICF/IID beds currently operate in Greene County:
   - Comcare, Inc. (20 beds):
     - One (1) eight-bed home, and
     - Three (3) four-bed homes.

- East Tennessee Homes (64 beds):
  - Sixteen (16) 4-bed homes.

According to the above email from Terry Jordan-Henley, of the DIDD, these beds are at full occupancy. Also according to that email, only 32 beds (including the 4 that are the subject of this application) are currently being planned to meet a need for 36 beds. This indicates that these beds, like the others in Greene County, will operate at full capacity, too.

2. Accessibility to specific special need groups should be an important factor.

RESPONSE: As an ICF/IID group home, this facility will be accessible to individuals living with intellectual or developmental disabilities. Its bathroom and bedroom facilities and nursing station are specifically designed to assist medically fragile residents with severe intellectual or developmental disabilities.

Sunrise Community Inc. will ensure that the individuals that reside in our group home will maintain optimal health and quality of life by utilizing the following methodology and delivery of services.

- Each individual will have a medical nursing care plan designed specifically to meet their physiological and cognitive challenges that will be based on historical as well as current information and physician orders. The nursing care plans will address each individual's problems, strategies that will be utilized on a daily basis, actions that may have been taken as well as results when strategies have been implemented.
- Nursing will track and monitor skin integrity for all individuals by implementing a regimented positioning program.
- Nursing will utilize accepted standards for nutritional/physical management and will monitor daily.
- Nursing will ensure that fluid intake and output is monitored as well as any changes in bowel patterns.
- Staff will be trained in monitoring oxygen saturation levels for the individual's that have respiratory challenges
- Nursing services will oversee the delivery of services by direct support staff to ensure that assistive equipment such as hoyer lifts, shower trolleys, wheel chair scales and specialized positioning equipment is used correctly.
- Nursing will ensure that all physician appointments are kept and will review all orders.
- Medications will be administered as ordered and individuals will be closely monitored for any signs or symptoms of side effects.

- Nursing will amend all nursing care plans as changes occur with the individuals.
- Nursing will ensure that all laboratory work/ x-rays are done as ordered.
- Nursing will maintain close communication with all physicians to ensure that the individual's needs are being met.
- Nursing will work closely with direct support staff to ensure that assistance with ADL's is provided in a manner that meets that individual's specific needs.
- All staff involved in the day to day care will work closely together to help understand how the individual communicates in an effort to overcome any communication challenges that the individual may have.
- The Sunrise team will utilize, on a daily basis, accepted standards of care and best practices in providing services to the individuals we serve and thereby reduce critical incidences and hospitalizations and optimize to the fullest the highest quality of life for our individuals.

b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c).

RESPONSE: As an application for a new facility, this criterion is not applicable.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

RESPONSE: Applicant is a Tennessee corporation currently licensed by DIDD to provide Medical Residential and Supported Living, Nursing, Supported Employment, Community Based Day, In Home Day, Respite, and Transportation services to individuals with intellectual and developmental disabilities in Greene, Washington, Carter, Hamblen, and Jefferson counties in upper east Tennessee. Applicant is owned by Sunrise Community, Inc. which, for over 50 years, has dedicated its efforts to provide people with disabilities the assistance and support necessary to enable them to live valued lives in the community. Sunrise Community, Inc. has over 35 years of ICF/IID experience in Florida and is the largest provider of ICF/IID services in the state. This facility is the first of two ICF/IID 4-bed group homes that Applicant plans to develop in Tennessee.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

RESPONSE: Because this facility is located in Greene County, the applicant has attached a proposed service area map of Greene County as Attachment C, Need-3.

4. A. Describe the demographics of the population to be served by this proposal.

RESPONSE: The demographics of the population to be served by this proposal are the individuals among the 85 remaining residents of GVDC, the great majority of whom chose to transition to ICF/IID facilities through the freedom of choice process under the court-ordered GVDC Exit Plan. Applicant is very well acquainted with the individuals to be served by this facility, as evidenced by the fact that the DIDD identified (by their initials) the eight (8) individuals to whom the Applicant has committed to provide residency both in this facility and a second, previously filed, 4-bed ICF/IID application for a Certificate of Need (CN1510-043).

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE: The recipients of this project are all special needs consumers, individuals with severe intellectual or developmental disabilities requiring institutional care. According to email from Terry Jordan-Henley of the DIDD, dated 9/18/2015 (copy attached):

- 54 of these 85 persons are aged 23-60 years, while the remaining 31 are aged over 60 years.
- 37 require enteral feedings, and another 17 have structured dining plans.
- 65 have mobility impairments, and 42 of them are non-ambulatory.
- 56 use a customized seating system, and 51 use other alternative positioning equipment.
- 28 are blind.
- 28 are on prescribed psychotropic medications, and have a behavioral support plan or guidelines.

Under Applicant's business plans for this group home, its facilities will be specially designed to meet these physical needs, and include modifications to insure accessible entry doors, hallways, bathrooms, transportation, etc. Other services that will be provided include meeting hygiene requirements, specialized dietary services, physical therapy, and activities of daily living, including physical, occupational, and behavioral therapies. The overall goal is to provide these individuals with an environment and services that will let them live valued lives in a community setting.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

RESPONSE: As stated above in section C, Need-1.a.D, there are 84 other ICF/IID beds in Greene County. There also are another 16 Comcare Inc. ICF/IID beds in nearby Washington and Unicom counties. According to the following occupancy figures received from DIDD (please see email-chain in Attachment C, Need-1.a.A.2), these 100 beds, taken together, have experienced 99% occupancy over the 3 latest reporting years (as stated in the email, the actual addresses have been redacted, but can be provided to the HSDA upon request).

	2012	2012	2012	2013	2013	2013	2014	2014	2014
Facility/Address	Lic. Beds	ADC	% Occup.	Lic. Beds	ADC	% Occup.	Lic. Beds	ADC	% Occup.
COMCARE A	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE B	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE C	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE D	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE E	4	4	100.0%	4	3.9	97.8%	4	3.8	97.1%
COMCARE F	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE G	4	4	100.0%	4	3.8	96.2%	4	3.6	91.3%
COMCARE H	4	4	100.0%	4	4	100.0%	4	3.9	98.4%
COMCARE I	4	3.9	98.4%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES A	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES B	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES C	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES D	4	3.8	94.0%	4	4	100.0%	4	3.7	91.8%
EAST TENNESSEE HOMES E	4	3.8	96.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES F	4	3.4	84.4%	4	4	100.0%	4	3.7	93.8%
EAST TENNESSEE HOMES G	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES H	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES I	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEEHOMES J	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES K	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES L	4	4	100.0%	4	3.8	95.8%	4	4	100.0%
EAST TENNESSEE HOMES M	4	4	100.0%	4	3.9	97.9%	4	4	100.0%
EAST TENNESSEE HOMES N	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES O	4	3.9	98.7%	4	3.8	96.0%	4	4	100.0%
EAST TENNESSEE HOMES P	4	4	99.6%	4	4	100.0%	4	4	100.0%

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE: Applicant projects nearly 100% occupancy for the first two years of operation of this facility based upon the following methodology:

- DIDD has already informed Applicant of the names of the 4 residents who will be coming to live at the new facility (see section 4.A, above). 100% usage is assured, then, as of day one.
- Applicant already is well aware of the current state of health of its coming residents and has used this to project that, during the first 2 complete years of operations, no residency interruption due to death or major illness is anticipated.
- From the table in the preceding section, Applicant also notes that the majority of ICF/IIDs in its Proposed Service area (and in 2 nearby counties) operated at 100% occupancy across a full three year period, and that average 3-year occupancy among these 25 homes was 99%.
- Applicant therefore projects 365 annual bed resident days for each of its 4 residents in both its first and second year of operations of the new facility (less 90 person-days in 2017 for potential delays at startup time).

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least $3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)

- The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

- For projects that include new construction, modification, and/or renovation; **documentation must be** provided from a contractor and/or architect that support the estimated construction costs.

RESPONSE: The Project Costs Chart follows. Documentation supporting these estimated construction costs is attached as Attachment C, Economic Feasibility-1

PROJECT COSTS CHART

A.	Construction and equipment acquired by purchase:		
	1.	Architectural and Engineering Fees	62,020
	2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	15,020
	3.	Acquisition of Site	0
	4.	Preparation of Site	0
	5.	Construction Costs	0
	6.	Contingency Fund	0
	7.	Fixed Equipment (Not included in Construction Contract)	22,000
	8.	Moveable Equipment (List all equipment over $50,000)	0
	9.	Other (Specify) Furniture	18,000
B.	Acquisition by gift, donation, or lease:		
	1.	Facility (inclusive of building and land)	734,000
	2.	Building only	0
	3.	Land only	0
	4.	Equipment (Specify)	0
	5.	Other (Specify) Vehicle	48,000
C.	Financing Costs and Fees:		
	1.	Interim Financing	12,766
	2.	Underwriting Costs	8,510
	3.	Reserve for One Year's Debt Service	42,552
	4.	Other (Specify)	
D.	Estimated Project Cost (A+B+C)		$962,868
E.	CON Filing Fee		3,000
F.	Total Estimated Project Cost (D+E)	**TOTAL**	**$965,868**

2. Identify the funding sources for this project.

A. Please check the applicable item(s) below and briefly summarize how the project will be financed. ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)***

☐ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

☐ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.

☐ D. Grants--Notification of intent form for grant application or notice of grant award; or

☒ E. Cash Reserves--Appropriate documentation from Chief Financial Officer.

☒ F. Other—Identify and document funding from all other sources.

RESPONSE: Regional Properties, Inc., is seeking a loan through the USDA's Rural Development Community Facility guaranteed loan program with which it hopes to fund 100% of its costs for this project. Another affiliate of The Sunrise Group, Log Cabin Enterprises, Inc., recently secured such a loan (see Attachment C, Economic Feasibility-2) and Regional Properties, Inc. already has received an initial letter from Capital Resource indicating its loan application has a good chance of success (Attachment C, Economic Feasibility-2). Additionally, Regional Properties, Inc., and Sunrise Community of Tennessee, Inc., are both members of The Sunrise Group which includes the Sunrise Community Foundation, Inc., which has at least $3,379,576 of available cash deposited in Iberiabank (see account statement in Attachment C, Economic Feasibility-2). Also included in this Attachment is a letter from the Sunrise Community Foundation, Inc., stating that its funding will be available should any problem or delay occur in securing the USDA loan.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

RESPONSE: As the letter from Applicant's architect relates, their firm has ten years' experience designing and constructing over forty 4-bed ICF/IID homes in Tennessee. Eleven of these were built in the Greeneville, Tennessee, area over the past five years (all of which were based upon approved Certificates of Need). Applicant's architect prepared the cost estimate for this project, and states that the earliest constructed of the above 11 facilities had to expend $173 per square foot in construction costs, and that these costs increased with each subsequent project. Applicant's $175 per square foot estimated cost is very much in line with this rate. The costs of this project, then, are reasonable.

4. Complete Historical and Projected Data Charts on the following two pages--***Do not modify the Charts provided or submit Chart substitutions!*** Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the ***Proposal Only*** (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

RESPONSE: The requested Historical and Projected Data Charts are attached. There is no Historical Data on this facility since it is a new facility. Historical data, then, pertains only to the existing operations of Applicant in Tennessee.

While Applicant itself will manage the new facility, the Projected Data Charts will show management expenses. These are for services provided to Applicant under a contract with its parent company. A copy of this management contract is attached to document these costs (C, Economic Feasibility-4).

Concerning the Historical Data Chart, a few points should be noted:

- There was a decline in outpatient services revenue from 2012 to 2014 because Applicant stopped providing Personal Care Assistance Services as of August 2014.
- There was a decline in the provision for bad debt from $70,167 in 2012 to $22,061 in 2014 due to internal changes made to the A/R process collection of funds and recognition of revenue that reduced the need for bad debt provision.

Concerning the Projected Data Chart:

- SSI benefits are included in the Inpatient Revenue line. SSI benefits are used to cover client responsibility towards the cost of care. Client responsibility is all client benefits minus client persona needs adjustment. Food stamps are not included in the inpatient revenue.
- Resident's dietary meals are accounted for in the Dietary Expense line item.
- There is no Provision for Charity Care, Bad Debt, or Contractual Allowances in the Proposed Data Chart because no bad debt is expected.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

RESPONSE: This project's Average Gross charge is $791.00. This is Operating Revenue only (no grant revenues or bad debt) divided by the unit base. The Average Deduction from Operating Revenue (bad debt plus unreimbursed Advancement) divided by the unit base is $0.00 for the first year of operations. The Average Net charges is $791.00 (Average Gross charge minus the Average Deduction from Operating Revenue).

HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in July (Month).

	Year 2012	Year 2013	Year 2014
A. Utilization Data (Specify unit of measure: Days)	49,045	51,219	52,103
B. Revenue from Services to Patients			
1. Inpatient Services	$16,943,217	$18,032,450	$18,236,461
2. Outpatient Services	1,118,391	1,107,837	117,344
3. Emergency Services			
4. Other Operating Revenue (Specify) Rent revenue	252,812	259,813	259,826
Gross Operating Revenue	**$18,314,420**	**$19,400,100**	**$18,613,631**
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	$	$	$
2. Provision for Charity Care			
3. Provisions for Bad Debt	70,167	40,895	22,061
Total Deductions	**$ 70,167**	**$ 40,895**	**$ 22,061**
NET OPERATING REVENUE	**$18,244,253**	**$19,359,205**	**$18,591,570**
D. Operating Expenses			
1. Salaries and Wages	$11,014,586	$11,468,510	$10,872,419
2. Physician's Salaries and Wages			
3. Supplies	5,777	6,311	3,296
4. Taxes	917,422	891,368	856,749
5. Depreciation	256,561	309,036	327,975
6. Rent	160,137	203,126	225,035
7. Interest, other than Capital	41,676	52,856	42,548
8. Management Fees:			
a. Fees to Affiliates	1,113,276	1,053,288	1,131,545
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)	3,991,711	4,103,526	4,124,036
Total Operating Expenses	**$17,501,146**	**$18,088,021**	**$17,583,603**
E. Other Revenue (Expenses) – Net (Specify)	$	$	$
NET OPERATING INCOME (LOSS)	**$ 743,107**	**$ 1,271,184**	**$ 1,007,967**
F. Capital Expenditures			
1. Retirement of Principal	$ 74,135	$ 201,163	$ 144,498
2. Interest	82,951	77,128	80,989
Total Capital Expenditures	**$ 157,086**	**$ 278,291**	**$ 225,487**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ 586,021**	**$ 992,893**	**$ 782,480**

HISTORICAL DATA CHART

Itemized Other Expenses (referencing line D.9, above)

Expenses	FY 2012	FY 2013	FY 2014
Administrative Expenses	1,677,572	1,654,206	1,639,197
Employee Benefits Expenses	578,323	586,963	512,520
Health Services Expenses	796,324	890,246	941,314
Housekeeping Expenses	1,673	1,679	1,695
Other Operating Expenses	455,748	486,315	558,788
Plan Operation Expenses	476,716	473,496	465,671
Programing Expenses	4,877	5,189	4,381
Dietary Expenses	478	1,344	470
Clinical Services	0	4,088	0

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July (Month).

	Year 2017	Year 2018
A. Utilization Data (Specify unit of measure: Days)	1,370	1,460
B. Revenue from Services to Patients		
1. Inpatient Services	$ 1,083,673	$ 1,114,425
2. Outpatient Services		
3. Emergency Services		
4. Other Operating Revenue (Specify)		
Gross Operating Revenue	**$ 1,083,673**	**$ 1,114,425**
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	$	$
2. Provision for Charity Care		
3. Provisions for Bad Debt		
Total Deductions	**$ 0**	**$ 0**
NET OPERATING REVENUE	**$ 1,083,673**	**$ 1,114,425**
D. Operating Expenses		
1. Salaries and Wages	$ 516,888	$ 537,563
2. Physician's Salaries and Wages		
3. Supplies	9,250	9,435
4. Taxes	41,816	43,489
5. Depreciation	8,750	8,750
6. Rent	84,047	83,706
7. Interest, other than Capital	2,168	1,602
8. Management Fees:		
a. Fees to Affiliates	71,073	73,205
b. Fees to Non-Affiliates		
9. Other Expenses (Specify)	349,681	356,674
Total Operating Expenses	**$ 1,083,673**	**$ 1,114,425**
E. Other Revenue (Expenses) – Net (Specify)	$	$
NET OPERATING INCOME (LOSS)	**$ 0**	**$ 0**
F. Capital Expenditures		
1. Retirement of Principal	$	$
2. Interest		
Total Capital Expenditures	**$ 0**	**$ 0**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ 0**	**$ 0**

PROJECTED DATA CHART

Itemized Other Expenses (referencing line D.9, above)

Expenses	FY 2017	FY 2018
Administrative Expenses	115,138	117,441
Employee Benefits Expenses	23,932	24,411
Health Services Expenses	40,214	41,018
Housekeeping Expenses	4,700	4,794
Other Operating Expenses	40,726	41,541
Plan Operation Expenses	21,290	21,716
Programing Expenses	7,600	7,752
Dietary Expenses	13,520	13,790
Clinical Services	82,560	84,211

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

RESPONSE: This is an application for a new facility, so there is no current charge schedule. The proposed charge schedule is $791.00 per day for the first year of operations. This rate will recover the entire cost of the project for its first year of operations, spreading the Fiscal Year 2017 costs of $1,083,673 across 1,370 days of occupancy.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE: As previously mentioned, East Tennessee Homes operates 16 4-bed ICF/IID homes in Greene County. Here are their current daily rates, as provided by Clayton Wells of the DIDD (copy provided as Attachment C, Economic Feasibility-6.B), and sorted in ascending order by rate:

Buckingham #3	$730.33
Susong #2	$748.78
Amity	$749.84
Redbud	$749.90
Rambo	$749.90
Asheville Highway #2	$749.90
Stone Dam #2	$759.10
Susong #1	$760.76
Horse Creek	$785.55
Meadowbrook	$790.79
Stone Dam #3	$794.53
Chuckey Pike	$833.70
Buckingham #1	$853.48
Dyer Street	$887.38
Asheville Hwy. #1	$935.84
Buckingham #2	$978.83

Applicant's proposed rate of $791.00 is lower than 6 of the 16 Greene County ICF/IID rates listed here, and substantially lower in several cases. Applicant's rate is even a bit lower than the $803.66 average of the above rates. Applicant's proposed rate, then, compares favorably with the rates charged by similar facilities in this area.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

RESPONSE: As the Projected Data Chart indicates, this project is intended to run on a break-even basis. Proposed project charges were developed with this goal in mind.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

RESPONSE: As the Projected Data Chart indicates, this project basically will be run on a break-even basis, and will achieve financial viability within its first year of operation.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

RESPONSE: All the participants in the project will be Medicaid recipients. This project is intended to provide specialized services to Medicaid recipients in need of ICF level care. In Applicant's Projected Data Chart the break-down of the Inpatient Service Revenue funding is 96% ($1,031,640.96) TennCare and 4% ($42,985.04) Client Responsibility.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

RESPONSE: Applicant's balance sheet and income statement are attached (Attachment C, Economic Feasibility-10), as is Applicant's most recent audited financial statement. Since Sunrise Community Foundation, Inc. will provide funding for the project (if no USDA loan is forthcoming), the Foundation's Federal Tax Form 990, which contains the balance sheet and income statement is attached. The 990 is prepared by Sunrise's auditors, Moore, Stephens, Lovelace, P.A. The Foundation does not have an annual audit because of very limited activity.

Note that, Cash in the amount of ($2,047.24) is listed as a part of Current Assets of Sunrise Community of Tennessee financial statements ending June 30, 2015. This

amount is the balance of the Sunrise Community of Tennessee, Inc. Petty Cash account as of June 30th, pursuant to the following cash policy:

Cash Management

The Sunrise Group has established a cash management policy to facilitate optimum cash flow flexibility and control, and to establish central banking relationships utilizing a minimum number of accounts. All cash is managed through a general operating account and a general payroll account of Sunrise Community, Inc. All cash receipts of the related corporations of the Sunrise Group are transferred to the Sunrise Community, Inc. general operating account on a periodic basis. Each operating entity controls its own operating and payroll accounts, and receives necessary cash flow requirements through Sunrise Community, Inc. This is accomplished through a zero balance account system whereby operating cash balances are swept on a daily basis to Sunrise Community, Inc. and cash transfers are made to cover checks clearing daily.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

RESPONSE: Only two alternatives were provided in the court-ordered Exit Plan from which transitioning residents of GVDC could choose. ICF/IID beds were by far the most frequently selected alternative, and Applicant is providing these ICF/IID beds specifically to the individuals who made this choice. Since no other alternative will satisfy the order of the court with respect to these individuals, there is no other practicable alternative available.

b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

RESPONSE: There are no alternatives to this proposal that will satisfy the court-ordered Exit Plan. The planned group homes cannot exceed four beds per home, and it would be prohibitively expensive to provide these services on a scale involving fewer beds per home.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., Transfer agreements, contractual agreements for health services.

   RESPONSE: A list of all health care providers with which Applicant currently has or plans to have contractual and/or working relationships is attached as Attachment C, Contribution to the Orderly Development of Health Care-1.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

   RESPONSE: This project is essential to the success of the GVDC Exit Plan, since DIDD is counting on the ICF/IID beds provided in this proposal to fulfill its court-ordered duties. The Exit Plan calls for only the replacement of existing ICF/IID beds, so no duplication of services is contemplated. The GVDC facility, itself, is owned by the State of Tennessee and Sunrise has no control over decisions made regarding the future of the facility. There are no negative effects of this proposal.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

   RESPONSE: The following is the anticipated staffing information for the new facility:

	Proposed (FTE)	Total Salary Expenses
Resident Manager	1.0	$35,360
Qualified MR Professional	0.5	$23,920
RN	0.5	$31,200
LPN	5.6	$215,439
Direct Support Workers	6.6	$153,484
Director of Operation	0.5	$36,685
Maintenance Director	0.5	$20,800
Total	15.2	

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

RESPONSE: Applicant currently has approximately 160-170 staff in the Greeneville area for current programs. Applicant has spoken with numerous staff at GVDC and plans to work with DIDD to hold job fairs for GVDC employees. This will satisfy this facilities need for 3 nursing FTE and 5 direct support staff FTE.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review *policies and programs, record keeping, and staff education.*

   RESPONSE: Applicant has had discussions with the DIDD about the licensure requirements for 4-bed ICF/IID facilities, and has reviewed and understands all required licensing certification for its medical and clinical staff. Moreover, through its parent company, Applicant has considerable experience with ICF/IID licensure in Florida (see, above), and will be able to bring this wealth of experience to bear in Tennessee.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (*e.g.,* internships, residencies, etc.).

   RESPONSE: Not applicable.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

   RESPONSE: Currently, Applicant is licensed by DIDD to provide Medical Residential and Supported Living, Nursing, Supported Employment, Community Based Day, In Home Day, Respite, and Transportation services to individuals with intellectual and developmental disabilities in Greene, Washington, Carter, Hamblen, and Jefferson counties in upper east Tennessee and, through its parent company, is fully acquainted with the Medicare requirements concerning ICF/IIDs.

   (b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

   Licensure: **RESPONSE:** Tennessee Department of Health and the Tennessee Department of Intellectual and Developmental Disabilities.

   Accreditation: **RESPONSE:** Not applicable.

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

RESPONSE: This is a new facility so this criterion is not applicable.

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

RESPONSE: Not applicable. Applicant has, though, attached a copy of Sunrise Community Inc.'s most recent ICF/DD survey from the Florida Agency for Health Care Administration as Attachment C, Contribution to the Orderly Development of Health Care-7.(d).

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

RESPONSE: None.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

RESPONSE: None.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

RESPONSE: If approved, Applicant will provide this data to the Tennessee Health Services and Development Agency and the reviewing agency.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

RESPONSE: Publication affidavit follows Project Completion Forecast Chart, below.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

2. **If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph,* please state below any request for an extended schedule and document the "good cause" for such an extension.**

Form HF0004
Revised 02/01/06
Previous Forms are obsolete

SUPPLEMENTAL #1
November 24, 2015
8:27 am

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c): 2/24/2016

Assuming CON approval becomes the final agency action on that date; indicate the number of days **from the above agency decision date** to each phase of the completion forecast.

Phase	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1. Architectural and engineering contract signed	_Completed_	Completed
2. Construction documents approved by the Tennessee Department of Health	_60 days___	4/25/2016
3. Construction contract signed	_120 days__	6/23/2016
4. Building permit secured	_150 days__	7/25/2016
5. Site preparation completed	_180 days__	8/22/2016
6. Building construction commenced	_210 days__	9/21/2016
7. Construction 40% complete	_300 days__	12/20/2016
8. Construction 80% complete	_360 days__	2/20/2017
9. Construction 100% complete (approved for occupancy)	_390 days__	3/20/2017
10. *Issuance of license	_NA_____	3/27/2017
11. *Initiation of service	_NA_____	4/10/2017
12. Final Architectural Certification of Payment	_420 days__	4/19/2017
13. Final Project Report Form (HF0055)	_450 days__	5/19/2017

*** For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

PROOF OF PUBLICATION

Acct. Name:

SUNRISE COMMUNITY OF

Acct. # 117471

COST OF PUBLICATION

Total $495.45

STATE OF TENNESSEE

COUNTY OF GREENE

PERSONALLY appeared before me _____

_____of Greene County, Tennessee.

who being duly sworn, made oath that he/she is a representative of the Publisher of THE GREENEVILLE SUN, a newspaper of general circulation, published in the City of Greeneville, County of Greene and State of Tennessee and that the hereto attached publication appeared in the same on the following dates:

NOTIFICATION OF INTENT T

11/09/2015

STACY SLAGLE
STATE OF TENNESSEE NOTARY PUBLIC
WASHINGTON COUNTY

The Greeneville Sun

P.O. BOX 1630, GREENEVILLE, TN 37744

(423) 638-4181

Subscribed and sworn to before me on this 9th day of November, 2015

Newspaper Representative: _____

Notary Public: Stacy Slagle

My Commission Expires: 5/1/19

The referenced publication of notice has also been posted (1) On the newspaper's website, where it shall be published contemporaneously with the notice's first print publication and will remain on the website for at least as long as the notice appears in the newspaper; and (2) On a statewide web site established and maintained as an initiative and service of the Tennessee Press Association as a repository for such notices.

The Greeneville Sun

Classifieds

Place your ad by calling 423.638.4185 Fax to 423.638.7348 • Online at GreenevilleSun.com

Public Notices | Public Notices | Public Notices | Public Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that: Sunrise Community of Tennessee, Inc., owned by: Sunrise Community of Tennessee, Inc. with an ownership type of corporation and to be managed by: Sunrise Community of Tennessee, Inc. intends to file an application for a Certificate of Need for: the establishment of a 4-bed ICF/IID home at 680 Quaker Knob Road, Chuckey, Greene County, Tennessee 37641. The estimated project costs, calculated according to HSDA rules, for this project are approximately $965,868. These beds, replacing four beds being closed at Greene Valley Developmental Center, will be licensed by the Tennessee Department of Intellectual and Developmental Disabilities as ICF/IID beds upon project completion. Services provided will include life care support for individuals with intellectual and/or developmental disabilities, appropriate therapies, community integration, and life skills development.

The anticipated date of filing the application is: November 13, 2015.

The contact person for this project is Ann Williams, Executive Director who may be reached at: Sunrise Community of Tennessee, Inc., 1705 West Main Street, Greeneville, Tennessee 37743; 423 / 636-1333 ext 115

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted.
Written requests for hearing should be sent to:
Health Services and Development Agency, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency. 11/9/15

1 PUBLIC NOTICES

Public Notices

IN THE CHANCERY COURT FOR GREENE COUNTY, TENNESSEE THIRD JUDICIAL DISTRICT SITTING AT GREENEVILLE

ORDER OF PUBLICATION and NOTICE IN THE CHANCERY COURT OF GREENE COUNTY, TENNESSEE

LETITIA ASHLEY EBMEYER, Plaintiff,

vs.

ANTHONY EDWARD EBMEYER, Defendant,

Civil Action No.: 20150318
TO: ANTHONY EDWARD EBMEYER

BY ORDER of the Honorable Douglas T. Jenkins, Chancellor for the Greene County Chancery Court, Third Judicial District, sitting at Greeneville, Tennessee, on the 23rd day of October 2015.
It appears from the Order of the Judge in the cause referenced above and from the other filings in this cause, that ordinary summons cannot be served upon ANTHONY EDWARD EBMEYER. Service of process by publication has been prayed for and accordingly pursuant to Tennessee Code Annotated §21-1-203 and Tennessee Code Annotated § 21-1-204 it is Ordered that publication of this Order shall be made for four consecutive weeks in the Greeneville Sun, which is published weekly in Greene County, Tennessee.
You, ANTHONY EDWARD EBMEYER, as Defendant in this action are therefore commanded to serve on: K. KIDWELL KING, JR., Plaintiff's Counsel, whose address is: 125 South Main Street, Greeneville, Tennessee 37743, and answer to the Complaint filed against you in this cause within thirty (30) days from the fourth publication of this notice as required by law, otherwise judgment by default will be taken against you before the Honorable Douglas T. Jenkins, Chancellor for the Greene County Chancery Court, Third Judicial District, at the Greene County Courthouse on the 7th day of January, 2015, at 10:00 a.m., or as soon thereafter as counsel may be heard.
THIS THE 26 DAY OF October, 2015.

KAY SOLOMON ARMSTRONG
Clerk & Master for the Greene County Chancery Court

APPROVED FOR ENTRY:
K. KIDWELL KING, JR.,
KING & KING ATTORNEYS
B.P.R. # 004748
Attorney for Plaintiff
125 South Main Street
Greeneville, Tennessee 37743
Telephone: (423) 638-6881
11/2/15, 11/9/15, 11/16/15, 11/23/15

Corrections Officer Examination

The Greene County Civil Service Board and the Greene County Sheriff's Department will be conducting a civil service examination for the position of corrections officer at the Greene County Court House in the General Sessions Court Room on Saturday November 14, 2015 at 10:00 a.m. Candidates eligible for this position must be at least 18 years of age, a U.S. Citizen, a high school graduate or possess a GED, and have no criminal record. Candidates must also possess a valid Tennessee driver's license, be able to pass a physical and psychological examination and be of good moral character. Rotating shift work is required. Additional requirements may apply to this position. Starting compensation for this position is $12.38 per hour. Applications may be obtained at the Greene County Sheriff's Department, 116 East Depot Street Greeneville, TN. 37743, between the hours of 8:00 a.m. and 4:30 p.m. Monday through Friday. Completed applications must be turned in at the Greene County Sheriff's Department no later than 4:00 p.m. Friday November 13, 2015.
11/4/15, 11/5/15, 11/6/15, 11/7/15, 11/8/15

NOTICE~NOTICE~NOTICE

The Greeneville Sun Classified Department would like to remind our customers to beware of scams. Please do not give out any financial information to anyone that makes a follow up call on ads placed in our paper using The Greeneville Sun name. When placing an ad the sales representatives will complete the order with credit or debit card approval at that time. If the processing system is down, the sales representatives will inform the customer while on the phone.

NOTICE~NOTICE~NOTICE

UNAUTHORIZED USE OF *THE GREENEVILLE SUN*

paper tubes for circulars or any other advertisements or purpose will result in a minimum $250 charge for which the advertiser or user may be billed.

THE GREENEVILLE SUN

2 ANNOUNCEMENTS

Lost and Found

LOST YOUR PET?

Place your ad online at www.greenevillesun.com click place an ad

We want your pet back home safe and sound!

It's a free service for your special pet.

The Greeneville Sun

Chihuahua male found on Whirlwind Road. Contact 423-588-5698

FOUND: CUTE KITTEN. Maltese kitten, approx. 5-6 weeks old, on Newport Hwy. Call 423-639-9176.

Lost – Male Black Mouth Kurr/Wired Hair Terrier Mix, golden tan with black and white muzzle, lost in Middle Creek/Greystone area. Do not approach, please call 552-4758 first.

LOST YOUR PET?
We may have found it!
Call Humane Society
Animal Shelter
638-4771

LOST! Wed, 11/04, in Lowe's parking lot. Neutered male, answers to "Roger". Please help! (423) 571-6757.

LOST: CAT. Solid gray, wearing red collar with "Bella" on it. In the Hand Lane area. Call 423-525-4884 or 423-620-7851. $50 REWARD.

WARNING: Ads for free pets. Your beloved pet deserves a loving, caring home. The ad for, your free pet may draw responses from individuals who will sell your animal(s), for research or breeding purposes. Please screen respondents carefully when giving an animal away. Your pet will thank you!

Of Interest

SMOKY MOUNTAINS!!

Best information on Sevier County tourism and the Smoky Mountains of East Tennessee and Western North Carolina is in Best Read Guide. This little glossy publication is a free powerhouse of information. See our brochures and publications in racks at interstate rest areas in Sevier County!

The Classifieds! 638-4185

Of Interest

Stay up to date with latest health news.
Look for The Health Pages every Monday in *The Greeneville Sun*.

Personals

Adoption is a gift of love. Active, financially secure woman will cherish your gift forever. I promise to provide your baby with a loving home filled with happiness, laughter and a stable future. Expenses Paid. Call Sarah 1-855-974-5658

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423-638-4182
The Greeneville Sun.

4 FINANCIAL

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Self-employed position requires dependable vehicle to perform one, two, or three hour routes.
Call 423-359-3151

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Featuring Rare H.Guyot 12 Gauge Shotgun
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INDUSTRIAL & CONSTRUCTION EQUIPMENT • TRUCKS • TRAILERS

Go to www.ProTeamAuction.com for Full Listing
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5 EDUCATIONAL SERVICES

Business and Trade School

Stay up to date with latest business news.
Look for The Business Pages every Thursday in *The Greeneville Sun*.

6 EMPLOYMENT

General Help Wanted

CIRCULATION DISTRIBUTION ASSISTANT

For The Greeneville Sun, will assist staff with home deliveries & single copy services for the daily newspaper.

Candidates must be able to communicate with customers, Independent Contractors, & merchants in a timely & professional manner.

Assistant's duties will include fieldwork, such as, route maintenance, route delivery & acquiring new subscriptions.

This part-time position will require flexible hours Monday-Friday & some Saturdays as directed.

Send resumes to:
CIRCULATION DIRECTOR
PO Box 1630C
Greeneville TN 37744
[illegible]@greenevillesun.com

CNC MACHINIST. CNC lathe experience preferred for setup, operating and troubleshooting Swiss screw machines. M&M Specialties, 906 W Main St., Greeneville, TN 37743

Mobile Home Maintenance position as needed, must have own tools, must have own transportation. $8. hour. Call 423-360-2167.

Auctions

General Help Wanted

DENTAL/MEDICAL FRONT OFFICE POSITION AVAILABLE
FAST PACED ORAL SURGERY PRACTICE OFFERING A FULL TIME POSITION!
Looking for personable, compassionate, outgoing applicant who works well in a team environment. Must be willing to travel on occasion and a quick learner. Insurance verification is a plus. If you are honest, trustworthy and dependable and interested in a career in the dental/medical field, please fax resume to 423-638-3636 OR deliver in person to 703 K Street, Greeneville 37745.

Help Wanted
Make money delivering newspapers for a couple of hours a day.
423-329-0400

Need someone to wait tables and do general kitchen work. Apply in person at The Bean Barn, 515 E. Church St., Greeneville, Tn.

Pal's — Positions Available: Managers, Operators, Daysshift

Looking for highly motivated - results driven individuals to become a part of our team. We offer flexible hours, competitive pay, vacation, meal discounts and opportunities for advancement.
Complete our online application at: palsweb.com
For the Location applying for select: GREENEVILLE 11E / DRIVE THRU

Medical / Dental

Full Time Durable Medical Equipment Biller needed in Morristown, TN. DME experience preferred but will consider other medical billing backgrounds. Please fax resume to 423-289-0840.

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It's the Reason 45% of Greene County residents read The Greeneville Sun Classifieds on a daily basis.
Classifieds give you affordable access to these loyal readers.
Call 423-638-4185

Medical / Dental

HEALTHCARE TEAM OPENINGS
LAUGHLIN MEMORIAL HOSPITAL and LAUGHLIN HEALTHCARE CENTER

Full time openings for the following positions

R.N.
L.P.N.

POSITIONS OFFER AN EXCELLENT SALARY AND FRINGE BENEFIT PROGRAM WHICH INCLUDED TUITION ASSISTANCE.

LMH

APPLY:
LAUGHLIN MEMORIAL HOSPITAL, INC.
ATTN: HUMAN RESOURCES
1420 TUSCULUM BLVD.
GREENEVILLE, TN. 37745
423-787-5062
Website: laughlinmemorial.org
EOE/M/F/H/V

Professional

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SUBSTITUTE TEACHER COUNSELOR

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B, Project Description-I

Executive Summary, Supporting Documents

9/8/2015 Email from Terry Jordan-Henley

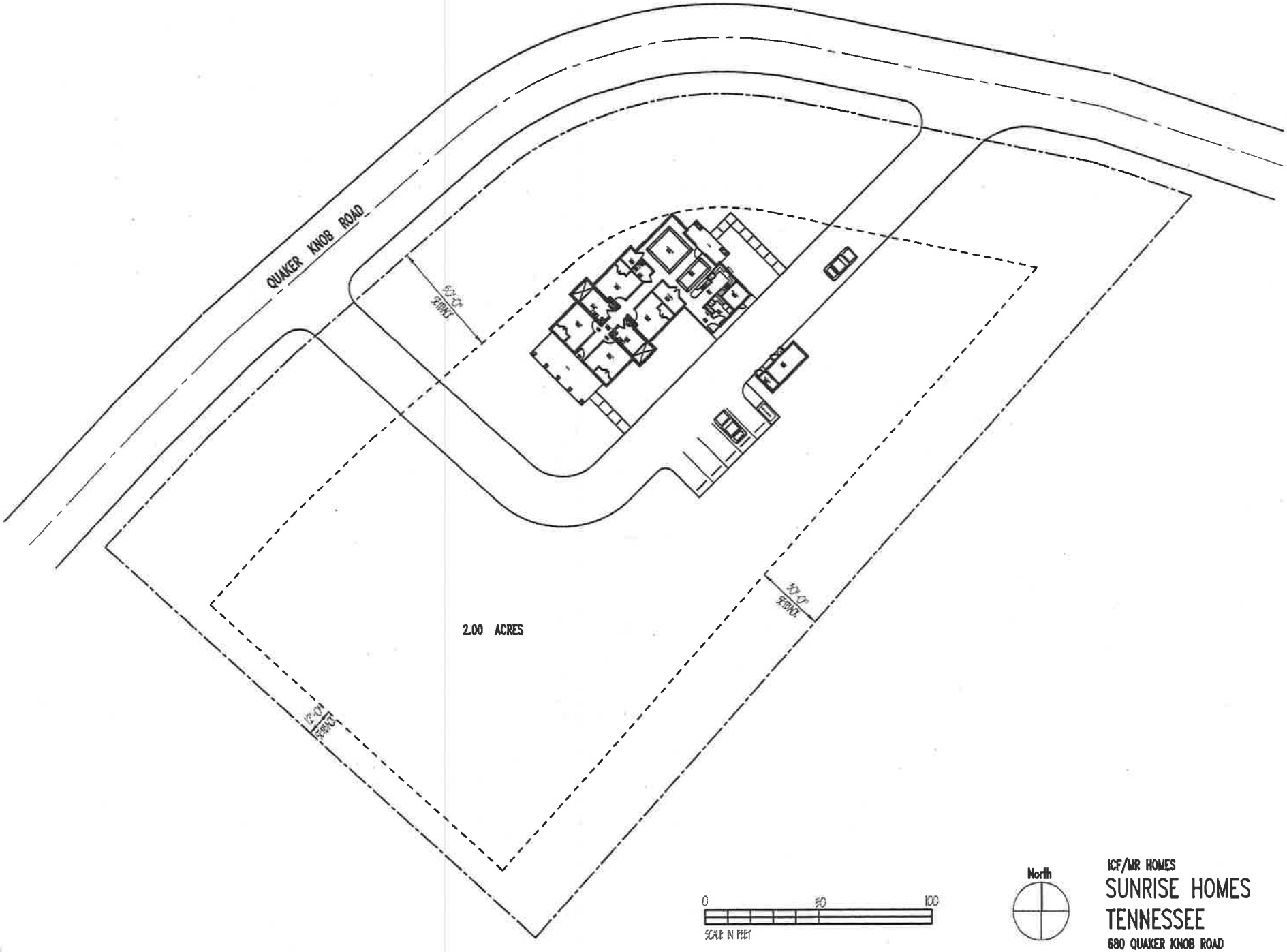
Department of Intellectual and Developmental Disabilities

9/15/2015 Letter from Debra K. Payne

Department of Intellectual and Developmental Disabilities

B, Project Description-III.(A)

Plot Plan of the Site



ICF/MR HOMES

SUNRISE HOMES

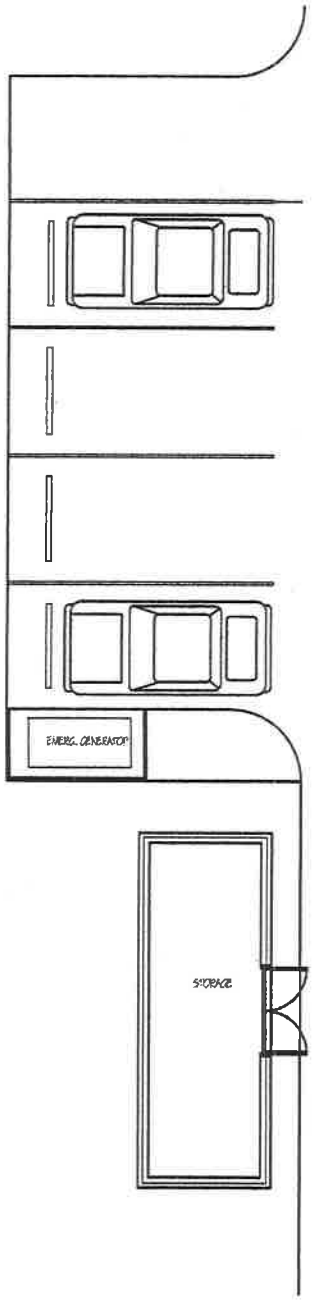
TENNESSEE

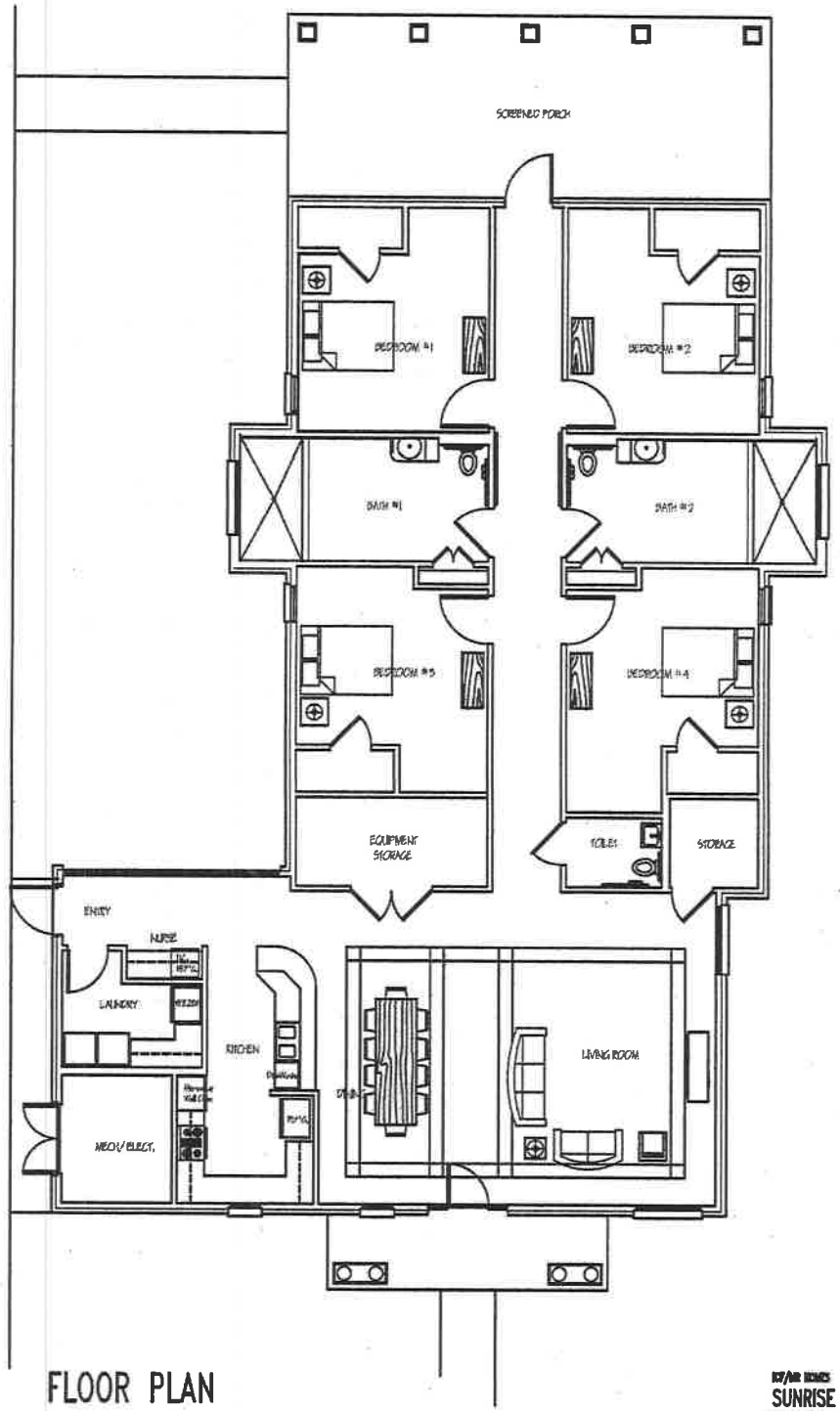
680 QUAKER KNOB ROAD

CHUCKEY, TENNESSEE

B, Project Description-IV

Floor Plan





SQUARE FOOTAGE RE-CAP	
SPACE	
HEATED AREA	2,761 sq. ft.
MECHANICAL	35 sq. ft.
EXTERIOR STOR.	214 sq. ft.
SCREEN PORCH	470 sq. ft.
CARPORT	762 sq. ft.
FRONT PORCH	112 sq. ft.

FLOOR PLAN

SUNRISE HOMES TENNESSEE

C, Need-1

How Project Relates to

5 Principles for Achieving Better Health

Services Being Provided by Applicant

This Project's Relationship to Tennessee's 5 Principles for Achieving Better Health

Applicant's previously submitted (and accepted as complete) application for a Certificate of Need for the construction of an ICF/IID at 640 Old Shiloh Road, Greeneville, Tennessee (CN1510-043) elicited the following questions (with Applicant's responses, below) as question #7 of the first request for supplemental information on that application.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan. Each Principle is listed below with example questions to help the applicant in its thinking.

1. The purpose of the State Health Plan is to improve the health of the people of Tennessee.
   a. How will this proposal protect, promote, and improve the health of Tennesseans over time?

      Response: This proposal is designed to protect, promote, and improve the health of a sub-population of Tennesseans. This sub-population consists of persons with Intellectual and Developmental Disabilities with complicating medical conditions. This group of people requires very specialized care which will be provided through the Intermediate Care Facility for Persons with Intellectual and Developmental Disabilities. These programs are required by federal regulation to provide comprehensive health care to persons residing in the homes.

   b. What health outcomes will be impacted and how will the applicant measure improvement in health outcomes?

      Response: Because this project will serve only four persons at one time, the health outcomes will be measured on an individual basis. Each person served will have a comprehensive health care assessment and medical plan. The health care needs will be specified in the medical plan and the health care status will be monitored and recorded on a continual basis. Over time, the overall attention to health care outcomes will be recorded and analyzed for the population served.

   c. How does the applicant intend to act upon available data to measure its contribution to improving health outcomes?

      Response: Because the number of persons to be served is very small the health care outcomes of this population will have very little impact on the overall available data of the general population of Tennessee. Sunrise will collect data for the population served and analyze trends in health status and improved health status through its Quality Improvement process.

2. People in Tennessee should have access to health care and the conditions to achieve optimal health.
   a. How will this proposal improve access to health care? You may want to consider geographic, insurance, use of technology, and disparity issues (including income disparity), among others.

      Response: Access to health care can be very difficult for persons with Intellectual and Developmental Disabilities, especially when they have co-morbid medical complications. Most primary care physicians are not trained to deal with this population and do not have the time available to provide the extra care required during office visits. The population is often low income with Medicaid as their insurance which could also limit the number of available practitioners. Families may have to travel across the state to be able to see a specialist. Dental care is also a challenge with most dentist not having the ability to address the populations' needs. Also, many persons with these conditions require technological supports such as feeding equipment and other physical health care supports to ensure that nutritional and health care needs are met. The health care disparity faced by this population can be very difficult compounded by a lack of individual ability to seek care, scarcity of qualified health care professionals and lack of necessary equipment in many environments. ICF/IIDs are specifically designed to provide for the needs of this population through services provided in the facility and coordinated with community medical care. The program must have a physician on-call 24 hours a day, with licensed medical staff on-site throughout the day. These staffing patterns and skilled staff are able to ensure access to health care.

   b. How will this proposal improve information provided to patients and referring physicians?

      Response: The health care status of the individuals living in the home will monitored through screenings and comprehensive assessments of all health care domains including hearing, vision and dental. Health care workers and other staff will document behavioral responses and bodily functions on a regular basis. In situations where the individual may require health care outside of the home, the staff will be able to provide detailed information on the person's functional level, day to day health care status and changes in the health care status that may impact the need for outside medical care. This type of comprehensive information is also provided to family members to help them be informed about the family member's health care needs.

   c. How does the applicant work to improve health literacy among its patient population, including communications between patients and providers?

      Response: The applicant works closely with the individual and provides them with information about their care. In circumstances where the individual may not be competent to decide their medical care, the provider works with family members to ensure that there is a medical health care surrogate to help make important health care decisions for the patient and to advise the health care providers on individual preferences.

3. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.
   a. How will this proposal lower the cost of health care?

      Response: Persons with Intellectual and Developmental Disabilities, especially those with medical complications, often have high medical costs. The medical costs are exacerbated by poor nutrition and inability to address daily needs, lack of early detection of conditions due to failure to provide preventive screening or screening on schedules that are inadequate for the population, failure to identify emerging health care issues early to be able to prevent the need for acute care, and over use of the hospital facilities to address health care due to the lack of adequate community care. The ICF/IID home provides for the necessary medical screenings and evaluations and works closely with the individual to detect changes in health care status to avert unnecessary need for acute care or hospitalization. Additionally, the program will ensure that the individuals are offered immunizations to support good health. These practices can significantly reduce unnecessary medical costs for this population.

   b. How will this proposal encourage economic efficiencies?

      Response: Providing care for four persons in an ICF/IDD facility promotes economic efficiencies through the use of skilled staff able to work with all four persons in one environment. Also, because the staff are highly trained in working with this population, the services are directly targeted to their needs ensuring that the right service is provided at the right time for the appropriate duration. This avoids unnecessary services and reduces waste associated with failure to identify the key services necessary and providing less optimal or ineffective services.

   c. What information will be made available to the community that will encourage a competitive market for health care services?

      Response: Persons have a choice of ICF/IID homes. Sunrise has information to the consumer that explains the services and the operation of the homes. This information is available to the population in need of this service. Persons also have the choice to move to another home if they are not satisfied with the home that they are living in. These abilities support a fair and competitive market.

4. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.
   a. How will this proposal help health care providers adhere to professional standards?

      Response: ICF/IID homes are heavily regulated. Providers must adhere to the federal Conditions of Participation which are monitored by the federal agencies as well as must meet the licensure standards of the state. The Conditions of

Participation establish expectations for the medical practice that exceeds the requirements of the practitioner's professional guidelines and directly protects the special needs of the population.

b. How will this proposal encourage continued improvement in the quality of care provided by the health and health care workforce?

Response: Sunrise will hire persons from the local community and will use health care providers from the community as well. The company will ensure that all the health care staff are fully trained in addressing the special needs of the population. Additionally, the company will ensure that any community practitioners such as therapists or physicians are fully knowledgeable about serving this population. Because the medical practitioners will have other patients in the community, the exposure to the population at the home will expand the health care workforce's ability to work with persons with similar needs in the community. As stated above, the performance of the health care workers is monitored very closely in an ICF/IID program. Sunrise also routinely works with community programs to help increase the awareness and knowledge about the health care needs of persons with Intellectual and Developmental Disabilities.

5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.
   a. How will this proposal provide employment opportunities for the health and health care workforce?

Response: The program will employ nurses and will contract with therapists and a physician who must be available 24 hours a day. These individuals will be employed or contracted with from the local area.

b. How will this proposal complement the existing Service Area workforce?

Response: As stated above, the medical practitioners will be hired from the local area and will likely work with other patients in the area. Through continual education and training in treating this population, the workforce will have expanded knowledge about how to effective treat persons with Intellectual and Developmental Disabilities.

Description of Services Offered by Sunrise:

Sunrise provides the following services to individuals as authorized by approved service requests:

Community-Based Day Services
Employment-Based Day Services
Family Model Services
Follow-Along Services
Hospital Attendant Services
Individual Transportation Services
In-Home Day Services
Medical Residential Services
Nursing Services
Personal Assistance Services
Residential Habilitation Services (Middle)
Respite Services
Semi-Independent Living
Supported Living Services

Community-Based Day Services: Community-Based Day Services enable the service recipient to participate in meaningful and productive activities in integrated settings with other community members who may or may not have disabilities. Community-Based Day Services may be provided in a service recipient's home if there is a health, behavioral or other medical reason or if the individual has chosen retirement as indicated in the service definition. Supports provided may facilitate job exploration activities, volunteer work, educational activities and other meaningful, measurable community activities that promote developing relationships and maintaining ongoing relationships with friends and family members.

Employment-Based Day Services: Employment-Based Day Services facilitate access and support activities such as competitive employment, self-employment, enclaves and work crews for individuals wishing to work in their community.

Family Model Services: Family Model Residential Support is a type of residential service having individualized services and supports that enable a service recipient to acquire, retain, or improve skills necessary to reside successfully in a family environment in the home of trained caregivers other than the family of origin. The service includes direct assistance as needed with activities of daily living such as bathing, dressing, personal hygiene, eating, meal preparation excluding the cost of food, household chores and other activities essential to the health and safety of the service recipient (budget management, interpersonal and social skills, etc). It may also include the medication administration as permitted under Tennessee's Nurse Practice Act.

Follow-Along Services: Follow-Along Services provide ongoing support and continuous or periodic job skill training services throughout the term of employment to enable an individual to maintain employment. The term also includes, but is not limited to, other support services provided at or away from the work site such as transportation, personal care services and counseling to family members.

Hospital Attendant Services: Hospital Attendant Services enable Organization staff to be present with the individual during periods of in-patient hospitalization in order to provide for the continuity of supports and services to the extent feasible.

Individual Transportation Services: Individual Transportation Services provide for the non-emergency transport of an individual to and from approved activities specified in his/her Individual Support Plan (ISP).

In-Home Day Services: In-Home Day Services are provided in the person's place of residence for a limited duration (up to a maximum of 90 days) when there are exceptional circumstances that require the provision of these services in order to meet the person's specifically identified medical or behavioral needs. This may include psychiatric and/or behavioral destabilization and medical concerns/necessity. In-Home Day Services may be provided on a long-term or ongoing basis (more than 90 days) when warranted and supported by documentation.

Medical Residential Services: Medical Residential Services are provided when all service recipients in the home require direct skilled nursing services and habilitative services and supports to enable them to acquire, retain or improve skills necessary to reside in a community-based setting. Medical Residential Services are ordered by the service recipient's physician, physician assistant or nurse practitioner, who document the medical necessity of the service and specify the nature and frequency of the nursing services.

Nursing Services: Nursing Services are skilled nursing services that fall within the scope of Tennessee's Nurse Practice Act and that are directly provided to the individual in accordance with his/her ISP. Nursing Services are ordered by the individual's physician, physician assistant or nurse practitioner, who shall document the medical necessity of the services and specify the nature of frequency of the nursing services. Nursing Services shall be provided face to face with the individual by a Licensed Practical Nurse (LPN) under the supervision of a Registered Nurse (RN). Therapeutic goals and objectives shall be required for individuals receiving Nursing Services.

Personal Assistance Services: Personal Assistance Services involve provision of direct assistance with activities of daily living (e.g., bathing, dressing, personal hygiene, eating, meal preparation excluding cost of food); household chores essential to the health and safety of the individual, budget management, attending appointments, and interpersonal and social skills building to enable the individual to live in a home in the community. Personal Assistance Services are provided in accordance with therapeutic goals and objectives as specified in the plan of care. These services may be provided in the home or community; however, they may not be provided in school settings and may not replace personal assistance services required to be covered by schools or services available through the Medicaid State Plan/TennCare program.

Residential Habilitation Services: Residential Habilitation is a type of residential service providing services and supports that enable an individual to acquire, retain or improve skills necessary to reside in a community-based setting including direct assistance with activities of daily living (e.g., bathing, dressing, personal hygiene, eating, meal preparation, household chores) essential to the health and safety of the individual; budget management,

attending appointments, and interpersonal and social skills building to enable the individual to live in a home in the community. It also may include medication administration as permitted under Tennessee's Nurse Practice Act. The provider of Residential Habilitation services provides personal funds management as specified in the Individual Support Plan (ISP). This service is currently provided in the Clarksville location only.

Respite Services: Respite Services are those services provided to an individual when unpaid caregivers are absent or incapacitated due to death, hospitalization, illness or injury or when unpaid caregivers need relief from routine care giving responsibilities.

Semi-Independent Living: Semi-Independent Living Services are offered to allow flexibility for the person to change to a residential, semi-independent living arrangement. This service is offered when individuals are independent with basic activities of daily living (fundamental self-care tasks such as bathing, dressing, chewing and swallowing food, and assistance with toileting) and yet still requires assistance with one or more of the following: Instrumental activities of daily living (training and assistance with managing money, preparing meals, shopping, health management, and maintenance), interpersonal and/or social skills building, and other activities that are needed to improve the person's capacity to live in the community. Individuals receiving this service have a level of independent and personal safety which requires only intermittent or limited support to live independently in their own home and do not require support staff to live in their home. They are also capable of self-administering their medication with minimal oversight and assistance. Access to emergency supports will be provided by the agency as needed by residential staff.

Supported Living Services: Supported Living is a type of residential service providing individualized services and supports that enable an individual to acquire, retain, or improve skills necessary to reside in a home that is under the control and responsibility of the individual. Services include direct assistance as needed with activities of daily living (e.g., bathing, dressing, personal hygiene, eating, and meal preparation excluding the cost of food); household chores essential to the health and safety of the individual; budget management; attending appointments and interpersonal and social skills building to enable the individual to live in a home in the community. It may also include medication administration as permitted under Tennessee's Nurse Practice Act.

Compilation of the Years Each of the Above Services Has Been Provided

Of the fourteen (14) services detailed above, all have been provided since 1996 with the exception of the following:

- Residential Habilitation began in Middle TN in 1999. East TN does not provide Residential Habilitation.
- Personal Assistance began April 4, 2004 in Middle TN.
- Respite began in April 1, 2005.
- In Home Services began in 2013.

The following services are listed in Applicant's Provider Agreement but have not yet been provided the service:

- Family Model Services
- Follow-Along Services
- Semi-Independent Living

C, Need-1.a.A.2

ICF/IID Occupancy Statistics

10/28/2015 Email from Terry Jordan-Henley, DIDD

Celeste Putnam

Subject: FW: Info needed for CON
Attachments: image001.gif; ATT00001.htm; ICF-IID Utilization Greene County 2012-13-14 REDACTED.xlsx; ATT00002.htm

From: Terry Jordan-Henley <Terry.Jordan-Henley@tn.gov<mailto:Terry.Jordan-Henley@tn.gov>>
Date: October 28, 2015 at 10:06:43 AM CDT
To: Ann Williams <AWilliams@sunrisegroup.org<mailto:AWilliams@sunrisegroup.org>>
Cc: John Craven <John.Craven@tn.gov<mailto:John.Craven@tn.gov>>
Subject: RE: Info needed for CON

Ann,

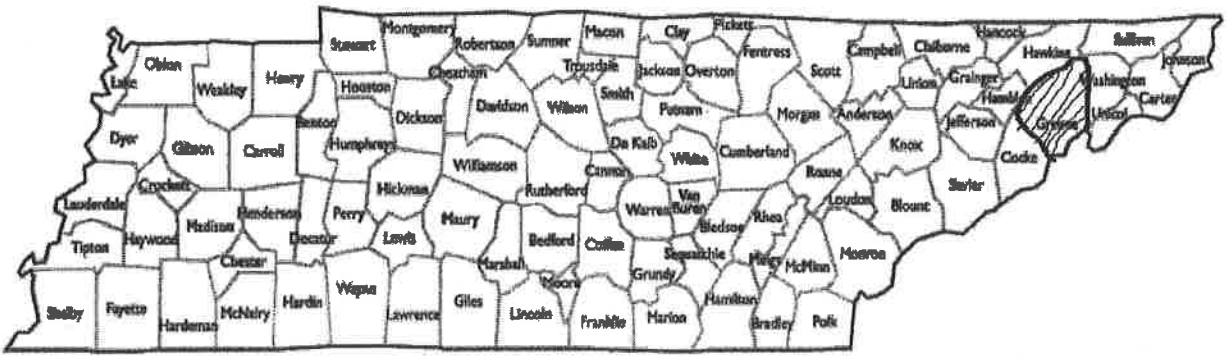
Attached you'll find occupancy data for all existing licensed private & public ICF/IID sites in Greene County (excluding GVDC, as its closure is driving the need for expansion). The specific agency physical locations have been redacted, though that information can be provided to the reviewing entity upon request.

Let me know if you need anything else for your CON, and I'll see what we can do to obtain it. Thanks, tjh

C, Need-3

Service Area Map

TENNESSEE COUNTY MAP



C, Need-4.A

Demographics of Population to Be Served

9/2/2015 Letter from Debra K. Payne

Department of Intellectual and Developmental Disabilities

STATE OF TENNESSEE
Department of Intellectual and Developmental Disabilities
Citizens Plaza, 10th Floor
400 Deaderick Street
NASHVILLE, TN 37243-0675

Ann Williams, Executive Director
Sunrise Community of Tennessee
1705 West Main Street
Greeneville, TN 37912

September 2, 2015

Dear Ms. Williams:

As you are aware, as part of a Federal Court Exit Plan, the state agreed to close Greene Valley Developmental Center by June 30, 2016. You are receiving this letter because Sunrise Community of Tennessee committed to serve the following persons transitioning from GVDC: DC, RF, ZP, REW, RDW, KC, BM, and RH. In order for these persons to transition on or before the above date, there are required steps your agency must take to develop the necessary ICF/IID placement opportunities. This letter will outline the steps to be taken and the dates by which each step must be completed.

- The first step in the process is for your agency to secure the location(s) on which to develop or build the ICF/IID home(s). The location MUST be secured prior to any other steps being taken, as the location of each ICF/IID home must be included in your application for a Certificate of Need (CON) for that home.
  - **Required Date of Completion: No later than November 1, 2015**
- Once the location for an ICF/IID home is secured, you must then commence your CON application process by the filing of a letter of intent with the Tennessee Health Services and Development Agency (HSDA) office between the 1st through the 10th of any month.
  - **Required Date of Completion: No later than December 1-10, 2015**
- The information contained in the Letter of Intent must be published in a newspaper of general circulation in the community in which the project will be located during the same ten day period.
  - **Required Date of Completion: No later than December 1-10, 2015**
- The CON application and non-refundable filing fee are due in the HSDA office within five days of publication.
  - **Required Date of Completion: No later than December 5-15, 2015**

Please note the dates above represent the date by which each step ***must*** be completed. If these actions can be completed earlier, we encourage you to move forward as expeditiously as possible. Filing CONs in November (or even October) would help to minimize the review burden on HSDA and position you for a timely completion of your home in advance of June 30, 2016.

Please remember once your agency is ready to submit your CON application to contact the department for a recommendation letter to include in your application packet (please call Theresa Sloan at (615) 253-6811 or reach her by email at Theresa.C.Sloan@tn.gov). It is our collective goal to ensure the homes are available and ready for persons to transition from GVDC on or before June 30, 2016. Please note, a Letter of Intent and an application for a CON must be filed for each ICF/IID home.

Once your application and filing fee are received, your application will be reviewed by HSDA staff for completeness during which time additional questions may be asked. Upon being deemed complete, the application will enter the next review cycle. The application review process is outlined in detail on the Agency website at http://tn.gov/hsda/topic/how-to-apply-for-con. This process typically takes 60 days; however, the department is working with HSDA to shorten this process. This is why it is very important you contact the department for a recommendation letter to include with your application.

Once you receive approval of your application for a CON, modification or construction of the home should commence as soon as possible. Taking into account the deadlines above as well as the dates and approval timeframes for the application process, the department requests modification or construction of these homes commence on or before January 31, 2016. Once the homes are completed, there are other critical processes which need to occur, including licensing of the new homes and ICF/IID certification. The department expects your agency to obtain all necessary licenses and certifications, and for all persons to have transitioned into your agency's new ICF/IID home(s) on or before June 30, 2016.

The department appreciates all the hard work your agency is undertaking to ensure the above deadlines are met, the ICF/IID homes are completed in time to meet the deadlines set forth in the Exit Plan, and more importantly, to ensure the safe transition of the persons residing at GVDC to their new homes. Should you feel adherence to any of the deadlines assigned for the critical steps outlined above are unattainable, please make us aware of those realities immediately so we can secure alternative transition solutions where needed. This is an exciting time for all of us as we work together on the closure of the last large congregate developmental center in Tennessee. If you should have any questions or need any assistance throughout this process please call Theresa Sloan at (615) 253-6811 or reach her by email at Theresa.C.Sloan@tn.gov.

Sincerely,

Debra K. Payne
Commissioner

c: Jordan Allen, DIDD Deputy Commissioner of Program Operations
Theresa Sloan, DIDD Assistant Commissioner and Legal Counsel
John Craven, DIDD Regional Director – East
Jonathan Lakey, Attorney, Pietrangelo Cook, PLC

C, Need-4.B

Special Needs of the Service Area Population

9/18/2015 Email from Terry Jordan-Henley

Department of Intellectual and Developmental Disabilities

Celeste Putnam

Subject: FW: CON information needed

Importance: High

From: Terry Jordan-Henley [mailto:Terry.Jordan-Henley@tn.gov]
Sent: Friday, September 18, 2015 9:40 AM
To: Ann Williams <AWilliams@sunrisegroup.org>
Cc: John Craven <John.Craven@tn.gov>
Subject: RE: CON information needed

Information re #5, demographics:
Age range – 54 persons aged 23-60 years (64%); 31 persons aged 61+ years (36%)
Gender – 48 are female (56%); 37 are male (44%)
Nutritional status – 37 require enteral feedings (44%); 17 others have structured dining plans (20%)
Mobility status – 65 have mobility impairments (76%), and 42 of them are non-ambulatory (49%). 56 use a customized seating system (66%). 51 use other alternative positioning equipment (60%).
Visual status – 28 are blind (33%).
Psychiatric/behavioral status – 28 are prescribed psychotropic medications (33%); 13 have a Behavior Support Plan or Behavior Support Guidelines (15%).

Ann, I hope this covers your needs for the CON application. Thanks, tjh

Terry Jordan-Henley | Deputy Regional Director
East Tennessee Regional Office
Department of Intellectual and Developmental Disabilities
520 W. Summit Hill Dr, Suite 201
Knoxville, TN 37902
Ofc. 865-594-9302, Cell 865-313-1264
terry.jordan-henley@tn.gov
tn.gov/didd
@didd_tn

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From: Terry Jordan-Henley
Sent: Tuesday, September 08, 2015 9:22 AM
To: 'Ann Williams'
Cc: John Craven
Subject: RE: CON information needed

Ann, regarding your questions below:

#1: As of 8/21/15, a total of 10 legal representatives for persons supported at GVDC had selected HCBS services; the legal representatives for the remaining 75 persons had selected ICF/IID services.

#2: A total of 36 persons of the 85 supported at GVDC as of 8/21/15 have chosen, via their legal representatives, to remain in the Greene County area.

#3: As of 8/31/15, all ICF/IID beds in the Greene County area associated with two providers, Comcare and the East Tennessee Homes, are full. There is not sufficient existing capacity in the area to develop services for those persons remaining at GVDC by 6/30/16, per the DIDD Exit Plan, without development of new ICF/IID beds.

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#4: At present, D&S has agreed to develop three 4-person homes (12 beds) in the Greene County area; Open Arms has agreed to develop three 4-person homes (12 beds) in the Greene County area; and Sunrise has agreed to develop two 4-person homes (8 beds) in the Greene County area. This represents services for 32 of the 36 persons currently supported at GVDC.

#5: General demographic information for persons supported at Greene Valley Developmental Center:
Age range – 54 persons aged 23-60 years; 31 persons aged 61+ years
I'm still working on getting other demographic info together, but should have that for you later in the week.

I hope this helps. Thanks, tjh

Terry Jordan-Henley | Deputy Regional Director
East Tennessee Regional Office
Department of Intellectual and Developmental Disabilities
520 W. Summit Hill Dr, Suite 201
Knoxville, TN 37902
Ofc. 865-594-9302, Cell 865-313-1264
terry.jordan-henley@tn.gov

tn.gov/didd
@didd_tn

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From: Ann Williams [mailto:AWilliams@sunrisegroup.org]
Sent: Wednesday, August 26, 2015 4:47 PM
To: Terry Jordan-Henley
Cc: Ann Williams
Subject: CON information needed

Terry,
Thank you for talking with me regarding the information needed for our CON. As we discussed, the documentation needs to address the following:

1. How many individuals/families chose ICF over HCBS Waiver Services through the Freedom of Choice process?
2. How many individuals/families chose for to remain in the Greene County area?
3. Are all current Greene County ICF beds at East TN Homes and Comcare currently full? (we need to demonstrate that there is not capacity to accommodate GVDC residents)
4. What other ICF homes are planned to come on line in Greene County to accommodate GVDC residents?
5. What are the general demographics and/or special needs of individuals exiting GVDC? Age range? Male verses female? Etc....general information about the composition of people currently living at the institution.

Thank you so much for your assistance Terry! Keeping my fingers crossed that we can find matches for the folks in question on our list so we can fill up three homes!!

Ann

Ann Williams
Executive Director
Sunrise Community of Tennessee, Inc.
1705 West Main Street
Greeneville, TN 37743
(423) 636-1333 ext 115
(423) 636-1466 - fax
(423) 329-3973 - mobile

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Please consider the environment before printing this email.

C, Need-6

Projected Utilization

9/2/2015 Letter from Debra K. Payne

Department of Intellectual and Developmental Disabilities

C, Economic Feasibility-1

Documentation Supporting Estimated Project Costs

CLARK/DIXON
ARCHITECTS
2035 MADISON AVENUE / MEMPHIS, TN 38104 / 901/272-9250 / clarkdixonarchitects.com

November 09, 2015

Mr. Michael Hart
V.P. of Customer Service & Operations
Sunrise Community, Inc.
9040 Sunset Drive
Miami, FL. 33173

Re: Construction Costs
680 Quaker Knob Rd.
ICF/IID Home

Dear. Michael,

Clark/Dixon Architects has prepared the design drawings and construction cost estimate for the ICF/IID Home that the Sunrise Community proposes to build on Quaker Knob Road in Chuckey, Tennessee. The proposed construction costs for this home is based upon Clark/Dixon Architect's 10 years of experience in designing and constructing over forty (40) four-bed ICF/MR Homes for the State of Tennessee, Department of Intellectual and Developmental Disabilities, across the State. Eleven (11) of these homes were built in the Greeneville, TN., area over the past five (5) years. The proposed construction costs for the Sunrise home is comparable to the construction costs encountered for similar ICF/MR Homes we designed and built in the Greeneville area.

Please notify me if you have any questions or require additional information.

Sincerely,

R. Larry Clark

R. Larry Clark, RA, NCARB
Partner

C, Economic Feasibility-2

Funding Documentation

1st Manatee Bank
Your Hometown Community Bank

March 24, 2015

Lesley Leech
James G. Weeks, PhD
Log Cabin Enterprises, Inc.
9040 Sunset Drive
Miami, FL 33173

Gentlemen:

The letter outlines 1st Manatee Bank's (Bank or lender) proposed terms and conditions for a USDA Rural Development Community Facility guaranteed loan (CF Loan or loan) for Log Cabin Enterprises, Inc. The CF Loan is contingent on a $10,000,000 Community Facility (CF) Direct Loan being approved by the USDA so there are at least $16,250,000 of total funds available. The Direct Loan terms should have a 30-year term with mortgage style principal and interest payments to fully amortize the Direct Loan over the 30 year term. USDA CF regulations require that construction is complete before USDA CF Direct and guaranteed loans can be closed and funded.

1. Borrower: Log Cabin Enterprises, Inc.

2. Principal Amount of Loan: $6,250,000. The actual loan amount must not exceed the lesser of the use of funds that is allocated to the CF Loan or the appraisal value of the collateral that is allocated to the CF Loan after it is discounted adequately for this type of loan to reflect the actual value of the collateral.

3. Loan Term: The term of the loan will be 30 years. Loan payments will be monthly principal and interest payments that amortize the loan in full mortgage style over the term of the loan. The term of the loan cannot exceed the collateral's useful life.

4. Interest Rate: The interest rate on the loan will be the WSJ Prime Rate + 1%, with rate to adjust quarterly with any announced change of Prime Rate.

5. Bank Commitment Fee: $31,250 (1/2% of committed amount). Half of the fee to be paid and non-refundable (unless USDA direct loan and USDA CF Loan guarantee are not obligated by the USDA, Then fee will be refunded) at acceptance. The balance of the fee to be paid at time of closing of the proposed loan (once the proposed construction is complete and all terms and conditions are satisfied to obtain the USDA $10,000,000 direct loan and the Bank obtains the USDA guarantee on its loan as described below.)

6. Prepayment. The principal balance of the loan may be prepaid in whole or in part, provided that any such prepayment shall be accompanied by a prepayment penalty of five percent of the outstanding principal balance prepaid during the first year; four percent of the outstanding principal balance prepaid during the second year; three percent of the outstanding principal balance prepaid during the third year; two percent of the outstanding principal balance prepaid during the fourth year; and one percent of the outstanding principal balance prepaid during the fifth year. No prepayment penalty is due on the loan thereafter.

12215 US 301 North
Parrish, FL 34219
Fax 941.776.9191

P.O. Box 181
Parrish, FL 34219

5100 Cortez Road West
Bradenton, FL 34210
Fax 941.794.2572

7. Loan Purpose: USDA CF Loan and direct loan proceeds that total $16,250,000 will be utilized to replace a construction loan (anticipated construction time of 12 months) to build new buildings, improvements and renovations, to purchase new equipment and furnishings and to refinance an existing FmHA loan (FmHA loan may be required to be paid off first from the construction loan proceeds as the construction lender might require this note satisfied to perfect their security interest). The Bank and USDA will work with the construction lender to reduce costs through an assumption and modification of construction lender's loan documentation.

8. Collateral / Security. The USDA guaranteed and direct loans will be secured in parity by a first mortgage and security interest on the borrower's property, improvements, equipment, furniture and furnishings and other assets. Parity is a lien position whereby loans share a security interest of equal priority in collateral and in the event of default, each loan will be affected on a pro rata basis. All taxes and assessments are to be current at loan closing. Borrower must have title to the collateral and licenses required to operate the business and generate the revenues shown in the USDA application.

9. Contributions: Prior to closing of the CF Loan and Direct USDA Loan, the Sunrise Group will be required to contribute to the Borrower cash equity and assets as outlined in the USDA loan application package. This is to include (a) an escrowed cash reserve held in an account at the Bank that is equal to the combined estimated annual payments for both the Direct and CF Loan, (b) the existing property, equipment, furniture fixtures and improvements known as Sunrise Main assets (more fully described in the Loan Application package), (c) all accounts receivables, notes receivables, inventory, and chattel paper (additional assets as described in Loan Application), and (d) licensure and certifications related and required to the operation of the Sunrise Main facility.

10. Guarantee: A condition precedent to the loan and its closing is the receipt by the lender from the USDA of a Conditional Commitment for the Guarantee of 90% of the loan that is acceptable to the lender. Borrower agrees to execute all documents, furnish all information, and satisfy all conditions necessary to comply with the rules, regulations, and requirements of USDA applicable to this loan and the guaranty thereof, as well as any and all requirements of the companion USDA Direct Loan. Borrower agrees to cooperate with the lender in modifying any of the loan documents to meet requirements of USDA. The borrower will be responsible for paying the USDA guarantee fee due at closing, which is currently .9% of the total loan amount.

11. USDA Guaranteed Loan Closing: The USDA guaranteed loan will close and disburse when the new building, improvements and renovations are completed and USDA issues the lender its guarantee. The USDA guaranteed and direct loans must close at the same time.

12. Appraisal Requirement: A "when complete" appraisal that is acceptable to lender and USDA and completed in accordance with USPAP and FIRREA indicating the fair market value of the collateral, excluding any value attributed to business valuation. Lender will be responsible for ensuring that appraisal values are discounted adequately for this type of loan to reflect the actual value of the collateral. A qualified appraiser must determine the appraised market value in accordance with RD Instructions, prior to USDA guaranteed and direct loan closing and issuance of the Loan Note Guarantee. Collateral must have documented value sufficient to protect the interest of the lender and USDA. The cost is the responsibility of the borrower. The appraiser will need a copy of the plans and specifications, the executed construction agreement, a

copy of required permits, a budget of costs, and other documents associated with the collateral being appraised. The appraisal must be ordered by the lender and be available for lender and USDA review prior to the closing of the USDA guaranteed and direct loans.

13. **Environmental Report.** An environmental report may be required, which is acceptable in form, content and conclusions to the lender and USDA. The cost is the responsibility of the borrower.

14. **Licenses.** A condition for closing is that the borrower must have the required licenses to own, operate and receive Medicaid revenue.

15. **Insurance.** Borrower must obtain and maintain all required insurance at its own expense. Required insurance shall include, but not be limited to, the following:

- Hazard insurance naming the lender and USDA as beneficiary must be maintained in an amount at least equal to the insurable replacement value of the collateral. Hazard insurance includes fire, windstorm, lightning, hail, explosion, riot, civil commotion, aircraft, vehicle, marine, smoke and property damage.

- If the collateral property is located in an area designated as an area for special hazards under the National Flood Insurance Act of 1968, Flood insurance naming the lender and USDA as beneficiary must be maintained in an amount at least equal to the lesser of the insurable replacement value of the collateral, or the maximum available coverage available under the Flood insurance program.

- General liability insurance must be maintained in an amount acceptable to lender and USDA.

- Worker's Compensation must be carried in accordance with State law.

- Borrower must maintain errors and omissions insurance, all insurance required by the Medicaid program and all insurance requires by state laws and regulations.

16. **Financial Terms and Conditions.**

a. Accounting Terms. All of borrower's financial statements must be prepared in accordance with generally accepted accounting principles (GAAP). Accounting terms must be those generally accepted in accordance with GAAP in the United States.

b. Financial Information.

i. Financial statements not over ninety days old for the borrower are required for loan closing.

ii. Annual independent certified public accountant prepared audited financial statements for the borrower must be provided within ninety days of the end of each fiscal year.

iii. Income tax returns for the borrower must be provided within fifteen days of filing.

iv. Additional borrower financial statements as may be requested must be provided in a timely manner. All financial statements, financial information and certifications must be in an acceptable form.

a. Current Ratio. The borrower must have a positive working capital position throughout the term of the loan on the required financial statements.

b. Debt Service Coverage. The borrower must have demonstrative, positive EBITDA (earnings before interest, taxes, depreciation, and amortization) debt service coverage throughout the term of the loan on the required financial statements.

c. Equity. The borrower must have positive balance sheet equity throughout the term of the loan on the required financial statements.

d. Dividend payments are not allowed, but Contributions or Distributions are permitted as long as all the Borrower's debts are paid to current status, all loan terms, conditions, covenants, ratios and USDA regulations are being met, use of funds (contributions or distributions) would not result in balance sheet equity falling below loan covenant requirements, and use of funds would not reduce balance sheet equity below the amounts reflected on the immediately preceding fiscal year balance sheet.

e. The borrower must refrain from co-signing or otherwise becoming liable for obligations or liabilities of others.

f. Borrower will not invest in additional fixed asset purchases that would result in borrower not being in compliance with the loan covenants and ratios required herein. Borrower will not lease, sell, transfer, or otherwise encumber fixed assets. Disposition of fixed assets serving as collateral for the USDA loans must have the concurrence of lender and USDA.

g. Borrower shall not enter into any merger or consolidation or sell the business without prior written concurrence of the lender.

h. Outside investment and loans/advances to related parties or affiliates require prior written consent. Loans from related parties or affiliates must be subordinated to the guaranteed loan. No payments are to be made on these debts unless the loan is current and in good standing.

i. The borrower by accepting the USDA Conditional Commitment, certifies that it is not delinquent on any Federal debt.

j. The borrower must certify that there has been no adverse change during the period when the loan package was submitted to lender and USDA and the loan closing.

k. The borrower must maintain a deposit relationship with the lender adequate to make debit payments for the loan.

17. **Loan Closing Documents and Loan Closing Attorney:** The lender's loan closing attorney will prepare the following loan closing documents for closing. The loan closing attorney will use standard documents that comply with USDA Instructions and the Conditional Commitment. The loan documents include loan settlement statement, loan commitment, USDA commitment, RD Form 449-14, lender's counsel opinion letter, loan agreement, note, mortgage and security agreement, UCC's, assignment of rents leases contracts, title insurance commitment and policy, certified survey, certificates of required insurances, corporate resolution to borrow and pledge assets, affidavit concerning governing organizational documents, affidavit of no lien ownership, affidavit regarding financial condition, affidavit regarding disbursement of loan proceeds, anti-coercion statement, agreement waiving right to jury trial, agreement to cooperate post-closing, certificate of compliance with applicable environmental laws and regulations, certificate of compliance with applicable government laws and regulations, environmental indemnity agreement and photo identification. Certain of the documents could be reflected as modifications to prior construction loan documentation to allow for the assumption of the construction loan and decrease certain loan closing costs to include or related to, Title Insurance, Document Stamp Taxes and Intangible Taxes.

The lender's loan closing attorney must furnish lender with a written opinion at closing (borrower is not required to have an attorney or a written opinion from an attorney). The opinion should state that the loan documents conforms with the lender and USDA commitments and that the loan documents are duly and fully enforceable in accordance with their respective terms and comply with all requirements and will not violate any law, rule or regulation of the state.

Prior to beginning the loan closing process, the lender's loan closing attorney will provide the borrower with an estimated cost for preparing the loan closing documents and related items and the borrower must pay into escrow with said attorney funds to cover said cost. Any unused escrowed funds will be refunded to borrower.

The loan must be closed without expense to the lender, it being understood that expenses must be paid by borrower, including, but not limited to the cost of the appraisal, environment report, survey, title insurance, recording of the collateral liens and lender's attorney.

18. **Other Conditions:**

- A title policy in favor of the lender in a form acceptable to the lender and USDA. Policy must not contain any exceptions other than those approved by lender and USDA
- Certified survey of the property in a form acceptable to lender and USDA
- No sale or transfer of the collateral without consent of lender and USDA.
- No additional encumbrances on the collateral without consent of lender and USDA.
- Borrower must pay the financial advisory and mortgage/investment banking fee.
- There is no material adverse change in the borrower's financial condition.

- The borrower must furnish, on or before the due date, proof of payment of all property taxes, ad volorem taxes and insurance premiums. The lender may, at its sole option during the term of the loan, elect to require monthly escrow in advance for such taxes and insurance premiums.

- There are no unwritten oral agreements between the parties.

- Your signature indicates that you have read and understand these terms and conditions and that you are authorized by the borrower to approve them.

The foregoing is intended to provide an outline of the lender's loan terms and conditions rather than a complete statement of the terms, conditions and documents, which would be required in connection with the loan. The final loan agreement could contain additional terms and conditions.

The understandings contained in this letter is not assignable by the borrower. This letter is for the sole benefit of the lender and borrower. It is not for the benefit of any other third party (with the exception of the USDA). This letter is addressed to the borrower only and is not to be relied upon in any manner by other persons or entities (with the exception of the USDA). The lender may participate or sale a portion of this loan to other funding sources or joint venture with other lenders. Capital Resource is the lender's joint venture compensated affiliate. Upon closing of the loan, the lender's closing documents will set forth the entire agreement and understanding of the parties with respect to this transaction. Any prior agreements will be terminated and no oral or other changes will be effective, unless evidenced in writing and signed by the party against which enforcement of the change is sought. The lender must receive an accepted copy of these terms and conditions no later than the date specified below or it will be presumed that the borrower has no interest in the commitment and lender shall have no further obligation under this commitment.

Please acknowledge your acceptance of the above referenced terms and conditions by signing below and returning a signed copy of this letter, along with a non-refundable check for $15,625 (1/2 of the commitment fee) no later than the close of business five days subsequent to the date of this letter.

If you have questions, please feel free to call me. We look forward to our continuing relationship.

Sincerely,

Charles Conoley
Vice President
1st Manatee Bank

Accepted and agreed this 7th day of April, 2015.

Geraldine Tucker
Borrower's authorized representative

Capital Resource
510 Druid Road East, Suite C
Clearwater, FL 33756

Memo To: Michael J. Hart
Sunrise Community and affiliates

CC: Jim Weeks
Sunrise Community and affiliates

From: George Smith
Capital Resource

Subject: USDA guaranteed loan to finance your proposed 4-bed ICF/IID facility in Chuckey, TN

Date: November 11, 2015

It is our understanding that you would like for us to put together another USDA guaranteed loan to finance your planned 4-bed ICF/IID facility that you plan to build at 680 Quaker Knob Road in Chuckey Tennessee for a total project cost of approximately $966,000. We believe there is a very good chance that we can be successful in doing this like we were with the $16,250,000 USDA loan for your Florida facility that USDA approved a few months ago.

It is our understanding that Regional Properties, Inc. will own the facility and its affiliate Sunrise Community of Tennessee, Inc. will operate the facility. Since Regional Properties, Inc. will own the facility, it will need to be the borrower.

As discussed, the USDA loan will be a USDA Rural Development Business and Industry (B&I) guaranteed loan. After receiving the required information, it normally takes about 3 months to put the USDA application together and get USDA B&I's approval.

The following is information about our USDA loans.

Capital Resource (CRA) specializes in USDA loans with terms normally up to 30 years with no balloons. USDA loans can be used for business purposes including acquisitions; purchase of land, building, improvements and equipment; enlargement or modernization; refinancing existing debt; and loan cost. Many types of businesses are eligible including charter schools, medical centers, hospitals, community facilities, manufacturing, processing, energy, distribution, wholesale, retail, service, restaurant and hotels. USDA loans are normally permanent loans that are funded after construction is complete. Typically USDA loans feature longer terms and competitive rates. USDA Rural Development (USDA) has responsibility for administering the loan programs and proceeds must be utilized for business purposes in rural areas.

General criteria is adequate, available and acceptable: business plan and projections that are reasonably achievable and can be demonstrated to the satisfaction of all parties involved that the business can be successful in implementing items in the business plan and projections; management's ability and experience in the field; balance sheet equity/net worth; working capital; collateral; loan to collateral value; appraisal of collateral; feasibility study; environmental report; guarantees; property purchase agreement; and if construction is involved, acceptable: plans, specifications, permits, zoning and licenses; property purchase agreement; and bonded construction agreement.

Collateral is normally real estate and equipment. Loan to value depends on the collateral and/or USDA loan program. The term of the loan is normally a function of the collateral; however, it cannot exceed the collateral's useful life. The guaranteed loan interest rate is normally prime plus 1% and is adjustable not more often than quarterly. Other costs incurred include appraisal, feasibility report, environmental report, inspections, USDA fee, CRA fee, construction lender fee and other expenses that may be associated with the loan.

CRA is a qualified lender in the USDA guaranteed business loan program; however, when CRA does USDA guaranteed loans it normally joint ventures with lenders that service the borrower's area whereby its joint venture partner is the lender of record for the loan and CRA is their compensated affiliate. Historically CRA has handled several aspects of USDA loans including: origination, working with borrowers, working with CRA's joint venture lenders, providing mortgage/investment banking and

loan packaging services to borrowers, underwriting loans, preparing loan commitments, working with USDA to secure their commitments, coordinating appraisals, coordinating environmentals, coordinating closing with the loan closing attorney and borrowers and coordinating the issuance of the USDA commitments and guarantees for the loans. Although most of CRA's USDA loans have been in Florida, we have done tens of million dollars in USDA loans as far away as Washington, Oregon and Hawaii. CRA's personnel have been doing USDA guaranteed loans since the mid 1970's and it's proven experience with the USDA guaranteed loan program ($250 million+ loans) ensures Clients receive quick, responsive service.

96

STATEMENT OF ACCOUNT

IBERIABANK

046 1 MB 0.439 T6 MAAD296 PL1 S296
SUNRISE COMMUNITY FOUNDATION INC
ATTN: CASH MANAGER, TREASURY SERVICE
9040 SW 72ND ST
000846 MIAMI FL 33173-3432

Date 8/31/15 Page 1
Account Number *******8782

CHECKING ACCOUNT

SELECT MONEY MARKET COMMERCIAL 0

Account Number	*******8782	Statement Dates	8/03/15 thru 8/31/15
Previous Balance	3,378,904.85	Days this Statement Period	29
Deposits/Credits	.00	Average Ledger	3,378,904.85
Checks/Debits	.00	Average Collected	3,378,904.85
Service Charge	.00	Interest Earned	671.15
Interest Paid	671.15	Annual Percentage Yield Earned	0.25%
Current Balance	3,379,576.00	2015 Interest Paid	9,131.60

Deposits and Additions

Date	Description	Amount
8/31	Interest Deposit	671.15

Daily Balance Information

Date	Balance	Date	Balance
8/03	3,378,904.85	8/31	3,379,576.00

Please examine this statement upon receipt and report at once if you find any difference.
If no error is reported in 30 days, the account will be considered correct. All items are credited subject to final payment.

sunrise Community™

Excellence in Serving Special Needs

Sunrise Community Foundation, Inc
9040 Sunset Drive
Miami, FL 33173
T 305.596.9040
F 305.598.8240
Www.sunrisegroup.org

November 11, 2015

To Whom It May Concern:

RE: 680 Quaker Knob Road, Chuckey, TN

Should the USDA loan be delayed or not be funded, Sunrise Community Foundation will provide the funds for the construction and ancillary costs at 680 Quaker Knob Road in Chuckey, Tennessee.

Subsequent to the 990 preparation for FY ending June 30, 2014, the Foundation had a cash infusion of $5.1 million, so has additional resources more than adequate to fund the construction and ancillary costs at Quaker Knob Road.

Sincerely,

James G. Weeks
Chief Financial Officer

C, Economic Feasibility-3

Reasonableness of Costs

CLARK/DIXON
ARCHITECTS

2035 MADISON AVENUE / MEMPHIS, TN 38104 / 901/272-9250 / clarkdixonarchitects.com

November 09, 2015

Mr. Michael Hart
V.P. of Customer Service & Operations
Sunrise Community, Inc.
9040 Sunset Drive
Miami, FL. 33173

Re: Construction Costs
680 Quaker Knob Rd.
ICF/IID Home

Dear. Michael,

Clark/Dixon Architects has prepared the design drawings and construction cost estimate for the ICF/IID Home that the Sunrise Community proposes to build on Quaker Knob Road in Chuckey, Tennessee. The proposed construction costs for this home is based upon Clark/Dixon Architect's 10 years of experience in designing and constructing over forty (40) four-bed ICF/MR Homes for the State of Tennessee, Department of Intellectual and Developmental Disabilities, across the State. Eleven (11) of these homes were built in the Greeneville, TN., area over the past five (5) years. The proposed construction costs for the Sunrise home is comparable to the construction costs encountered for similar ICF/MR Homes we designed and built in the Greeneville area.

Please notify me if you have any questions or require additional information.

Sincerely,

R. Larry Clark

R. Larry Clark, RA, NCARB
Partner

C, Economic Feasibility-6.B

Comparison of Charges

10/7/2015 Email from Clayton Wells

Department of Intellectual and Developmental Disabilities

Celeste Putnam

Subject: FW: ICF information

From: Clayton Wells [mailto:Clayton.Wells@tn.gov]
Sent: Wednesday, October 07, 2015 8:27 AM
To: Celeste Putnam; Margi E. Story
Cc: John Craven
Subject: RE: ICF information

Below is a list of DIDD's East TN Home and daily rate associated.

Chuckey Pike	$833.70
Meadowbrook	$790.79
Horse Creek	$785.55
Stone Dam #2	$759.10
Stone Dam #3	$794.53
Susong #1	$760.76
Susong #2	$748.78
Amity	$749.84
Asheville Hwy. #1	$935.84
Buckingham #1	$853.48
Buckingham #3	$730.33
Buckingham #2	$978.83
Dyer Street	$887.38
Redbud	$749.90
Rambo	$749.90
Asheville Highway #2	$749.90

From: Celeste Putnam [mailto:celeste@chrysalisconsulting.comcastbiz.net]
Sent: Tuesday, October 06, 2015 8:07 PM
To: Margi E. Story; Clayton Wells
Cc: John Craven
Subject: RE: ICF information

Thank you very much.

From: Margi E. Story [mailto:Margi.E.Story@tn.gov]
Sent: Tuesday, October 6, 2015 8:57 PM
To: Clayton Wells <Clayton.Wells@tn.gov>
Cc: Celeste Putnam <celeste@chrysalisconsulting.comcastbiz.net>; John Craven <John.Craven@tn.gov>
Subject: FW: ICF information

Clayton please see the email below. I wasn't sure about our current rates or access to this information. I would greatly appreciate a reply to Ms. Putnam.

From: Celeste Putnam [celeste@chrysalisconsulting.comcastbiz.net]
Sent: Tuesday, October 06, 2015 7:33 PM
To: Margi E. Story
Subject: ICF information

My name is Celeste Putnam and I am working for a company that intends to submit a Certificate of Need to operate ICF/MR programs in the Greene county area. The Certificate of Need application requires that the applicant include information on the ICF/MR rates in the area. I saw on your website that you are the director of numerous community homes in the area. Are you able to share with me the rates for those homes and if not would you please suggest someone that I can contact that might have the information. Thank you very much for your assistance.

C, Economic Feasibility-10

Audited Financial Statement

Balance Sheet and Income Statement

Sunrise Community Foundation, Inc.'s Federal Tax Form 990

SUNRISE COMMUNITY OF TENNESSEE, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2014 and 2013

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MSL MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Sunrise Community of Tennessee, Inc.
Miami, Florida

We have audited the accompanying financial statements of Sunrise Community of Tennessee, Inc., which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors of
Sunrise Community of Tennessee, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunrise Community of Tennessee, Inc. as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014, on our consideration of Sunrise Community of Tennessee, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sunrise Community of Tennessee, Inc.'s internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Miami, Florida
November 7, 2014

SUNRISE COMMUNITY OF TENNESSEE, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

ASSETS

	2014	2013
CURRENT ASSETS		
Cash	$ 13,615	$ 750
Accounts receivable, net of allowance for doubtful accounts of approximately $7,200	1,627,511	3,140,113
Prepaid expenses	80,089	53,023
TOTAL CURRENT ASSETS	1,721,215	3,193,886
LEASEHOLD IMPROVEMENTS, FURNITURE, AND EQUIPMENT, net	799,277	673,733
OTHER ASSETS	17,515	13,325
TOTAL ASSETS	$ 2,538,007	$ 3,880,944

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	1,205,043	$ 1,136,919
Capital leases payable	317,905	242,577
TOTAL CURRENT LIABILITIES	1,522,948	1,379,496
CAPITAL LEASES PAYABLE, net of current portion	462,864	412,607
TOTAL LIABILITIES	1,985,812	1,792,103
COMMITMENTS AND CONTINGENCIES		
UNRESTRICTED NET ASSETS	552,195	2,088,841
TOTAL LIABILITIES AND NET ASSETS	$ 2,538,007	$ 3,880,944

The accompanying notes are an integral part of the financial statements.

SUNRISE COMMUNITY OF TENNESSEE, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2014 and 2013

	2014	2013
REVENUES		
Medicaid waiver revenue	$ 19,146,966	$ 18,062,795
Rent revenue	218,751	198,481
Other support and revenue	7,749	9,777
TOTAL OPERATING REVENUE	19,373,466	18,271,053
EXPENSES		
Program services		
Residential	15,411,758	14,770,302
Supporting services		
Management and general	2,794,288	2,883,966
TOTAL OPERATING EXPENSES	18,206,046	17,654,268
CHANGE IN NET ASSETS BEFORE OTHER GAINS	1,167,420	616,785
OTHER GAINS		
Net gain on sale and disposal of equipment	26,634	43,369
CHANGE IN NET ASSETS	1,194,054	660,154
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	2,088,841	489,469
NET ASSETS TRANSFERRED (TO) FROM RELATED PARTIES	(2,730,700)	939,218
UNRESTRICTED NET ASSETS - END OF YEAR	$ 552,195	$ 2,088,841

The accompanying notes are an integral part of the financial statements.

SUNRISE COMMUNITY OF TENNESSEE, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,194,054	$ 660,154
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	316,497	260,172
Provision for doubtful accounts	-	3,332
Net gain on sale and disposal of equipment	(26,634)	(43,369)
Changes in operating assets and liabilities:		
Accounts receivable	1,512,602	(1,626,890)
Prepaid expenses	(27,066)	41,747
Other assets	(4,190)	750
Accounts payable and accrued expenses	68,124	(30,650)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	3,033,387	(734,754)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of leasehold improvements, furniture, and equipment	(17,794)	(8,145)
Proceeds from sale of equipment	26,959	43,369
NET CASH PROVIDED BY INVESTING ACTIVITIES	9,165	35,224
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital leases	(298,987)	(240,580)
Net assets transferred (to) from related parties	(2,730,700)	940,110
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(3,029,687)	699,530
NET INCREASE IN CASH	12,865	-
CASH - BEGINNING OF YEAR	750	750
CASH - END OF YEAR	$ 13,615	$ 750

The accompanying notes are an integral part of the financial statements.

SUNRISE COMMUNITY OF TENNESSEE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2014

	PROGRAM SERVICE	SUPPORTING SERVICE	
	Residential	Management and General	TOTAL EXPENSES
Salaries	$ 11,468,509	$ 873,678	$ 12,342,187
Payroll taxes and fringe benefits	2,254,662	166,201	2,420,863
TOTAL PERSONNEL COSTS	13,723,171	1,039,879	14,763,050
Advertising	-	15,633	15,633
Building occupancy	282,260	220,843	503,103
Cleaning supplies and services	629	3,129	3,758
Consultants and professional fees	4,212	38,995	43,207
Depreciation and amortization	309,037	7,460	316,497
Dues and licenses	-	11,761	11,761
Food and kitchen supplies	1,385	-	1,385
Interest	51,478	1,378	52,856
Insurance	309,987	11,914	321,901
Linens and laundry	362	-	362
Medical supplies	21,040	-	21,040
Office supplies	2,629	76,748	79,377
Personal care costs	41,758	-	41,758
Personnel processing and related costs	-	56,301	56,301
Postage and delivery	-	12,510	12,510
Program supplies	7,914	-	7,914
Repairs and maintenance	135,006	44,987	179,993
Small appliances and furniture	18,070	4,495	22,565
Staff development and training	4,901	68,567	73,468
Telephone	14,141	40,883	55,024
Transportation cost	332,199	22,660	354,859
Travel, conference, and seminar	144,799	34,616	179,415
Utilities	6,780	28,241	35,021
TOTAL OPERATING EXPENSES	1,688,587	701,121	2,389,708
TOTAL EXPENSES BEFORE MANAGEMENT FEES	15,411,758	1,741,000	17,152,758
MANAGEMENT FEES	-	1,053,288	1,053,288
TOTAL	$ 15,411,758	$ 2,794,288	$ 18,206,046

The accompanying notes are an integral part of the financial statements.

SUNRISE COMMUNITY OF TENNESSEE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES *(Continued)*

Year Ended June 30, 2013

	PROGRAM SERVICE	SUPPORTING SERVICE	
	Residential	Management and General	TOTAL EXPENSES
Salaries	$ 11,014,586	$ 905,772	$ 11,920,358
Payroll taxes and fringe benefits	2,169,856	174,926	2,344,782
TOTAL PERSONNEL COSTS	13,184,442	1,080,698	14,265,140
Advertising	-	25,935	25,935
Building occupancy	243,088	216,789	459,877
Cleaning supplies and services	332	3,065	3,397
Consultants and professional fees	-	45,236	45,236
Depreciation and amortization	256,561	3,611	260,172
Dues and licenses	-	12,629	12,629
Food and kitchen supplies	634	-	634
Interest	41,676	-	41,676
Insurance	315,789	12,458	328,247
Linens and laundry	180	-	180
Medical supplies	19,453	-	19,453
Office supplies	3,016	62,900	65,916
Personal care costs	68,217	-	68,217
Personnel processing and related costs	-	48,352	48,352
Postage and delivery	-	13,801	13,801
Program supplies	5,483	-	5,483
Provision for doubtful accounts	3,332	-	3,332
Repairs and maintenance	161,663	40,800	202,463
Small appliances and furniture	24,641	1,737	26,378
Staff development and training	12,646	72,452	85,098
Telephone	9,673	37,648	47,321
Transportation cost	310,148	16,923	327,071
Travel, conference, and seminar	104,051	44,905	148,956
Utilities	5,277	30,751	36,028
TOTAL OPERATING EXPENSES	1,585,860	689,992	2,275,852
TOTAL EXPENSES BEFORE MANAGEMENT FEES	14,770,302	1,770,690	16,540,992
MANAGEMENT FEES	-	1,113,276	1,113,276
TOTAL	$ 14,770,302	$ 2,883,966	$ 17,654,268

The accompanying notes are an integral part of the financial statements.

SUNRISE COMMUNITY OF TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2014 and 2013

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Sunrise Community of Tennessee, Inc. (the "Organization") is a not-for-profit corporation organized for the purpose of providing housing, supervision, training, therapeutic, medical, educational, and other related services to individuals with intellectual and other developmental disabilities in the state of Tennessee.

The Organization was incorporated on April 1, 1995, exclusively for charitable and educational purposes. Sunrise Community of Tennessee, Inc. is affiliated through common control with several other not-for-profit corporations that also provide services to individuals with intellectual and other developmental disabilities in various states. The Organization, and each of the related corporations, has as their sole shareholder the Phineas Corporation, a Florida not-for-profit corporation organized to act as the holding company. The entire group of related corporations is referred to as the "Sunrise Group."

Sunrise Community, Inc., a member of the Sunrise Group, provides administrative and cash management services to all of the group members.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash Management

The Sunrise Group has established a cash management policy to facilitate optimum cash flow flexibility and control, and to establish central banking relationships utilizing a minimum number of accounts. All cash is managed through a general operating account and a general payroll account of Sunrise Community, Inc. All cash receipts of the related corporations of the Sunrise Group are transferred to the Sunrise Community, Inc. general operating account on a periodic basis. Each operating entity controls its own operating and payroll accounts, and receives necessary cash flow requirements through Sunrise Community, Inc. This is accomplished through a zero balance account system whereby operating cash balances are swept on a daily basis to Sunrise Community, Inc. and cash transfers are made to cover checks clearing daily.

NOTE 1 - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasehold Improvements, Furniture, and Equipment

Leasehold improvements, furniture, and equipment acquisitions in excess of $2,500 are recorded at cost, except for donated assets which are recorded at their estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which range from 4 years to 7 years. Amortization of leasehold improvements is computed on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term.

Medicaid Waiver Revenue

Client services rendered to Medicaid program beneficiaries are reimbursed under a maximum fee-for-service methodology.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Direct expenses are charged to each program and activity when incurred. All expenses not directly chargeable to a program are allocated based on the program's proportionate share of total expenditures.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been included in the accompanying financial statements. As of June 30, 2014, with few exceptions, the Organization is no longer subject to income tax examinations for its federal income tax returns filed prior to 2011.

Subsequent Events

The Organization has evaluated subsequent events for recognition and disclosure through November 7, 2014, which is the date the financial statements were available to be issued.

NOTE 2 - NET ASSETS TRANSFERRED (TO) FROM RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Sunrise Group's cash management policies require all cash receipts to be transferred to the Sunrise Community, Inc. general operating account (see Note 1). Cash transfers back to the Organization are only made to cover its required cash flow needs, creating a due (to) from Sunrise Community, Inc. Since there is no intention to repay these related party balances, any excess cash transfers are considered a permanent transfer of net assets at year end. During the years ended

NOTE 2 - NET ASSETS TRANSFERRED (TO) FROM RELATED PARTIES AND RELATED PARTY TRANSACTIONS ***(Continued)***

June 30, 2014 and 2013, the Organization transferred net assets (to) from entities in the Sunrise Group amounting to $(2,730,700) and $939,218, respectively. Net assets transferred to related entities during the year ended June 30, 2013, included non-cash assets and its related liabilities with a book value of $892.

Sunrise Community, Inc. provides substantially all executive management, financial, information systems, and human resource management functions to the members of the Sunrise Group. Sunrise Community, Inc. charged management fees of $1,053,288 and $1,113,276 for the years ended June 30, 2014 and 2013, respectively, for such services.

The Organization has several leases payable for transportation equipment in which the Organization is a co-borrower with Sunrise Community, Inc. The related assets and liabilities are included in the Organization's statements of financial position. The leases are collateralized by the transportation equipment.

NOTE 3 - LEASEHOLD IMPROVEMENTS, FURNITURE, AND EQUIPMENT

Leasehold improvements, furniture, and equipment consist of the following at June 30, 2014 and 2013:

	2014	2013
Furniture and equipment	**$ 129,030**	$ 119,674
Leasehold improvements	**98,188**	95,688
Transportation equipment	**2,193,218**	1,922,476
	2,420,436	2,137,838
Less accumulated depreciation and amortization	**1,621,159**	1,464,105
	$ 799,277	$ 673,733

Depreciation and amortization expense for the years ended June 30, 2014 and 2013, was approximately $316,000 and $260,000, respectively.

NOTE 4 - OBLIGATIONS UNDER CAPITAL LEASES

The Organization leases transportation equipment under capital leases. The basis in the assets and liabilities under the capital leases were recorded at the present value of the minimum lease payments. Future minimum lease payments required under capital leases at June 30, 2014, are as follows:

Year Ending June 30,	Amount
2015	$ 360,293
2016	279,311
2017	166,868
2018	49,813
Total minimum lease payments	856,285
Less amount representing interest	75,516
Present value of net minimum lease payments (which includes $317,905 classified as current obligation)	$ 780,769

Assets and accumulated amortization under capital leases that are included in property and equipment at June 30, 2014 and 2013, are as follows:

	2014	2013
Transportation equipment	$ 1,352,748	$ 1,012,847
Less accumulated amortization	610,190	389,055
	$ 742,558	$ 623,792

Interest paid on all borrowing arrangements for the years ended June 30, 2014 and 2013, was $52,856 and $41,676, respectively.

NOTE 5 - FUNDING

The Organization operates homes for the individuals with intellectual disabilities which are licensed by the state of Tennessee and funded by the Tennessee Department of Mental Health and Developmental Disabilities. This funding provided 99% of the Organization's total revenues for each one of the years ended June 30, 2014 and 2013.

NOTE 6 - EMPLOYEE BENEFIT PLAN

The Organization maintains a defined contribution benefit plan (403(b) salary deferral plan) covering substantially all employees. Employees may elect to contribute amounts to the plan not to exceed a specified percentage of annual compensation, subject to the current limit imposed by Internal Revenue Service guidelines. The Organization, at its discretion, may match the participants' contributions at a specified percentage, limited by a stated maximum amount. An unrelated investment company administers the assets of the plan. The total employer contributions charged to expense for the years ended June 30, 2014 and 2013, were $13,708 and $16,618, respectively.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Client Trust Funds

The Organization is a trustee for client funds which are expended on behalf of the clients for personal items. The amount of client funds held and the offsetting liability at June 30, 2014 and 2013, amounted to approximately $75,000 and $105,000, respectively. This amount has not been reflected in the Organization's statements of financial position.

Legislation and Regulatory Contingency

Government funding for health care programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions, all of which may materially affect program reimbursement to health care facilities. Changes in the reimbursement policies of the Medicaid programs as a result of legislative and regulatory actions by federal and state governments could adversely affect the revenues of the Organization.

Third-Party Rate Adjustments and Revenue

Substantially all program service revenue was derived under state third-party reimbursement programs. These revenues are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Operating Leases

The Organization has leases with related parties with various options to renew. The annual commitment is equal to the total property-related expenses incurred by the lessor including depreciation and interest. Rent expense to related parties was approximately $205,000 and $194,000 for the years ended June 30, 2014 and 2013, respectively.

Total rent expense paid to unrelated third parties for operating leases with various terms ranging from month-to-month to seven years was approximately $281,000 and $255,000 for the years ended June 30, 2014 and 2013, respectively.

Total rent expense was approximately $486,000 and $449,000 for the years ended June 30, 2014 and 2013, respectively.

NOTE 7 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Operating Leases *(Continued)*

The following is a schedule of future minimum lease payments as of June 30, 2014, for all operating lease obligations:

Year Ending June 30,	Amount
2015	$ 387,000
2016	275,000
2017	226,000
2018	224,000
2019	211,000
Thereafter	220,000
	$ 1,543,000

Litigation

The Organization is subject to legal proceedings that arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability, if any, in excess of applicable insurance coverage, will not have a material effect on the financial condition, change in net assets, or liquidity of the Organization. However, as the outcome of litigation or other legal claims is difficult to predict, significant changes in the estimated exposure could occur.

Workers' Compensation

The Organization was insured through a workers' compensation full-insurance program from June 1, 2007 through May 31, 2013. Effective June 1, 2013, the Organization and certain other Sunrise Group affiliates have a workers' compensation partially self-insured policy that requires monthly payments for premiums and estimated claims. The new program contains an aggregate stop-loss amount that fixes the maximum exposure during the policy year.

For the years ended June 30, 2014 and 2013, the Organization paid and expensed approximately $546,000 and $561,000, respectively, for the workers' compensation insurance policies. At June 30, 2014 and 2013, the amount of the liability for all policy years for known claims and incurred, but not reported amounts, was approximately $78,000 and $76,000, respectively.

Guarantees and Borrowing Arrangements

The Organization and other related affiliates of the Sunrise Group have guaranteed certain loans payable to financial institutions. The aggregate outstanding amount of those borrowings at June 30, 2014, that was subject to the guarantees was approximately $10,620,000. The loan agreements contain certain restrictive financial covenants. The Organization and other related affiliates are required to meet certain performance covenants under the financing agreement. The Organization and other related affiliates were in compliance with the covenants at June 30, 2014.

NOTE 7 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Credit Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash. Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of accounts receivable. Management believes concentrations of credit risk with respect to accounts receivable is mitigated by the taxing authority of the governmental entity funding the program.

MSL MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Sunrise Community of Tennessee, Inc.
Miami, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sunrise Community of Tennessee, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2014.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Sunrise Community of Tennessee, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sunrise Community of Tennessee, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Sunrise Community of Tennessee, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors of
Sunrise Community of Tennessee, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sunrise Community of Tennessee, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sunrise Community of Tennessee, Inc.'s internal control or on compliance. This report is an integral part of audits performed in accordance with *Government Auditing* Standards in considering Sunrise Community of Tennessee, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Miami, Florida
November 7, 2014

Sunrise Community of Tennessee
Sunrise Community of Tennessee
For the Twelve Months Ending June 30, 2015

	June 2015
ASSETS	
CURRENT ASSETS	
Cash	($2,047.24)
Accounts Receivable - Net	1,651,577.97
Other Receivables	71,409.10
Prepaid Assets	79,158.42
TOTAL CURRENT ASSETS	**1,800,098.25**
ASSETS WHOSE USE IS LIMITED	
PROPERTY, BUILDINGS AND EQUIPMENTS, NET	***675,459.51***
OTHER ASSETS	
Deposits	20,664.59
TOTAL OTHER ASSETS	**20,664.59**
TOTAL ASSETS	**2,496,222.35**
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	29,484.38
Accrued Expenses	1,083,823.96
Deferred Revenue	48,224.52
Current Portion of	
Obligation Under Capital Leases	271,073.27
TOTAL CURRENT LIABILITIES	**1,432,606.13**
LONG TERM LIABILITIES	
Obligation Under Capital Leases	274,678.10
TOTAL LONG TERM LIABILITIES	**274,678.10**
TOTAL LIABILITIES	**1,707,284.23**
NET ASSETS	
Unrestricted	1,477,471.67
Net Asset Transferred from (to) Related Party	(688,533.55)
TOTAL NET ASSETS	**788,938.12**
TOTAL LIABILITIES AND NET ASSETS	**2,496,222.35**

Sunrise Community of Tennessee
Sunrise Community of Tennessee
For the Twelve Months Ending June 30, 2015

	@Quarter ACTUAL	@Quarter ACTUAL	@Quarter ACTUAL	April ACTUAL	May ACTUAL	June ACTUAL	June BUDGET	Monthly Variance	YTD ACTUAL	YTD BUDGET	YTD Variance
REVENUES											
60102 - Non Residential Habilitation	191, 833	164, 468	234, 682	76, 561	68, 458	81, 420	55, 412	26, 008	817,422	641,191	176,231
60104 - Personal Care Assistance	82, 806	18, 929	8, 452	5, 742	993	421	0	421	117,344	521,795	(404,451)
60107 - Supported Living	3, 994, 382	3, 836, 961	3, 897, 134	1, 310, 495	1, 360, 860	1, 349, 825	1, 302, 173	47, 652	15,749,657	15,843,101	(93,444)
60109 - Supported Employment	56, 694	43, 354	45, 732	23, 343	24, 589	24, 028	19, 037	4, 991	217,740	220,286	(2,546)
60115 - Transportation	2, 068	(14)	0	0	0	0	0	0	2,053	0	2,053
60117 - Nursing	9, 057	4, 654	4, 498	1, 066	893	2, 043	1, 056	987	22,211	12,672	9,539
60121 - Community Participation	414, 941	329, 072	296, 408	108, 908	114, 511	121, 579	148, 505	(26, 926)	1,385,418	1,718,417	(332,999)
60150 - Other Medicaid Waiver Services	6, 243	6, 110	9, 570	2, 190	2, 400	730	1, 683	(953)	27,243	20,196	7,047
60209 - Supported Employment	0	0	5, 964	1, 988	0	0	0	0	7,952	0	7,952
60500 - Management Contracts	300	300	300	100	100	100	99	1	1,200	1,188	12
61000 - Grants	0	0	7, 419	(7, 419)	0	0	0	0	0	0	0
61002 - Grants - DOT	0	0	0	8, 656	1, 237	1, 237	0	1, 237	11,129	0	11,129
67800 - Prior Year Revenue	(860)	0	(693)	0	0	(2, 864)	0	(2, 864)	(4,416)	0	(4,416)
TOTAL - PROGRAM SERVICE REVENUE	4, 757, 463	4, 403, 835	4, 509, 468	1, 531, 629	1, 574, 039	1, 578, 518	1, 527, 965	50, 554	18,354,953	18,978,847	(623,894)
67000 - Miscellaneous Revenue	667	1, 000	1, 333	344	333	0	0	0	3,678	0	3,678
68000 - Rent Revenue	65, 537	62, 325	70, 372	22, 581	22, 656	23, 814	18, 252	5, 562	267,264	219,024	48,260
69002 - Gain/Loss on Asset Disposal	0	0	12, 686	(14, 151)	0	(10, 819)	0	(10, 819)	(12,285)	0	(12,285)
TOTAL OTHER INCOME	66, 203	63, 326	84, 391	8, 774	22, 989	12, 994	18, 252	(5, 258)	258,677	219,024	39,653
TOTAL REVENUE	4, 823, 667	4, 467, 161	4, 593, 859	1, 540, 403	1, 597, 029	1, 591, 513	1, 546, 217	45, 296	18,613,630	19,197,871	(584,240)
EXPENSES											
70001 - Vacation Salaries	0	0	0	0	0	30, 529	0	30, 529	30,529	0	30,529
70100 - Administrative Salaries	141, 892	141, 545	139, 611	46, 784	48, 532	45, 321	47, 325	(2, 004)	563,686	575,783	(12,097)
71000 - Maintenance Salaries	27, 338	25, 263	23, 532	8, 635	9, 517	8, 673	8, 031	643	102,959	97,706	5,252
71700 - On Call Nurses	56, 702	49, 479	76, 262	24, 939	26, 967	10, 716	0	10, 716	245,066	0	245,066
71800 - Nursing Salaries	199, 449	217, 156	252, 903	92, 785	101, 144	118, 874	85, 211	33, 663	982,310	1,036,731	(54,420)
71900 - Program Support Salaries	48, 992	55, 107	63, 451	32, 063	31, 024	25, 672	15, 019	10, 653	246,309	182,725	63,584
72000 - RPD/QMRP Salaries	136, 566	131, 687	128, 122	49, 937	50, 276	47, 383	39, 090	8, 293	543,971	475,595	68,376
72100 - Direct Support Staff Salaries	2, 099, 674	2, 035, 851	1, 807, 173	595, 156	616, 712	629, 565	688, 469	(58, 905)	7,784,132	8,877,187	(1,093,055)
72200 - On Call DSS Salaries	194, 269	126, 573	111, 744	31, 304	30, 804	36, 446	0	36, 446	531,140	0	531,140
72400 - Supported Living Coaches	9, 539	9, 444	9, 208	5, 186	3, 103	3, 205	3, 003	201	39,684	36,540	3,144
72500 - Assistant Home Managers	149, 593	149, 076	136, 987	34, 445	38, 192	45, 682	59, 178	(13, 496)	553,976	720,000	(166,025)
73600 - Staff Development Salaries	26, 154	26, 040	32, 723	11, 588	9, 851	9, 734	9, 595	140	116,091	116,734	(643)
74700 - Day Program Individual Salaries	0	0	1, 371	932	468	(53)	0	(53)	2,719	0	2,719
74800 - Supported Employee	7, 063	5, 876	7, 459	2, 541	2, 540	2, 300	2, 590	(290)	27,779	31,509	(3,730)
TOTAL SALARIES AND WAGES	3, 097, 232	2, 973, 097	2, 780, 549	936, 295	969, 131	1, 014, 047	957, 510	56, 538	11,770,350	12,150,512	(380,161)
75100 - FICA Expense	184, 736	178, 901	166, 553	56, 323	58, 095	60, 696	60, 209	487	705,304	752,216	(46,912)
75101 - Medicare Expense	43, 204	41, 840	38, 952	13, 172	13, 587	14, 196	14, 081	115	164,951	175,922	(10,970)
75200 - State Unemployment Expense	2, 797	9, 000	15, 800	5, 000	6, 000	13, 268	4, 234	9, 034	51,865	52,170	(305)
75300 - Group Health Insurance Expense	318, 628	339, 138	293, 011	95, 431	65, 782	108, 631	108, 701	(70)	1,220,622	1,339,430	(118,807)
75301 - Employee Group Health Deduction	(78, 683)	(79, 990)	(74, 117)	(21, 226)	(25, 230)	(26, 047)	(25, 600)	(447)	(305,293)	(315,446)	10,153
75400 - Workman's Comp. Ins. Expense	138, 375	132, 839	128, 901	42, 687	44, 834	19, 646	42, 338	(22, 692)	507,282	521,699	(14,417)
75401 - Workman's Comp Paid Losses	0	0	71	(1)	0	(23, 668)	0	(23, 668)	(23,598)	0	(23,598)
75500 - Retirement Fund Match Expense	3, 461	3, 764	3, 092	1, 064	1, 133	1, 136	1, 181	(45)	13,649	14,558	(909)
75501 - Flex Spending Expense	7, 495	7, 533	7, 583	1, 900	1, 950	(666)	2, 462	(3, 127)	25,794	30,332	(4,538)
75900 - Fringe Benefit Allocation	0	0	0	0	0	0	0	0	0	0	0
TOTAL FRINGE BENEFITS	620, 013	633, 026	579, 844	194, 350	166, 150	167, 193	207, 607	(40, 413)	2,360,576	2,570,879	(210,303)
76500 - Nursing Consultants	0	0	0	0	0	0	584	(584)	0	7,008	(7,008)
77900 - Miscellaneous Consultants	100	0	42	0	0	0	0	0	142	0	142
TOTAL CONSULTANTS	100	0	42	0	0	0	584	(584)	142	7,008	(6,867)
78000 - Medical Supplies	3, 282	5, 638	4, 482	811	1, 438	2, 504	1, 548	957	18,155	18,575	(420)
79600 - Programming Therapy Supplies	507	1, 071	146	2	0	0	181	(181)	1,725	2,177	(452)
79700 - Adaptive Equipment	61	0	0	0	0	0	13	(13)	61	162	(100)
TOTAL PROGRAM SUPPLIES	3, 851	6, 708	4, 628	812	1, 438	2, 504	1, 743	762	19,942	20,914	(972)
79900 - Recreational Field Trips	1, 258	756	113	328	171	489	704	(215)	3,117	8,449	(5,332)
80000 - Staff Development Supplies	9, 949	33, 084	10, 400	5, 028	3, 693	2, 234	3, 696	(1, 462)	64,589	64,000	589
80400 - Other Operating Expenses	0	0	0	0	0	94	0	94	94	0	94
80500 - Unreimbursed Advances	9, 247	10, 126	(5, 818)	791	891	6, 661	3, 661	3, 000	21,897	43,927	(22,030)
80800 - Food Costs	256	75	104	0	0	45	91	(46)	480	1,110	(630)
82000 - Small Appliances & Furniture	9, 436	8, 465	4, 475	824	2, 917	1, 595	980	615	27,712	11,762	15,950

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Sunrise Community of Tennessee
Sunrise Community of Tennessee
For the Twelve Months Ending June 30, 2015

	@Quarter ACTUAL	@Quarter ACTUAL	@Quarter ACTUAL	April ACTUAL	May ACTUAL	June ACTUAL	June BUDGET	Monthly Variance	YTD ACTUAL	YTD BUDGET	YTD Variance
82100 - Cleaning Supplies	937	1, 108	1, 107	247	337	462	420	42	4,198	5,040	(842)
82200 - Clothing	36	81	0	0	0	0	86	(86)	117	1,029	(912)
82300 - Personal Care Items	163	18	0	14	0	0	25	(25)	195	300	(105)
82400 - Linens & Towels	199	91	458	0	0	0	8	(8)	748	100	648
82500 - Medical Professional Fees	0	966	128	0	10	0	0	0	1,104	0	1,104
82600 - Laundry Supplies	57	4	10	0	0	0	17	(17)	71	203	(132)
82800 - Program Staff Travel	27, 302	33, 437	24, 198	7, 997	10, 429	9, 660	8, 663	997	113,022	119,178	(6,156)
82900 - Seminars & Workshops	0	0	0	2, 119	0	0	75	(75)	2,119	899	1,220
TOTAL RESIDENTIAL EXPENSES	58, 842	88, 211	35, 175	17, 347	18, 647	21, 240	18, 426	2, 815	239,463	255,997	(16,533)
84100 - Service Contracts	2, 175	2, 834	2, 330	667	667	667	172	495	9,340	2,069	7,271
84101 - Service Contracts - Pest Control	1, 990	3, 005	2, 195	685	220	1, 355	0	1, 355	9,450	0	9,450
84102 - Service Contracts - Lawn & Grounds	3, 089	1, 702	0	460	2, 370	690	778	(88)	8,311	9,339	(1,028)
84103 - Service Contracts - Waste Removal	298	1, 120	188	52	52	281	61	220	1,991	726	1,265
84104 - Service Contracts - Equipment	4, 354	3, 421	2, 543	1, 188	0	1, 503	1, 149	354	13,009	13,790	(781)
84105 - Service Contracts - Sewage	360	0	0	0	0	0	0	0	360	0	360
84106 - Service Contracts - Software	1, 650	1, 650	1, 650	550	550	550	314	236	6,600	3,771	2,829
84400 - Repairs & Maintenance	31, 308	17, 429	13, 698	7, 228	2, 374	5, 341	3, 514	1, 827	77,376	42,173	35,203
84500 - Repairs & Maintenance Supplies	21, 207	23, 103	20, 459	7, 126	6, 403	4, 167	5, 777	(1, 610)	82,467	69,328	13,139
TOTAL MAINTENANCE EXPENSES	66, 429	54, 264	43, 064	17, 955	12, 636	14, 554	11, 766	2, 788	208,903	141,196	67,708
87100 - Transportation - Repairs	25, 717	19, 969	18, 596	8, 474	7, 026	3, 360	3, 773	(413)	83,142	45,277	37,866
87200 - Transportation - Fuel	67, 960	45, 409	30, 402	12, 850	14, 870	17, 002	17, 353	(352)	188,494	208,237	(19,744)
87300 - Transportation - Tags & Licenses	1, 549	836	1, 390	229	394	1, 462	363	1, 099	5,859	4,351	1,508
87301 - Transportation - Fleet Charges	7, 642	8, 029	7, 762	2, 210	2, 210	2, 210	2, 020	190	30,063	24,243	5,820
87400 - Transportation - Rental	89	1, 798	169	0	77	371	469	(97)	2,505	5,625	(3,119)
87500 - Transportation - Leases	756	(756)	0	0	0	0	0	0	0	0	0
92801 - Interest Expense - Transportation	12, 749	11, 436	9, 992	2, 844	2, 712	2, 816	3, 267	(451)	42,548	39,199	3,350
92902 - Insurance - Transportation	43, 884	34, 382	28, 341	9, 985	16, 561	10, 015	10, 504	(489)	143,169	126,053	17,116
TOTAL TRANSPORTATION EXPENSES	160, 346	121, 105	96, 652	36, 592	43, 850	37, 236	37, 749	(513)	495,781	452,985	42,796
88400 - Telephone Expense	15, 823	15, 709	15, 566	7, 237	6, 301	6, 873	4, 369	2, 504	67,509	52,639	14,870
88500 - Utilities	10, 338	9, 478	13, 540	2, 870	2, 875	3, 181	2, 451	730	42,282	29,411	12,871
88501 - Utilities - Cable TV	200	17	86	31	375	124	102	23	833	1,221	(387)
88700 - Rental Storage Space	2, 229	3, 424	2, 206	896	1, 531	926	671	255	11,212	8,054	3,158
88800 - Building Rent Expense	103, 650	111, 489	110, 938	46, 271	37, 763	38, 976	34, 810	4, 165	449,087	417,723	31,364
89200 - Depreciation Expense	87, 446	85, 927	88, 905	26, 664	24, 467	26, 867	26, 637	229	340,276	319,648	20,627
89300 - Real/Personal Property Taxes	1, 933	3, 208	1, 331	630	439	439	769	(329)	7,980	9,222	(1,243)
92400 - Other Financing Cost	76	209	169	53	124	4	223	(219)	635	2,674	(2,039)
92804 - Interest Allocation	19, 287	21, 790	19, 699	6, 954	6, 484	6, 776	5, 499	1, 277	80,989	65,986	15,003
92901 - Insurance - Property	8, 868	8, 868	8, 868	2, 956	2, 956	3, 715	3, 147	568	36,230	37,762	(1,532)
TOTAL BUILDING & UTILITIES	249, 850	260, 119	261, 307	94, 562	83, 315	87, 881	78, 678	9, 204	1,037,034	944,340	92,693
TOTAL OPERATING EXPENSES	539, 417	530, 408	440, 868	167, 269	159, 886	163, 417	148, 945	14, 472	2,001,265	1,822,439	178,825
91000 - Advertising	(474)	1, 517	3, 273	77	611	851	909	(58)	5,855	10,904	(5,048)
91100 - Employee Investigative Fee	9, 717	9, 001	8, 968	4, 131	8, 402	6, 328	4, 611	1, 717	46,546	55,331	(8,785)
92500 - Office Furniture & Small Equip	0	1, 445	(1, 044)	0	0	520	137	383	921	1,638	(717)
92600 - Computer Supplies	0	198	0	0	76	348	100	248	622	1,204	(582)
92601 - Computer Equipment	1, 128	1, 701	1, 309	0	2, 755	1, 057	1, 350	(293)	7,950	16,203	(8,253)
92700 - Bank Service Charges	105	155	198	153	94	87	108	(21)	790	1,295	(504)
92900 - Insurance - Liability	43, 107	43, 107	44, 228	15, 490	15, 490	72, 225	13, 300	58, 925	233,648	173,071	60,577
93200 - Office Supplies	6, 445	7, 843	7, 016	1, 702	3, 447	1, 982	3, 104	(1, 121)	28,436	37,243	(8,807)
93300 - Office Expense	621	1, 188	1, 994	356	940	359	290	69	5,458	3,477	1,981
93400 - Rent on Office Equipment	3, 857	3, 857	3, 857	1, 525	1, 166	1, 694	1, 166	528	15,956	13,992	1,964
93600 - Printing	399	452	203	313	54	85	115	(30)	1,505	1,382	123
93700 - Copying Expense	50	0	0	0	0	0	5	(5)	50	58	(8)
93800 - Postage & Shipping Expense	2, 039	2, 612	3, 240	1, 565	649	537	945	(407)	10,642	11,337	(695)
93900 - Books & Publications	280	0	79	0	35	126	4	122	520	52	468
94000 - Memberships & Professional Dues	1, 700	150	0	1, 700	0	0	83	(83)	3,550	994	2,556
94100 - Professional Fees - Auditing	6, 350	6, 350	6, 350	2, 117	2, 417	2, 417	2, 117	300	26,000	25,400	600
94101 - Professional Fees - Legal	0	2, 646	(3, 368)	0	86	0	208	(208)	(636)	2,500	(3,136)
94102 - Professional Fees - Other	0	200	0	0	0	0	0	0	200	0	200
94200 - License Fees/Taxes	3, 240	1, 730	3, 590	0	167	270	1, 003	(733)	8,997	12,042	(3,045)
95400 - Seminars & Workshops - Admin.	0	950	0	0	0	0	25	(25)	950	294	656
95500 - Administrative Travel	6, 313	9, 203	3, 981	1, 395	1, 117	94	937	(843)	22,103	11,242	10,862
97200 - Meeting & Conference Expense	704	835	1, 638	639	129	443	410	33	4,388	4,923	(535)
99100 - Bad Debt Expense	164	0	0	0	0	0	833	(833)	164	10,000	(9,836)
G&A BEFORE ALLOCATIONS	85, 746	95, 140	85, 512	31, 162	37, 634	89, 424	31, 759	57, 664	424,617	394,580	30,036
99200 - Headquarters Administrative Alloc.	286, 634	274, 737	275, 686	91, 738	100, 353	102, 397	92, 871	9, 526	1,131,545	1,114,453	17,093

Sunrise Community of Tennessee
Sunrise Community of Tennessee
For the Twelve Months Ending June 30, 2015

	@Quarter ACTUAL	@Quarter ACTUAL	@Quarter ACTUAL	April ACTUAL	May ACTUAL	June ACTUAL	June BUDGET	Monthly Variance	YTD ACTUAL	YTD BUDGET	YTD Variance
99201 - State Administrative Alloc.	0	0	0	0	0	0	0	0	0	1	(1)
99301 - Program Support Allocation	0	0	0	0	0	0	0	0	0	1	(1)
99400 - Local Administrative Allocation	0	0	0	0	0	0	0	0	0	0	0
TOTAL G&A ALLOCATIONS	286, 634	274, 737	275, 686	91, 738	100, 353	102, 397	92, 871	9, 526	1,131,545	1,114,454	17,092
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	372, 380	369, 877	361, 198	122, 899	137, 987	191, 820	124, 630	67, 190	1,556,162	1,509,034	47,128
TOTAL EXPENSES	4, 629, 042	4, 506, 408	4, 162, 459	1, 420, 813	1, 433, 153	1, 536, 477	1, 438, 692	97, 786	17,688,353	18,052,864	(364,511)
EXCESS REVENUE OVER / <UNDER> EXPENSES	194, 624	(39, 247)	431, 399	119, 590	163, 875	55, 035	107, 525	(52, 490)	925,277	1,145,006	(219,729)

MOORE STEPHENS
LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

February 12, 2015

Ms. Gloria Wetherington
Sunrise Community Foundation, Inc.
9040 Sunset Drive
Miami, FL 33173

Dear Ms. Wetherington:

Enclosed is the organization's 2013 Exempt Organization return.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has qualified for electronic filing. The return has been transmitted electronically to the IRS and no further action is required.

A copy of the return is enclosed for your files. We suggest that you retain this copy indefinitely.

We sincerely appreciate this opportunity to serve you. If you have any questions regarding the return, please do not hesitate to call.

Very truly yours,

Lawrence Schiff, CPA

COPY

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

June 30, 2014

Prepared for	Ms. Gloria Wetherington Sunrise Community Foundation, Inc. 9040 Sunset Drive Miami, FL 33173
Prepared by	Moore Stephens Lovelace, P.A. 701 Brickell Avenue, Suite 550 Miami, FL 33131
Amount due or refund	Not applicable
Make check payable to	Not applicable
Mail tax return and check (if applicable) to	Not applicable
Return must be mailed on or before	Not applicable
Special Instructions	This return has qualified for electronic filing. The return has been transmitted electronically to the IRS and no further action is required.

COPY

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Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2013, or fiscal year beginning JUL 1, 2013, and ending JUN 30, 20 14

▶ Do not send to the IRS. Keep for your records.

▶ Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.

OMB No. 1545-1878

2013

Name of exempt organization: SUNRISE COMMUNITY FOUNDATION, INC.

Employer identification number: 65-0021846

Name and title of officer
GLORIA WETHERINGTON
SECRETARY/TREASURER

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a,** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ [X]	**b Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	**1b**	281,681.
2a Form 990-EZ check here ▶ [ ]	**b Total revenue,** if any (Form 990-EZ, line 9)	**2b**	
3a Form 1120-POL check here ▶ [ ]	**b Total tax** (Form 1120-POL, line 22)	**3b**	
4a Form 990-PF check here ▶ [ ]	**b Tax based on investment income** (Form 990-PF, Part VI, line 5)	**4b**	
5a Form 8868 check here ▶ [ ]	**b Balance Due** (Form 8868, Part I, line 3c or Part II, line 8c)	**5b**	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2013 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize MOORE STEPHENS LOVELACE, P.A. (ERO firm name) to enter my PIN 21846 (Enter five numbers, but do not enter all zeros)

as my signature on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN. 59949133759 (do not enter all zeros)

I certify that the above numeric entry is my PIN, which is my signature on the 2013 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

LHA **For Paperwork Reduction Act Notice, see instructions.**

Form **8879-EO** (2013)

323051
10-01-13

14580212 793946 14301.94 2013.05060 SUNRISE COMMUNITY FOUNDATIO 14301_C1

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Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2013, or fiscal year beginning JUL 1, 2013, and ending JUN 30, 20 14

▶ Do not send to the IRS. Keep for your records.

▶ Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.

OMB No. 1545-1878

2013

Name of exempt organization

SUNRISE COMMUNITY FOUNDATION, INC.

Employer identification number

65-0021846

Name and title of officer

GLORIA WETHERINGTON
SECRETARY/TREASURER

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a,** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ ☐	**b Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	**1b**	
2a Form 990-EZ check here ▶ ☐	**b Total revenue,** if any (Form 990-EZ, line 9)	**2b**	
3a Form 1120-POL check here ▶ ☐	**b Total tax** (Form 1120-POL, line 22)	**3b**	
4a Form 990-PF check here ▶ ☐	**b Tax based on investment income** (Form 990-PF, Part VI, line 5)	**4b**	
5a Form 8868 check here ▶ ☒	**b Balance Due** (Form 8868, Part I, line 3c or Part II, line 8c)	**5b**	0.

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2013 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize MOORE STEPHENS LOVELACE, P.A. (ERO firm name) to enter my PIN 21846 (Enter five numbers, but do not enter all zeros)

as my signature on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN. 59949133759 (do not enter all zeros)

I certify that the above numeric entry is my PIN, which is my signature on the 2013 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

LHA **For Paperwork Reduction Act Notice, see instructions.**

Form **8879-EO** (2013)

323051
10-01-13

14580212 793946 14301.94 2013.05060 SUNRISE COMMUNITY FOUNDATIO 14301_C1

Product: Exempt
Name: Sunrise Community Foundation, Inc.
FEIN: *****1846
Fiscal Year
Begin Date: 7/1/2013

Category:

Fiscal Year
End Date: 6/30/2014

IRS Center: Ogden
e-Postmark: 02/13/2015 10:17:20 AM
Notification:

Date	Type Of Activity	Submission ID	Refund/(Due)	Updated By
02/13/2015	Upload Started			
02/13/2015	Ready to Release by Customer			
02/13/2015	Released for Transmission - Validation in Progress			msltax2007
02/13/2015	Ready to transmit - Validation Complete			
02/13/2015	Transmitted to FD	59949120150440335e71		
02/13/2015	Accepted by FD on 2/13/2015			

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

131

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning JUL 1, 2013 and ending JUN 30, 2014

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

C Name of organization: SUNRISE COMMUNITY FOUNDATION, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 9040 SUNSET DRIVE | Room/suite

City or town, state or province, country, and ZIP or foreign postal code: MIAMI, FL 33173

D Employer identification number: 65-0021846

E Telephone number: (305)596-9040

G Gross receipts $ 359,772.

F Name and address of principal officer: GLORIA WETHERINGTON
SAME AS C ABOVE

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.SUNRISEGROUP.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1986 **M** State of legal domicile: FL

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TO CONDUCT FUNDRAISING AND OTHER SPECIAL EVENTS FOR THE BENEFIT OF ITS TAX-EXEMPT AFFILIATES.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	7
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	6
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	212,169.	356,602.
	9	Program service revenue (Part VIII, line 2g)	0.	0.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,021.	3,170.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-74,770.	-78,091.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	139,420.	281,681.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	14,310.	132,021.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	14,310.	132,021.
	19	Revenue less expenses. Subtract line 18 from line 12	125,110.	149,660.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	2,318,386.	2,535,436.
	21	Total liabilities (Part X, line 26)	125.	0.
	22	Net assets or fund balances. Subtract line 21 from line 20	2,318,261.	2,535,436.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer | Date

▶ GLORIA WETHERINGTON, SECRETARY/TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LAWRENCE SCHIFF, CPA				P00479457

Firm's name ▶ MOORE STEPHENS LOVELACE, P.A. | Firm's EIN ▶ 59-3070669

Firm's address ▶ 701 BRICKELL AVENUE, SUITE 550
MIAMI, FL 33131 | Phone no. (305) 819-9555

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:
THE ORGANIZATION'S MISSION IS TO CONDUCT FUNDRAISING AND OTHER SPECIAL EVENTS FOR THE BENEFIT OF ITS TAX-EXEMPT AFFILIATES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ including grants of $) (Revenue $)
THE ORGANIZATION CONDUCTS FUNDRAISING EFFORTS AND OTHER SPECIAL EVENTS. IN ADDITION, THEY MAKE ALL INVESTMENT DECISIONS REGARDING CONTRIBUTED FUNDS.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶

COPY

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		X
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

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Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*			3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	X
b	If "Yes," enter the name of the foreign country: ▶				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	X
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?			13a	
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

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Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	7		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a		X
b	Other officers or key employees of the organization	15b		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ FL

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

[ ] Own website [ ] Another's website [X] Upon request [ ] Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

JAMES G. WEEKS - 305-596-9040
9040 SUNSET DRIVE, MIAMI, FL 33173

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

[X] Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) BARNETT A. GREENBERG PRESIDENT	1.00 6.00	X		X				0.	0.	0.
(2) ROBERT MORING DIRECTOR	1.00 1.00	X						0.	0.	0.
(3) STEPHEN M. WEINGER, ESQ. DIRECTOR	1.00 10.00	X						0.	0.	0.
(4) GLORIA A. WETHERINGTON SECRETARY/TREASURER	1.00 9.00	X		X				0.	0.	0.
(5) F. JOSEPH MCMACKIN, III, ESQ. DIRECTOR	1.00 5.00	X						0.	0.	0.
(6) MARILYN WYCOFF DIRECTOR	1.00 4.00	X						0.	0.	0.
(7) BILL LANK DIRECTOR	1.00 2.00	X						0.	0.	0.

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Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Sub-total ▶								0.	0.	0.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								0.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 0

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c	274,569.			
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	82,033.			
	g Noncash contributions included in lines 1a-1f: $					
	h Total. Add lines 1a-1f ▶		356,602.			
Program Service Revenue		Business Code				
	2 a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f ▶					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		3,170.			3,170.
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real / (ii) Personal				
	6 a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities / (ii) Other				
	7 a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8 a Gross income from fundraising events (not including $ 274,569. of contributions reported on line 1c). See Part IV, line 18	a 0.				
	b Less: direct expenses	b 78,091.				
	c Net income or (loss) from fundraising events ▶		-78,091.			-78,091.
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities ▶					
	10 a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11 a					
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d ▶					
	12 Total revenue. See instructions. ▶		281,681.	0.	0.	-74,921.

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management	12,170.		12,170.	
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion				
13 Office expenses	14.		14.	
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates	111,280.		111,280.	
22 Depreciation, depletion, and amortization				
23 Insurance	8,557.		8,557.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a				
b				
c				
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	132,021.	0.	132,021.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments	995,256.	2	1,271,991.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	1,923.	9	9,029.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a			
	b	Less: accumulated depreciation — 10b		10c	
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	1,321,207.	15	1,254,416.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	2,318,386.	16	2,535,436.
Liabilities	17	Accounts payable and accrued expenses	125.	17	0.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	125.	26	0.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	2,318,261.	27	2,535,436.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	2,318,261.	33	2,535,436.
	34	Total liabilities and net assets/fund balances	2,318,386.	34	2,535,436.

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	281,681.
2	Total expenses (must equal Part IX, column (A), line 25)	2	132,021.
3	Revenue less expenses. Subtract line 2 from line 1	3	149,660.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,318,261.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	67,515.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,535,436.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII [X]

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: [ ] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis	2a		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: [ ] Separate basis [X] Consolidated basis [ ] Both consolidated and separate basis	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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C, Contribution to the Orderly Development of Health Care-1

Health Care Provider List

List all existing health care providers with which the applicant currently has or plans to have contractual and/or working relationships.

Takoma Regional Hospital
401 Takoma Ave.
Greeneville, TN 37743

Laughlin Memorial Hospital
1410 Tusculum Blvd.
Suite 2600
Greeneville, TN 37745

Summit View (Nutrition)
10805 Harding Drive
Knoxville, TN 37932

Takoma Center Rehab (PT, OT, SLP)
108 West Summer Street
Greeneville, TN 37743

Amedysis (PT, OT, SLP)
1350 Serral Drive
Suite 1
Greeneville, TN 37745

Baileyton Medical Center
580 Van Hill Rd.
Greeneville, TN 37745

Takoma Medical Associates
438 East Vann Road
Suite 200
Greeneville, TN 37743

Laughlin Healthcare Center
801 East McKee Street
Greeneville, TN 37743

C, Contribution to the Orderly Development of Health Care-7.(d)

Sunrise Community, Inc.'s most recent Florida ICF/DD Survey

RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

September 21, 2015

Administrator
Sunrise Community, Inc
9790 SW 157th Terrace
Miami, FL 33157

Dear Administrator:

On September 9, 2015 - September 10, 2015, Recertification Life Safety Code surveys were conducted in your facility by representatives of this office.

Attached is the provider's copy of the Statement of Deficiency and CMS Form 2567 and State (3020) Form, which indicates no deficiencies were identified on the day of the visit. **You will not receive a copy of this report in the mail, you will only receive this faxed report.**

The *Quality Assurance Questionnaire* has long been employed to obtain your feedback following survey activity. This form has been placed on the Agency's website at http://ahca.myflorida.com/Publications/Forms.shtml as a first step in providing a web-based interactive consumer satisfaction survey system. You may access the questionnaire through the link under **Health Facilities and Providers** on this page. Your feedback is encouraged and valued, as our goal is to ensure the professional and consistent application of the survey process.

Thank you for the assistance provided to the surveyors. If you have questions, please contact Diane Moore at (305) 593-3100.

Sincerely,

Arlene Mayo-Davis
Field Office Manager, Area 11

AMD; DEM
Enclosures: CMS-2567, State (3020) Form

Miami Field Office
8333 N.W. 53rd Street, Suite 300
Miami, FL 33166
Phone:(305) 593-3100; Fax:(305) 593-3121
AHCA.MyFlorida.com

Facebook.com/ACHAFlorida
Youtube.com/AHCAFlorida
Twitter.com/AHCA_FL
SlideShare.net/AHCAFlorida

PRINTED: 09/14/2015
FORM APPROVED
OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED
	10G126		09/09/2015

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUNRISE COMMUNITY, INC	9790 SW 157TH TERRACE MIAMI, FL 33157

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
W 000	INITIAL COMMENTS An unannounced annual Fundamental Recertification survey was conducted on September 8, 2015 through September 9, 2015. The Sunrise Community Inc. facility is in compliance with 42 CFR Part 483, Subpart I- Requirements for the Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID).	W 000		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE TITLE (X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

PRINTED: 09/14/2015
FORM APPROVED

Agency for Health Care Administration

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED
	IC25950151		09/09/2015

NAME OF PROVIDER OR SUPPLIER: SUNRISE COMMUNITY, INC

STREET ADDRESS, CITY, STATE, ZIP CODE: 9790 SW 157TH TERRACE, MIAMI, FL 33157

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
I 000	Initial Comments An unannounced annual Re-licensure survey was conducted on September 8, 2015 through September 9, 2015. The Sunrise Community Inc facility was in substantial compliance with Chapter 400 Florida Statutes and 59A-35 Florida Administrative Code requirements for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID).	I 000		

AHCA Form 3020-0001

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 09/14/2015
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING 02 - MAIN BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	10G126		09/10/2015

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUNRISE COMMUNITY, INC	9790 SW 157TH TERRACE MIAMI, FL 33157

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 000	INITIAL COMMENTS A Fire Life Safety Federal Recertification Survey was conducted on September 10, 2015 at Sunrise Community Inc. (157th Terrace Group Home) under 42 CFR 483 Subpart I. Each Intermediate Care Facility for the Developmentally Disabled shall provide fire protection through the elimination of fire hazards. All portions of the existing facility shall comply with the requirements of Chapter 19 (Existing Health Care Occupancies) and all new portions shall comply with Chapter 18 (New Health Care Occupancies) as written in the Code for Safety to Life from Fire in Buildings and Structures, published by the National Fire Protection Association (NFPA), known as the Life Safety Code and its applicable referenced publications. The edition shall be described in 42 CFR, known as NFPA 101 (2000 Edition). K3 Building: 0101 K5 ICF K6 Plan Approval: 2002 K7 Survey Under: LSC 2000 Existing This facility was a one-story four-bedrooms single family home structure located at 9790 SW 157 Terr, Miami, Florida. The facility was licensed for 6 beds. Life Safety systems for the facility included a supervised fire alarm system and an automatic fire sprinkler system. The facility did not have a generator to provide emergency electric power in the event of a power outage. This survey was conducted to determine Sunrise Community Inc. (157th Terrace Group Home)'s compliance with the 2000 edition of NFPA 101,	K 000		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE TITLE (X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 09/14/2015
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING 02 - MAIN BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	10G126		09/10/2015

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUNRISE COMMUNITY, INC	9790 SW 157TH TERRACE MIAMI, FL 33157

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 000	Continued From page 1 the Life Safety Code and all of its referenced standards and publications. Based on the findings of this survey, it was determined that Sunrise Community Inc. (157th Terrace Group Home) was in substantial compliance with the Requirements.	K 000		

Supplemental #1
-COPY-

Sunrise Community of Tennessee

CN1511-055

SUPPLEMENTAL #1
November 24, 2015
8:27 am

RE: Certificate of Need Application CN1511-055
Sunrise Community of Tennessee, Inc.

Dear Ms. Williams:

This will acknowledge our November 12, 2015 receipt of your application for a Certificate of Need for the establishment of a four (4) bed ICF/IID home for four (4) residents located at 680 Quaker Knob Road, Chuckey (Greene County), Tennessee 37641.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 12:00 noon, Wednesday November 25, 2015. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

---

1. **Section A, Applicant Profile, Item 5**

   It appears the applicant will have a management contract with Sunrise Community, Inc. Please clarify what type of services will be provided.

   Response: Sunrise Community, Inc. will provide these management services under the contract provided in Applicant's application for a certificate of need (please see the attachment provided with the application itself: C, Economic Feasibility-4). Sunrise Community, Inc. has an administrative structure in place to maximize quality of care and financial efficiency for the delivery of services at the proposed Sunrise Community of Tennessee, and will provide the following services:

   - Advice and consultation from the Sunrise Group's President and C.E.O., Chief Operating Officer, Chief Financial Officer and their respective offices.
   - Staff support for administrative tasks needed by Sunrise Community of Tennessee, Inc.'s Board of Directors such as communication of meetings, transcribing meeting minutes, record keeping, preparing and filing required corporate documents, administrative functions for development and maintenance of policies and procedures, etc.
   - Banking relationship management to include establishment and maintenance of all bank accounts, credit cards and loans.
   - Management of Sunrise community of Tennessee, Inc.'s participation in the Sunrise Group's cash management program that ensures that Sunrise Community of Tennessee, Inc. is able to meet all its cash needs in a timely and cost efficient manner.
   - Accounting services to include maintenance of general and all subsidiary ledgers (A/R, A/P, payroll, etc.), control and storage of accounting records, centralized account payable and receivable functions, coordination of external audit function, recording and depreciation of capital assets, etc.

SUPPLEMENTAL #1
November 24, 2015
8:27 am

- Payroll functions to include, but not limited to, collection, recording and maintenance of time and attendance records, issuing payroll checks/deposits, preparing and filing required payroll tax returns.
- Assistance with budget development and management.
- Human resource functions to include assistance with employee recruitment, hiring, discipline and separation activities, employee benefits management, etc.
- Oversight of client trust account record keeping, representative payee functions, etc.
- Coordination of legal services as needed.
- Assistance with purchasing of insurance policies.
- Risk management services to include reporting and management of insurance claims, assistance with OSHA and HIPAA compliance, coordination of safety and risk reduction activities, maintenance of reported incident database, etc.
- Centralized purchasing for vehicles, major appliances, office and medical supplies, communication devises, etc.
- Fleet management services to include centralized fuel and maintenance purchasing, GPS monitoring of vehicle usage, coordination for vehicle repairs, registration and licensure, etc.
- Facilities management services to include selection and purchasing of facilities; coordination of repairs, maintenance and renovations; assistance with permitting, zoning issues and property tax filings; management of leasing arrangements; etc.
- Information services to include computer equipment, network and software analysis, purchase, installation and maintenance; database and website management; etc.
- Assistance with preparation and filing documentation to obtain and maintain required licenses, certifications and any other approves needed to conduct business.
- Maintenance of relationships with all funding sources and organizations.
- Assistance with local community and organizational relationships.
- Coordination and assistance with development activities such as fundraising, grant writing, donor solicitation and acknowledgement, volunteer management, etc.
- Assistance with staff orientation, training and development through Sunrise University.
- Corporate compliance and quality assurance assistance to help with identification and develop of systems and tools to review, audit and evaluate programs, services and operations to ensure compliance with government requirements, utilization of best practices, and identify under-performing units.

SUPPLEMENTAL #1
November 24, 2015
8:27 am

2. **Section A, Applicant Profile, Item 6**

Please provide documentation that Regional Properties Inc. has legal interest in the property to be leased to the applicant.

Response: Please see Attachment – Question 2 for a copy of Regional Properties, Inc.'s Warranty Deed to 680 Quaker Knob Road.

3. **Section B, Project Description, Item I.**

The executive summary is noted. However, please list each of the following topics and provide a brief description underneath each:

- Brief description of proposed services and equipment

  Response: This project involves the construction of a new 4-bed ICF/IID facility in Chuckey, Tennessee. The home will be a one story, fully accessible family home of approximated 2,800 square feet, with four bedrooms, living room, dining room, kitchen, laundry, and associated storage areas. The home will have two large, fully accessible bathrooms and one half bath.

  Services that will be provided to residents include meeting hygiene requirements, nursing care as required by individual needs, specialized dietary services, , and activities of daily living, including physical, occupational, and behavioral therapies. Services are based upon individual needs and individual activities are geared to assuring that persons have a meaningful, safe and healthy life in the community. The anticipated residents have significant medical needs, so the facility will have life support equipment in the form of oxygen and feeding pumps. An emergency generator is provided to ensure the operation of this equipment as well as for the heating and air conditioning systems essential to the health of these individuals.

- Ownership structure

  Response: Regional Properties, Inc. is the owner of the lot at 680 Quaker Knob Road, Chuckey, Tennessee, where it will construct this new facility. Regional Properties, Inc. is a wholly owned subsidiary of The Phineas Corporation, which also is the sole owner of Applicant's parent corporation Sunrise 2000, Inc. (see Organizational Chart included in Attachment A.4. to Applicant's application for a certificate of need). All of the entities under the Phineas Corporation are 501(c)(3) corporations. Applicant has a renewable 5-year lease with Regional Properties, Inc., to this property (and the facility that will be constructed). Applicant will continually renew the five year lease with Regional Properties, Inc., upon the expiration of each term.

- Service area

  Response: Under the terms of this court-ordered Exit Plan for the closure of the Greene Valley Development Center (GVDC, located in Greene County, Tennessee), the Tennessee Department of Intellectual and Developmental Disabilities (DIDD) is required to offer the residents of GVDC a choice between ICF/IID services and Medicaid Waiver services. According to Terry Jordan-Henley of the DIDD (in his

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email of 9/8/15, copy attached to the application), 75 of the 85 individuals remaining at GVDC chose ICF/IID services; and 36 of them have, via their legal representatives, expressed a desire to remain in the Greene County area. Also, of the 4 individuals who are expected to come to this new facility, 2 have family living in Greeneville, Tennessee, and one more has family living in nearby Elizabethton, Tennessee. For this reason, Applicant's proposed service area is Greene County, Tennessee.

- Need

Response: The GVDC is scheduled to close pursuant to an Exit Plan provided for in an order of the United States District Court for the Middle District of Tennessee for the settlement of current litigation pending in *People First of Tennessee, et al. v. Clover Bottom Developmental Center, et al.* As state, above, the DIDD is required to offer the remaining residents of GVDC a choice between ICF/IID services and Medicaid Waiver services, and 75 of the 85 individuals remaining at GVDC chose ICF/IID services, with 36 of them desiring to live in the Greene County area. This new facility, located in Greene County, is being developed to serve 4 of these individuals, all of whom will need new residences when GVDC closes.

- Existing Resources

Response: Each person who resides in the home will be funded through the ICF/IDD program and each currently is residing in GVDC which is also an ICF/IDD facility. Thus, each individual is currently receiving funding through the ICF/IDD program and will continue to receive this funding. The exact amount of the funding is dependent on cost as the ICF/IDD is a cost reimbursement program, assuring adequate funding for Sunrise Community of Tennessee, Inc.

- Project Cost

Response: Its estimated construction cost is $490,000 and the total project cost is estimated at $962,868. These funds will be expended by Regional Properties, Inc., which will lease the property back to Applicant at 5-year, renewable terms.

- Funding Financial Feasibility, and

Response: Regional Properties, Inc., is in the process of obtaining a Farmer's Home Administration Rural Development loan to build the home. If unanticipated problems arise with the loan, there is sufficient funding available from the Sunrise Community Foundation (see Attachment C, Economic Feasibility-2, to the application) to build the home. The ICF/IDD rate is sufficient to operate the home since it is a cost reimbursement program.

- Staffing

Response: Applicant employs 160-170 staff in the Greeneville area for its current programs. From this group of qualified individuals and from DIDD job fairs for GVDC staff, Applicant will be able to fill its 15.2 FTE staffing complement:

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Type of Position	Proposed (FTE)
Resident Manager	1.0
Qualified MR Professional	0.5
RN	0.5
LPN	5.6
Direct Support Workers	6.6
Director of Operation	0.5
Maintenance Director	0.5
Total	15.2

Please provide an overview of ICF/IID services.

Response: The ICF/IDD will provide specialized services for residents with intellectual disabilities and other physical challenges/related conditions. Residents will receive treatments in health and rehabilitative services consistent with their individual needs and in compliance with licensure requirements. Examples of services that will be provided include meeting hygiene requirements, specialized dietary services, and activities of daily living, including physical, occupational, and behavioral therapies. The overall goal is to provide these individuals with an environment and services that will let them live valued lives in a community setting. Services will provide residents with a full and productive life, which includes a home, family, and participation in community activities. A multi-disciplinary approach, with person-centered planning and program development, will be utilized to insure enhancement of personal development.

Please briefly discuss the previous application (CN1510-043) submitted by the applicant for an ICF/IID facility.

Response: Applicant has filed application CN1510-043 for a certificate of need for another 4-bed ICF/IID at 640 Old Shiloh Road, Greeneville, Greene County, Tennessee. It has the same floor plan as the facility in this present application, and will be outfitted and staffed in the same way. This facility also will serve four persons who currently reside at GVDC and have chosen Sunrise Community of Tennessee, Inc., as their provider.

On page 5 of the application the applicant notes a Project Cost of $949,840, but assigns $962,868 in the Project Costs Chart. Please clarify and submit a replacement page if necessary.

Response: The number on page 5 was a misprint. The correct figure is the one from the Project Costs Chart ($962,868). This has been corrected in the discussion of Project Cost on the previous page.

What State of Tennessee agency is responsible for the Home and Community-Based Services (HCBS) Waiver programs?

Response: TennCare is the administrative agency while the DIDD is responsible for operating the program.

What State agency is contracted to operate the HCBS waiver programs?

Response: The DIDD is contracted to operate the program. This means that it is responsible for the determining the eligibility of the consumers, managing services rendered by providers, and ensuring that the federal requirements are met throughout all aspects of the program.

Please provide an overview of the role of the Bureau of TennCare, TennCare Contracted Managed Care Companies (MCOs), and the Department of Intellectual and Developmental Disabilities in the administration of HCBS waiver programs and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs).

Response: As stated above TennCare is responsible for the overall administration of the HCBS waiver program while the DIDD is responsible for the operation. TennCare (Medicaid) is the funding source for the HCBS waiver. Consumers receive HCBS waiver covered services from providers who participate through DIDD's operation of the waiver. Persons receiving HCBS also receive State Plan Medicaid services through TennCare. These State Plan servicesare provided through MCOs contracted with TennCare.

For the ICF/IID program, TennCare, as the Medicaid agency, provides the per diem rate which covers all the services directly provided by the ICF/IID home. Persons living in ICF/IID receive acute care Medicaid State Plan services such as hospitalization or outpatient medical care through TennCare Medicaid paid directly by TennCare. Persons living in the ICF/IID are not enrolled in the MCOs.

What is the difference between long-term care services provide through an intermediate care facility for individuals with intellectual disabilities (ICF/IID) and services provided through a home and community–based settings?

Response: As described on the DIDD website, an ICF/IID provides specialized services for individuals with an intellectual disability or related conditions. ICF/IIDs were created as part of the Social Security Act and are an optional Medicaid benefit. These facilities are required to provide active treatment. The primary purpose of an ICF/IID is to provide health and rehabilitative services. The ICF/IID services are paid for as "bundled" services and managed by the ICF/IID provider. In ICF/IID programs the individual lives in an ICF/IID home and receives that majority of the supports, active treatment and care directly from the operator and the home and their staff.

All persons receiving ICF/IID services must meet the level of care criteria as defined in TennCare Rules. Many of the individuals who receive care have other disabilities, as well as intellectual challenges. Usually individuals who reside at the facilities are "medically fragile," meaning they have physical challenges, seizure disorders, behavior problems, mental illness, are visually or hearing impaired, have eating or feeding disorders, or have a combination of these conditions. ICF/IIDs are well positioned to provide and coordinate the array of services needed by this population.

Home and Community-Based Services (HCBS) are alternatives to institutional care, which include care in ICF/IIDs. HCBS are provided through three 1915(c) waiver programs approved by the federal government. . The DIDD is the state agency contracted

by TennCare to operate the waiver programs. Persons enrolled in the waiver may receive services from multiple providers that operate in the community and live in a variety of settings including their own or family home. Individuals are given choice regarding the specific services that they receive and the providers that they wish to receive services from.

Please discuss in detail the activities of a typical day for a resident of an ICF/IID home, including all clinical, personal care, day center and other tailored program activities that may apply.

Response: Residents routines vary according to their needs. However, a typical schedule would include the following activities:

- Wake up
- Bathes immediately if needed, or after breakfast
- Receives medication as needed
- Eats breakfast or receives enteral feeding
- Dresses for the day activities
- Receives training on self-care skills during medication administration, breakfast, dressing and throughout the day as identified in Individualized Program Plan
- Attends community activities in accordance with the Individualized Program Plan
- Receives therapies as needed throughout the day
- Receives positioning according to schedule
- Eats lunch or receives enteral feeding
- Receives medication as needed throughout the day
- Participates in leisure time activities
- Eats dinner or receives enteral feeding
- Bathes and puts on night clothes
- Participates in evening leisure time activities
- Receives medication if needed
- Retires to bed

The applicant has stated that the GVDC is scheduled to close on June 30, 2016. In the Project Completion Forecast Chart the applicant has indicated that the home will be ready to initiate services in March 2017. If GVDC closes on June 30, 2016, where will the four individuals expected to transfer to this home reside in the interim? Additionally, will the interim arrangements cover any unforeseen delays in permitting and opening of the facility or are the arrangements for interim care of the individuals time sensitive? Please clarify.

Response: Applicant has received an email from Theresa C. Sloan, Assistant Commissioner and General Counsel of DIDD (see Attachment – Question 3) stating, in part, as follows:

> The June 30, 2016 date specified in the closure agreement has not changed. The State expects that providers selected by persons transitioning out of GVDC are working expeditiously to establish homes in order to accommodate a timely transition. However, recognizing the potential for weather or other delays beyond providers' control, the State's closure agreement includes two potential periods of extension that can be exercised as needed, each 6 months in duration. In the event that the construction of any of the selected ICF settings is not complete until after

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the announced date of closure for GVDC, persons would not be subject to multiple transitions, but would continue to reside at GVDC until such time as the homes are completed.

Applicant already has built room into its schedule to accommodate such delays as are mentioned in Assistant Commissioner Sloan's email, and will make all efforts towards an early completion of this project.

4. Section C. (Need) Item 1 (Specific Criteria- ICF/IID Facilities)

The Tennessee Code Annotated Title 33; Title 68, Chapter 11 and Section 71-5-105(b)(2) states "Only providers that have been providing services to persons with developmental disabilities under contract with the state for at least five (5) years shall be eligible to apply for these new beds." Please describe the services and the number of years which the applicant has provided each service through contract(s) with the state of Tennessee to persons with developmental disabilities.

Response: In this response, services will be addressed first, followed by a discussion that details the number of years the services have been provided.

Services provided are as follows:

- **Community-Based Day Services:** Community-Based Day Services enable the service recipient to participate in meaningful and productive activities in integrated settings with other community members who may or may not have disabilities. Community-Based Day Services may be provided in a service recipient's home if there is a health, behavioral or other medical reason or if the individual has chosen retirement as indicated in the service definition. Supports provided may facilitate job exploration activities, volunteer work, educational activities and other meaningful, measurable community activities that promote developing relationships and maintaining ongoing relationships with friends and family members.

- **Employment-Based Day Services:** Employment-Based Day Services facilitate access and support activities such as competitive employment, self-employment, enclaves and work crews for individuals wishing to work in their community.

- **Family Model Services:** Family Model Residential Support is a type of residential service having individualized services and supports that enable a service recipient to acquire, retain, or improve skills necessary to reside successfully in a family environment in the home of trained caregivers other than the family of origin. The service includes direct assistance as needed with activities of daily living such as bathing, dressing, personal hygiene, eating, meal preparation excluding the cost of food, household chores and other activities essential to the health and safety of the service recipient (budget management, interpersonal and social skills, etc). It may also include the medication administration as permitted under Tennessee's Nurse Practice Act.

- **Follow-Along Services:** Follow-Along Services provide ongoing support and continuous or periodic job skill training services throughout the term of employment to enable an individual to maintain employment. The term also includes, but is not limited to, other support services provided at or away from the work site such as transportation, personal care services and counseling to family members.

- **Hospital Attendant Services:** Hospital Attendant Services enable Organization staff to be present with the individual during periods of in-patient hospitalization in order to provide for the continuity of supports and services to the extent feasible.

- **Individual Transportation Services:** Individual Transportation Services provide for the non-emergency transport of an individual to and from approved activities specified in his/her Individual Support Plan (ISP).

- **In-Home Day Services:** In-Home Day Services are provided in the person's place of residence for a limited duration (up to a maximum of 90 days) when there are exceptional circumstances that require the provision of these services in order to meet the person's specifically identified medical or behavioral needs. This may include psychiatric and/or behavioral destabilization and medical concerns/necessity. In-Home Day Services may be provided on a long-term or ongoing basis (more than 90 days) when warranted and supported by documentation.

- **Medical Residential Services:** Medical Residential Services are provided when all service recipients in the home require direct skilled nursing services and habilitative services and supports to enable them to acquire, retain or improve skills necessary to reside in a community-based setting. Medical Residential Services are ordered by the service recipient's physician, physician assistant or nurse practitioner, who document the medical necessity of the service and specify the nature and frequency of the nursing services.

- **Nursing Services:** Nursing Services are skilled nursing services that fall within the scope of Tennessee's Nurse Practice Act and that are directly provided to the individual in accordance with his/her ISP. Nursing Services are ordered by the individual's physician, physician assistant or nurse practitioner, who shall document the medical necessity of the services and specify the nature of frequency of the nursing services. Nursing Services shall be provided face to face with the individual by a Licensed Practical Nurse (LPN) under the supervision of a Registered Nurse (RN). Therapeutic goals and objectives shall be required for individuals receiving Nursing Services.

- **Personal Assistance Services:** Personal Assistance Services involve provision of direct assistance with activities of daily living (e.g., bathing, dressing, personal hygiene, eating, meal preparation excluding cost of food); household chores essential to the health and safety of the individual, budget management, attending appointments, and interpersonal and social skills building to enable the individual to live in a home in the community. Personal Assistance Services are provided in accordance with therapeutic goals and objectives as specified in the plan of care. These services may be provided in the home or community; however, they may not be provided in school settings and may not replace personal assistance services required to be covered by schools or services available through the Medicaid State Plan/TennCare program.

- **Residential Habilitation Services:** Residential Habilitation is a type of residential service providing services and supports that enable an individual to acquire, retain or improve skills necessary to reside in a community-based setting including direct assistance with activities of daily living (e.g., bathing, dressing, personal hygiene, eating, meal preparation, household chores) essential to the health and safety of the individual; budget management, attending appointments, and interpersonal and social skills building to enable the individual to live in a home in the community. It also

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may include medication administration as permitted under Tennessee's Nurse Practice Act. The provider of Residential Habilitation services provides personal funds management as specified in the Individual Support Plan (ISP). This service is currently provided in the Clarksville location only.

- **Respite Services:** Respite Services are those services provided to an individual when unpaid caregivers are absent or incapacitated due to death, hospitalization, illness or injury or when unpaid caregivers need relief from routine care giving responsibilities.

- **Semi-Independent Living:** Semi-Independent Living Services are offered to allow flexibility for the person to change to a residential, semi-independent living arrangement. This service is offered when individuals are independent with basic activities of daily living (fundamental self-care tasks such as bathing, dressing, chewing and swallowing food, and assistance with toileting) and yet still requires assistance with one or more of the following: Instrumental activities of daily living (training and assistance with managing money, preparing meals, shopping, health management, and maintenance), interpersonal and/or social skills building, and other activities that are needed to improve the person's capacity to live in the community. Individuals receiving this service have a level of independent and personal safety which requires only intermittent or limited support to live independently in their own home and do not require support staff to live in their home. They are also capable of self-administering their medication with minimal oversight and assistance. Access to emergency supports will be provided by the agency as needed by residential staff.

- **Supported Living Services:** Supported Living is a type of residential service providing individualized services and supports that enable an individual to acquire, retain, or improve skills necessary to reside in a home that is under the control and responsibility of the individual. Services include direct assistance as needed with activities of daily living (e.g., bathing, dressing, personal hygiene, eating, and meal preparation excluding the cost of food); household chores essential to the health and safety of the individual; budget management; attending appointments and interpersonal and social skills building to enable the individual to live in a home in the community. It may also include medication administration as permitted under Tennessee's Nurse Practice Act.

All of the foregoing 14 services have been provided for 16 years, with the exception of these 7:

- Residential Habilitation began in Middle TN in 1999. East TN does not provide Residential Habilitation.
- Personal Assistance began April 4, 2004 in Middle TN.
- Respite began in April 1, 2005.
- In Home Services began in 2013.
- Family Model Services (while listed in Applicant's Provider Agreement, these services have not yet been provided).
- Follow-Along Services (while listed in Applicant's Provider Agreement, these services have not yet been provided).
- Semi-Independent Living (while listed in Applicant's Provider Agreement, these services have not yet been provided).

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5. **Section C. (Need) Item 1 (Service Specific Criteria-ICF/IID Facilities) Need A.1 and A.2**

The applicant responded to the need formula using 2019 projected population. Please revise using 2015 population data.

Response: Revised subsections A.1 and A.2 to section C, Need-1:

A. Need

1. The population-based estimate of the total need for ICF/MR facilities is .032 percent of the general population. This estimate is based on the estimate for all mental retardation of 1 percent. Of the 1 percent estimate, 3.2 percent of those are estimated to meet level 1 criteria and be appropriate for ICF-MR services.

RESPONSE: The Greene Valley Developmental Center (GVDC) is scheduled to close, pursuant to an Exit Plan provided for in an order of the United States District Court for the Middle District of Tennessee for the settlement of current litigation pending in *People First of Tennessee, et al. v. Clover Bottom Developmental Center, et al.* Under the terms of this Exit Plan, the DIDD was required to offer the remaining residents of GVDC a choice between ICF/IID services and Medicaid Waiver services. This new facility, located in Greene County, is being developed to serve 4 of these individuals.

Variable	*Greene County*	*Tennessee*
CY (2015), Total Population	70,520	6,649,438
PY (2019), Total Population	71,989	6,894,997
Total Pop. % Change	2.1%	3.7%
TennCare Enrollees (Sept. 2015)	15,417	1,461,025
TennCare Enrollees as a % of Total Population	21.9%	22.0%
Median Age	44.2	38.6
Median Household Income	35,545	44,298
Population % Below Poverty Level	22.0%	17.6

The above state computations indicate that, based on the population of Greene County, there only is a total need for 23 total beds (0.032% x 70,520). This formula, however, was developed prior to the plan for closure of GVDC as described above and does not reflect the actual needs for ICF/IID beds in this county due to this court-ordered closure. Due to this planned closure, these additional beds are needed in this area.

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2. The estimate for total need should be adjusted by the existent ICF-MR beds operating in the area as counted by the Department of Health, the Department of Mental Health and Developmental Disabilities, and the Division of Mental Retardation Services in the Joint Annual Reports.

   RESPONSE: As was the case with the criterion above, this criterion is not applicable. The other existing beds in this area predate the order of the court closing the GVDC and therefore should not be considered in calculating the need for additional beds to meet the requirements of the order of the court to close the GVDC.

   Also, even if the 84 other ICF/IID beds in Greene County, listed below in section D, are counted, these additional beds can play no part in addressing the need for new ICF/IID beds brought about by the closure of GVDC, since these beds have operated at 99% occupancy for the past 3 years (see section C, Need-5, below).

The estimated total need should be adjusted by the existent ICF-IID beds operating in the proposed service area as counted by the Department of Health, Department of Mental health and Substance Abuse Services, and the Department of Intellectual and Developmental Disabilities. Please adjust the need by the current licensed ICF/IID facilities as listed in Section D on page 15-16.

Response: Under the formula shown above (Need = Population x 0.032%) the need for beds in Greene county is 23 beds. Not counting the beds being closed at GVDC, there are 84 other ICF/IID beds in Greene County. Adjusting the estimated need for beds by subtracting the 84 existing beds from the calculated need of 23 beds does not support the need for additional beds in Greene County. Such an adjustment, however, does not take into account the following crucial facts:

- The need for additional beds in Greene County is being driven by the court-ordered closure of the final 85 beds at GVDC, not by the need for beds to serve the residents of Greene County as calculated by a formula developed prior to the court order.
- The legal representatives of 36 of these 85 GVDC residents have expressed a desire to have these residents remain in Greene County.
- For the past three years, the other 84 ICF/IID beds in Greene County have been operating at 99% occupancy and, thus, have no ability to serve any significant part of the need expressed by the above 36 GVDC residents.

Therefore, the court-ordered closure of GVDC has given rise to the need for 36 additional ICF/IID beds in Greene County, and the 4 beds in this application are intended to meet a part of that need.

6. Section C. (Need) Item 4 (Population Demographics)

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area.

Variable	*Greene County*	*Tennessee*
CY (2015), Total Population		
PY (2019), Total Population		
Total Pop. % Change		
TennCare Enrollees		
TennCare Enrollees as a % of Total Population		
Median Age		
Median Household Income		
Population % Below Poverty Level		

Response: Here is the completed table:

Variable	*Greene County*	*Tennessee*
CY (2015), Total Population	70,520	6,649,438
PY (2019), Total Population	71,989	6,894,997
Total Pop. % Change	2.1%	3.7%
TennCare Enrollees (Sept. 2015)	15,417	1,461,025
TennCare Enrollees as a % of Total Population	21.9%	22.0%
Median Age	44.2	38.6
Median Household Income	35,545	44,298
Population % Below Poverty Level	22.0%	17.6

7. **Section C. (Need) Item 5**

The applicant included ICF/IID beds in nearby Washington and Unicoi Counties in describing the existing ICF/IID services in the proposed service area. However, using the chart below, please provide the occupancy and utilization for the past three years for the existing ICF/IIDs currently located in Greene County only.

		2012	2012	2012	2013	2013	2013	2014	2014	2014
Greene County	**Facility/Address**	**Lic. Beds**	**ADC**	**% Occupancy**	**Lic. Beds**	**ADC**	**% Occup.**	**Lic. Beds**	**ADC**	**% Occup.**

Response: Here is the table with the Washington and Unicoi County Comcare ICF/IIDs removed. Applicant received a DIDD email (copy attached as Attachment – Question 7) telling it that Comcare facilities C, D, E, and F were not located in Greene County.

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Greene County	2012	2012	2012	2013	2013	2013	2014	2014	2014
Facility/Address	Lic. Beds	ADC	% Occup.	Lic. Beds	ADC	% Occup.	Lic. Beds	ADC	% Occup.
COMCARE A	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE B	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE G	4	4	100.0%	4	3.8	96.2%	4	3.6	91.3%
COMCARE H	4	4	100.0%	4	4	100.0%	4	3.9	98.4%
COMCARE I	4	3.9	98.4%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES A	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES B	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES C	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES D	4	3.8	94.0%	4	4	100.0%	4	3.7	91.8%
EAST TENNESSEE HOMES E	4	3.8	96.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES F	4	3.4	84.4%	4	4	100.0%	4	3.7	93.8%
EAST TENNESSEE HOMES G	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES H	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES I	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEEHOMES J	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES K	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES L	4	4	100.0%	4	3.8	95.8%	4	4	100.0%
EAST TENNESSEE HOMES M	4	4	100.0%	4	3.9	97.9%	4	4	100.0%
EAST TENNESSEE HOMES N	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES O	4	3.9	98.7%	4	3.8	96.0%	4	4	100.0%
EAST TENNESSEE HOMES P	4	4	99.6%	4	4	100.0%	4	4	100.0%

8. Section B. (Plot Plan)

How is the 2.0 acre parcel presently zoned? Is it located in a Flood Plain? If applicable, please describe the process to be followed that may apply to rezoning the site for its use as proposed in the application (residential home).

Response: The property at 680 Quaker Knob Road is in a residential zone where a 4-bed ICF/IID home is a permitted use. Therefore, there is no need to apply for rezoning. And this property is in the X flood zone on the FEMA flood map for this area (#47059C0255D), indicating that it is not located in a Flood Plain.

Please describe the site development of the property pertaining to the proposed residential homes access to gas, electric, water and sewage.

Response: The property at 680 Quaker Knob Road has both water and electrical service available from local utilities. Sewer service is not available, so Regional Properties, Inc. will be installing a septic tank system as part of its construction of the new facility. There is no gas service in the area, but this is not applicable to this project, since this new facility will not be using gas appliances.

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Tennessee Code Annotated 33-2-418 (a) indicates that "The department shall not license more than two (2) such residential facilities within five hundred yards (500 yds.) in any direction from other such facilities housing persons served. All set-back requirements applicable to lots where such facilities are located shall apply to such residential facilities." In this project, it appears that the 2 facilities are across the driveway from one another and may not be in compliance with the setback requirements in state statute. Please explain how the proposed residential facility will comply with this requirement.

Response: Applicant is not aware of any other ICF/IID within 500 yards of 680 Quaker Knob Road, and is not sure about the second facility to which reference is made in this question. The site of Applicant's other application for a certificate of need for a 4-bed ICF/IID facility at 640 Old Shiloh Road is more than ten miles away. And the only structure across the driveway from the main house is the facility's 10' x 20' storage shed. Additionally, the new facility is set back more than 50' from any street and therefore is in compliance with all setback requirements. This facility, then, in no way violates any provision of Tennessee Code Annotated 33-2-418 (a).

9. Section B. (Floor Plan)

If needed, where will a resident receive the physical, occupational, and behavioral therapy services?

Response: Therapeutic services are provided primarily in the home. However, at times, services may be provided in the therapists' offices. The place in the home where the therapy is provided depends upon the goal that is being addressed and the need for privacy. In most cases, the therapy will be provided in the part of the home where the skill will normally occur. For example, if the occupational therapist is working on a mealtime related skill, the session will likely occur in the dining area. On the other hand, if the skill is intended to encourage communication, the speech and language therapist may provide the therapy in the living room. If privacy is required for the therapeutic activity, the session will take place in the bedroom.

10. Section C. (Economic Feasibility) Item 1. (Project Cost Chart)

Please identify the $22,000 assigned to fixed equipment.

Response: This is the cost of purchasing and installing the facility's emergency generator.

Please indicate how the applicant calculated the $734,000 lease cost assigned to B.1.

Response: On October 30, 2015—during the process of providing supplemental information to the Health Services and Development Agency (HSDA) in support of Applicant's application for a certificate of need for a new 4-bed ICF/IID at 640 Old Shiloh Road (CN1510-043)—Applicant received guidance from the HSDA on the correct way to calculate and report its lease costs on line B.1 of the Project Costs Chart. Applicant was advised that its lease cost was equal to the total amount it would cost Regional Properties, Inc. to construct the new facility (since Applicant's actual lease payments were less than this total amount), and that Regional Properties, Inc.'s total cost consisted of the following elements:

- Acquisition of Site: $ 25,000
- Preparation of Site: $170,000
- Construction Costs: $490,000
- Contingency Fund: $ 33,000

Those costs totaled $718,000.

In this new application (680 Quaker Knob Road, CN1511-055), the same building is being constructed, and Regional Properties total costs are similar:

- Acquisition of Site: $ 21,000
- Preparation of Site: $170,000
- Construction Costs: $510,000
- Contingency Fund: $ 33,000

These costs total $734,000. The $16,000 difference comes from an additional cost of $20,000 in Construction Costs (for the sprinkler system and pump), and a smaller land acquisition cost.

Please provide a revised letter from the architect that addresses all the following:

1) a general description of the project, including size of facility
2) his/her estimate of the cost to construct the project to provide a physical environment, according to applicable federal, state and local construction codes, standards, specifications, and requirements and
3) attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications, ADA, and licensing agencies' requirements including the newest AIA Guidelines for Design and Construction of Hospital and Health Care Facilities

Response: Please see letter for Applicant's architect (Attachment – Question 10), in which the architect addresses the above concerns and that the architect prepared the construction cost estimate for this project.

11. Section C. (Economic Feasibility) Item 3

Please compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

Response: Applicant's Architect has built 11 4-bed ICF/IID homes over the past 5 years (see copy of architect's letter in Attachment – Question 11), all of which were preceded by the issuance of a certificate of need from the Health Services and Development Agency. The first of these homes had construction costs of $173 per square foot, the costs per square foot increased with each passing year. Applicant's $175 cost per square foot is very much in line with these rates.

12. Section C (Contribution to Orderly Development) Item 7 (a.)

What are the Medicare Requirements concerning ICF/IIDs?

Response: Applicant is not a Medicare provider. However, for persons living in the home who may be dually eligible, Medicare/Medicaid, Medicare will pay medical providers for services provided outside of the ICF/IID per diem.

13. Project Completion Forecast Chart

The agency initial decision date of January 1, 2016 on the top of the Project Completion Forecast Chart is noted. However, the earliest the application can be reviewed is during the February 24, 2016 Agency meeting. Please revise and submit a replacement page.

Response: Revised chart appears as Attachment – Question 13.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application, the sixtieth (60th) day after written Notification is January 15, 2016. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Resubmittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. ɜ 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported

to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

SUPPLEMENTAL #1
November 24, 2015
8:27 am

Attachment - Question 3

November 23, 2015 Email from Theresa C. Sloan

Assistant Commissioner and General Counsel

Department of Intellectual and Developmental Disabilities

SUPPLEMENTAL #1
November 24, 2015
8:27 am

Celeste Putnam

From: Michelle Pitts <MPitts@sunrisegroup.org>
Sent: Monday, November 23, 2015 11:54 AM
To: Celeste Putnam; Jameson Dormann; Michael Hart; Juan Ramos; Ann Williams
Subject: Fwd: langugae for CON supplemental Request

Hi Celeste,

Theresa Sloan just sent me the answer to the last question!

Please read previous email & let me know if you need additional information.

Thank you,

Michelle Pitts
Regional Administrator

Sent from my iPhone

Begin forwarded message:

From: "Theresa C. Sloan" <Theresa.C.Sloan@tn.gov<mailto:Theresa.C.Sloan@tn.gov>>
Date: November 23, 2015 at 10:49:01 AM CST
To: "'mpitts@sunrisegroup.org<mailto:mpitts@sunrisegroup.org>'" <mpitts@sunrisegroup.org<mailto:mpitts@sunrisegroup.org>>
Cc: John Craven <John.Craven@tn.gov<mailto:John.Craven@tn.gov>>, Jordan Allen <Jordan.Allen@tn.gov<mailto:Jordan.Allen@tn.gov>>
Subject: langugae for CON supplemental Request

Michelle
Per our discussion below is the language for your response to the supplemental CON request

The June 30, 2016 date specified in the closure agreement has not changed. The State expects that providers selected by persons transitioning out of GVDC are working expeditiously to establish homes in order to accommodate a timely transition. However, recognizing the potential for weather or other delays beyond providers' control, the State's closure agreement includes two potential periods of extension that can be exercised as needed, each 6 months in duration. In the

SUPPLEMENTAL #1
November 24, 2015
8:27 am

event that the construction of any of the selected ICF settings is not complete until after the announced date of closure for GVDC, persons would not be subject to multiple transitions, but would continue to reside at GVDC until such time as the homes are completed.

SUPPLEMENTAL #1
November 24, 2015
8:27 am

Attachment - Question 7

Communication from Terry Jordan-Henley

Department of Intellectual and Developmental Disabilities

On Updated Chart of Greene County 4-bed ICFIID Home

SUPPLEMENTAL #1
November 24, 2015
8:27 am

Celeste Putnam

From: Ann Williams <AWilliams@sunrisegroup.org>
Sent: Friday, November 20, 2015 2:10 PM
To: Celeste Putnam; Michelle Pitts; Michael Hart; Juan Ramos; Jameson Dormann
Subject: FW: Updated Greene County ICFs
Attachments: ICF-IID Utilization Only Greene County 2012-13-14 REDACTED.xlsx

Importance: High

Celeste,
I spoke to Terry Jordan-Henley at Regional Office regarding question #7. He sent me the attached updated list. Please see his email below and let me know if you have any questions or need additional information.

Michelle will be sending you our beefed-up version for question #3.
Thanks!
Ann

From: Terry Jordan-Henley [mailto:Terry.Jordan-Henley@tn.gov]
Sent: Friday, November 20, 2015 2:06 PM
To: Ann Williams <AWilliams@sunrisegroup.org>
Cc: Marla Stair-Wood <Marla.Stair-Wood@tn.gov>
Subject: Updated Greene County ICFs

This list does not include C & D (they are in Washington County) or E & F (they are in Unicoi County). Use this as needed. Thanks, tjh

Terry Jordan-Henley | Deputy Regional Director
East Tennessee Regional Office
Department of Intellectual and Developmental Disabilities
520 W. Summit Hill Dr, Suite 201
Knoxville, TN 37902
Ofc. 865-594-9302, Cell 865-313-1264
terry.jordan-henley@tn.gov
tn.gov/didd

SUPPLEMENTAL #1
November 24, 2015
8:27 am

@didd_tn

NOTE: This e-mail may contain PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual(s) to which it is addressed. If you are not an intended recipient of this e-mail, you are hereby notified of the strict prohibition of any unauthorized use, dissemination or copying of this e-mail or the information contained in it or attached to it. If you have received this e-mail in error, please delete it and immediately notify the person named above by reply mail. Thank you.

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8:27 am

Facility/Address	2012 Lic. Beds	2012 ADC	2012 % Occup.	2013 Lic. Beds	2013 ADC	2013 % Occup.	2014 Lic. Beds	2014 ADC	2014 % Occup.
COMCARE A	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE B	4	4	100.0%	4	4	100.0%	4	4	100.0%
COMCARE G	4	4	100.0%	4	3.8	96.2%	4	3.6	91.3%
COMCARE H	4	4	100.0%	4	4	100.0%	4	3.9	98.4%
COMCARE I	4	3.9	98.4%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES A	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES B	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES C	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES D	4	3.8	94.0%	4	4	100.0%	4	3.7	91.8%
EAST TENNESSEE HOMES E	4	3.8	96.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES F	4	3.4	84.4%	4	4	100.0%	4	3.7	93.8%
EAST TENNESSEE HOMES G	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES H	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES I	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEEHOMES J	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES K	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES L	4	4	100.0%	4	3.8	95.8%	4	4	100.0%
EAST TENNESSEE HOMES M	4	4	100.0%	4	3.9	97.9%	4	4	100.0%
EAST TENNESSEE HOMES N	4	4	100.0%	4	4	100.0%	4	4	100.0%
EAST TENNESSEE HOMES O	4	3.9	98.7%	4	3.8	96.0%	4	4	100.0%
EAST TENNESSEE HOMES P	4	4	99.6%	4	4	100.0%	4	4	100.0%

SUPPLEMENTAL #1
November 24, 2015
8:27 am

Attachment - Question 10

Architect's Letter on Project Costs

SUPPLEMENTAL #1
November 24, 2015
8:27 am

CLARK/DIXON
ARCHITECTS

2035 MADISON AVENUE / MEMPHIS, TN 38104 / 901/272-9250 / clarkdixonarchitects.com

November 20, 2015

Mr. Michael Hart
V.P. of Customer Service & Operations
Sunrise Community, Inc.
9040 Sunset Drive
Miami, FL. 33173

Re: Construction Costs
680 Quaker Knob Rd.
ICF/IID Home

Dear. Michael,

Clark/Dixon Architects has prepared the design drawings and construction cost estimate for the ICF/IID Home that the Sunrise Community proposes to build on Quaker Knob Road in Chuckey, Tennessee. The home design consists of four (4) bedrooms, two (2) large baths for persons with varying degrees of disability including provision for a future hydrotherapy tub, a one-half bath for staff and visitors, a full kitchen, living room with dining area, a nurse's area, medical equipment storage, and mechanical/electrical rooms. The home is provided with an emergency generator and fire sprinkler system to insure the safety and comfort of the occupants. The home contains 2,721 square feet of heated floor space. The estimated construction cost provides for all costs to construct the home and to provide a physical environment according to applicable federal, state and local construction codes, standards, and specification requirements. The home's physical environment will conform to applicable federal standards, manufacturer specifications, ADA, and licensing agencies' requirements including the newest AIA Guidelines for Design and Construction of Hospital and Health Care Facilities.

Please notify me if you have any questions or require additional information.

Sincerely,

R. Larry Clark

R. Larry Clark, RA, NCARB
Partner

SUPPLEMENTAL #1
November 24, 2015
8:27 am

CLARK/DIXON
ARCHITECTS
2035 MADISON AVENUE / MEMPHIS, TN 38104 / 901/272-9250 / clarkdixonarchitects.com

November 09, 2015

Mr. Michael Hart
V.P. of Customer Service & Operations
Sunrise Community, Inc.
9040 Sunset Drive
Miami, FL. 33173

Re: Construction Costs
680 Quaker Knob Rd.
ICF/IID Home

Dear. Michael,

Clark/Dixon Architects has prepared the design drawings and construction cost estimate for the ICF/IID Home that the Sunrise Community proposes to build on Quaker Knob Road in Chuckey, Tennessee. The proposed construction costs for this home is based upon Clark/Dixon Architect's 10 years of experience in designing and constructing over forty (40) four-bed ICF/MR Homes for the State of Tennessee, Department of Intellectual and Developmental Disabilities, across the State. Eleven (11) of these homes were built in the Greeneville, TN., area over the past five (5) years. The proposed construction costs for the Sunrise home is comparable to the construction costs encountered for similar ICF/MR Homes we designed and built in the Greeneville area.

Please notify me if you have any questions or require additional information.

Sincerely,

R. Larry Clark

R. Larry Clark, RA, NCARB
Partner

SUPPLEMENTAL #1
November 24, 2015
8:27 am

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF Miami-Dade

NAME OF FACILITY: 680 Quaker Knob Road

I, James G. Weeks, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Signature/Title sec Treas

Sworn to and subscribed before me, a Notary Public, this the 20th day of November, 2015 witness my hand at office in the County of Miami-Dade, State of Florida.

NOTARY PUBLIC

My commission expires _____, _____.

MARIA A. FREYRE
Notary Public - State of Florida
My Comm. Expires Nov 15, 2018
Commission # FF 169893
Bonded through National Notary Assn.

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Greeneville Sun (Name of Newspaper), which is a newspaper of general circulation in Greene County (County), Tennessee, on or before November 9 (Month / day), 2015 (Year), for one day.

==========

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Sunrise Community of Tennessee, Inc. (Name of Applicant) N/A (Facility Type-Existing)

owned by: Sunrise Community of Tennessee, Inc. with an ownership type of corporation and to be managed by: Sunrise Community of Tennessee, Inc. intends to file an application for a Certificate of Need for: the establishment of a 4-bed ICF/IID home at 680 Quaker Knob Road, Chuckey, Greene County, Tennessee 37641. The estimated project costs, calculated according to HSDA rules, for this project are approximately $965,868. These beds, replacing four beds being closed at Greene Valley Developmental Center, will be licensed by the Tennessee Department of Intellectual and Developmental Disabilities as ICF/IID beds upon project completion. Services provided will include life care support for individuals with intellectual and/or developmental disabilities, appropriate therapies, community integration, and life skills development.

The anticipated date of filing the application is: November 13, 2015.

The contact person for this project is Ann Williams (Contact Name) Executive Director (Title)

who may be reached at: Sunrise Community of Tennessee, Inc., (Company Name) 1705 West Main Street (Address)

Greeneville (City) Tennessee (State) 37743 (Zip Code) 423 / 636-1333 ext 115 (Area Code / Phone Number)

(Signature) 11/9/15 (Date) AWilliams@sunrisegroup.org (E-mail Address)

==========

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

==========

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

==========

Department of
Intellectual &
Developmental Disabilities

MEMORANDUM

TO: FROM:

Melanie Hill, Executive Director
Health Services and Development Agency

Theresa Sloan, Assistant Commissioner and General Counsel; Theresa Sloan
Tennessee Department of Intellectual and Developmental Disabilities

DATE: December 3, 2015

RE: Review and Analysis of Certificate of Need Application
Sunrise Community of Tennessee Inc.- CN1511-055

Pursuant to, and in accordance with, Tennessee Code Annotated (TCA) § 68- 11- 1608 and Rules of the Health Services and Development Agency including the Criteria and Standards for Certificate of Need (2000 Edition, Tennessee's Health Guidelines for Growth, prepared by the Health Planning Commission) [hereinafter Guidelines for Growth], staff of the Tennessee Department of Intellectual and Developmental Disabilities (DIDD) the licensing agency, have reviewed and analyzed the above-referenced application for a Certificate of Need.

Attached is the DIDD report. At a minimum, and as noted in TCA § 68-11-1608, the report provides:

(1) Verification of application-submitted information;
(2) Documentation or source for data;
(3) A review of the applicant's participation or non-participation in Tennessee's Medicaid program, TennCare or its successor;
(4) Analyses of the impact of a proposed project on the utilization of existing providers and the financial consequences to existing providers from any loss of utilization that would result from the proposed project;
(5) Specific determinations as to whether a proposed project is consistent with the state health plan;
(6) Further studies and inquiries necessary to evaluate the application pursuant to the rules of the agency.

If there are any questions, please contact me at (615) 253-6811

cc: Debra K. Payne, Commissioner, DIDD
Jordan Allen, Deputy Commissioner, DIDD
John Craven, ETRO Director, DIDD
Lee Vestal, Director of Risk Management and Licensure, DIDD

REVIEW AND ANALYSIS CERTIFICATE OF NEED APPLICATION
 # CN1510-055

Opening Remarks on the Project

Pursuant to, and in accordance with, Tennessee Code Annotated (TCA) § 68-11-1608 and Rules of the Health Services and Development Agency including the Criteria and Standards for Certificate of Need (2000 Edition, Tennessee's Health Guidelines for Growth, prepared by the Health Planning Commission) [hereinafter Guidelines for Growth], staff of the Tennessee Department of Intellectual and Developmental Disabilities (DIDD), the licensing agency, have reviewed and analyzed the application for a Certificate of Need submitted by Mr. Leslie Leech, Jr. (President/CEO of Sunrise Community Inc.) on behalf of Sunrise Community of Tennessee, Inc., for the establishment of a new, four bed Intermediate Care Facility for individuals with Intellectual Disabilities (ICF/IID) to be located, 680 Quaker Knob Road, Chuckey, Greene County TN. Sunrise Community of Tennessee Inc., is a fully owned subsidiary of Sunrise Community, Inc. Due to the closure of the state run Greene Valley Developmental Center (GVDC), these beds are being created for the transition of persons residing at the GVDC whose family members live in or near Greene County TN.

The report has three (3) parts:

A. Summary of Project

B. Analysis - in three (3) parts:

Need	**Economic Feasibility**	**Contribution to the Orderly Development of Health Care**
Evaluated by the following general factors: A. Relationship to any existing applicable plans; B. Population to be served; C. Existing or Certified Services or Institutions; D. Reasonableness of the service area; E. Special needs of the service area population (particularly women, racial and ethnic minorities, and low-income groups); F. Comparison of utilization/ occupancy trends and services offered by other area providers; G. Extent to which Medicare, Medicaid, and medically indigent patients will be served; and H. Additional factors specified in the Tennessee's Health Guidelines for Growth publication for this type of facility.	Evaluated by the following general factors: A. Whether adequate funds are available to complete the project; B. Reasonableness of costs; C. Anticipated revenue and the impact on existing patient charges; D. Participation in state/federal revenue programs; E. Alternatives considered; F. Availability of less costly or more effective alternative methods; and G. Additional factors specified in the Tennessee's Health Guidelines for Growth publication.	Evaluated by the following general factors: A. Relationship to the existing health care system (i.e., transfer agreements, contractual agreements for health services, and affiliation of the project with health professional schools); B. Positive or negative effects attributed to duplication or competition; C. Availability and accessibility of human resources required; D. Quality of the project in relation to applicable governmental or professional standards; and E. Additional factors specified in the Tennessee's Health Guidelines for Growth publication.

C. Conclusions

A: SUMMARY OF PROJECT

Submission of Application

Mr. Leslie Leech, Jr. (President/CEO of the Sunrise Community, Inc.), on behalf of Sunrise Community of Tennessee Inc., has submitted this CON, for the establishment of a new, four bed Intermediate Care Facility for individuals with Intellectual Disabilities (ICF/IID) to be located, at 680 Quaker Knob Road, Chuckey, Greene County TN. Due to the closure of the state run Greene Valley Developmental Center (GVDC), these beds are being created for the transition of persons residing at the GVDC whose family members live in or near Greene County TN.

The Applicant Profile indicates that the type of institution is "Mental Retardation Institutional Habilitation Facility (ICF/MR)" (Item 7.H.) and the purpose of review is "New Institution" (Item 8.A.).

Applicant Profile, Ownership, Management, and Licensure

As previously noted, the Applicant Profile indicates that the type of institution is "Mental Retardation Institutional Habilitation Facility" (Item 7.H.) and the purpose of review is "New Institution" (Items 8.A.). The Applicant Profile also shows that the Owner of the Facility, Agency or Institution, is Sunrise Community of Tennessee, Inc., which will be operated by the Sunrise Community of Tennessee, Inc., (Item 3). There is not a management company. Sunrise Community of Tennessee, Inc., will operate the facility in all aspects. Item 9 of the Applicant Profile shows the bed complement as noted previously: four ICF/IID beds all of which are the number of proposed beds and beds at completion.

In Section B Project Description the Applicant explains and details the project as being the construction of a new four bed ICF/IID facility in Chuckey, TN. This facility will be constructed or the purpose of transitioning four individuals from the GVDC into a smaller group home in the community. This transition is required as a result of the closure of the GVDC as a result of an agreed upon exit plan in a 19 year old lawsuit *People First of Tennessee, et al. v. Clover Bottom Developmental Center, et al.* Sunrise Community of Tennessee, Inc., has financial resources to open this home as shown in the Sunrise Community of Tennessee, Inc. Financial Statements with Supplemental Financial Information (Section C Economic feasibility of Original CON).

The applicant currently is licensed to provide Medical Residential, Supported Living, supported Employment, Community Based Day, and respite services through the Home and Community Based Waiver Services under contract with DIDD. A new license for a Mental Retardation Institutional Facility would be issued by DIDD, to provide ICF/IID services.

Scope of the Proposed Project

As noted, the Applicant seeks to establish a new; four bed ICF/IID at 680 Quaker Knob Road, Chuckey, Greene County TN. The new facility will serve individuals with severe Intellectual Disabilities who require institutional level of care. These individuals have multiple special needs including health care, assistance with hygiene, dietary services, physical therapy, and activities of daily living. Sunrise Community Living of

Tennessee, Inc., is a private, not-for-profit corporation, which currently Home and Community based waiver services licensed by and under contract with DIDD as well as being the largest provider of ICF/IID services in the state of Florida.

Operations

The proposed service area identified by the applicant is Greene County in East Tennessee.

The need for the development of four bed ICF/IID home comes as a direct result of the announced closure of the last large state owned developmental center, Greene Valley Developmental Center (GVDC), which is anticipated to close on June 30, 2016. The closure of GVDC is part of an Exit Plan in a nineteen (19) year old lawsuit against the state of Tennessee by the Department of Justice (People First of Tennessee et. al. v. The Clover Bottom Developmental Center et. al. No. 3:95-1227) regarding unconstitutional conditions at four developmental centers in Tennessee. The last obligation in the Exit Plan, which once complete will result in a full dismissal of the law suit, is the closure of GVDC and the transition of all residents into smaller homes in the community, such as the home this CON is being requested to build.

Project costs are estimated at $962,868, as noted on page in Supplemental #1, for completion of the new four bed home including fixed equipment totaling less than $1.5 million. No major medical equipment is contained within this project. The projected date of completion of the project and the initiation of services is December, 2016.

B: ANALYSIS

NEED:

The Guidelines for Growth include a population-based estimate of the total need for ICF/IID facilities of 0.032 percent of the general population. This estimate is based on the estimate for all Intellectual Disabilities of 1 percent of the general population. Of the 1 percent estimate, 3.2 percent are estimated to meet level 1 criterion and be appropriate for ICF/IID services. The applicant identified the proposed service area for this project as Greene County in East Tennessee. The total population for Greene County as of 2015 is estimated at 70,520. Applying the Guidelines for Growth formula to this population estimate indicates a need for 23 ICF/IID beds in this service area. However, this formula was developed prior to the plan for closure of the GVDC and does not reflect the actual needs for ICF/IID beds as a result of the closure. Currently GVDC has 85 ICF/IID beds in Greene County, with the closure of GVDC these beds will no longer be available to support persons with ID who qualify for and need an institutional level of care and currently live in Greene County, TN. All four of the proposed new ICF/IID beds will be created to support persons moving out of the GVDC. Therefore, the need for these ICF/IID beds is there, and under the current circumstances the closure of GVDC, and the 85 beds currently located there, must be taken into consideration when applying the Guidelines for Growth formula.

ECONOMIC FEASIBILITY:

The anticipated cost for this project is $962,868 for construction of the new four bed ICF/IID home as described above. Based on information submitted by the applicant, sufficient cash reserves appear to be in place to fund this project. This project will be financed 100% through a USDA Rural Development Loan, excluding furniture and home accessories which will be funded by Sunrise Community of Tennessee, Inc or if needed Sunrise Community Foundation. It is important to note that if any problem or delay occurs in securing the USDA loan the project will be funded by the reserves of the Sunrise Community Foundation, Inc. The project involves the construction of a new four bed ICF/IID home located in Chuckey, Tennessee. It is a 2800 square foot, one story home located on a two acre fenced lot. As explained on Page 6 of the application, the facility design includes four bedrooms, living room, dining room, kitchen, laundry, and associated storage areas. The home will have two large, fully accessible bathrooms and one half bath. It will be constructed of brick and cement fiber siding, with either a standing steam metal roof or dimensional asphalt shingles and will have a residential sprinkler system. As explained above the construction of this ICF/IID home will add four additional ICF beds in Greene County.

Sunrise Community of Tennessee, Inc., projects an occupancy rate of 100% for this project for both year 1 and year 2, since the beds will be immediately filled by the relocation of residents from the Greene Valley Developmental Center. The majority of ICF/IIDs in its proposed service area operated at 100% occupancy across the full three year period. Based on this information the projected occupancy rate appears to be reasonable.

Net operating revenue is anticipated of $1,083,673 the first year of operation and $1,114,425 the second year. All revenue will be from Medicaid. The average gross charge is expected to be $791 per day for the first year of operation. The per diem rates for ICF/IID facilities are set by the State of Tennessee Comptroller's Office, based on the "Intermediate Care Facility Statement of Reimbursable Cost" form submitted annually by all ICF/IID providers.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE:

Sunrise Community of Tennessee, Inc., plans to fill the four ICF/MR beds associated with this project by relocating four residents from the Greene Valley Developmental Center. There are no other ICF/IID facilities in the Greene County Tennessee, East Tennessee area with vacant ICF/IID beds, so this proposal should not have a negative impact on other providers. Sunrise Community of Tennessee Inc., will provide complete support services for residents of this facility based on their individual care plans. Sunrise Community of Tennessee, Inc., has working relationships with all area hospitals.

The proposed staffing pattern reported by the applicant provides for the current staffing levels required by ICF/IID regulations, which includes .5 FTE hours for RN, 5.6 FTE hours for LPN staff, and 6.6 FTE hours for Direct Support Professionals. This appears to be a sufficient number of nurses and direct support professionals to staff the four bed home.

This Sunrise Community of Tennessee, Inc., ICF/IID facility would be licensed by the Tennessee Department of Intellectual and Developmental Disabilities as a Mental Retardation Institutional

Habilitation Facility. The applicant already provides Home and Community Based Waiver Services that are licensed by the DIDD therefore, is familiar with the licensing process.

C: CONCLUSIONS:

As noted above, the Department of Intellectual and Developmental Disabilities (DIDD) is the agency responsible for licensing Mental Retardation Institutional Habilitation Facilities, which provide ICF/IID service and is also the department that is responsible for the provision of services for individuals with intellectual disabilities. Therefore, DIDD, as the experts in the field of intellectual and developmental disabilities, has reached the following conclusion regarding this Sunrise Community of Tennessee, Inc., Certificate of Need application for establishment of a four bed ICF/IID facility in Greene County to serve individuals being relocated from the GVDC.

The Need for the approval of a four bed ICF/IID operated by Sunrise Community of Tennessee, Inc., is supported by the Guidelines for Growth population-based formula, taking into account the closure of the GVDC. Need for the four bed ICF/IID facility is also supported by the Exit Plan in a nineteen (19) year old lawsuit against the state of Tennessee by the Department of Justice (People First of Tennessee et. al. v. The Clover Bottom Developmental Center et. al. No. 3:95-1227), which requires the state of Tennessee to close the Greene Valley Developmental Center and relocate the residents to smaller four person ICF/IIDs in the community.

The cost of the project appears to be reasonable, and will save the state money based on the closure of the GVDC and the cost associated with running an older larger congregate facility. The project can be completed in a timely manner. Adequate funding is available and projected utilization and revenue should be sufficient to ensure the economic feasibility of the project.

This project would contribute to the orderly development of healthcare by allowing residents of the GVDC to receive services in a smaller, more personal living environment consistent with current standards of care for individuals requiring ICF/IID services.

In conclusion, the Department of Intellectual and Developmental Disabilities supports approval of Sunrise Community of Tennessee, Inc., Certificate of Need application for the establishment of a four bed ICF/IID in Greene County Tennessee.