COPY
-Application
Wharton
Nursing Home

CN1402-003

STATE OF TENNESSEE
Health Services and Dev Agency
Office 31607001
2/14/2014 7:59 AM

Cashier:	annir0811001
Batch #:	592551
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Workstation:	AF0719WP45

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CON Filing Fees

Receipt #: 11670500	
HA01 CON Filing Fees	$11,475.00
Payment Total:	**$11,475.00**
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Transaction Total:	**$11,475.00**
Check 21	$11,475.00

Thank you for your payment.
Have a nice day!

CH1402-003

068894

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES - SEE BACK FOR DETAILS

UPLANDS VILLAGE
PLEASANT HILL, TENNESSEE 38578

CUMBERLAND COUNTY BANK
CROSSVILLE, TN 38555

Health Services and Dev Agency
Office 31607001

Receipt # 11670500
PAID: 2/14/2014
Batch #: 592551
Trans #: 1 11,475.00
HA01 CON Filing Fees 11,475.00
Check 21 11,475.00

DATE 2/12/2014 AMOUNT ****11,475.00

THANK YOU FOR YOUR PAYMENT

PAY Eleven Thousand Four Hundred Seventy-Five and 00/100******

TO THE ORDER OF State of Tennessee
Health Services and Development Agency
Andrew Jackson Bldg 9th Floor
500 Deadrick Street
Nashville, TN 37243
US

HEAT SENSITIVE RUB AREA TO VERIFY

⑈068894⑈ ⑆064108346⑆ 175 232 4⑈

FEB 14 14 AM 8:03

UPLANDS VILLAGE

COME UP HIGHER

February 13, 2014

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services & Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application by Uplands Village for Wharton Nursing Home to renovate an adjacent building and operate its current complement of 62 beds in two buildings under a single license.

Dear Ms. Hill:

Enclosed please find our application for a Certificate of Need and applicable filing fee for the above project. The filing fee of $11,475 has been calculated based on the total project cost of $5,100,000.

Please contact me at (931) 277-3518 or by email at agriffin@uplandsvillage.com if you need further information.

Sincerely,

Al Griffin
Director of Financial Services

P.O. Box 168, Pleasant Hill, TN 38578 • 931-277-3518
UPLANDSVILLAGE.COM

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsd
Phone: 615-741-2364/Fax: 615-741-9884

State of Tennessee Health Services and Development Agency

INSTRUCTIONS FOR FILING AN APPLICATION FOR A CERTIFICATE OF NEED

Please read the following instructions, the Rules and Regulations of the Agency, and Tennessee Code Annotated, §68-11-1601 *et seq.*, prior to preparation of this application.

DOCUMENTATION: In preparing this application, it is the applicant's responsibility to demonstrate through its answers that the project is necessary to provide needed health care in the area to be served, that it can be economically accomplished and maintained, and that it will contribute to the orderly development of adequate and effective health care facilities and/or services in this area. Consult Tennessee Code Annotated, §68-11-1601 *et seq.*, Health Services and Development Agency Rule 0720-4-.01, and the criteria and standards for certificate of need document Tennessee's Health: Guidelines for Growth, for the criteria for consideration for approval. Tennessee's Health: Guidelines for Growth is available from the Tennessee Health Services and Development Agency or from the Agency's website at www.tennessee.gov/HSDA. Picture of the Present is a document, which provides demographic, vital, and other statistics by county available from the Tennessee Department of Health, Bureau of Policy, Planning, and Assessment, Division of Health Statistics and can be accessed from the Department's website at www2.state.tn.us/health/statistics/HealthData/pubs_title.htm.

Please note that all applications must be submitted in triplicate (1 original and 2 copies) on single-sided, unbound letter size (8 x 11 ½) paper, and not be stapled nor have holes punched. Cover letter should also be in triplicate. If not in compliance as requested, application may be returned or reviewing process delayed until corrected pages are submitted.

REVIEW CYCLES: A review cycle is no more than sixty (60) days. The review cycle begins on the first day of each month.

COMMUNICATIONS: All documents for filing an application for Certificate of Need with the Health Services and Development Agency must be received during normal business hours (8:00a.m. - 4:30p.m. Central Time) at the Agency office, located at The Frost Building, Third Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243. For the purpose of filing Letters of Intent, application forms, and responses to supplemental information, the filing date is the actual date of receipt in the Agency office. These documents, as well as other required documents must be received as original, signed documents in the Agency office. Fax and e-mail transmissions **will not** be considered to be properly filed documentation. In the event that the last appropriate filing date falls on a Saturday, Sunday, or legal holiday, such filing should occur on the preceding business day. All documents are to be filed with the Agency in ***single-sided and in triplicate***.

LETTER OF INTENT: Applications shall be commenced by the filing of a Letter of Intent. The Letter of Intent must be filed with the Agency between the first day and the tenth day of the month prior to the beginning of the review cycle in which the application is to be considered. This allowable filing period is inclusive of both the first day and the tenth day of the month involved. The Letter of Intent must be filed in the form and format as set forth in the application packet.

Any Letter of Intent that fails to include all information requested in the Letter of Intent form, or is not timely filed, will be deemed void, and the applicant will be notified in writing. The Letter of Intent may be refiled but, if refiled, is subject to the same requirements as set out above.

PUBLICATION OF INTENT: Simultaneously with the filing of the Letter of Intent, the Publication of Intent should be published for one day in a newspaper of general circulation in the proposed service area of the project. The Publication of Intent must be in the form and format as set forth in the application packet. The Publication of Intent should be placed in the Legal Section in a space no smaller than four (4) column inches. Publication must occur between the first day and the tenth day of the month, inclusive.

1 A "newspaper of general circulation" means a publication regularly issued at least as frequently as once a week, having a second-class mailing privilege, includes a Legal Notice Section, being not fewer than four (4) pages, published continuously during the immediately preceding one-year period, which is published for the dissemination of news of general interest, and is circulated generally in the county in which it is published and in which notice is given.

2 In any county where a "newspaper of general circulation" does not exist, the Agency's Executive Director is authorized to determine the appropriate publication to receive any required Letter of Intent. A newspaper which is engaged in the distribution of news of interest to a particular interest group or other limited group of citizens, is not a "newspaper of general circulation."

3 In the case of an application for or by a home care organization, the Letter of Intent must be published in each county in which the agency will be licensed or in a regional newspaper which qualifies as a newspaper of general circulation in each county. In those cases where the Publication of Intent is published in more than one newspaper, the earliest date of publication shall be the date of publication for the purpose of determining simultaneous review deadlines and filing the application.

PROOF OF PUBLICATION: Documentation of publication must be filed with the application form. Please submit proof of publication with the application by attaching either the full page of the newspaper in which the notice appeared, with the ***mast and dateline intact***, or a publication affidavit from the newspaper.

SIMULTANEOUS REVIEW: Those persons desiring a simultaneous review for a Certificate of Need for which a Letter of Intent has been filed should file a Letter of Intent with the Agency and the original applicant (as well as any other applicant filing a simultaneous review), and should publish the Letter of Intent simultaneously in a newspaper of general circulation in the same county as the original applicant. The publication of the Letter of Intent by the applicant seeking simultaneous review must be published within ten (10) days after publication by the original applicant.

1. Only those applications filed in accordance with the rules of the Health Services and Development Agency, and upon consideration of the following factors as compared with the proposed project of the original applicant, may be regarded as applications filing for simultaneous review.

(A) Similarity of primary service area;
(B) Similarity of location;
(C) Similarity of facilities; and
(D) Similarity of service to be provided.

1 The Executive Director or his/her designee will determine whether applications are to be reviewed simultaneously, pursuant to Agency Rule 0720-3-.03(3).

2 If two (2) or more applications are requesting simultaneous review in accordance with the statute and rules and regulations of the Agency, and one or more of those applications is not deemed complete to enter the review cycle requested, the other applications(s) that is/are deemed complete shall enter the review cycle. The application(s) that is/are not deemed complete to enter the review cycle will not be considered as competing with the applications(s) deemed complete and entering the review cycle.

FILING THE APPLICATION: *All applications*, including applications requesting simultaneous review, must be filed in ***triplicate*** (original and two (2) copies) with the Agency within five (5) days after publication of the Letter of Intent. ***The date of filing is the actual date of receipt at the Agency office.***

Applications should have all pages numbered.

All attachments should be attached to the back of the application, be identified by the applicable item number of the application, and placed in alpha-numeric order consistent with the application form. For example, an Option to Lease a building should be identified as Attachment A.6., and placed before Financial Statements which should be identified as Attachment C. Economic Feasibility.10. The last page of an application should be the completed affidavit.

Failure by the applicant to file an application within five (5) days after publication of the Letter of Intent shall render the Letter of Intent, and hence the application, ***void***.

FILING FEE: The amount of the initial filing fee shall be an amount equal to $2.25 per $1,000 of the estimated project cost involved, but in no case shall the fee be less than $3,000 or more than $45,000. Checks should be made payable to the Health Services and Development Agency.

FILING FEES ARE NON-REFUNDABLE and must be received by the Agency before review of the application will begin.

REVIEW OF APPLICATIONS FOR COMPLETENESS: When the application is received at the Agency office, it will be reviewed for completeness. The application must be consistent with the information given in the Letter of Intent in terms of both project scope and project cost. ***Review for completeness will not begin prior to the receipt of the filing fee.***

1 If the application is deemed complete, the Agency will acknowledge receipt and notify the applicant as to when the review cycle will begin. "Deeming complete" means that all questions in the application have been answered and all appropriate documentation has been submitted in such a manner that the Health Services and Development Agency can understand the intent and supporting factors of the application. Deeming complete shall not be construed as validating the sufficiency of the information provided for the purposes of addressing the criteria under the applicable statutes, the Rules of the Health Services and Development Agency, or the standards set forth in the State Health Plan/Guidelines for Growth.

2 If the application is incomplete, requests by Agency staff for supplemental information must be completed by the applicant within sixty (60) days of the written request. 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 which is allowed by the

statute. If the requested information is submitted within sixty (60) days of the request, but not by the date specified in the staff's letter, the application is not void, but will enter the ***next*** review cycle. If an application is not deemed complete within sixty (60) days after the written notification is given by the Agency staff that the application is deemed incomplete, the application shall be deemed void. If the applicant decides to re-submit the application, the applicant shall comply with all procedures as set out by this part and a new filing fee shall accompany the refiled application.

Each supplemental question and its corresponding response shall be typed and submitted on a separate sheet of 8 1/2" x 11" paper, be filed in ***triplicate,*** and include a signed affidavit. All requested supplemental information must be received by the Agency to allow staff sufficient time for review before the beginning of the review cycle in order to enter that review cycle.

3. Applications for a Certificate of Need, including competing applications, will not be considered unless filed with the Agency within such time as to assure such application is deemed complete.

All supplemental information shall be submitted simultaneously and only at the request of staff, with the only exception being letters of support and/or opposition.

The Agency will promptly forward a copy of each complete application to the Department of Health or the Department of Mental Health and Developmental Disabilities for review. The Department reviewing the application may contact the applicant to request additional information regarding the application. The applicant should respond to any reasonable request for additional information promptly.

AMENDMENTS OR CHANGES IN AN APPLICATION: An application for a Certificate of Need which has been deemed complete ***CANNOT*** be amended in a substantive way by the applicant during the review cycle. Clerical errors resulting in no substantive change may be corrected.

WITHDRAWAL OF APPLICATIONS: The applicant may withdraw an application at any time by providing written notification to the Agency.

TIMETABLE FOR CERTIFICATE OF NEED EXPIRATION: The 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; *however*, the Agency may extend a Certificate of Need for a reasonable period upon application and good cause shown, accompanied by a non-refundable filing fee, as prescribed by Rules. An extension cannot be issued to any applicant unless substantial progress has been demonstrated. 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.

For further information concerning the Certificate of Need process, please call the offices of the Health Services and Development Agency at 615/741-2364.

For information concerning the Joint Annual Reports of Hospitals, Nursing Homes, Home Care Organizations, or Ambulatory Surgical Treatment Centers, call the Tennessee Department of Health, Office of Health Statistics and Research at 615/7411954

For information concerning Guidelines for Growth call the Health Services and Development Agency at 615/741-2364. For information concerning Picture of the Present call the Department of Health, Office of Health Statistics at 615/741-9395.

For information concerning mental health and developmental disabilities applications call the Tennessee Department of Mental Health and Developmental Disabilities, Office of Policy and Planning at 615/532-6500.

SECTION A:

APPLICANT PROFILE

Please enter all Section A responses on this form. All questions must be answered. If an item does not apply, please indicate *"N/A"*. ***Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment.***

For Section A, Item 1, *Facility Name* ***must be*** *applicant facility's name and address* ***must be*** *the site of the proposed project.*

For Section A, Item 3, *Attach a copy of the partnership agreement, or corporate charter* ***and*** certificate of corporate existence, if applicable, from the Tennessee Secretary of State.

For Section A, Item 4, *Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% or more ownership interest. In addition, please document the financial interest of the applicant, and the applicant's parent company/owner in any other health care institution as defined in* Tennessee Code Annotated, §68-11-1602 *in Tennessee. At a minimum, please provide the name, address, current status of licensure/certification, and percentage of ownership for each health care institution identified.*

For Section A, Item 5, *For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.*

Please describe the management entity's experience in providing management services for the type of the facility, which is the same or similar to the applicant facility. Please describe the ownership structure of the management entity.

For Section A, Item 6, *For applicants or applicant's parent company/owner that currently own the building/land for the project location; attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements* ***must include*** *anticipated purchase price. Lease/Option to Lease Agreements* ***must include*** *the actual/anticipated term of the agreement* ***and*** *actual/anticipated lease expense. The legal interests described herein* ***must be valid*** on the date of the Agency's consideration of the certificate of need application.

FEB 14 14 08:04

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

Wharton Nursing Home
Name

878 W. Main St.
Street or Route

Cumberland
County

Pleasant Hill
City

TN
State

38578
Zip Code

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

Al Griffin
Name

Director of Financial Services
Title

Uplands Village
Company Name

agriffin@uplandsvillage.com
Email address

PO Box 168, 86A Church Dr.
Street or Route

Pleasant Hill
City

TN
State

38578
Zip Code

Employee
Association with Owner

(931) 277-3518
Phone Number

(931) 277-5396
Fax Number

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

Uplands Village
Name

(931) 277-3518
Phone Number

PO Box 168, 86A Church Dr.
Street or Route

Cumberland
County

Pleasant Hill
City

TN
State

38578
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)*

Not Applicable
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 ____ 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	*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	62		62		62
Q. Adult Chemical Dependency					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL	62		62		62

*CON-Beds approved but not yet in service

10. **Medicare Provider Number** 44-5510

Certification Type SNF

11. **Medicaid Provider Number** 7440128A

Certification Type ICF

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

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.***

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

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.

The proposed project will relocate 31 of the currently licensed 62, dually certified ICF/SNF beds from Wharton Nursing Home located at 878 - 880 W. Main St., Pleasant Hill, TN to an adjacent, currently vacant, facility located at 55 W. Lake Rd., Pleasant Hill, TN as approved by the Tennessee Board for Licensing Health Care Facilities. (Please see Attachment B.I) The 31 beds vacated from Wharton Nursing Home will be converted into a memory care assisted living unit. All facilities are owned by Uplands Village, a not-for-profit, 501(c)(3) continuing care retirement community.

The facility to be renovated is currently a vacant building, except for one wing used for administrative offices. The building was the former location of Wharton Nursing Home and was vacated approximately 3 ½ years ago when a new facility was built adjacent to it and residents transferred to the new facility. The vacated facility is an approximately 42,415 square foot two-story facility.

Proposed Services and Equipment

No new ICF/SNF beds are being proposed with this project. This project will renovate a currently vacant building to relocate 31 beds that will primarily provide SNF services, however, the beds will continue to be dually certified for both ICF and SNF services. The renovated building will also provide physical therapy and wellness gyms, dining services for both the residents in the facility as well as our independent living residents, and administrative and support areas.

Assisted living licensure will be sought for the 31 beds that will be vacated in the current facility to convert the facility to a memory care assisted living unit.

There are no planned major medical equipment purchases proposed in this project. Equipment purchases will be primarily for fitness/wellness equipment, furniture, fixtures, and other non-medical equipment.

Ownership Structure

All facilities are owned by Uplands Village which is a 501(c)(3) not-for-profit continuing care retirement community (CCRC).

Service Area

The primary service area is Cumberland and White counties, however, patients/residents may come from other counties, especially those adjacent to Cumberland and White counties.

Need

There is a current and continuing demand for skilled and intermediate nursing care within Cumberland and White counties. In addition to the current licensed beds within Cumberland and White counties, there is an unmet need not only for long-term care beds but also for short stay beds as well. In addition, there is an unmet need for additional memory care assisted living beds.

Existing Resources

Uplands Village currently owns the buildings as well as the properties that will provide the needed services.

Project Costs

The estimated cost of renovations and furnishings is approximately $5,100,000.

Funding

The project will be funded with a direct loan through USDA Rural Development. The loan is for $6,500,000; however, the proceeds of the loan in excess of the costs of the proposed project will be used to fund the implementation of IT/Communication infrastructure and systems and construction of an aquatic therapy facility, both of which are not a part of the project covered by this CON application.

Financial Feasibility

The nursing home is currently operating at an approximate occupancy rate of 94%. We anticipate that our occupancy will maintain an approximate rate of 93%. Of the 62 total ICF/SNF beds, it is projected initially that approximately 45% will be occupied by Medicaid ICF residents, 33% by private pay ICF residents, and 22% by Medicare SNF residents. After the 1st year of operation, Medicare SNF services are projected to increase to 50% of occupied beds with 29% occupied by Medicaid ICF residents and 21% occupied by private pay ICF residents. The 31 bed memory care assisted living unit is projected to be 93% occupied.

Based on this occupancy, the revenues generated will more than cover the additional expenses required for the proposed project and will provide for on-going financial stability of these services.

Staffing

The applicant currently has staff required by the proposal, including adequate professional staff as per the Department of Health. In addition, the applicant plans to add an MDS Coordinator, an Activities Assistant, 4.2 LPN FTE's, 9.8 Caregiver FTE's, 7 Dietary FTE's, 4.2 Housekeeping FTE's, 2.8 Laundry FTE's, and one FTE each for Transportation and Maintenance. The additional positions include staffing for the planned memory care assisted living unit as well.

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. 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.

The proposed project includes the renovation of an existing, 2-story, approximately 42,415 square foot facility. The facility was constructed in two primary phases with the first in the 1950's and one major addition in the late 1960's. The facility was utilized as the original skilled nursing home and is currently partially used for administrative offices and storage. The facility was vacated in 2010 when a new facility was constructed adjacent to the existing building and residents were relocated to the new facility.

The renovation of the existing building will take place on both levels. Currently only the lower level is occupied by administrative offices of the Nursing Facility. The upper floor is currently unoccupied. The upper floor will include the patient/resident rooms, nursing stations, therapy rooms, occupational therapy room, exercise room, laundry room to handle patient/resident rooms' linens, offices, patient/resident/staff conference room, living/activity room, dining hall and kitchen as well as miscellaneous support spaces. The lower floor will renovate the existing offices that currently use spaces as well as new mechanical, storage, and data rooms. Spaces not currently used on the lower level will be repurposed as required by the program and further design development. All patient/resident functions to be limited to upper level. New energy efficient windows will be part of the project; size and configuration will be determined by room layouts.

The upper level layout will include 31 individual private patient/resident rooms. Each room will have its own private toilet room with handicap accessible shower. All private toilet rooms will be handicap accessible with proper clearances, grab bars and fixtures. Each patient/resident room will have its own closet and operable window. Doors into patient/resident rooms will be at least 3'-8" to facilitate moving of beds and equipment. The plans include two open style nursing stations which will provide maximum views of the patient/resident rooms and enhance communication. These stations will also have secured medication and records areas in compliance with HIPAA regulations. The dining hall and kitchen will provide new equipment and serving lines for the residents. The dining hall will also double as a larger activity room when the other living/activity rooms are too small. A large patient/resident exercise room will occupy space across from the physical therapy spaces located between the patient/resident wings. The central location will allow easy access for all patient/resident rooms. The rest of the floor will be reworked to provide new offices and patient/resident/staff conference room, living/activity rooms, guest toilets, and associated storage spaces as determined by further refinements of the design.

The lower level layout will include offices, conference rooms, training rooms, mechanical, data, and storage rooms.

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.

No new ICF/SNF beds are being proposed with this project. This project will renovate a currently vacant facility to relocate 31 beds that will primarily provide SNF services, however, the beds will continue to be dually certified for both ICF and SNF services. The renovated facility will also provide physical therapy and wellness gyms, dining services for both the residents in the facility as well as independent living residents, and administrative and support areas.

Assisted living licensure will be sought for the 31 beds that will be vacated in the current facility to convert the facility to a memory care assisted living unit.

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost/ SF		
					Renovated	New	Total	Renovated	New	Total
B. Unit/Depart. GSF Sub-Total					26,750	N/A	26,750	$90	N/A	$2,407,500
C. Mechanical/ Electrical GSF					2,500	N/A	2,500	$90	N/A	$225,000
D. Circulation /Structure GSF					13,165	N/A	13,165	$90	N/A	$1,184,850
E. Total GSF					42,415	N/A	42,415	$90	N/A	$3,817,350

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

There is a current and continuing demand for skilled and intermediate nursing care within Cumberland and White counties. In addition to the current licensed beds within Cumberland and White counties, there is an unmet need not only for long-term care beds but also for short stay (skilled) beds as well. In addition, there is an unmet need for additional memory care assisted living beds. As a Continuing Care Retirement Community (CCRC), this proposal allows us to enhance the continuum of care for our residents by continuing to provide ICF/SNF services as well as provide the additional services of a memory care assisted living unit.

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

In addition to the continued demand for skilled and intermediate nursing care within Cumberland White counties, there is an unmet need for additional memory care assisted living beds within the county. The relocation of 31 currently dually certified ICF/SNF beds will not only create a specialized short stay/rehab unit but will also provide space necessary to provide the needed 31 memory care assisted living beds in a home-like, secure venue.

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.**
   b. **Provide current and proposed schedules of operations.**

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.**

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.**

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 <u>must</u> 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 <u>all</u> projects.

Please see Attachment B. III. (A).

(B) 1. **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.**

The site is accessible from Highway 70 via E. Main Street, W. Main Street, or Browntown Road and then W. Lake Road. Please see Attachment B III (B)

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: *<u>DO NOT SUBMIT BLUEPRINTS</u>*. Simple line drawings should be submitted and need not be drawn to scale.

Please see Attachment B. IV.

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

1. **Existing service area by County;**
2. **Proposed service area by County;**
3. **A parent or primary service provider;**
4. **Existing branches; and**
5. **Proposed branches.**

Not Applicable (N/A)

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.**

   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.

A. Need

Population in Cumberland and White counties is projected to grow from 2013 to 2016 by approximately 2.4%, however, the projected population growth during this time period for ages 65 and over is approximately 8.2%. The 591 currently licensed nursing home beds in Cumberland and White counties are not sufficient to meet the current estimated need of 838 beds. Although no additional beds are requested in this CON application, the population growth and bed need projections show there is a continued need for nursing home beds in Cumberland and White counties.

Please see Attachment C. Need. 1.A.

B. Occupancy and Size Standards

While other nursing homes in Cumberland and White counties have operated at less than 90% occupancy, Wharton Nursing Home has operated at a 94% occupancy rate for 2012 and 2013.

Please see Attachment C. Need. 1.B.

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

Not Applicable.

The proposed plan is to operate the currently licensed 62 beds in two adjacent buildings under the current single license as approved by the Tennessee Board for Licensing Health Care Facilities.

Please see Attachment C. Need. 1.b.

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

Uplands Village's long-range plan includes the renovation of a currently vacant facility (except for one wing used for administrative offices) to provide for 31 dually licensed ICF/SNF beds, physical therapy and wellness gyms, dining facilities, and administrative and support services. The 31 beds in the renovated facility will be relocated from their current facility. The vacated beds in the current facility will be converted to a memory care assisted living unit. Uplands Village's administrative and support services will be relocated from its current location to the renovated facility. This vacated facility will be used as a community building for the residents of Uplands Village. The long-range plan also provides for the construction of an aquatic therapy facility to be used by residents of Uplands Village for aquatic therapy and wellness.

The portion of the long-range plan proposed in this CON application involves the renovation of an adjacent building on the campus and the relocation of 31 nursing home beds to the renovated building. The 62 licensed nursing home beds will be operated in the two buildings under Wharton Nursing Home's current license.

3. Identify the proposed service area <u>and</u> 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.).

The proposed project's primary service area is Cumberland and White Counties. The facility to be renovated is located in the western portion of Cumberland County near the White County line and therefore is in a location to easily provide services to both counties. Both of these counties are within a 30 mile radius of the proposed facility.

A portion of other counties within a 30 mile radius are considered our secondary service area. These counties include Putnam, Overton, Fentress, Morgan, Roane, Rhea, Bledsoe, and Van Buren counties.

Please see Attachment C. Need. 3.

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

The elder population in the primary service area is approximately 24% of the total population. The population age 65 and older is expected to increase by approximately 8.2% over the next 3 years.

Please see Attachment C. Need. 4.A.

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.

As the elderly population increases in Cumberland and White counties, there is a continuing need for skilled and intermediate nursing care in the service area. A demand analysis provided to us by CliftonLarsonAllen in July 2013 shows there is an unmet need of 14 short stay beds within Cumberland county alone in addition to the currently operated beds. In addition, the demand analysis suggests an unmet need for 61 additional memory care assisted living beds in Cumberland County affordable for those with incomes of $35,000 or 32 beds affordable for those with incomes of $50,000.

Please see Attachment C. Need. 4.B.

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.**

There are currently 591 licensed nursing home beds in Cumberland and White counties which provided 178,358 days of care in 2012.

Please Attachment C. Need. 5

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.**

Wharton Nursing Home has maintained an occupancy rate of 94% - 98% from 2010 – 2013. The proposed project estimates a total occupancy rate of 94%, however, the services and payer sources are projected to change when the project is completed. SNF services began May 2013. Currently SNF days are approximately 11% of total days. When the proposed project is completed and SNF services are primarily provided in a separate unit from ICF services, SNF days are projected to increase to approximately 22% of total days during the first year of operation. During the second year of operation, SNF services are projected to increase to approximately 50% of total days. This is based on an average occupancy rate of 93% for the new unit.

Please see Attachment C. Need. 6

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.

Please see Attachment C. Economic Feasibility. 1.

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PROJECT COSTS CHART

A.	Construction and equipment acquired by purchase:	
1.	Architectural and Engineering Fees	300,305
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	35,000
3.	Acquisition of Site	
4.	Preparation of Site	186,710
5.	Construction Costs	3,817,350
6.	Contingency Fund	
7.	Fixed Equipment (Not included in Construction Contract)	
8.	Moveable Equipment (List all equipment over $50,000)	749,185
9.	Other (Specify)	
B.	Acquisition by gift, donation, or lease:	
1.	Facility (inclusive of building and land)	
2.	Building only	
3.	Land only	
4.	Equipment (Specify)	
5.	Other (Specify)	
C.	Financing Costs and Fees:	
1.	Interim Financing	
2.	Underwriting Costs	
3.	Reserve for One Year's Debt Service	
4.	Other (Specify)	
D.	Estimated Project Cost (A+B+C)	5,088,550
E.	CON Filing Fee	11,450
F.	Total Estimated Project Cost (D+E)	
	TOTAL	5,100,000

2. **Identify the funding sources for this project.**

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.**

The project will be funded with a direct loan through USDA Rural Development. The loan is for $6,500,000; however, the proceeds of the loan in excess of the costs of the proposed project will be used to fund other projects that are not a part of the project covered by this CON application.

Please see Attachment C. Economic Feasibility. 2.

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.**

Cost per square foot estimates were provided by Upland Design Group. The cost per square foot for this project was developed using a combination of methods including RS Means construction per square foot cost, previous and recent local projects that Upland Design Group had recently bid or completed, their engineer recommendations, local contractor input and bidding climate. Based on this, Uplands Design Group estimates cost per square foot for new construction at $140/sq. ft. and for renovation at $90/sq. ft.

Recently approved CON applications:

CN1306-022	The Health Center of Hermitage	$172.14/sq. ft. for new construction
CN1307-024	Shannondale Rehabilitation Center	$141.51/sq. ft. for new construction
CN1307-025	NHC/Maury Regional Transitional Care	$170.48/sq. ft. for new construction

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).

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 2011	Year 2012	Year 2013
A. Utilization Data (Specify unit of measure)	22,241 Days	21,264 Days	21,513 Days
B. Revenue from Services to Patients			
1. Inpatient Services	$3,712,406	$3,804,977	$4,097,152
2. Outpatient Services			
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue	$3,712,406	$3,804,977	$4,097,152
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	$23,229	$101,020	$395,306
2. Provision for Charity Care			
3. Provisions for Bad Debt	27,957	9,922	-0-
Total Deductions	$51,186	$110,942	$395,306
NET OPERATING REVENUE	$3,661,220	$3,694,035	$3,701,846
D. Operating Expenses			
1. Salaries and Wages	$1,981,897	$2,154,636	$2,248,093
2. Physician's Salaries and Wages			
3. Supplies	302,329	316,568	278,152
4. Taxes	137,950	137,950	137,950
5. Depreciation	220,336	236,473	235,663
6. Rent			
7. Interest, other than Capital			
8. Other Expenses (Specify) Utilities, Contract Svcs, Repairs & Maint, etc	252,008	289,315	453,730
Total Operating Expenses	$2,894,520	$3,134,942	$3,353,588
E. Other Revenue (Expenses) – Net (Specify)	$	$	$
NET OPERATING INCOME (LOSS)	$766,700	$559,093	$348,258
F. Capital Expenditures			
1. Retirement of Principal	$53,788	$58,162	$60,024
2. Interest	139,844	134,284	126,795
Total Capital Expenditures	$193,632	$192,466	$186,819
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	$573,068	$366,627	$161,439

PROJECTED DATA CHART

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

	Year 2016	Year 2017
A. Utilization Data (Specify unit of measure)	21,045 Days	21,045 Days
B. Revenue from Services to Patients		
1. Inpatient Services	$7,445,284	$9,741,699
2. Outpatient Services		
3. Emergency Services		
4. Other Operating Revenue (Specify)		
Gross Operating Revenue	$7,445,284	$9,741,699
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	$1,131,910	$2,045,249
2. Provision for Charity Care		
3. Provisions for Bad Debt	37,226	48,708
Total Deductions	$1,169,136	$2,093,957
NET OPERATING REVENUE	$6,276,148	$7,647,742
D. Operating Expenses		
1. Salaries and Wages	$3,521,993	$3,627,653
2. Physician's Salaries and Wages		
3. Supplies	462,975	476,864
4. Taxes	137,950	137,950
5. Depreciation	357,500	357,500
6. Rent		
7. Interest, other than Capital		
8. Other Expenses (Specify) Utilities, Contract Svcs, Repairs & Maint, etc	993,969	1,848,804
Total Operating Expenses	$5,474,387	$6,448,771
E. Other Revenue (Expenses) -- Net (Specify)	$	$
NET OPERATING INCOME (LOSS)	$801,761	$1,198,971
F. Capital Expenditures		
1. Retirement of Principal	$125,570	$130,422
2. Interest	340,328	335,476
Total Capital Expenditures	$465,898	$465,898
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	$335,863	$733,073

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

	1st Year			2nd Year		
Gross Charges	**Days**		**Avg/Day**			**Avg/Day**
Medicaid ICF	9,400	1,974,000	210	6,000	1,260,000	210
Private Pay ICF	7,095	1,489,950	210	4,525	950,250	210
Medicare SNF	4,550	2,375,178	522	10,525	5,925,284	563
Alzheimer's	10,520	1,347,612	128	10,520	1,347,612	128
Dining Services		219,000			219,000	
Other		39,544			39,553	
		7,445,284			9,741,699	
Revenue Deductions						
Medicaid ICF		(488,800)	(52)		(312,000)	(52)
Private Pay ICF		(110,682)	(16)		(70,590)	(16)
Medicare SNF		(532,428)	(117)		(1,662,659)	(158)
Bad Debt		(37,226)			(48,708)	
		(1,169,136)			(2,093,957)	
Net Charges						
Medicaid ICF		1,485,200	158		948,000	158
Private Pay ICF		1,342,042	189		830,952	184
Medicare SNF		1,842,750	405		4,262,625	405
Alzheimer's		1,347,612	128		1,347,612	128
Dining Services		219,000			219,000	
Other		39,544			39,553	
		6,276,148			7,647,742	

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.**

ICF/SNF Room & Board	$210 per day
Ancillary supplies, drugs & services	2x cost or Medicare fee schedule

The charges for the proposed project are based on charges that are currently in place. Revenue from the proposed project is anticipated to increase from current revenues due to increase in skilled utilization. Additionally, the revenue from the Memory care assisted living will provide addition revenues that are not currently provided.

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).**

	ICF	SNF
Wharton Nursing Home	$210	$405
Good Samaritan Society	$205	$407
Lifecare Center of Crossville	$187	$443
Wyndridge Health & Rehab Ctr	$243	$243
Lifecare Center of Sparta	$214	$427
NHC Health Center Sparta	$184	$413

Source for similar facilities: 2012 Joint Annual Report

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

Projected utilization rates are based on current occupancy rates of approximately 93%. Although the occupancy rate is projected to remain at approximately 93%, we anticipate that, with the recent implementation of SNF services, the service mix will change in that Medicare SNF services will increase and Medicaid & Private Pay ICF services will decrease from current utilization. As reflected in the Projected Data Chart, the projected occupancy rates provide sufficient revenues to more than offset projected costs.

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

As reflected in the Historical and Projected Data Charts, financial viability is currently being realized as well as during the first two years of the completed project.

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.**

The project will continue to participate in state and federal revenue programs including Medicare and TennCare/Medicaid. Services to medically indigent patients are provided by funds maintained by Uplands but restricted for benevolent use. Estimated revenues are presented in the chart provided with question 5 above.

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.

Please see Attachment C. Economic Feasibility. 10.

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.

The alternative to this project would be to do nothing and continue to provide the services that are currently being provided. This project will allow Uplands Village to provide SNF services in a separate unit from ICF services. It also provides for memory care assisted living services which are not currently provided and are not available in the service area. Although memory care services are provided in the service area, it is not currently provided in an assisted living venue.

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.

Consideration was given to both new construction and to renovation of a current vacant facility. Renovation was more economically feasible in that the cost was approximately $2,500,000 lower than new construction. Although ongoing maintenance costs of a renovated building would be higher than for a newly constructed building, it is estimated that the maintenance costs would be less than the cost difference of building a new facility.

Please see Attachment C. Economic Feasibility. 11.b.

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.

Cumberland Medical Center
Cookeville Regional Medical Center
White County Community Hospital
Functional Pathways (Therapy services)
Morrison (Dietary services)
Middle TN Pharmacy Services
Hospice of Cumberland County
Gentiva Hospice
Caris Hospice
Avalon Hospice
Dr. Dwight Willett (Medical Director)
Holston Gases (Oxygen services)
PHS Health Solutions (Mental Health services)
CLS Clinical Lab Services
Quality Mobile X-ray Services

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.

Although no new ICF/SNF beds are being proposed with this CON application, the proposal will have a positive effect on the health care system in Cumberland and White counties in that it will help with an unmet need for memory care assisted living services.

Uplands Village is 1 of only 12 Eden Alternative ® registered facilities in Tennessee and is the only one in Cumberland and White counties. The Eden Alternative ® advocates for a shift from institutional models of care to person-directed values and practices that put the person first. Person-directed care is structured around the unique needs, preferences, and desires of the individual. The Eden Alternative ® focuses on creating Elder-centered communities – wherever Elders live – that thrive on close and continuing relationships, meaningful interactions, opportunities to give as well as receive, and a rich and diverse daily living.

Please see Attachment C. Contribution to the Orderly Development of Health Care.2

This proposal will allow Uplands to continue to provide a continuum of care to elders and others we serve within the Eden Alternative ® philosophy of care, even when providing skilled nursing care which traditionally is provided in a medical model of care. Skilled nursing care services will be provided in private rooms in a home-like environment.

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.

Administrator	1.0	LPN	15.4
Director of Nursing	1.0	Caregiver (CNA)	43.4
Ass't Director of Nursing	1.0	Team Leader	2.0
MDS Coordinator	2.0	Dietary	20.5
Staff RN	4.2	Housekeeping	4.2
Social Worker	1.0	Transportation	1.0
Activity Coordinator	1.0	Laundry	2.8
Activity Assistant	1.4	Maintenance	1.0
Medical Records	1.0	Total	104.9
Administrative Ass't	1.0		

Hourly Wage Comparison for Clinical Staff

	Project	2012 Wages
RN	24.00	25.60
LPN	16.60	15.80
Caregiver (CNA)	10.40	10.00

Source for 2012 Wages: 2012 Tennessee Occupational Wages published by the Tennessee Department of Labor and Workforce Development

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.

The applicant currently has staff required by the proposal, including adequate professional staff as per the Department of Health. In addition, the applicant plans to add an MDS Coordinator, an Activities Assistant, 4.2 LPN FTE's, 9.8 Caregiver FTE's, 7 Dietary FTE's, 4.2 Housekeeping FTE's, 2.8 Laundry FTE's, and one FTE each for Transportation and Maintenance. The additional positions include staffing for the planned memory care assisted living unit as well.

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.*

The applicant currently provides the services proposed in this project and, therefore, understands all licensing certification.

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.).

The applicant provides in-house Eden Alternative ® care training to all staff...clinical, clerical, and administrative staff.

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.

The applicant currently provides the services proposed in this project and, therefore, has reviewed and understands licensure requirements of the State of Tennessee and applicable Medicare requirements.

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

Licensure: State of Tennessee for nursing home and assisted living services

Accreditation: Centers for Medicare and Medicaid Services (CMS)

(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.

Please see Attachment C. Contribution to the Orderly Development of Health Care.7.c.

Wharton Nursing Home has a 5-star overall rating according to CMS' Nursing Home Compare. Please see Attachment C. Contribution to the Orderly Development of Health Care.7.c.2

(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.

Please see Attachment C. Contribution to the Orderly Development of Health Care.7.d.

9. 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.

Not Applicable

10. 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

Not Applicable

11. 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.

The applicant will continue to provide the Tennessee Health Services and Development Agency and/or reviewing agency information as required/requested. The applicant will continue to file information annually in the Joint Annual Report.

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.

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

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c): 5/28/14

Assuming the 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	08/13
2. Construction documents approved by the Tennessee Department of Health		04/14
3. Construction contract signed		05/14
4. Building permit secured		Not Req'd
5. Site preparation completed	30	07/14
6. Building construction commenced	30	07/14
7. Construction 40% complete	180	01/15
8. Construction 80% complete	360	06/15
9. Construction 100% complete (approved for occupancy	450	09/15
10. *Issuance of license	Currently	Licensed
11. *Initiation of service	480	10/15
12. Final Architectural Certification of Payment	480	10/15
13. Final Project Report Form (HF0055)	510	11/15

* **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.

FEB 14 '14 AM 8:04

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Cumberland

Al Griffin being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

/Director of Financial Services
SIGNATURE/TITLE

Sworn to and subscribed before me this 13th day of February (Month), 2014 (Year) a Notary

Public in and for the County/State of Cumberland

CHERYL J. HECKLER
STATE OF TENNESSEE NOTARY PUBLIC
CUMBERLAND COUNTY

Cheryl J Heckler
NOTARY PUBLIC

My commission expires December 6 (Month/Day), 2016 (Year)

List of Attachments

	Pages
Attachment A, Applicant Profile	
A.3, Corporate Charter	A.3
A.4, Ownership Structure	A.7
A.13, MCO's/BHO's with Current or Anticipated Contracts	A.8
Attachment B, Project Description	
B.I, Approval Letter from Tennessee State Board of Licensing Facilities	A.10
B.III. (A), Plot Plan	A.11
B.III. (B), Relationship to Public Transportation	A.12
B.IV, Floor Plans	A.13
Attachment C, General Criteria	
Need	
C.1.A, Nursing Home Bed Projections	A.16
C.1.B, Nursing Home Occupancy Rates	A.17
C.3, Proposed Service Area Map	A.18
C.4.A, Service Area Population Projections	A.19
C.4.B, Service Area Need	A.20
C.5, Existing or Certified Nursing Home Beds in Proposed Service Area	A.21
C.6, Uplands Village/Wharton Nursing Home Utilization	A.22
Economic Feasibility	
C.1, Schematic Design Cost Estimate	A.24
C.2, Documentation of Funding Sources	A.25
C.10, Internal and Audited Financial Statements	A.26
C.11.b, Construction Cost Comparison	A.61
Contribution to the Orderly Development of Health Care	
C.2, Eden Alternative ® Documentation	A.63
C.7.c, Current Facility License	A.66
C.7.c.2, Nursing Home Compare Results	A.67
C.7.d, Most Recent Inspection/Plan of Correction	A.70
Proof of Publication	A.76

Attachment A
Applicant Profile

UPLANDS VILLAGE

COME UP HIGHER

Pages

Attachment A, Applicant Profile

A.3, Corporate Charter A.3

A.4, Ownership Structure A.7

A.13, MCO's/BHO's with Current or Anticipated Contracts A.8

FILED

STA[illegible]
99 MAY 23 [illegible] 07
[illegible]NTRY CRO[illegible]
SECRETARY OF STATE

RESTATED CHARTER

OF

UPLANDS RETIREMENT VILLAGE

The undersigned person under the Tennessee Nonprofit Corporation Act adopts the following restated charter for the above listed corporation:

1. The name of the corporation is **UPLANDS RETIREMENT VILLAGE.**

2. The corporation is a public benefit corporation.

3. This corporation is a religious corporation.

4. The street address of the corporation's registered office in Tennessee is **Heritage Drive, Pleasant Hill, Tennessee 38578.**

5. The mailing address of the corporation's registered office in Tennessee is **P. O. Box 168, Pleasant Hill, Tennessee 38578.**

6. The corporation's registered office is located in Cumberland County, Tennessee.

7. The name of the registered agent, to be located at the address listed in 4, is **John Clay Buck.**

8. The name of each original incorporator is:

(1) **Elizabeth L. Fletcher**
(2) **May C. Wharton**
(3) **John A. Frey**
(4) **J. M. Roberts**
(5) **S. C. Bishop**
(6) **L. R. Neel**

9. The complete address of the corporation's principal office is **Heritage Drive, P. O. Box 168, Pleasant Hill, Tennessee 38578.**

10. The corporation is a nonprofit corporation.

11. This corporation will have no members.

12. The general purposes for which the corporation is organized are:

(a) The operation of a nursing home for the care of the elderly; the operation of a health center and clinic; the development and subdivision of a village or community for retired persons; the development, construction, sale and leasing of houses, apartments and duplexes; and the conduct of such related activities as will further these purposes and serve the needs of the community.

(b) In addition to the foregoing purpose, this corporation shall have for its purpose the doing of each and every act or thing which a corporation may be permitted to do under the laws of the State of Tennessee.

13. This corporation has been organized and shall be operated exclusively for religious, hospital, scientific and charitable purposes.

14. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons except that the corporation

278

S+S

shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the corporate purposes. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the corporation shall not participate in, or intervene in, including the publishing or distribution of statements, any political campaign on behalf of any candidate for public office.

15. Notwithstanding any other provisions of this charter, this corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue code of 1954 or the corresponding provision of any future United States Internal Revenue Law.

16. All property of this corporation is hereby irrevocably dedicated to religious, medical, nursing, scientific, retirement, hospital, educational or charitable purposes.

In the event that the corporation ceases to carry on the business for which it was created and elects to dissolve, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the Southeast Conference of the United Church of Christ, or to its then qualified and acting successor, or to such other organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954, or the corresponding provision of any future United States Internal Revenue Law, as the Board of Directors shall determine.

17. This corporation shall not discriminate on the basis of race, religion, sex or national or ethnic origin.

18. The government of this corporation shall be vested in its Board of Directors which shall manage the affairs of the corporation, either directly or, between meetings of the Board of Directors, through its Executive Committee. The Board of Directors shall conduct all matters of the general operation and welfare of the corporation, including the exercise of the power and authority vested in the corporation by this charter, in harmony with the powers and authority vested by the laws of the State of Tennessee, in corporations organized not for profit. The Board of Directors shall be composed of the number of persons as established by the bylaws of the corporation as they may be from time to time amended.

19. No director shall be personally liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director, except as otherwise provided in subparagraphs (A), (B), and (C) of T.C.A. Section 48-52-102(b)(3). The foregoing shall not eliminate or limit the liability of a director for any act or omission occurring prior to the date when this paragraph becomes effective.

20. The restated charter was duly adopted on May 20, 1989, by the Board of Directors.

Dated: May 20, 1989

UPLANDS RETIREMENT VILLAGE

By Harry D. Sabine
Harry D. Sabine
Chairman of the Board

STATE OF TENNESSEE, CUMBERLAND COUNTY
The foregoing instrument or certificate were noted in Note Book 3 Page 345 at 11:25 O'clock AM June 1, 1989
and recorded in Misc. Book 364 Page 278 State Tax Paid $ — Fee — Recording Fee 5.00 Total $ 5.00
Witness My Hand
Receipt No. 39909
Judy Graham Swallows, Register
Register By: Margaret Madewell, A.R.

State of Tennessee

Department of State
Corporate Filings
312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

ARTICLES OF AMENDMENT TO THE CHARTER (Nonprofit)

For Office Use Only

FILED

Corporate Control Number (If Known) 86595

Pursuant to the provisions of section 48-60-105 of *The Tennessee Nonprofit Corporation Act*, the undersigned corporation adopts the following articles of amendment to its charter:

1. Please insert the name of the corporation as it appears of record:
   Uplands Retirement Village
   If changing the name, insert the new name on the line below:
   Uplands Village

2. Please check the block that applies:
   ☐ Amendment is to be effective when filed by the secretary of state.
   ☑ Amendment is to be effective, May 12, 2012 (month, day, year)
   (Not to be later than the 90th day after the date this document is filed.) If neither block is checked, the amendment will be effective at the time of filing.

3. Please insert any changes that apply:
   a. Principal address: _____ (Street) _____ (City) _____ (State/County) _____ (Zip Code)
   b. Registered agent: Richard M. Woodard
   c. Registered address: _____ (Street) _____ (City) _____ (State/County) _____ (Zip Code)
   d. Other changes: _____

4. The corporation is a nonprofit corporation.

5. The manner (if not set forth in the amendment) for implementation of any exchange, reclassification, or cancellation of memberships is as follows:

6. The amendment was duly adopted on May 12, 2012 (month, day, year) by (please check the block that applies):
   ☐ The incorporators without member approval, as such was not required.
   ☑ The board of directors without member approval, as such was not required.
   ☐ The members

7. Indicate which of the following statements applies by checking the applicable block:
   ☑ Additional approval for the amendment (as permitted by §48-60-301 of the tennessee nonprofit corporation act) was not required.
   ☐ Additional approval for the amendment was required by the charter and was obtained.

Chairman of the Board
Signer's Capacity

Signature

15 June 2012
Date

Byron A Pardue
Name of Signer (typed or printed)

SS-4416

Filing Fee: $20

RDA 1678

FEB 14 '14 AM8:04

STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

December 4, 2013

AL GRIFFIN
PO BOX 168
PLEASANT HILL, TN 38578

Request Type: Certificate of Existence/Authorization
Request #: 0114915

Issuance Date: 12/04/2013
Copies Requested: 1

Document Receipt

Receipt # : 1225027
Payment-Credit Card - State Payment Center - CC #: 153310408

Filing Fee: $22.25
$22.25

Regarding: **Uplands Village**
Filing Type: Corporation Non-Profit - Domestic
Formation/Qualification Date: 04/18/1922
Status: Active
Duration Term: Perpetual
Business County: CUMBERLAND COUNTY

Control # : 86595
Date Formed: 04/18/1922
Formation Locale: TENNESSEE
Inactive Date:

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

Uplands Village

* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;

* has paid all fees, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

* has filed the most recent corporation annual report required with this office;

* has appointed a registered agent and registered office in this State;

* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Tre Hargett
Secretary of State

Verification #: 005295423

Processed By: Cert Web User

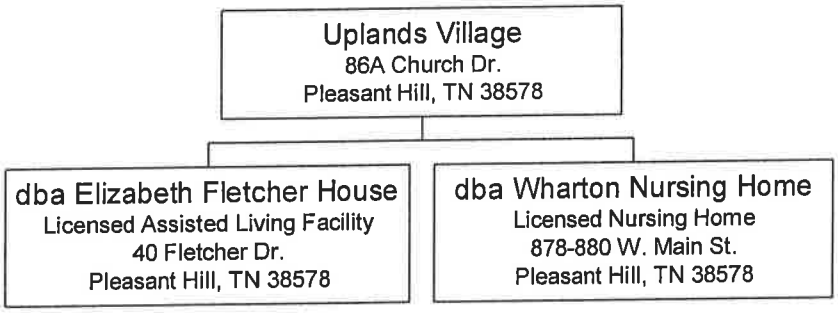
Phone 615-741-6488 * Fax (615) 741-7310 * Website: http://tnbear.tn.gov/

Attachment A. 4.

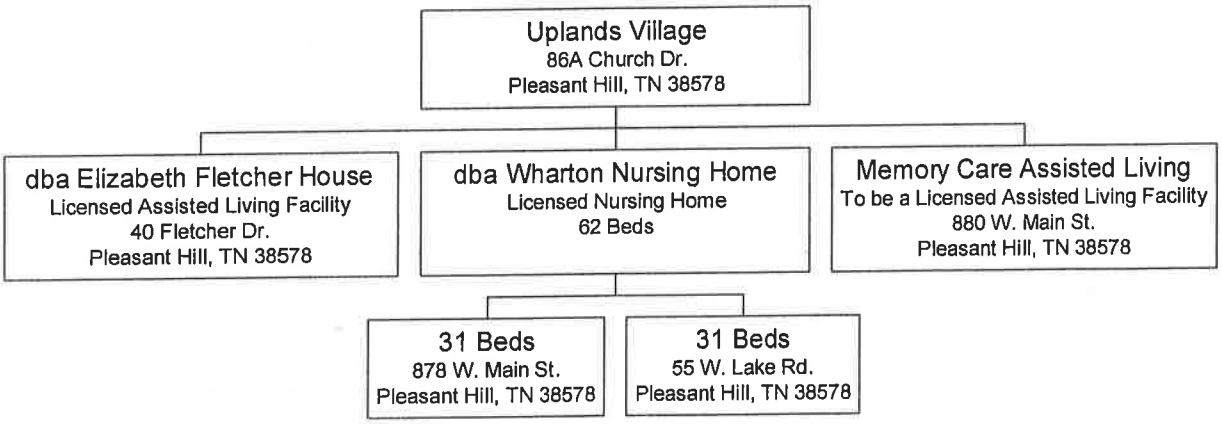
Uplands Village is a 501(c)(3) tax-exempt continuing care retirement community (CCRC). As a CCRC, Uplands Village strives to provide care to its members and those in the community in need of healthcare services. Uplands Village provides services throughout the continuum of care to include home nursing visits for its residents, assisted living, skilled nursing, and intermediate long-term care.

The below chart provides a summary organizational structure of the business lines owned and operated by Uplands Village. All business lines are owned 100% by Uplands Village and operates under the oversight a single self-perpetuating board of directors. Although this proposal is not requesting addition to the 62 beds currently licensed, the proposed plan would move 31 of the beds from 880 W. Main St. to an adjacent building located at 55 W. Lake Rd. and operate all 62 licensed beds under one license. Assisted living licensure will be sought for the 31 beds vacated to convert the facility to a memory care assisted living unit.

Current



Proposed



ATTACHMENT A.13

Contracted (current/anticipated) Managed Care and Behavioral Health Organizations

UnitedHealthcare Community Plan
UnitedHealthcare Community Plan
8 Cadillac Dr.
Brentwood, TN 37027

AMERIGROUP
www.amerigroupcorp.com
Community Care
Three Lakeview Place
22 Century Blvd., Suite 310
Nashville, TN 37214

TennCare Select
TennCare Select
801 Pine Street
Chattanooga, TN 37402-2555
FAX: (423) 752-6790

Attachment B

Projection Description

UPLANDS VILLAGE

COME UP HIGHER

Pages

Attachment B, Project Description

B.I, Approval Letter from Tennessee State Board of Licensing Facilities A.10

B.III. (A), Plot Plan A.11

B.III. (B), Relationship to Public Transportation A.12

B.IV, Floor Plans A.13

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
DIVISION OF HEALTH LICENSURE & REGULATION
OFFICE OF HEALTH CARE FACILITIES
665 MAINSTREAM DRIVE, SECOND FLOOR
NASHVILLE, TENNESSEE 37243
TELEPHONE (615) 741-7221
FAX (615) 741-7051

February 12, 2014

Al Griffin
Director of Financial Services
Uplands Village
P.O. Box 168
Pleasant Hill, TN 38578

RE: Wharton Nursing Home #28

Dear Mr. Griffin:

The Board for Licensing Health Care Facilities met on January 23, 2014. The following request was granted:

> **TO ALLOW WHARTON NURSING HOME TO MOVE 31 NURSING HOME BEDS FROM THE 880 W. MAIN STREET BUILDING TO THE ADJACENT BUILDING LOCATED AT 55 W. LAKE ROAD AND TO OPERATE THE TWO DIFFERENT BUILDINGS ON THE SAME CAMPUS UNDER ONE LICENSE WHICH WILL BE WHARTON NURSING HOME SUBJECT TO PLANS REVIEW APPROVAL OF SUBMITTED PLANS FOR RENOVATION OF OLD NURSING HOME AND PROVISION OF SCHEMATIC WITH CLEAR INDICATION OF TWO BUILDINGS TO BE PART OF THE LICENSE. ALLOW ONE ADMINISTRATOR AND ONE DON TO SERVE BOTH BUILDINGS UNDER LICENSE #28 WHILE LOCATED AT 880 W. MAIN STREET AND 55 W. LAKE ROAD.**

Board action was taken in accordance with Section 68-11-209, Chapter 11, Tennessee Code Annotated, which gives the Board authority to waive rules and regulations that do not have a detrimental effect on the health, safety and welfare of the public.

If you have any questions you may contact this office at (615) 741-7221.

Sincerely,

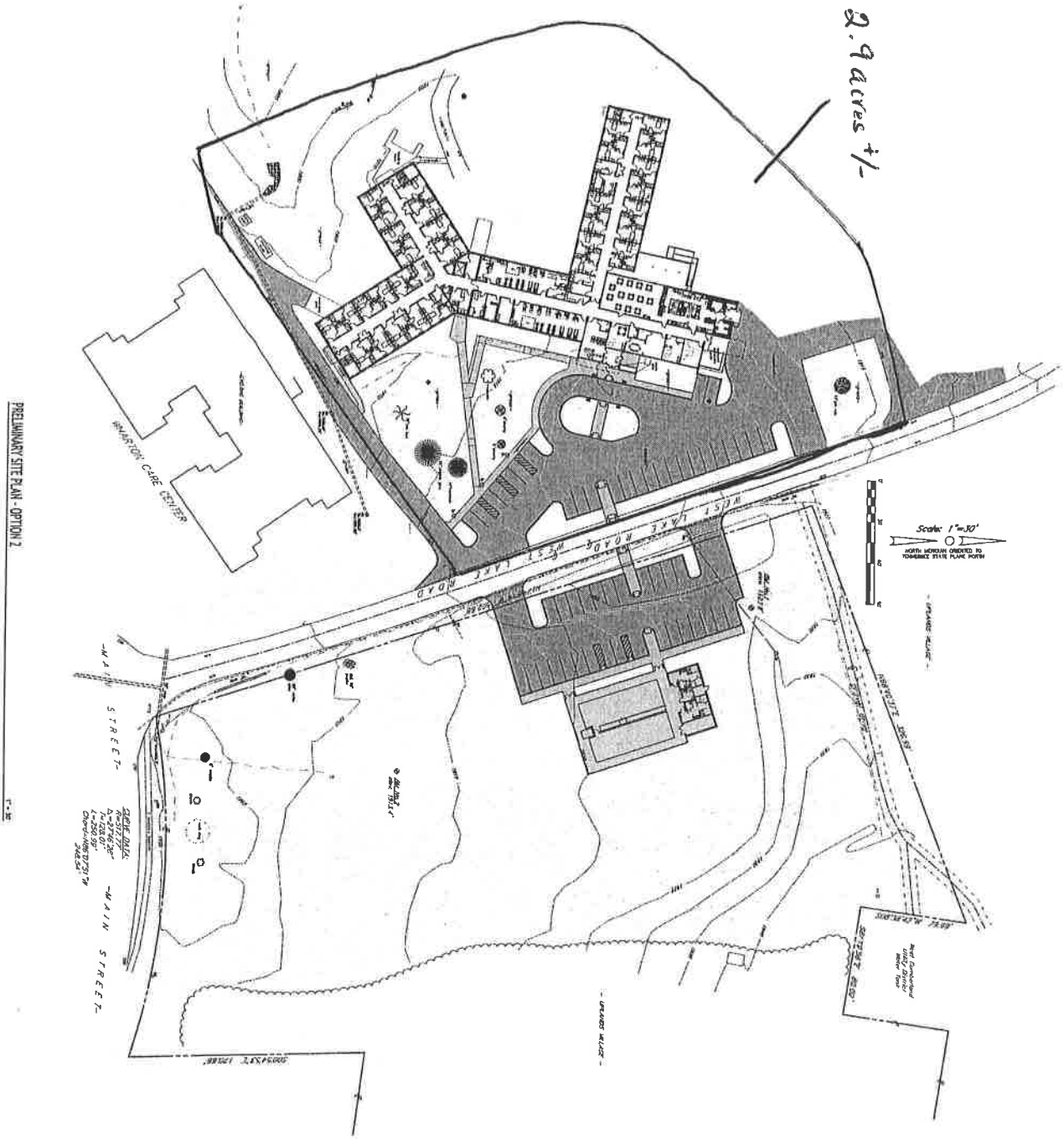
Ann R. Reed

Ann Rutherford Reed, RN, BSN, MBA
Director of Licensure
Division of Health Care Facilities

ARR/weh

cc: Richard Woodard, Executive Director
ETRO
File
Delores Willis

Attachment B. III. (A)



JOB NO.	862A
ISSUE DATE	12-9-13
SHEET TITLE	PRELIMINARY SITE PLAN
DRAWN	CWD
REVIEWED	KAC
SHEET NO	A0.1

COPYRIGHT

TITLE

RENOVATION OF
UPLANDS WELLNESS CENTER
UPLANDS VILLAGE

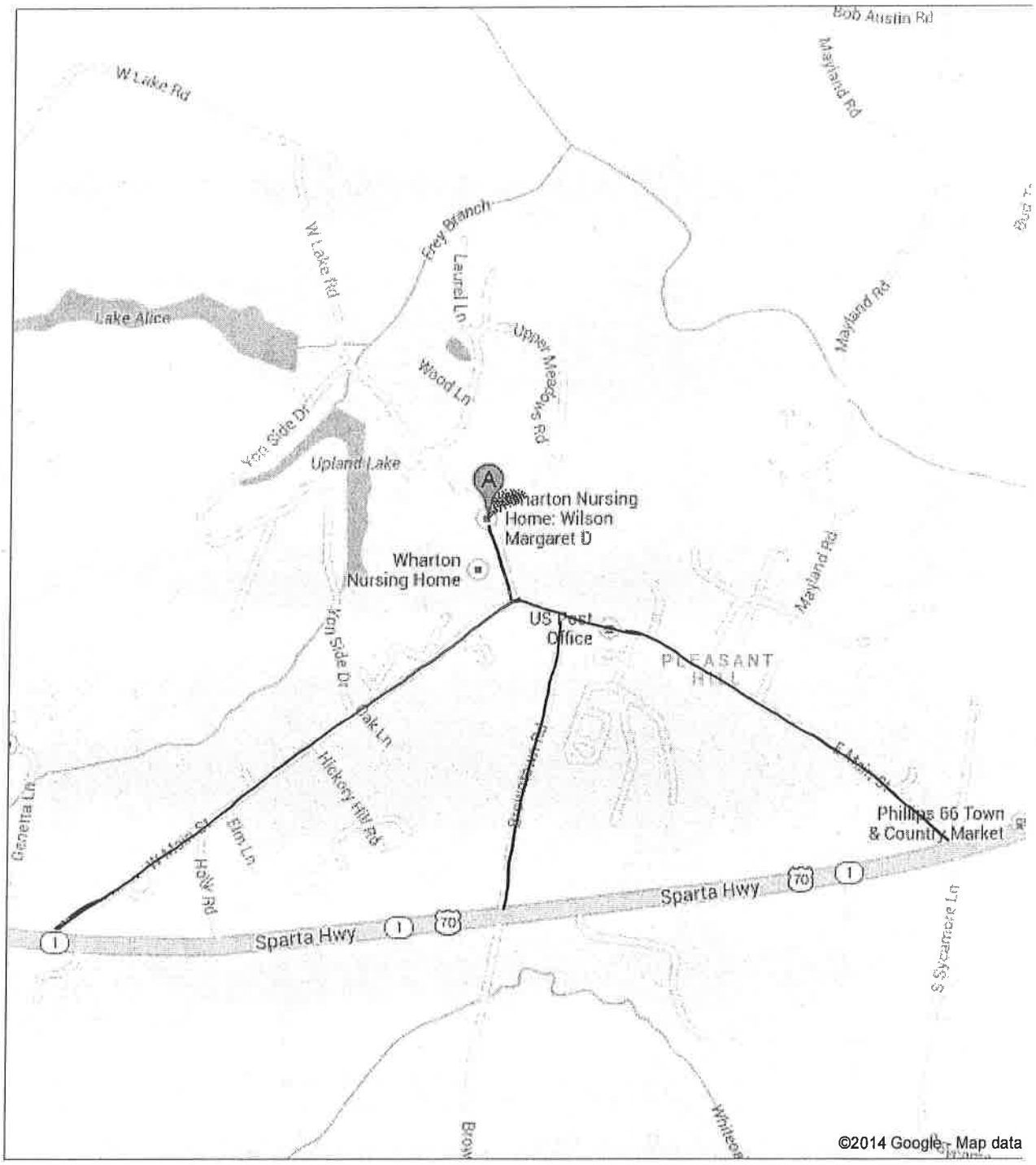
OWNER: Uplands Village
LOCATION: Pleasant Hill, Tennessee

Upland Design Group

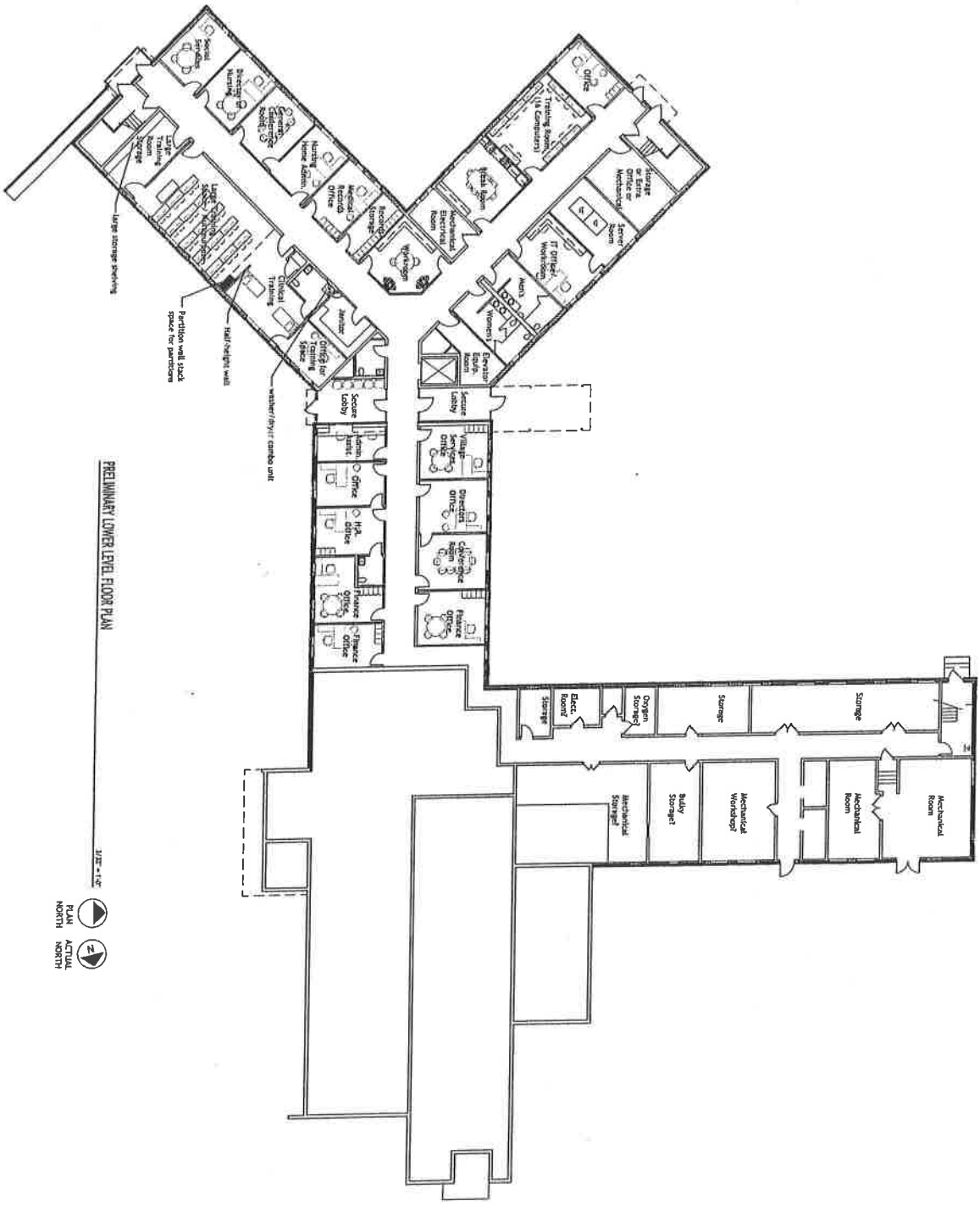
Attachment B. III. (B)

Google

Address **55 W Lake Rd**
Pleasant Hill, TN 38578



This site is not located on any public transportation routes. There are no public transportation routes in the area. The site contains a parking lot accessible from public roads. The site is accessible from Highway 70 via E. Main Street, W. Main Street, and Browntown Road and then W. Lake Road.



JOB NO.	862A
ISSUE DATE	12-9-13
SHEET TITLE	PRELIMINARY LOWER LEVEL FLOOR PLAN
DRAWN	CWD
REVIEW	KAC
SHEET NO.	A1.1

SEAL

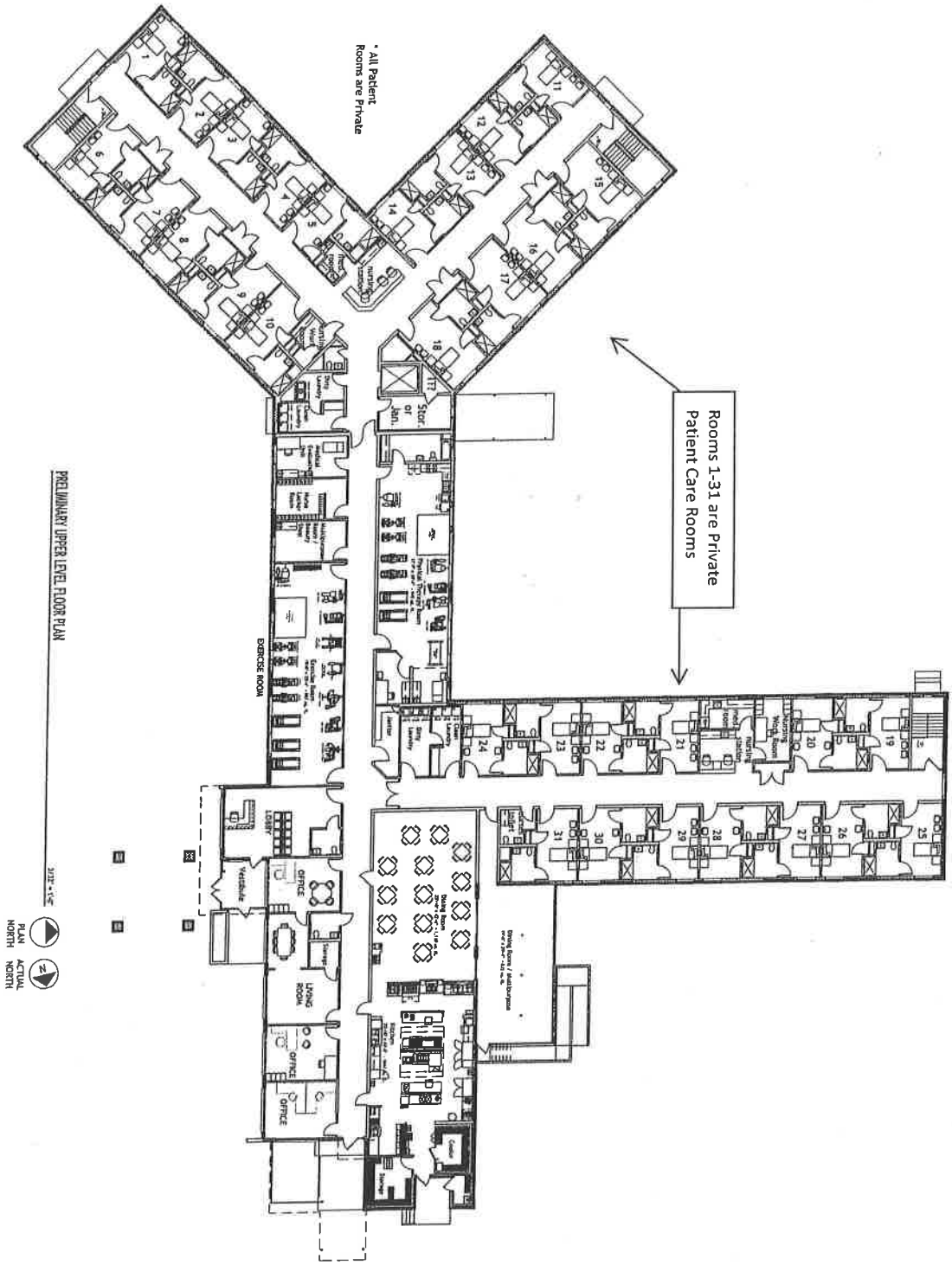
COPYRIGHT

REVISIONS

RENOVATION OF
UPLANDS WELLNESS CENTER
UPLANDS VILLAGE

Owner: Uplands Village
LOCATION: Pleasant Hill, Tennessee

Upland Design Group



JOB NO.	862A
ISSUE DATE	12-9-13
SHEET TITLE	PRELIMINARY UPPER LEVEL FLOOR PLAN
DRAWN	CWD
REVIEW	KAC
SHEET NO.	A1.2

RENOVATION OF
UPLANDS WELLNESS CENTER
UPLANDS VILLAGE

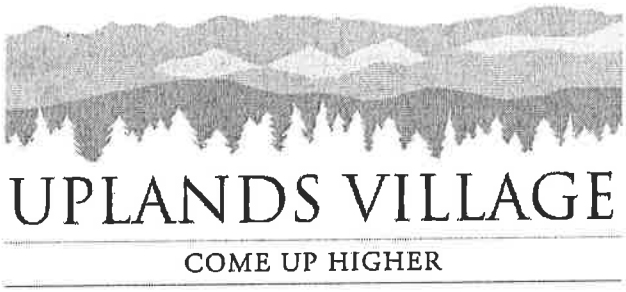
Owner: Uplands Village
LOCATION: Pleasant Hill, Tennessee

Upland Design Group

Attachment C

General Criteria

Need



Pages

Attachment C, General Criteria

Need

C.1.A, Nursing Home Bed Projections A.16
C.1.B, Nursing Home Occupancy Rates A.17
C.3, Proposed Service Area Map A.18
C.4.A, Service Area Population Projections A.19
C.4.B, Service Area Need A.20
C.5, Existing or Certified Nursing Home Beds in Proposed Service Area A.21
C.6, Uplands Village/Wharton Nursing Home Utilization A.22

FEB 14 '14 AM 8:05

Attachment C. Need. 1.A

Cumberland and White Counties Nursing Home Bed Projections

Population Projections

Age	2013	2014	2015	2016	2013-2016 Growth
<= 65	62,743	62,924	62,921	63,090	0.55%
65-74	11,342	11,718	12,319	12,354	8.92%
75-84	5,804	5,915	6,035	6,172	6.34%
85+	2,147	2,218	2,295	2,355	9.69%
Total	82,036	82,775	83,570	83,971	2.36%

Source: Tennessee Department of Health, Office of Policy, Planning Assessment, Division of Health Statistics

Need for Nursing Home Beds

	Factor	Beds	Beds	Beds	Beds
<= 65	0.0005	31	31	31	32
65-74	0.0120	136	141	148	148
75-84	0.0600	348	355	362	370
85+	0.1500	322	333	344	353
Total		838	860	886	903

Licensed Nursing Home Beds

Cumberland County

Good Samaritan Society	30
Life Care Center of Crossville	122
Wharton Nursing Home	62
Wyndridge Health & Rehab Ctr	157
Total Licensed Beds	371

White County

Life Care Center of Sparta	100
NHC Heatlhcare, Sparta	120
Total Licensed Beds	220
Total Licensed Beds	591

Source: Tennessee Department of Health: Health Care Facilities

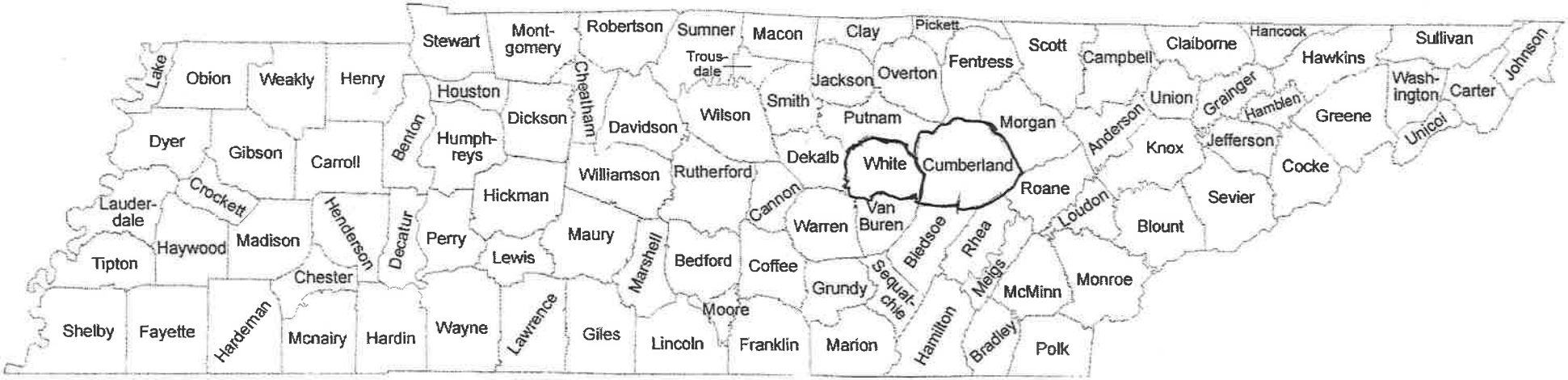
Attachment C. Need. 1.B

Cumberland and White Counties Nursing Home Occupancy Rates

	Licensed Beds	Admissions	Resident Days of Care	Occ %
Cumberland County				
Good Samaritan Society	30	189	8,930	82%
Life Care Center of Crossville	122	326	32,604	73%
Wharton Nursing Home	62	37	21,264	94%
Wyndridge Heatlh & Rehab Ctr	157	402	48,787	85%
Total	371	954	111,585	82%
White County				
Life Care Center of Sparta	100	303	31,593	87%
NHC Healthcare Sparta	120	348	35,180	80%
Total	220	651	66,773	83%
Total Primary Service Area	591	1,605	178,358	83%

Source: 2012 Joint Annual Report of Nursing Homes

Attachment C. Need. 3



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Population Projections for Cumberland & White Counties

Age	2013		
<= 65	62,743	76%	
65-74	11,342	14%	24% Age 65+
75-84	5,804	7%	
85+	2,147	3%	
Total	82,036		

Source: Tennessee Department of Health, Office of Policy, Planning Assessment, Division of Health Statistics

Conclusions

- ThirdAge was asked to review the market viability of the proposed re-use of the old Wharton Nursing Home, which includes:
  - Moving 31 beds from the existing Wharton Homes to a refurbished, updated Wharton Nursing Home building
  - Creating a therapy gym, dining and attendant support spaces
  - Re-using the vacated area within the Wharton Homes – to provide Assisted Living Memory Care services (this would represent the phased addition of approximately 31 new beds)
- Based on our review, analysis and the application of proprietary bed need methodologies our conclusions are as follows:
  - There is a continuing demand for skilled and intermediate nursing care within Cumberland County. The market analysis preformed by ThirdAge indicates an unmet need for 14 additional short stay beds within the market area along with a modest surplus of 6 long stay beds. Stated differently, there is a continuing demand for the nursing beds currently operated by Uplands Village. Creating a specialized short stay/ rehab unit comprised of approximately 31 beds (located in private rooms, with full private baths) will enhance Uplands market position. We believe that the number of Medicare bed days will be higher than indicated in Proforma 2 (included in the internal financial projections developed by Uplands staff) though perhaps not as high as indicated in Proforma 1.
  - In addition, there is an unmet need for 61 additional memory care assisted living beds (affordable to those with $35,000 in income) or 32 beds (if only affordable to those with $50,000 in annual income) within the County. Assuming that Uplands Village can achieve a reasonable market share – a project consisting of up to 36 beds is supportable if the fees approximate $3,000 or 19 beds if fees approximate $4,000. With fees estimated at approximately $3,900 per month, a phased approach to the implementation of the memory care assisted living program is recommended (in other words, opening 1/3 to 1/2 of the beds, achieving full or near full occupancy – followed by the opening of the remaining beds.
- The viability of the project is dependent on the development of an appropriate marketing plan for both business lines, adequate funding of the marketing efforts and skillful execution of the strategies.

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Cumberland and White Counties Nursing Home Occupancy Rates

	Licensed Beds	Admissions	Resident Days of Care	Occ %
Cumberland County				
Good Samaritan Society	30	189	8,930	82%
Life Care Center of Crossville	122	326	32,604	73%
Wharton Nursing Home	62	37	21,264	94%
Wyndridge Heatlh & Rehab Ctr	157	402	48,787	85%
Total	371	954	111,585	82%
White County				
Life Care Center of Sparta	100	303	31,593	87%
NHC Healthcare Sparta	120	348	35,180	80%
Total	220	651	66,773	83%
Total Primary Service Area	591	1,605	178,358	83%

Source: 2012 Joint Annual Report of Nursing Homes

Uplands Village
Wharton Nursing Home

Occupancy Statistics for the Past 3 Years and Projected for 2 Years

	Admissions	Days			Occ %
		ICF	SNF	Total	
2010	33	22,138	-	22,138	98%
2011	27	22,241	-	22,241	98%
2012	37	21,264	-	21,264	94%
2013	59	20,134	1,379	21,513	95%
2015	175	16,495	4,550	21,045	93%
2016	210	10,520	10,525	21,045	93%

Attachment C

General Criteria

Economic Feasibility

UPLANDS VILLAGE

COME UP HIGHER

Pages

Attachment C, General Criteria

Economic Feasibility

C.1, Schematic Design Cost Estimate A.24

C.2, Documentation of Funding Sources A.25

C.10, Internal and Audited Financial Statements A.26

C.11.b, Construction Cost Comparison A.61

Upland Design Group
ARCHITECTURE ENGINEERING

P.O. Box 1026
Crossville, TN 38557
Ph. 931 484-7541

P.O. Box 4238
Cookeville, TN 38502
Ph. 931-372-7541
www.uplanddesigngroup.com

Dec. 18, 2013

Uplands Wellness Center
Uplands Village
Pleasant Hill, Tennessee

Schematic Design Cost Estimate

1. Construction Costs

A. Rehabilitation Facility Renovation

- Hazardous Materials Abatement	$	52,000.00
- Site Development		134,710.00
- Renovation – 42,415 sf x $90/sf		3,817,350.00
- A/E Fees		300,304.50
- Soft Costs (review fees, admin., etc)		35,000.00
Subtotal	$	4,339,364.50

B. Aquatic Rehabilitation Center

- Site Development	$	125,000.00
- Service Building – 1,225 sf x $180/sf		220,500.00
- Therapy Pool – 60' x 45'		195,000.00
- Enclosure – 4,466 sf		295,000.00
- A/E Fees		62,662.50
- Soft Costs (review fees, admin., etc.)		12,000.00
Subtotal	$	910,162.50

Total	$	5,249,527.00

USDA

United States Department of Agriculture

Rural Development

State Director

3322 West End Ave
Suite 300
Nashville, TN
37203

615-783-1300
800-342-3149 x1300
Fax 615-783-1301

August 26, 2013

Lyle Weible, Chairman
Uplands Village
86-A Church Drive
P.O. Box 168
Pleasant Hill, TN 38578

Dear Chairman Weible:

We are pleased to inform you that a $6,500,000 Rural Development Community Facility Loan has been approved and obligated for your nursing home renovation, new facility construction and telecommunication system upgrade project. Enclosed is a copy of Form USDA-RD 1940-1 for your records.

Our Area Office staff will work with you regularly to help expedite loan processing and closing at the earliest possible date.

Congratulations to you on this project.

Sincerely,

Keith Head

BOBBY M. GOODE
State Director

Enclosure

cc: Area Director, Cookeville, TN

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Uplands Village
Balance Sheet

	06/30/2013	12/31/2013
Current Assets		
Cash	1,293,922	1,268,280
Accounts Receivable -- URV	32,917	15,438
Accounts Receivable -- FH	6,143	23,109
Accounts Receivable -- WNH	436,858	447,899
AR - SNF	108,921	422,984
AR - OP THERAPY	71,066	129,786
Resident Accounts Receivable	655,905	1,039,215
Allowance for Conctractual Adjustments	(84,620)	(203,469)
Allowance for Uncollectibles	(14,138)	(14,292)
Net Resident Accounts Receivable	557,147	821,455
Inventories	32,975	58,712
Prepaid Expenses	49,346	57,390
Checking Patient Trust	5,697	6,240
Total Current Assets	1,939,087	2,212,077
Long Term Assets		
Reserve Account - USDA	146,201	163,571
Homes for Resale	2,277,441	2,266,521
Long Term Investments	766,631	826,644
Notes Receivable	103,207	140,186
Total Long Term Assets	3,293,481	3,396,922
Fixed Assets		
Total Fixed Assets	16,540,279	16,658,801
Accumulated Depreciation	(7,105,534)	(7,354,945)
Net Fixed Assets	9,434,745	9,303,856
Restricted Funds		
Adshead Fund	1,057,505	1,059,365
Keisling Fund	101,615	99,547
Cravath Fund	492,066	494,799
Baird Fund	229,987	240,876
Mullins Fund	209,902	221,147
Home Health Fund	548,815	552,396
Total Restricted Funds	2,639,890	2,668,130
Total Assets	**17,307,203**	**17,580,986**

Uplands Village
Balance Sheet

	06/30/2013	12/31/2013
Current Liabilities		
Accounts Payable	261,883	348,842
Accrued Expenses	177,308	250,411
Interest Payable	20,609	18,930
Patient Trust Fund	5,697	12,210
Deposits Payable	38,978	49,146
Deferred Income	13,333	3,333
Total Current Liabilities	517,809	682,872
Long Term Debt		
Note Payable - USDA FHA	32,836	28,593
Note Payable - CCB - Sewer Plant	486,218	483,014
Loan Payable - USDA - WNH/EFH	4,998,449	4,958,120
Notes Payable - Resident Buybacks	669,662	214,295
Note Payable - CCB - Buybacks	-	429,689
Note Payable - USDA - WNH Equipment	266,997	259,620
Total Long Term Debt	6,454,160	6,373,331
Total Liabilities	**6,971,969**	**7,056,204**
Net Assets		
Unrestricted Net Assets	7,704,494	7,751,881
Adshead Fund	1,049,449	1,100,705
Keisling Fund	100,520	100,652
Cravath Fund	492,066	519,908
Baird Fund	229,987	251,772
Mullins Fund	209,902	221,147
Home Health Fund	548,815	578,717
Total Restricted Net Assets	2,630,740	2,772,901
Total Net Assets	10,335,234	10,524,782
Total Liabilities and Net Assets	**17,307,203**	**17,580,986**

Uplands Village
Statement of Revenue and Expense

For the Period Ending 12/31/2013

Current Period						Year-to-Date				
Actual	Budget	Variance	Last Year	Variance		Actual	Budget	Variance	Last Year	Variance
					Operating Revenues					
65,210	72,421	-9.96%	67,734	-3.73%	Village Revenues	392,913	426,441	-7.86%	424,865	-7.52%
133,427	144,102	-7.41%	122,326	9.07%	Fletcher Revenues	785,111	855,590	-8.24%	753,960	4.13%
343,615	266,781	28.80%	308,811	11.27%	Wharton ICF Revenue	1,946,693	1,691,825	15.06%	1,884,349	3.31%
134,257	292,950	-54.17%	-		Wharton SNF Revenue	801,281	1,364,850	-41.29%	-	
59,753	48,780	22.49%	-		Outpatient Therapy Revenue	324,893	292,680	11.01%	-	
736,262	825,034	-10.76%	498,871	47.59%	Gross Resident Revenue	4,250,890	4,631,386	-8.22%	3,063,174	38.77%
(118,715)	(175,927)	32.52%	(1,940)	6019.34%	Revenue Deductions	(678,793)	(908,301)	25.27%	(124,302)	446.08%
617,547	649,107	-4.86%	496,931	24.27%	Net Resident Revenue	3,572,097	3,723,085	-4.06%	2,938,872	21.55%
1,000	23,334	-95.71%	1,000	0.00%	Membership Fees	46,500	70,000	-33.57%	2,000	2225.00%
15,445	102,265	-84.90%	-		Property Sales	272,796	357,395	-23.67%	39,944	582.95%
16,445	125,599	-86.91%	1,000	1544.54%	Other Operating Revenues	319,296	427,395	-25.29%	41,944	661.25%
633,993	774,706	-18.16%	497,931	27.33%	Total Net Operating Revenue	3,891,393	4,150,480	-6.24%	2,980,816	30.55%
					Operating Expenses					
342,449	319,332	7.24%	376,919	-9.15%	Salaries & Wages	1,956,682	1,904,977	2.71%	1,836,740	6.53%
67,485	70,713	-4.56%	36,599	84.39%	Employee Benefits	372,539	390,704	-4.65%	259,495	43.56%
26,248	45,720	-42.59%	41,622	-36.94%	Supplies	163,425	273,446	-40.24%	267,567	-38.92%
102,538	89,871	14.10%	15,416	565.15%	Purchased Services	602,708	539,216	11.77%	212,408	183.75%
851	2,074	-58.96%	2,618	-67.49%	Postage & Printing	15,548	12,444	24.95%	8,036	93.48%
944	2,446	-61.42%	1,585	-40.48%	Travel & Education	36,067	14,676	145.75%	27,347	31.89%
2,499	14,338	-82.57%	8,360	-70.11%	Marketing & Advertising	50,330	86,028	-41.50%	35,199	42.99%
9,982	12,583	-20.67%	10,453	-4.51%	Insurance	61,067	75,498	-19.12%	66,337	-7.95%
51,372	32,223	59.43%	29,262	75.56%	Utilities, Phone, TV	161,776	193,338	-16.32%	157,057	3.00%
7,298	6,017	21.30%	3,319	119.88%	Repairs & Maintenance	56,961	36,102	57.78%	43,009	32.44%
41,568	44,209	-5.97%	42,325	-1.79%	Depreciation	249,411	265,254	-5.97%	253,952	-1.79%
12,144	13,141	-7.58%	45,402	-73.25%	Taxes & Licenses	70,207	78,846	-10.96%	103,161	-31.94%
24,618	21,950	12.16%	23,357	5.40%	Interest	135,589	131,700	2.95%	146,866	-7.68%
1,368	3,173	-56.88%	6,738	-84.34%	Miscellaneous	22,167	22,038	0.59%	30,119	-26.40%
-	-		-		Allocated Expenses	-	-		-	
691,364	677,790	2.00%	645,976	7.03%	Total Operating Expenses	3,954,474	4,024,267	-1.73%	3,447,294	14.71%
(57,372)	96,916	-159.20%	(148,045)	61.25%	Operating Margin	(63,082)	126,213	-149.98%	(466,478)	86.48%
					Other Revenue					
-	-		-		Gain/(Loss) on Asset Disposals	-	-		14,087	-100.00%
23,427	-		17,289	35.50%	Donations	49,344	-		44,937	9.81%
5,821	863	574.50%	6,223	-6.46%	Interest & Investment Income	19,276	5,178	272.26%	19,721	-2.26%
-	-		-		Fund Transfers	-	-		90,611	-100.00%
29,248	863	3289.06%	23,512	24.40%	Total Other Revenue	68,619	5,178	1225.21%	169,357	-59.48%
953	750	27.08%	336	183.69%	Unrealized Gains/(Losses)	42,760	4,500	850.22%	21,159	102.09%
(27,171)	98,529	-127.58%	(124,197)	78.12%	Increase/(Decrease) in Net Assets	48,297	135,891	-64.46%	(275,963)	117.50%

Uplands Village
Statement of Revenue and Expense

For the Period Ending 12/31/2013

Current Period						Year-to-Date				
	Actual	Budget	Variance	Last Year	Variance	Actual	Budget	Variance	Last Year	Variance
Restricted Funds										
Donations	500	-		3,000	-83.33%	50	-		106,684	-99.95%
Interest & Investment Income	12,044	-		15,537	-22.48%	49,813	-		30,540	63.11%
Unrealized Gains/(Losses)	(13)	-		420	-103.10%	92,298	-		68,718	34.31%
Total Revenue & Unrealized Gains/(Losses)	12,531	-		18,957	-33.90%	142,162	-		205,942	-30.97%
Fund Costs	-	-		-		-	-		1,009	-100.00%
Fund Transfers	-	-		-		-	-		15	-100.00%
Total Costs & Transfers	-	-		-		-	-		1,023	-100.00%
Total Restricted Fund Inc/(Dec) in Net Assets	12,531	-		18,957	-33.90%	142,162	-		204,919	-30.63%

UPLANDS VILLAGE

Pleasant Hill, Tennessee

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Years Ended June 30, 2013 and 2012

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS:	
Balance Sheets	4-7
Statements of Operations and Changes in Net Assets	8-9
Statements of Cash Flows	10
Notes to Financial Statements	11-25
SUPPLEMENTARY INFORMATION:	
Schedule 1 - Net Resident Service Revenue	27
Schedule 2 - Cost of Services	28-29
Schedule 3 - Administrative Expenses	30

JOHNSON HICKEY MURCHISON
CERTIFIED PUBLIC ACCOUNTANTS • SINCE 1977

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Uplands Village:

We have audited the accompanying financial statements of Uplands Village (a nonprofit organization), which comprise the balance sheets as of June 30, 2013 and 2012, and the related statements of operations and changes in net assets and cash flows 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.

Auditors' 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 audit 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 qualified audit opinion.

651 East Fourth Street | jhmcpa.com | 423 756 0052 t
Suite 200 | Chattanooga, Tennessee 37403 | 423 267 5945 f

Basis for Qualified Opinion

As explained in Note 19 to the financial statements, individual residences within the Uplands Village have been recorded incorrectly in the financial statements. Accounting principles generally accepted in the United States of America require that such property be recorded at cost at the date of acquisition less applicable accumulated depreciation. The effects on the accompanying financial statements of the unrecorded property have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Uplands Village as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedules 1 through 3 are presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Johnson, Nickey & Menchem, P.C.

Chattanooga, Tennessee
January 21, 2014

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UPLANDS VILLAGE
BALANCE SHEETS
JUNE 30, 2013 AND 2012

	2013		
	General	Restricted	Total
ASSETS:			
CURRENT ASSETS:			
Cash	$ 1,395,537	$ 266,853	$ 1,662,390
Resident receivables, less allowance of ($98,758 for 2013 and $14,138 for 2012)	557,623	-	557,623
Notes and interest receivable	41,153	-	41,153
Inventories	32,975	-	32,975
Homes for sale	2,284,272	-	2,284,272
Prepaid expenses	49,348	-	49,348
Total current assets	4,360,908	266,853	4,627,761
ASSETS LIMITED AS TO USE:			
Debt service reserve	146,201	-	146,201
Resident trust funds	5,697	-	5,697
	151,898	-	151,898
INVESTMENTS	766,632	2,271,423	3,038,055
PROPERTY AND EQUIPMENT, net	9,427,911	-	9,427,911
OTHER ASSETS:			
Notes receivable	70,498	-	70,498
TOTAL ASSETS	$ 14,777,847	$ 2,538,276	$ 17,316,123

(The accompanying notes are an integral part of these statements.)

2012		
General	Restricted	Total
$ 1,995,003	$ 264,492	$ 2,259,495
357,075	-	357,075
2,896	2,754	5,650
11,972	-	11,972
2,322,180	-	2,322,180
23,761	-	23,761
4,712,887	267,246	4,980,133
118,680	-	118,680
15,537	-	15,537
134,217	-	134,217
728,391	2,146,914	2,875,305
9,830,510	-	9,830,510
-	-	-
$ 15,406,005	$ 2,414,160	$ 17,820,165

(The accompanying notes are an integral part of these statements.)

UPLANDS VILLAGE
BALANCE SHEETS
JUNE 30, 2013 AND 2012

	2013		
	General	Restricted	Total
LIABILITIES AND NET ASSETS:			
CURRENT LIABILITIES:			
Current maturities of long-term debt	$ 154,713	$ -	$ 154,713
Notes payable	571,697	-	571,697
Accounts payable	140,013	-	140,013
Deposits and credits	60,755	-	60,755
Accrued expenses	320,764	-	320,764
Deferred income	-	-	-
Total current liabilities	1,247,942	-	1,247,942
LONG-TERM DEBT, net of current maturities	5,727,752	-	5,727,752
OTHER LIABILITIES:			
Resident trust funds	5,697	-	5,697
Deposits and credits	-	-	-
Deferred income	-	-	-
	5,697	-	5,697
Total liabilities	6,981,391	-	6,981,391
NET ASSETS:			
Unrestricted	7,382,841	-	7,382,841
Temporarily restricted	413,615	1,121,098	1,534,713
Permanently restricted	-	1,417,178	1,417,178
Total net assets	7,796,456	2,538,276	10,334,732
TOTAL LIABILITIES AND NET ASSETS	$ 14,777,847	$ 2,538,276	$ 17,316,123

(The accompanying notes are an integral part of these statements.)

2012		
General	Restricted	Total
$ 144,252	$ -	$ 144,252
796,944	-	796,944
190,837	-	190,837
94,677	-	94,677
200,461	-	200,461
1,168	-	1,168
1,428,339	-	1,428,339
5,893,482	-	5,893,482
15,537	-	15,537
20,000	-	20,000
4,370	-	4,370
39,907	-	39,907
7,361,728	-	7,361,728
7,722,269	-	7,722,269
322,008	1,003,629	1,325,637
-	1,410,531	1,410,531
8,044,277	2,414,160	10,458,437
$ 15,406,005	$ 2,414,160	$ 17,820,165

(The accompanying notes are an integral part of these statements.)

UPLANDS VILLAGE
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013		
	General	Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Net resident service revenue	$ 6,487,302	$ -	$ 6,487,302
Administrative assessments	-	-	-
Contributions	88,319	6,647	94,966
Net assets released from restrictions used for operations	33,189	-	33,189
Investment income	11,690	37,726	49,416
Gains on sale of securities	1,733	3,921	5,654
Wharton auxiliary	53,129	-	53,129
Other income	697	-	697
Total revenues, gains and other support	6,676,059	48,294	6,724,353
EXPENSES:			
Cost of services	5,017,140	-	5,017,140
Administrative assessments	-	1,009	1,009
Administrative expenses	1,740,746	-	1,740,746
Interest expense	279,511	-	279,511
Total expenses	7,037,397	1,009	7,038,406
OPERATING INCOME (LOSS)	(361,338)	47,285	(314,053)
Change in net unrealized gains (losses) on investments	32,353	79,891	112,244
Net assets released from restrictions used for general administrative and other expenses	-	(3,060)	(3,060)
Loss on disposal of assets	(181)	-	(181)
Excess (deficit) of revenues over expenses	(329,166)	124,116	(205,050)
TEMPORARILY RESTRICTED NET ASSETS:			
Contributions	111,474	-	111,474
Net assets released from restrictions	(30,129)	-	(30,129)
Change in temporarily restricted net assets	81,345	-	81,345
CHANGE IN NET ASSETS	(247,821)	124,116	(123,705)
NET ASSETS:			
Beginning	8,044,277	2,414,160	10,458,437
Ending	$ 7,796,456	$ 2,538,276	$ 10,334,732

(The accompanying notes are an integral part of these statements.)

2012		
General	Restricted	Total
$ 5,928,493	$ -	$ 5,928,493
26,515	-	26,515
612,168	7,449	619,617
81,963	-	81,963
18,514	45,085	63,599
20,608	110,472	131,080
46,493	-	46,493
1,921	-	1,921
6,736,675	163,006	6,899,681
5,045,974	-	5,045,974
-	18,515	18,515
1,178,782	-	1,178,782
301,917	-	301,917
6,526,673	18,515	6,545,188
210,002	144,491	354,493
(9,498)	(76,421)	(85,919)
-	(81,963)	(81,963)
(268)	-	(268)
200,236	(13,893)	186,343
65,215	-	65,215
-	-	-
65,215	-	65,215
265,451	(13,893)	251,558
7,778,826	2,428,053	10,206,879
$ 8,044,277	$ 2,414,160	$ 10,458,437

(The accompanying notes are an integral part of these statements.)

UPLANDS VILLAGE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (123,705)	$ 251,558
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities -		
Depreciation	512,863	519,174
Loss on disposal of assets	181	268
Net unrealized (gains) losses on investments	(112,244)	85,919
(Increase) decrease in operating assets -		
Resident receivables	(200,548)	52,557
Notes and interest receivables	(106,001)	437
Inventories	(21,003)	-
Homes for sale	37,908	(196,400)
Prepaid expenses	(25,587)	6,088
Increase (decrease) in operating liabilities -		
Accounts payable	(50,824)	41,494
Deposits and credits	(53,922)	(56,465)
Accrued expenses	120,303	32,255
Deferred income	(5,538)	(1,168)
Net cash provided (used) by operating activities	(28,117)	735,717
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(821,085)	(898,590)
Sale of investments	770,579	866,459
Additions to property and equipment	(110,445)	(116,522)
Increase in assets limited as to use	(27,521)	(29,832)
Net cash used by investing activities	(188,472)	(178,485)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	-	339,806
Payments on notes payable	(225,247)	(296,613)
Proceeds from long-term debt	-	48,000
Payments on long-term debt	(152,087)	(143,144)
Principal payments on capital lease obligations	(3,182)	(4,002)
Net cash used by financing activities	(380,516)	(55,953)
NET INCREASE (DECREASE) IN CASH	(597,105)	501,279
CASH:		
Beginning	2,259,495	1,758,216
Ending	$ 1,662,390	$ 2,259,495
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
Cash paid for interest	$ 279,511	$ 301,917

(The accompanying notes are an integral part of these statements.)

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization -
The retirement village includes various rental apartments, resident homes and duplex units constructed on land life-leased from Uplands Village (Uplands) or owned by resident members as fee-simple properties.

In addition to the retirement village, Uplands operates an assisted living facility (Elizabeth Fletcher House) and an intermediate care (Wharton Homes) nursing home and provides skilled nursing and outpatient therapy services.

Basis of accounting -
The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates -
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents -
Uplands considers currency on hand and demand deposits with financial institutions to be cash. Uplands considers all highly liquid investments with an original maturity of three months or less, excluding amounts held under a loan agreement, to be cash equivalents. Excess cash, transferred to broker's accounts, is included under investments. Cash in resident trust funds are not considered cash or cash equivalents since balances therein are held by Uplands in an agency capacity for various residents.

Receivables -
For resident receivables, the allowance for uncollectible accounts is based on management's assessment of the collectability of specific resident accounts and the aging of the accounts receivable. If there is a deterioration of a major resident's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due Uplands could be adversely affected.

Inventories -
Inventories are stated at the lower of cost (first-in, first-out) or market.

Homes for sale -
Homes for sale are stated at the lower of cost (first in, first out) or market. These are homes that were purchased back from residents on Uplands old life lease agreement at eighty percent of the appraised value. Uplands is no longer purchasing back any homes for any residents that are still active in a life lease agreement.

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Assets limited as to use -
Assets limited as to use include money required to be set aside by a loan agreement for the life of the related loan and residents' personal assets.

Investments -
Investments include all amounts transferred to brokers' accounts for investments in money markets, certificates of deposit, mutual funds, and U.S. government and mortgage-backed securities, stated at fair market value. Unrealized gains or losses are included in nonoperating income.

Property and equipment -
Uplands capitalizes all expenditures in excess of $500 for property and equipment with a useful life greater than 3 years. Property and equipment assets are recorded at cost with depreciation being charged on the straight-line basis over the estimated useful life of each item. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as an increase in unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, Uplands reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by donor. Uplands reclassifies temporarily restricted net assets at that time.

Net assets -
Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Uplands and changes therein are classified and reported as unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are not subject to donor-imposed stipulations. Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by action of Uplands or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by Uplands.

Donor-restricted gifts -
Uplands reports gifts of cash and other assets as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor stipulations are presumed for donations to specific funds designated by the Board or established by previous donors for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Donor-restricted gifts (continued) -
released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Contributed services -
The directors have donated the time necessary to managing the affairs of Uplands and its activities along with residents of the community who have volunteered their services. The value of these donated services is not reflected in the accompanying financial statement since such services are not susceptible to objective measurement or valuation.

Charity care -
Uplands provides care to residents who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because Uplands does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Uplands estimates that the cost of providing the supplies and services under the charity care policy was approximately $27,000 and $22,000, for years ended June 30, 2013 and 2012, respectively, based on applying an average cost to charge ratio to the charges for charity care.

Net resident service revenue -
Net resident service revenue is reported at the estimated net realizable amounts from residents, third party payors, and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

Income taxes -
Uplands Village was founded by Dr. May Cravath Wharton and incorporated in 1922 under the laws of the State of Tennessee as a nonprofit corporation and Internal Revenue Code 501(c)(3) and was granted exemption from income taxes under code section 501(a) in January 1939.

Advertising -
Uplands expenses the cost of advertising as it is incurred. Advertising expense for June 30, 2013 and 2012, was $76,807 and $28,751, respectively.

(2) NET RESIDENT SERVICE REVENUE:

Uplands has agreements with third-party payors that provide for payment to Uplands at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between Uplands established rates for services and the amounts reimbursed by third-party payors. A summary of the payment arrangements with major third-party payor follows.

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(2) NET RESIDENT SERVICE REVENUE (Continued):

Medicare -
The Medicare program reimburses Uplands on prospectively determined rates per day. These rates vary according to a resident classification system which is based on clinical, diagnostic, and other factors. Uplands began providing skilled Medicare services during the year.

Medicaid -
Services rendered to Medicaid program beneficiaries are reimbursed as interim daily rates determined by the state Comptroller's office. The rates are subject to ceilings for both skilled and intermediate care. Reimbursement for services provided to intermediate and skilled care program residents is prospectively determined.

Rental income is billed monthly to each apartment and assisted living resident at the beginning of each month.

Nonrefundable service fees are billed monthly to each retirement village and assisted living resident.

(3) RESIDENT TRUST FUNDS:

Residents' personal money and money placed in an activity fund for the benefit of residents are held in trust by Uplands. These funds are accounted for as assets limited as to use and other liabilities. At June 30, 2013 and 2012, these funds totaled $5,697 and $15,537, respectively.

(4) DEBT SERVICE RESERVE:

The U.S Department of Agriculture loan for financing on Uplands assisted living and nursing home requires Uplands to set aside into a reserve account the sum of $2,453 each month until there is accumulated in that account the sum of $294,305 after which deposits may be suspended. This account shall be maintained so long as the indebtedness remains unpaid.

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(5) PROPERTY, PLANT AND EQUIPMENT:

A summary of property and equipment at June 30, 2013 and 2012, is as follows:

	2013	2012	Estimated Useful Lives
Land	$ 395,534	$ 405,075	
Land improvements	573,946	573,946	5 to 20 years
Buildings	12,153,493	12,129,045	10 to 40 years
Equipment	2,609,949	2,530,989	5 to 20 years
Sewer and treatment plant	779,889	779,889	10 to 20 years
	16,512,811	16,418,944	
Less accumulated depreciation	7,105,536	6,593,434	
	9,407,275	9,825,510	
Construction in progress	20,636	5,000	
Property, plant and equipment, net	$ 9,427,911	$ 9,830,510	

Depreciation expense was $512,863 and $519,174 for June 30, 2013 and 2012, respectively.

A portion of the original nursing home building is being used for administrative offices and the remainder is idle. Building and equipment with a carrying value of $242,501 are idle at June 30, 2013.

(6) INVESTMENTS:

The composition of investments at June 30, 2013 and 2012, consisted of:

	2013	2012
Cash	$ 69,960	$ 381,065
Certificates of deposit	80,427	115,973
Money market funds	28,993	448,515
Mutual funds	2,732,427	1,754,982
U.S. Government agency securities	54,395	105,602
U.S. Government securities	64,782	69,168
Equity securities	7,071	-
	$ 3,038,055	$ 2,875,305

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(6) INVESTMENTS (Continued):

Investments are summarized in general and restricted funds as follows:

	2013	2012
General amounts invested in mutual funds, money market funds, U.S. Government and mortgage-backed securities through securities firms	$ 766,632	$ 728,391
Restricted amounts invested in mutual funds, money market funds, U.S. Government and mortgage-backed securities held through securities firms, attributable to the various funds as follows:		
Baird Fund	213,697	208,756
Cravath Family Fund	436,793	414,024
Alice Adshead Fund	922,282	862,292
Home Health Care Fund	488,749	459,808
Mullins Memorial Fund	209,902	202,034
Total restricted fund investments	2,271,423	2,146,914
Total investments	$ 3,038,055	$ 2,875,305

Earnings from investments consisted of interest and dividends of $49,416 and $63,599, net unrealized gains (losses) of $112,244 and $(85,919), and realized gains of $5,654 and $131,080 for the years ended June 30, 2013 and 2012, respectively.

(7) INVESTMENTS – DONOR-RESTRICTED ENDOWMENTS:

Uplands endowments consists of five individual restricted funds, which are donor-restricted endowments established for a variety of purposes described in Note 11.

The Board of Directors of Uplands has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Uplands classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Uplands in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, Uplands considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(7) INVESTMENTS – DONOR-RESTRICTED ENDOWMENTS (Continued):

inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Uplands, and (7) Uplands investment policy.

Uplands has adopted an investment policy for all funds invested by Uplands to have a balanced and diversified, combination approach to portfolio management to help reduce volatility and prudently maximize total return for the long term (at least a 10 year horizon). Total return is defined to be the result of capital gains, realized and unrealized, plus income derived from dividends and interest. It is recognized that economic and security market conditions are not constant, but ever changing and, as a result, ongoing portfolio adjustments will be required in order to maintain asset productivity. The fund performance objective is to be not less than the average annual increase in the Consumer Price Index plus 3% net of fees. The maximum spending objective is 5% of the rolling three year average net asset value as determined on a total return basis on January 1 of each calendar year. Portfolio funds will be rebalanced semi-annually or whenever any investment class varies more than 5% from the target allocation.

Uplands has a spending policy that calculates the amount of money annually distributed from Uplands donor-restricted endowed funds. On January 1 of each calendar year all donor-restricted endowments (restricted funds) owe the general fund (which consists of Wharton Home, Fletcher House and Retirement Village) an amount equal to two and a half percent of the total net assets line on each fund's balance sheet. Additionally each of the donor-restricted endowments are available for the withdrawal of monies in order to serve the programs purpose of each fund. This amount is calculated with the net gain (loss) year to date, minus fund donations received year to date, plus temporarily restricted assets at end of previous fiscal year.

Endowment net assets composition by type of fund as of June 30, 2013 and 2012, is as follows:

	2013		2012	
	Temporarily Restricted	Permanently Restricted	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds:				
Baird Fund	$ 90,336	$ 139,651	$ 86,235	$ 139,599
Cravath Family Fund	208,122	283,944	185,361	281,444
Alice Adshead Fund	403,321	654,185	349,573	650,090
Home Health Fund	284,701	264,115	255,527	264,115
Mullins Memorial Fund	134,618	75,283	126,933	75,283
	$ 1,121,098	$ 1,417,178	$ 1,003,629	$ 1,410,531

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(7) INVESTMENTS – DONOR-RESTRICTED ENDOWMENTS (Continued):

Total net changes in endowment net assets as of June 30, 2013 and 2012, are as follows:

	2013		2012	
	Temporarily Restricted	Permanently Restricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year:	$ 1,003,629	$ 1,410,531	$ 1,024,971	$ 1,403,082
Contributions	-	6,647	-	7,449
Investment income	41,647	-	155,557	-
Net appreciation (depreciation)	79,891	-	(76,421)	-
Amounts appropriated for expenditure	(4,069)	-	(100,478)	-
Endowment net assets, end of year	$ 1,121,098	$ 1,417,178	$ 1,003,629	$ 1,410,531

(8) NOTES PAYABLE:

At June 30, 2013 and 2012, notes payable consisted of the following:

	2013	2012
Note payable to bank at 4.9% interest, with interest only payments. Principal is payable in one lump sum including unpaid interest on December 2013	$ 430,208	$ 545,326
Note payable to individual at 3.5% interest with annual interest payments of $1,677, principal due upon sale of the property, secured by property purchased from former resident that is held for sale	55,887	55,887
Note payables to individuals at 0% interest, payable in one lump sum upon the sale of property	85,602	195,731
Total	$ 571,697	$ 796,944

The loans are secured by various properties purchased from former residents that are held for resale.

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(9) LONG-TERM DEBT:

A summary of long-term debt at June 30, 2013 and 2012, follows:

	2013	2012
U.S. Farmer's Home Administration, $95,000 loan on Heritage Hall, due October 2027, payable in annual installments with interest at 5% per annum	$ 32,836	$ 36,499
U.S. Department of Agriculture, financing on Fletcher House and the new Wharton Home, due June 2046, payable in monthly installments of $24,365 including interest at 4.25% per annum	4,998,449	5,077,292
Capital lease obligation payable in monthly installments of $363 including interest, at an imputed interest rate of 7.503% until January 2013, collateralized by lease equipment	-	3,182
U.S. Department of Agriculture, nursing home equipment loan, due April 2025, payable in monthly installments of $2,380 including interest at 4.125% per annum	266,997	284,181
Note payable to individual, payable in monthly installments of $941 including interest at 3.5% per annum, until January 2015, secured by property purchased from former resident that is held for sale	16,471	26,982
Note payable to bank, payable in monthly installments of $2,505 including interest at 5.25% per annum, until August 2048, secured by Van Dyck units located at Uplands	486,218	490,099
Note payable to individual, payable in monthly installments of $1,022 at 0% interest, until October 2017, secured by property purchased from former resident that is held for sale	53,137	65,399
Note payable to individual, payable in monthly installments of $1,000 at 0% interest, until February 2014, secured by property purchased from former resident that is held for sale	8,000	18,466

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(9) LONG-TERM DEBT (Continued):

Note payable to individual, payable in monthly installments of $1,272 at 0% interest, until October 2014, secured by property purchased form former resident that is held for sale	20,357	35,634
Total long-term debt	5,882,465	6,037,734
Less current maturities of long-term debt	154,713	144,252
Long-term debt, net of current maturities	$ 5,727,752	$ 5,893,482

Future debt payments are scheduled as follows:

	USDA Loans	Other Debt	Total
2014	$ 99,404	$ 55,309	$ 154,713
2015	103,689	32,294	135,983
2016	108,158	22,038	130,196
2017	112,820	22,616	135,436
2018	117,683	14,981	132,664
Thereafter	4,723,692	469,781	5,193,473
Total	$ 5,265,446	$ 617,019	$ 5,882,465

The U.S. Department of Agriculture (USDA) loan for refinancing on Fletcher House and financing the new Wharton Home are secured by a first lien deed of trust on the new nursing home facility, all present and future contract rights, accounts receivable, and general intangibles arising in connection with Uplands.

The note payable to the bank contains various restrictions and covenants relating to a financial ratio and other activities. At June 30, 2013 and 2012, Uplands was in compliance with all covenants.

(10) GENERAL TEMPORARILY RESTRICTED NET ASSETS:

General temporarily restricted net assets are those whose use by Uplands has been limited by donors to be used to fund additional projects and further education and training to caregivers in the nursing home.

(11) RESTRICTED NET ASSETS:

The Baird Fund was established in 1963 by David Baird for the medical care of area indigent children, and later expanded to include indigent nursing home residents and other adults. The original terms having been fulfilled through passage of time, a portion of the fund was permanently restricted in December 1991.

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(11) RESTRICTED NET ASSETS (Continued):

The Cravath Family Fund was established in December 1991 from a portion of the Baird Fund, providing that the net income of the fund be used to provide for the needs of members of Uplands Village and residents of the May Cravath Wharton Nursing Home who are otherwise unable to provide for their own health care and general retirement living, with an emphasis on assisting in maintaining an independent living circumstance for such persons.

The Home Health Care Fund was established in 1979 by a resident of Pleasant Hill to provide funds for professional consultations through home visitations to the families of the area.

The Mullins Memorial Fund was established in December 1981 with initial gifts from interested relatives and friends in memory of Mr. and Mrs. William Hutson Mullins, under conditions that the capital of the Fund remain intact, and that the income from investments be used by Uplands at any time, as may be deemed appropriate by Uplands, for any purpose connected with the Wharton Nursing Home.

The Alice Adshead Fund was established in 1972 to provide a source of revenue to offset free resident care granted by Uplands to indigent residents of the May Cravath Wharton Nursing Home. Contributions to the Fund become part of the growing corpus of the Fund with interest earned thereon to be transferred as needed to the General Fund specifically for indigent resident care at the May Cravath Wharton Nursing Home.

(12) INTEREST EXPENSE:

Uplands incurred interest expense on borrowed funds during the periods as follows:

	2013	2012
U.S. Farmer's Home Administration	$ 1,995	$ 365
USDA loans	224,938	230,299
Individuals, on real estate acquisition and transfer loans	22,707	44,162
Note payable to bank	29,871	27,091
Total interest expense incurred	$ 279,511	$ 301,917

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(13) CONTRIBUTIONS:

Contributions for the years are as follows:

	2013	2012
General contributions	$ 199,793	$ 677,383
Restricted contributions:		
Baird Fund	52	-
Alice Adshead Fund	4,095	4,399
Cravath Fund	2,500	3,050
	6,647	7,449
Total contribution income	$ 206,440	$ 684,832

(14) CONCENTRATION OF CREDIT RISK:

Uplands grants credit without collateral to its nursing home residents, many of whom are local residents and are insured under third-party payor agreements. The mix of receivables from resident and third-party payors at June 30, 2013 and 2012, is as follows:

	2013	2012
Medicare	28 %	- %
Medicaid	31	54
Residents	41	46
Totals	100 %	100 %

Financial instruments that potentially subject Uplands to concentrations of credit risk consist principally of its cash deposits with financial institutions, certificates of deposit, money market funds, mutual funds and U.S. government and mortgage-backed securities.

Uplands has cash deposits with one financial institution at June 30, 2013 and 2012, located in Tennessee. Uplands does not require collateral or other support for cash deposits and certificate of deposit instruments in excess of the federally insured limit. The maximum loss which would have resulted from that risk totaled $1,510,365 and $2,103,607 at June 30, 2013 and 2012, for the excess of the cash deposits reported by the financial institution.

At June 30, 2013 and 2012, financial instruments related to certificates of deposit, mutual funds, U.S. government and mortgage backed securities, and money market funds amounting to $3,038,055 and $2,875,305 were not collateralized.

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(15) EMPLOYEE BENEFITS:

Uplands has a sheltered annuity plan for Uplands' employees after one year's service. The plan may make discretionary contributions to individual annuity contracts for each participant. Uplands contributed 4.25% of annual compensation on an annual basis for 2013 and 2012. In addition, each participant can elect to have additional contributions to the plan withheld from their wages.

Uplands' costs for all employee benefits for the years are summarized as follows:

	2013	2012
Included in costs of services:		
Payroll taxes	$ 216,672	$ 211,450
Other employee benefits	142,151	154,604
Included in administrative expenses:		
Payroll taxes	59,588	36,023
Other employee benefits	93,548	29,001
Total employee benefits	$ 511,959	$ 431,078

(16) FUNCTIONAL EXPENSES:

Uplands provides resident services to residents within its geographic location. Expenses related to providing these services are as follows:

	2013	2012
Resident services	$ 5,017,140	$ 5,045,974
General and administrative	2,021,266	1,499,214
	$ 7,038,406	$ 6,545,188

(17) COMMITMENTS AND CONTINGENCIES:

Professional Liability and Workers' Compensation Insurance –

Coverage for medical malpractice insurance is provided on a claims-made basis. The primary level of coverage is $1,000,000 each occurrence with a $3,000,000 general aggregate limit. Coverage for workers' compensation insurance is provided on a claims-made basis. The primary level of coverage is $1,000,000 per accident and $1,000,000 per employee, with a $1,000,000 policy limit.

Medicare and Medicaid –

Revenue from the Medicare and Medicaid programs account for approximately 3% and 39%, respectively, of Uplands net resident revenue for 2013. Revenue from the Medicaid program accounted for approximately 36% of Uplands net resident revenue for 2012. Laws and regulation governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(17) COMMITMENTS AND CONTINGENCIES (Continued):

Uncertain tax positions –

Uplands accounts for uncertain tax positions with provisions of FASB ASC 740-10 *"Accounting for Uncertainty in Income Taxes"* (FASB ASC 740-1), which provides a framework for how companies should recognize, measure, present and disclose uncertain tax positions within the financial statements. Uplands may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Uplands does not have any uncertain tax positions as of June 30, 2013 and 2012. As June 30, 2013 and 2012, Uplands did not record any penalties or interest associated with uncertain tax positions.

Uplands Form 990's, *Return of Organization Exempt from Income Tax,* for the years 2010 and beyond remain subject to examination by the IRS, generally for three years after they were filed.

(18) FAIR VALUE MEASUREMENT:

FASB ASC 820-10, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820-10 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Uplands uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. All investments have been valued using a market approach. All of Uplands investments have been valued using level 1 inputs. There have been no changes in valuation techniques and related inputs.

UPLANDS VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(19) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) DEPARTURE:

Uplands has historically not recorded individual residences as an asset. Uplands treated the transaction as if the property was transferred to the individual residents upon the execution of the life lease agreement. During fiscal year 2012, Uplands began reviewing the life lease agreement. Uplands attorneys determined that the properties were not transferred to the individual residents upon execution of the life lease agreement, thus the assets should have been recorded on the financial statements.

GAAP requires these assets to be reported at cost less applicable accumulated depreciation. Uplands is still in the process of determining how this GAAP departure will effect the financial statements, thus the effect still cannot be determined at June 30, 2013.

(20) RECLASSIFICATIONS:

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

(21) SUBSEQUENT EVENTS:

Uplands noted no transactions that would provide evidence about material conditions that did not exist at the balance sheet date but arose subsequently through the date these financial statements were available to be issued, January 21, 2014.

SUPPLEMENTARY INFORMATION

UPLANDS VILLAGE
SCHEDULE 1 - NET RESIDENT SERVICE REVENUE
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Routine nursing care	$ 4,268,364	$ 3,785,759
Sunday/guest meals	50,651	42,940
Beauty shop	10,467	12,356
Rent	1,548,153	1,467,398
Property sales, net	324,060	111,542
Maintenance	41,025	23,686
Sewer service	55,230	56,785
Processing and membership fees	680,568	540,020
Home health care	7,383	10,910
Auxiliary gifts	5,200	2,357
Miscellaneous	20,566	16,944
	7,011,667	6,070,697
Less deductions from revenue:		
Provision for uncollectibles	3,060	18,493
Contractual adjustment	521,305	123,711
Total deductions	524,365	142,204
TOTAL NET RESIDENT SERVICE REVENUE	$ 6,487,302	$ 5,928,493

UPLANDS VILLAGE
SCHEDULE 2 - COST OF SERVICES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
NURSING:		
Salaries and wages	$ 1,745,212	$ 1,718,917
Payroll taxes	132,353	129,062
Other employee benefits	83,904	88,965
Supplies	79,308	89,272
Repairs and maintenance	-	576
Contracted services	35,965	54,013
Workshops and travel	5,475	8,084
Total nursing	2,082,217	2,088,889
HOME HEALTH CARE:		
Salaries and wages	184,076	192,904
Payroll taxes	13,520	14,581
Other employee benefits	11,264	11,963
Utilities	590	1,021
Supplies	3,816	11,248
Repairs and maintenance	4,116	9,284
Contracted services	2,025	3,839
Workshops and travel	1,064	2,046
Insurance	2,283	2,265
Miscellaneous	980	2,549
Total home health care	223,734	251,700
OUTPATIENT THERAPY:		
Supplies	3,108	-
Contracted services	103,036	-
Total outpatient therapy	106,144	-
DIETARY:		
Salaries and wages	559,215	565,266
Payroll taxes	42,734	43,427
Other employee benefits	30,785	33,719
Raw food	302,858	315,882
Supplies	30,334	41,191
Repairs and maintenance	8,088	4,762
Contracted services	10,932	6,285
Miscellaneous	-	45
Workshops and travel	607	2,393
Rental	-	74
Total dietary	985,553	1,013,044
HOUSEKEEPING:		
Salaries and wages	56,951	54,485
Payroll taxes	4,331	3,846
Other employee benefits	3,675	3,934
Supplies	26,321	38,873
Repairs and maintenance	114	-
Workshops and travel	-	775
Total housekeeping	91,392	101,913

	2013	2012
LAUNDRY:		
Linen purchases	746	4,576
Supplies	4,804	6,713
Repairs and maintenance	550	-
Total laundry	6,100	11,289
BEAUTY SHOP:		
Supplies	95	156
Total beauty shop	95	156
PLANT OPERATIONS:		
Salaries and wages	251,503	211,593
Payroll taxes	19,340	16,681
Other employee benefits	11,752	12,457
Utilities	346,234	317,503
Supplies	37,534	42,128
Repairs and maintenance	104,448	142,143
Contracted services	47,729	141,987
Miscellaneous	17,611	51,460
Workshops and travel	16,288	6,329
Insurance	67,376	37,250
Rental	2,930	2,830
Sewer operating expense	18,307	18,263
Total plant operations	941,052	1,000,624
ACTIVITIES:		
Salaries and wages	26,703	22,753
Payroll taxes	2,060	1,810
Other employee benefits	478	1,670
Supplies	2,618	2,866
Workshops and travel	333	-
Total activities	32,192	29,099
SOCIAL SERVICE:		
Salaries and wages	31,460	26,039
Payroll taxes	2,334	2,043
Other employee benefits	293	1,896
Supplies	252	-
Workshops and travel	1,459	108
Total social service	35,798	30,086
DEPRECIATION:		
Buildings	319,610	322,395
Equipment	128,545	124,596
Sewer and pumping station	34,940	37,228
Vehicles	5,600	8,517
Land improvements	24,168	26,438
Total depreciation	512,863	519,174
TOTAL COST OF SERVICES	$ 5,017,140	$ 5,045,974

UPLANDS VILLAGE
SCHEDULE 3 - ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Salaries and wages	$ 793,093	$ 502,478
Payroll taxes	59,588	36,023
Other employee benefits	93,548	29,001
Stationery, printing, and supplies	36,491	25,633
Postage and freight	9,150	7,134
Telephone	24,155	17,722
Insurance	186,213	190,734
Dues and subscriptions	36,956	26,311
Legal and accounting	31,716	36,062
Advertising and promotional	76,807	28,751
Contracted services	100,169	2,031
Other administrative expenses	98,957	80,934
Taxes and license fees	172,163	161,974
Computer programming and support	21,740	33,994
TOTAL ADMINISTRATIVE EXPENSES	$ 1,740,746	$ 1,178,782

Construction Cost Comparison

The following construction cost analysis is meant to assist the Committee with discussions regarding the reuse or replacement of the existing facility to meet the needs of the proposed new rehabilitation facility for Uplands Village. A very rough space needs program was provided by Mr. Woodard to assist UDG in this study as well as a diagrammatic look at potential use of the existing space. The costs are very much estimates and are very conservative in nature.

Renovation

- Hazardous Materials Abatement		$	52,000.00
- Renovation – 41,808 sf x $90/sf			3,762,720.00
- Soft Costs (A/E fees, review fees, etc.)			300,000.00
	Subtotal	**$**	**4,114,720.00**

New Construction

- Hazardous Materials Abatement		$	52,000.00
- Demolition (assume reuse of existing site)			95,000.00
- Site Work (assume reuse of existing site)			200,000.00
- Construction – 41,000 sf x $140.00/sf			5,740,000.00
- Soft Costs (A/E fees, review fees, etc.)			400,000.00
	Subtotal	**$**	**6,587,000.00**

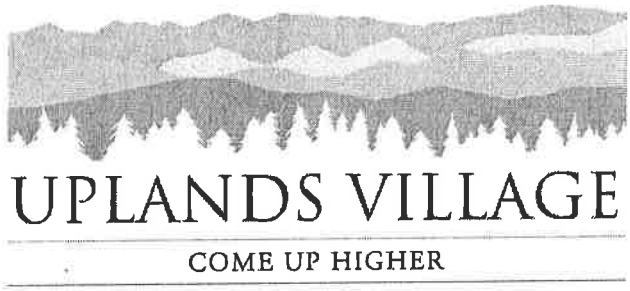
Notes:

1. These costs are very preliminary in nature and are subject to change based on a final design (i.e. amount of space renovation, HVAC system type, finishes....), the construction market, etc. but should be valid for comparison.
2. There is also potential that in a new design the size of the building could vary based upon actual programmatic needs. It is possible that the program could be larger or smaller than the 41,000 sf found in the existing building.
3. The Committee has expressed an interest and commitment in adhering to the Eden Alternative for the community at Uplands Village. Use of the existing building will most likely force some compromise in maximizing the design goals of the Eden Alternative. A new facility would be more conducive to meeting these goals.
4. As with any renovation of an old building it should be noted that once the renovation is complete it is still an old building. While all of the systems, finishes, etc. are new the main structural components of building are still old. The old building will still likely need more maintenance than a new facility.
5. A new facility would allow better overall energy efficiency as it would be built with a better building thermal envelope. Insulation can and would be added in the renovation work but it would less than found in a new building. Therefore, energy costs while improved in the renovated building will have a higher square foot operating cost than a new facility.

Attachment C

General Criteria

Contribution to the Orderly Delivery of Health Care



Pages

Attachment C, General Criteria

Contribution to the Orderly Development of Health Care

C.2, Eden Alternative ® Documentation A.63
C.7.c, Current Facility License A.66
C.7.c.2, Nursing Home Compare Results A.67
C.7.d, Most Recent Inspection/Plan of Correction A.70

We are pleased to present this

Certificate of Recognition

hereby acknowledging

Uplands Retirement Village

as

continuing your Eden Alternative® journey by renewing your status as a Registered Eden Home

William H. Thomas, M.D., President

Judith Meyers-Thomas, Vice President

Awarded May 1, 2012

Mission:

To improve the well-being of Elders and those who care for them by transforming the communities in which they live and work.

Vision:

To eliminate loneliness, helplessness, and boredom.

Values:

The Eden Alternative Ten Principles

Our 10 Principles

1. *The three plagues of loneliness, helplessness, and boredom account for the bulk of suffering among our Elders.*

2. *An Elder-centered community commits to creating a human habitat where life revolves around close and continuing contact with plants, animals, and children. It is these relationships that provide the young and old alike with a pathway to a life worth living.*

3. *Loving companionship is the antidote to loneliness. Elders deserve easy access to human and animal companionship.*

4. *An Elder-centered community creates opportunity to give as well as receive care. This is the antidote to helplessness.*

5. *An Elder-centered community imbues daily life with variety and spontaneity by creating an environment in which unexpected and unpredictable interactions and happenings can take place. This is the antidote to boredom.*

6. *Meaningless activity corrodes the human spirit. The opportunity to do things that we find meaningful is essential to human health.*

7. *Medical treatment should be the servant of genuine human caring, never its master.*

8. *An Elder-centered community honors its Elders by de-emphasizing top-down bureaucratic authority, seeking instead to place the maximum possible decision-making authority into the hands of the Elders or into the hands of those closest to them.*

9. *Creating an Elder-centered community is a never-ending process. Human growth must never be separated from human life.*

10. *Wise leadership is the lifeblood of any struggle against the three plagues. For it, there can be no substitute.*

Board for Licensing Health Care Facilities

State of Tennessee

License No. 0000000028

No. Beds 0062

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

UPLANDS RETIREMENT VILLAGE *to conduct*

and maintain a Nursing Home WHARTON NURSING HOME

Located at 878-880 W. MAIN STREET, PLEASANT HILL

County of CUMBERLAND *, Tennessee.*

This license shall expire JULY 20 *,* 2014 *and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 20TH *day of* JULY *,* 2013 *.*

By Vincent J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By [illegible]

COMMISSIONER

Attachment C. Contribution to the Orderly Development of Health Care. 7.c

Medicare.gov | Nursing Home Compare
The Official U.S. Government Site for Medicare

Nursing Home Results

9 nursing homes within 25 miles from the center of 38578.

Choose up to three nursing homes to compare. So far you have selected:

Viewing 1 - 9 of 9

Nursing Home Information	Overall Rating	Health Inspections	Staffing	Quality Measures	Distance
WHARTON NURSING HOME 55 WEST LAKE ROAD PLEASANT HILL, TN 38578 (931) 277-3511 Add to My Favorites	★★★★★ Much Above Average	★★★★★ Average	★★★★★ Above Average	★★★★★ Much Above Average	0.2 Miles
LIFE CARE CENTER OF CROSSVILLE 80 JUSTICE ST CROSSVILLE, TN 38555 (931) 484-4782 Add to My Favorites	★★★★★ Below Average	★★★★★ Below Average	★★★★★ Much Below Average	★★★★★ Much Above Average	11.8 Miles

Nursing Home Information	Overall Rating	Health Inspections	Staffing	Quality Measures	Distance
NHC HEALTHCARE, SPARTA 34 GRACEY ST SPARTA, TN 38583 (931) 836-2211 Add to My Favorites	Average	Below Average	Above Average	Average	12.5 Miles
WYNDRIDGE HEALTH AND REHAB CTR 456 WAYNE AVENUE CROSSVILLE, TN 38555 (931) 484-6129 Add to My Favorites	Much Above Average	Above Average	Much Above Average	Average	12.6 Miles
STANDING STONE CARE AND REHAB 410 W CRAWFORD AVENUE MONTEREY, TN 38574 (931) 839-2244 Add to My Favorites	Below Average	Average	Much Below Average	Above Average	15.6 Miles
LIFE CARE CENTER OF SPARTA 508 MOSE DRIVE SPARTA, TN 38583 (931) 738-9430 Add to My Favorites	Above Average	Average	Above Average	Above Average	20.4 Miles

Nursing Home Information	Overall Rating	Health Inspections	Staffing	Quality Measures	Distance
GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE 100 SAMARITAN WAY CROSSVILLE, TN 38558 (931) 456-1576 Add to My Favorites	★★★★★ Above Average	★★★★★ Above Average	★★★★★ Average	★★★★★ Above Average	21.9 Miles
BETHESDA HEALTH CARE CENTER 444 ONE ELEVEN PLACE COOKEVILLE, TN 38501 (931) 525-6655 Add to My Favorites	★★★★★ Average	★★★★★ Average	★★★★★ Average	★★★★★ Average	24.2 Miles
KINDRED NURSING AND REHABILITATION-MASTERS 278 DRY VALLEY RD ALGOOD, TN 38501 (931) 537-6524 Add to My Favorites	★★★★★ Much Above Average	★★★★★ Above Average	★★★★★ Below Average	★★★★★ Much Above Average	24.8 Miles

Viewing **1 - 9** of **9**

Choose up to three nursing homes to compare. So far you have selected:

Modify Your Results

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

PRINTED:2/4/2014
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER / SUPPLIER / CLIA IDENNTIFICATION NUMBER	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED
	445510		08/14/2013

NAME OF PROVIDER OF SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP
WHARTON NURSING HOME	55 WEST LAKE ROAD PLEASANT HILL, TN 38578

For information on the nursing home's plan to correct this deficiency, please contact the nursing home or the state survey agency.

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)
F 0279	**Develop a complete care plan that meets all of a resident's needs, with timetables and actions that can be measured** **NOTE- TERMS IN BRACKETS HAVE BEEN EDITED TO PROTECT CONFIDENTIALITY** Based on medical record review and interview, the facility failed to develop a comprehensive care plan for two residents (#55, #13) of twenty-four sampled residents. The findings included: Resident #55 was admitted to the facility on [DATE], with [DIAGNOSES REDACTED]. Medical record review of the Nurse's Notes dated February 18, 2013, revealed the resident .wandered, worried about dogs and family, resistive to care at times.becomes anxious when staff tries to assist with changing clothes. Medical record review of a Nurse's Note dated March 6, 2013, revealed the resident . attempted to be physically abusive to staff when assisting with transfer. Patient (Pt.) pulled fist back to punch staff. Pt. also called staff inappropriate names. Medical record review of a Nurse's Note dated March 17, 2013, revealed the resident .was verbally abusive, cursing aloud and told staff.would smack them in the face. Medical record review of the resident's Care Plan dated February 19, 2013, and updated March 21, 2013, revealed the care plan did not address the resident's behaviors. Interview with the Minimum Data Set (MDS) Coordinator on August 14, 2013, at 9:30 p.m., in the MDS Coordinator's office, confirmed the facility failed to develop a Comprehensive Care Plan to address the resident's behaviors. Resident #13 was admitted to the facility on [DATE], with [DIAGNOSES REDACTED]. Medical record review of a physician's orders [REDACTED]. Medical record review of a Hospice Nursing Note dated July 1, 2013, revealed the resident was admitted to Hospice services. Medical record review of the resident's current Comprehensive Care Plan dated June 7, 2013, revealed Hospice services was not addressed on the care plan. Interview with the Minimum Data Set (MDS) Coordinator on August 13, 2013, at 4:15 p.m., in the MDS office, confirmed the facility failed to develop a Comprehensive Care Plan for Hospice services.
F 0325	**Make sure that each resident gets a nutritional and well balanced diet, unless it is not possible to do so.** **NOTE- TERMS IN BRACKETS HAVE BEEN EDITED TO PROTECT CONFIDENTIALITY** Based on medical record review, facility policy review, observation and interview, the facility failed to address the significant weight loss for one resident (#12), of twenty-four residents reviewed. The findings included: Resident #12 was admitted to the facility on [DATE], was discharged to the hospital on June 24, 2013, and readmitted to the facility on [DATE], with [DIAGNOSES REDACTED]. Failure to Thrive was added on May 9, 2013. Medical record review of the facility form entitled Monthly Weights revealed the following weights in pounds (#): May 31, 2013, weight was 145.2#; July 1, 2013, notation of the name of the hospital; July 12, 2013, weight was 135.6#; a significant weight loss of 9.6# or 6.6 percent (%) in thirty days, and July 19, and 26, 2013, weights were 135# and 134.4#, stabilized weight. Review of the Dietary Progress Note dated July 10, 2013, written by the Registered Dietitian (RD) revealed .significant change r/t (related to) UTI (Urinary Tract Infection) and DM (Diabetes Mellitus).weight: no current weight d/t (due to) recent hospitalization .appetite 0-50 % by mouth x (for) 4 days.Recommendation: NSA (No Sugar Added) (brand name) supplement TID (three times daily) d/t poor (intake). Review of the care plan dated June 11, 2013, revealed the problem .at risk for Alteration in nutrition.Goal: .will have stable weight.Approaches: provide food supplement.provide extra snacks. Further review revealed the significant weight loss was not addressed. Review of the facility policy entitled Resident Weight Policy updated March 22, 2013, revealed .All residents of (facility) will be weighed upon admission/or within 24 hours of admission by the nursing staff which will subsequently be recorded in (named computer program).All weights there after are done either monthly or per physician orders. Observation on August 14, 2013, at 8:00 a.m., revealed the resident in the resident's room, in bed, self-feeding breakfast. Further observation revealed the resident had consumed 100% of three six-ounce beverages, 100% of the fried egg, 100% of the banana, 25% of the toast, bites of the ground sausage, and 0% of the applesauce. Interview on August 14, 2013, at 9:45 a.m., at the 300 nursing station, with Licensed Practical Nurse #2, confirmed the RD documentation for the recommendation of the NSA supplement. Further interview confirmed a physician order would be required for the supplement and there was no physician order for [REDACTED]. Interview on August 14, 2013, at 10:00 a.m., in the conference room, with the Minimum Data Set Coordinator, confirmed the RD recommendation for the supplement. Further interview revealed the RD recommendation was to have been addressed in the Interdisciplinary Team meeting held weekly and any recommendation would be communicated to the physician for consideration. Further interview confirmed there was no physician order for [REDACTED].
F 0371	**Store, cook, and serve food in a safe and clean way** Based on observation, interview, and review of facility policies, the facility failed to follow proper food storage and failed to maintain dietary equipment in a sanitary manner, in four of four kitchens. The findings included: Observation of the 100 kitchen in building A on August 12, 2013, at 7:20 p.m., revealed an undated plastic container of refrigerated peaches. Further observation revealed a cottage cheese and peach salad and a bowl of cream of broccoli soup stored in a cold oven. Interview with Certified Nursing Assistant (CNA) #3, on August 12, 2013, at 7:25 p.m., in the 100 kitchen, confirmed the container of peaches was undated and food was stored in the cold oven. Observation of the 200 kitchen in building A on August 12, 2013, at 7:35 p.m., revealed an undated plastic container of refrigerated pudding and an expired loaf of rye bread. Interview with CNA #1, on August 12, 2013, at 7:40 p.m., in the 200 kitchen, confirmed the container of pudding was undated and the loaf of bread was expired and needed to be discarded. Observation of the 300 kitchen in building B on August 12, 2013, at 7:45 p.m., revealed an undated and unlabeled plastic container of refrigerated cake, an undated plastic wrapped refrigerated carrot cake, one bagel with no expiration date, an opened loaf of undated white bread, and one and a half opened wrappers of crackers with an open date May 20, 2013. Interview with CNA #2, on August 12, 2013, at 7:55 p.m., in the 300 kitchen, confirmed the cakes were unlabeled and undated; and the bagel, bread, and the opened crackers did not have known expiration dates. Observation of the 400 kitchen in building B on August 12, 2013, at 8:00 p.m., revealed a pint of wrapped refrigerated mushrooms belonging to a resident brought in on August 7, 2013, with no expiration date; a half-cut banana sitting on the counter unwrapped; and a bowl of cold cream of broccoli soup under a cold steam table. Interview with CNA #4, on August 12, 2013, at 8:05 p.m., in the 400 kitchen, confirmed the mushrooms had no expiration date, the half-cut banana on the counter was not wrapped or dated, and the cold soup was stored under the steam table. Observation of the 100 kitchen in building A on August 13, 2013, at 7:40 a.m., revealed scrambled eggs on a cold warmer tray. Further observation revealed CNA #5 obtained 114.2 degrees Fahrenheit (F) for the scrambled eggs. Interview

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.

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER / SUPPLIER / CLIA IDENNTIFICATION NUMBER	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED
	445510		08/14/2013

NAME OF PROVIDER OF SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP
WHARTON NURSING HOME	55 WEST LAKE ROAD PLEASANT HILL, TN 38578

For information on the nursing home's plan to correct this deficiency, please contact the nursing home or the state survey agency.

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)
F 0371	(continued... from page 1) with CNA #5 in the 100 kitchen on August 13, 2013, at 7:45 a.m., confirmed the scrambled eggs were not held at the correct temperature (at or greater than 135 degrees F) and needed to be discarded. Observation of the central kitchen in building A on August 13, 2013, at 8:25 a.m., revealed two number ten (#10) cans of peach pie filling with dented rims; a refrigerated plastic container labeled peach pie filling dated July 31; debris on the condenser unit fan grate of the walk-in refrigerator; ice build-up in the interior of the chest freezer; a bag of frozen diced chicken closed with a wooden clothes pin; and a broken thermometer in the three-door reach-in freezer. Continued observation revealed dried splattered debris on the tabletop stand-up mixer, dried splattered debris on the stationary mixer, and dried debris on the lid of the flour bin. Interview with the Dietary Manager in the building A central kitchen on August 13, 2013, at 8:35 a.m., confirmed the two cans of peach pie filling were dented and needed to be removed from stock; the peach pie filling was expired and needed to be discarded; the the condenser unit fan grate had debris build-up and needed to be cleaned; the chest freezer had ice build-up; wooden clothes pins were not to be used to secure the bag of chicken; the freezer thermometer was broken and needed to be replaced; and the mixers and lid of the flour bin needed to be cleaned. Observation of the central kitchen in building B on August 13, 2013, at 10:05 a.m., revealed one #10 dented can of vanilla pudding, one #10 dented can of beets, two #10 dented cans of sauerkraut, and a plastic container of refrigerated tomato sauce with the expiration date labeled August, 7. Continued observation revealed water and debris in the blender, and debris in the bowl and on the sides of the stand-up mixer. Interview with the Dietary Manager in the building B central kitchen on August 13, 2013, at 10:25 a.m., confirmed the dented cans of pudding, beets and sauerkraut needed to be removed from stock; the expired tomato sauce needed to be discarded, and the blender and the stand-up mixer needed cleaning. Observation of the central kitchen in building B on August 13, 2013, at 11:35 a.m., revealed the Dietary Manager washed the hands and opened the trash can lid with the hands twice, without rewashing the hands, and then proceeded to obtain food temperatures. Continued observation revealed the Dietary Manager obtained food temperatures for lasagna, sugar snap peas, and cauliflower, and cleaned the thermometer with dry paper towels between each food. Interview with the Dietary Manager in the central kitchen in building B on August 13, 2013, at 11:50 a.m., confirmed hand hygiene had not been performed correctly after touching the garbage can lid and before obtaining food temperatures; and the thermometer was to be sanitized with alcohol wipes between food temperatures. Review of the facility policies and procedures, Food Brought to Residents from the Outside, revised November, 2011, and Storing Leftover Food, dated 2005 revealed, .the food must be stored in a container.clearly labeled with the resident's name and room number, the date the food was brought to the resident and also the use-by-date per regulation.leftover food will stored for up to three days with the day of preparation being day one. Interview with the Dietary Manager in the central kitchen in building B on August 13, 2013, at 11:58 a.m., confirmed the facility failed to follow the facility's policies for storage of leftovers and residents' personal food.

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
5904 LYONS VIEW PIKE, BLDG. 1
KNOXVILLE, TENNESSEE 37919

November 21, 2013

Mr. Richard Woodard, Administrator
Wharton Nursing Home
878-880 W. Main Street
P.O. Box 447
Pleasant Hill TN 38578

Re: 44-5510

Dear Mr. Woodard:

The East Tennessee Regional Office of Health Care Facilities conducted a Health and Life Safety recertification survey on August 12 - 14, 2013. An on-site revisit and review of the facilities plan of correction for the deficiencies cited as a result of the survey was conducted on October 7 and November 13, 2013. Based on the on-site revisit and review, we are accepting your plan of correction and your facility is in compliance with all participation requirements as of October 22, 2013.

If you have any questions concerning this letter, please contact our office at (865) 588-5656.

Sincerely,

Karen B. Kirby

Karen B. Kirby, R.N.
Regional Administrator
ETRO Health Care Facilities

KK:afl

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909

Refer to: 44-5510.amended.com12.10.13

IMPORTANT NOTICE - PLEASE READ CAREFULLY
(Receipt of this notice is presumed to be December 10, 2013 – date notice e-mailed)
Amended Notice to letter dated November 25, 2013

December 10, 2013

Mr. Richard Woodard, Administrator
Wharton Nursing Home
878-880 W. Main Street
P.O.Box 447
Pleasant Hill, Tennessee 38578

Re: Compliance notice
CMS Certification Number: 44-5510

Dear Mr. Woodard:

As a result of the revisit survey conducted on November 13, 2013, by the East Tennessee Regional Office of Health Care Facilities, it has been determined that Wharton Nursing Home is in substantial compliance with the Medicare requirements for participation for Skilled Nursing Facilities* effective October 4, 2013*.

In our letter dated September 24, 2013, we imposed the following enforcement remedies: *Denial of Payment for New Admissions (DPNA)* and termination of Medicare participation. These remedies did not go into effect because we determined that your facility achieved substantial compliance before the remedies' effective dates. In other words, your Medicare provider agreement remains in effect.

If our previous letter(s) imposed a Civil Money Penalty (CMP) on your facility, the CMP will be collected in accordance with regulations at 42 CFR 488.442.

Accordingly, your agreement for participation as a provider of services under the Health Insurance for the Aged and Disabled Program (Title XVIII of the Social Security Act) is continued.

If you have any questions regarding this matter, please contact Bessie Barnes at 404-562-7442.

Sincerely,

/s/

Sandra M. Pace
Associate Regional Administrator
Division of Survey & Certification

cc: State Agency
State Medicaid Agency
Medicare Administrator Contractor
Stephanie Davis, Chief LTCCEB
Jill Jones, LTC S&C

Proof of Publication

UPLANDS VILLAGE

COME UP HIGHER

	Pages
Proof of Publication	A.76

14428

FEB 14 14 AM 8:05

State of Tennessee,
Cumberland County: } Pauline Sherrer being duly sworn, upon her oath says, that she is the publisher of the CROSSVILLE CHRONICLE, a tri-weekly newspaper published in the State and County aforesaid; that the annexed and foregoing advertisement was published in said newspaper for one consecutive weeks;

Publication Dates Are:

2-7-14

2014

Pauline C. Sherrer
Publisher

Subscribed and sworn to before me, this 10th day of February, 2014

Mary Koch

My commission expires, 7-8, 2017 }

MARY KOCH
STATE OF TENNESSEE NOTARY PUBLIC
CUMBERLAND COUNTY

Classified Deadlines

exclusive of said last date of publication, or a judgment by default may be entered and the cause set for hearing ex parte as to said Defendant.

This 9th day of January, 2013.

Sue Tollett,
Clerk and Master

Connie Turner,
Deputy Clerk and Master

NOTICE

door of the Cumberland County Courthouse, Crossville, Tennessee, proceed to sell at public outcry to the highest and best bidder for cash, the following described tract of property, situated, lying and being in the Second (2nd) Civil District of Cumberland County, Tennessee, and being more particularly described as follows:

BEING Lot 20, Block 234, in Cumberland Lakes @ Cumberland Cove, Unit

to complete the sale of the subject real property, without further notice or advertisement, to the next highest bidder who is able to consummate his purchase of the property within the time permitted by the Substitute Trustee.

Signed, this 31st day of January, 2014.

Don O. Johnson,
Substitute Trustee

O'Mara & Johnson, PLLC

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:

Wharton Nursing Home (Name of Applicant), Nursing Home (Facility Type-Existing)

owned by: Uplands Village with an ownership type of 501(c)(3) non-profit corporation

and to be managed by: Uplands Village intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]:

Uplands Village is a continuing care retirement community providing a continuum of care for residents in independent living, assisted living, intermediate care, and skilled nursing care. On the campus of Uplands Village is 62 bed Wharton Nursing Home at 878-880 W. Main Street, Pleasant Hill, TN. The proposed project is to relocate 31 nursing home beds to an adjacent building on the campus. The 62 licensed nursing home beds will be operated in the two buildings under Wharton Nursing Home's current license. The proposed project will also included renovations for physical/occupational therapy and wellness gyms, a kitchen and dining facility, and spaces for central supply, maintenance, and administrative offices. The estimated project cost is $5,100,000.

The anticipated date of filing the application is: February 15, 20 14

The contact person for this project is Al Griffin (Contact Name), Director of Financial Services (Title)

who may be reached at: Uplands Village (Company Name), PO Box 168 (Address)

Pleasant Hill (City), TN (State), 38578 (Zip Code), (931) / 277-3518 (Area Code / Phone Number)

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.

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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

FEB 10 2014 PM 3:55

LETTER OF INTENT

The Publication of Intent is to be published in the Crossville Chronicle (Name of Newspaper) which is a newspaper of general circulation in Cumberland (County), Tennessee, on or before February 10 (Month / day), 2014 (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:

Wharton Nursing Home (Name of Applicant) Nursing Home (Facility Type-Existing)

owned by: Uplands Village with an ownership type of 501(c)(3) non-profit corporation

and to be managed by: Uplands Village intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]:

Uplands Village is a continuing care retirement community providing a continuum of care for residents in independent living, assisted living, intermediate care, and skilled nursing care. On the campus of Uplands Village is 62 bed Wharton Nursing Home at 878-880 W. Main Street, Pleasant Hill, TN. The proposed project is to relocate 31 nursing home beds to an adjacent building on the campus. The 62 licensed nursing home beds will be operated in the two buildings under Wharton Nursing Home's current license. The proposed project will also include renovations for physical/occupational therapy and wellness gyms, a kitchen and dining facility, and spaces for central supply, maintenance, and administrative offices. The estimated project cost is $5,100,000.

The anticipated date of filing the application is: February 15, 2014

The contact person for this project is Al Griffin (Contact Name) Director of Financial Services (Title)

who may be reached at: Uplands Village (Company Name) PO Box 168 (Address)

Pleasant Hill (City) TN (State) 38578 (Zip Code) (931) / 277-3518 (Area Code / Phone Number)

Al Griffin (Signature) 02/07/2014 (Date) agriffin@uplandsvillage.com (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.