State of Tennessee
Health Services and Development Agency
Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

August 1, 2013

Bruce K. Duncan, Assistant Vice President
National HealthCare Corporation
100 Vine Street, 12th Floor
Murfreesboro, TN 37130

RE: Certificate of Need Application -- NHC/Maury Regional Transitional Care Center - CN1307-025

Dear Mr. Duncan:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need for the relocation and replacement of two (2) separately licensed nursing home facilities, NHC Healthcare, Hillview, License number 183 and Maury Regional Hospital Skilled Nursing Unit, license number 359. The proposed new center will be located at 5004 Trotwood Avenue, Columbia (Maury County), TN and will have a total of 112 beds. The estimated project cost is $18,161,672.00.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on August 1, 2013. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on October 23, 2013.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

Melanie M. Hill
Executive Director

MMH:mab

cc: Dan Henderson, Director, Division of Health Statistics

State of Tennessee
Health Services and Development Agency
Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

MEMORANDUM

TO: Dan Henderson, Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Cordell Hull Building, 6th Floor
425 Fifth Avenue North
Nashville, Tennessee 37247

FROM: Melanie M. Hill
Executive Director

DATE: August 1, 2013

RE: Certificate of Need Application
NHC/Maury Regional Transitional Care Center - CN1307-025

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on August 1, 2013 and end on October 1, 2013.

Should there be any questions regarding this application or the review cycle, please contact this office.

MMH:mab

Enclosure

cc: Bruce K. Duncan, Assistant Vice President

MTB&J
MID-TENNESSEE
BONE & JOINT CLINIC, P.C.

Orthopedic Surgery & Sports Medicine
C. Douglas Wilburn, MD
Randall L. Davidson, Jr., MD
Jeffrey T. Adams, MD
J. Fredrick Wade, MD
A. Lee Hunter, Jr., MD
Scott W. McCall, MD
Jonathan R. Pettit, MD

Physical Medicine & Rehabilitation
Charles S. Kim, MD

Emeritus
Eslick E. Daniel, MD
Kenneth L. Moore, MD

Administration
Fred Drews
Chief Executive Officer

1050 N. James Campbell Blvd. • Suite 200 • Columbia, TN 38401 • Phone 931-381-BONE (2663) • Fax 931-380-0513 • www.mtbj.net

2013 JUL 12 AM 8 55

July 2, 2013

Ms. Melanie Hill, Executive Director of Health Service
and Development Agency
161 Rosa L Parks Blvd., 3rd Floor
Nashville, TN 37243

Dr. Ms. Hill:

This is a letter in support of NHC/Maury Regional Transitional Care Center. I think this would be an excellent addition to our community with our high percentage of elderly that we care for, plus a high level of elective total joint patients needing acute rehab. I think this will be an excellent addition to our community providing quality care and improving availability for our patients. I am strongly in favor of this project.

Sincerely,

Jeffrey T. Adams, M.D.

JTA/kaa

DT: 7/8/13

2013 JUL 10 AM 9 14

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the The Daily Herald (Name of Newspaper) which is a newspaper of general circulation in Maury (County), Tennessee, on or before July 10 (Month / day), 2013 (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:

NHC/Maury Regional Transitional Care Center (Name of Applicant), Nursing Home (Facility Type-Existing)

owned by: NHC-Maury Regional HealthCare, LLC with an ownership type of Limited Liability Company and to be managed by: Tennessee HealthCare Advisors, LLC intends to file an application for a Certificate of Need for: the establishment of NHC/Maury Regional Transitional Care Center, a 112 bed nursing home, by relocating and combining two existing licensed nursing home facilities, NHC HealthCare, Hillview consisting of 92 nursing home beds, license number 183 and Maury Regional Hospital SNU's 20 bed nursing home, license number 181. No new beds are being requested as part of this application. The proposed center will be Medicare certified. The center site will be located on approximately 11 acres at 5004 Trotwood Ave in Columbia, Maury County. The project costs for the nursing home are estimated to be $18,161,672.

The anticipated date of filing the application is: July 15, 2013

The contact person for this project is Bruce K. Duncan (Contact Name), Assistant Vice President (Title)

who may be reached at: National HealthCare Corporation (Company Name), 100 Vine, Street, 12th Floor (Address)

Murfreesboro	Tennessee	37130	615 / 890-2020
(City)	(State)	(Zip Code)	(Area Code / Phone Number)

(Signature) 7/5/13 (Date) Bduncan@nhccare.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
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
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.

==========

Sheila Butt
State Representative

Assistant Chairman State Government Committee

106 War Memorial Building
Nashville, TN 37243
Phone: (615) 741-3005

2013 JUL 19 AM 10 02

State of Tennessee
House of Representatives

64th District Office
P.O. Box 1283
Columbia, TN 38402

Phone: (931) 698-5432
Fax: (615) 253-0365
rep.sheila.butt@capitol.tn.gov

July 15, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

The following letter is in regard to my enthusiastic support for NHC/Maury Regional Transitional Care Center to replace and relocate 112 nursing facility beds in Maury County. As a physician practicing in Maury County, I am aware of the great need for such a facility. As you know, a large percentage of the population in this county is comprised of the elderly. Such a facility would be an asset and would fulfill a need for the elderly and their families.

Thank you very much in advance for your attention and cooperation in this matter.

Sincerely,

Sheila Butt

State Representative Sheila Butt
64 District

SB:jw

COPY-Application

NHC/Maury Regional Transitional Care Ctr CN1307-025

STATE OF TENNESSEE
Health Services and Dev Agency
Office 31607001
7/12/2013 11:51 AM

Cashier: annir0811001
Batch #: 508881
Trans #: 1
Workstation: AF0719WP45

CON Filing Fees

Receipt #: 10377693	
HA01 CON Filing Fees	$40,772.03
Payment Total:	**$40,772.03**
Transaction Total:	**$40,772.03**
Check 21	$40,772.03

Thank you for your payment.
Have a nice day!

CN1307-025

NHC
NATIONAL HEALTHCARE CORPORATION

NHC/OP, L.P.
100 VINE STREET
P.O. BOX 1398
MURFREESBORO, TN 37133
(615) 890-2020

70003551
64-1327/611
BRANCH 38828

Health Services and Dev Agency
Office 31607001

Receipt #: 10377693
PAID: 7/12/2013
Batch #: 508881
Trans #1 $40,772.03
HA01 CON Filing Fees $40,772.03
Check 21 $40,772.03

THANK YOU FOR YOUR PAYMENT

DATE July 11, 2013

PAY TO THE ORDER OF TN Health Services and Development Agency $ 40,772.03

Forty thousand seven hundred seventy-two and 03/100---------- DOLLARS

Security Features Details on Back.

WACHOVIA
Wachovia Bank, a division of Wells Fargo Bank, N.A.

Charlotte Aswapord MP

⑈70003551⑈ ⑆061113279⑆ 2079900544734⑈

NHC

NATIONAL HEALTHCARE CORPORATION

2013 JUL 12 AM 11 48

July 11, 2013

VIA: Overnight Delivery

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services & Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, TN 37243

RE: CON Request by NHC-Maury Regional HealthCare, LLC to construct a new nursing home comprised of 112 existing nursing home beds to be combined, relocated and replaced in Columbia, Maury County, Tennessee, and called NHC/Maury Regional Transitional Care Center

Dear Ms. Hill:

Enclosed please find the required check of $40,772.03 made payable to the Health Services and Development Agency, to cover the filing fee for the referenced request. The fee has been calculated based on the total project cost of $18,120,900/1,000 times $2.25 which equals $40,772.03, but in no case shall the fee be less than $3,000.00 or more than $45,000.00.

If you require any additional information or need clarification on any of the supplied material, please do not hesitate to contact me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Bruce K. Duncan
Assistant Vice President, Planning/Licensure & **Authorized Representative for NHC-Maury Regional HealthCare, LLC**

Enclosure

2013 JUL 12 AM 11 48

CERTIFICATE OF NEED APPLICATION

APPLICANT: **NHC-MAURY REGIONAL HEALTHCARE, LLC**

AUTHORIZED REPRESENTATIVE:

BRUCE K. DUNCAN
NATIONAL HEALTHCARE CORPORATION
100 VINE STREET, 12TH FLOOR
MURFREESBORO, TN 37130
615-890-2020

PROJECT:The Relocation and replacement of two (2) separately licensed nursing home facilities, NHC HealthCare, Hillview, License number 183 and Maury Regional Hospital skilled Nursing Unit, License number 359. The proposed new center will have a total of 112 beds and will be called NHC/Maury Regional Transitional Care Center. No new beds are being requested as part of this proposal. The center will be located at 5004 Trotwood Ave in Columbia, Maury County, TN. The project costs for the nursing home are estimated to be $18,161,672.

Submitted to
the State of Tennessee
Health Services & Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

July 12, 2013

SECTION A:

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

NHC/Maury Regional Transitional Care Center
Name

5004 Trotwood Ave
Street or Route

Maury
County

Columbia
City

Tennessee
State

38401
Zip Code

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

Bruce K. Duncan
Name

Assistant Vice President
Title

National HealthCare Corporation
Company Name

bduncan@nhccare.com
Email address

100 Vine Street
Street or Route

Murfreesboro
City

TN
State

37130
Zip Code

Employee
Association with Owner

615-890-2020
Phone Number

615-890-0123
Fax Number

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

NHC-Maury Regional HealthCare, LLC
Name

615-890-2020
Phone Number

100 Vine Street
Street or Route

Rutherford
County

Murfreesboro
City

Tennessee
State

37130
Zip Code

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

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

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.NHC-Maury Regional HealthCare, LLC has two (2) members, NHC/OP, L.P and Maury Regional Medical Center. NHC/OP, L.P. owns 80% and Maury Regional Medical Center owns 20% of NHC-Maury Regional HealthCare, LLC. NHC/OP, L.P. also owns 100% in other nursing facilities in various states. **Please see Attachment "Section A, Applicant Profile - 4 Type of Ownership or Control" located at the end of the CON application on pages 2-13 for a copy of the Articles of Organization, Certificate of Existence, Organization Chart and Listing of Other Nursing Facilities owned by NHC/OP, L.P.**

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

Tennessee HealthCare Advisors, LLC
Name

100 Vine Street — **Rutherford**
Street or Route — County

Murfreesboro — **Tennessee** — **37130**
City — State — Zip Code

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

Please see Attachment "Section A, Applicant Profile - 5 Management Entity" located at the end of the CON application on page xx.

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

A.	Ownership	____	D.	Option to Lease	X
B.	Option to Purchase	____	E.	Other (Specify) ____	____
C.	Lease of ____ Years	____			

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

Please see Attachment "Section A, Applicant Profile - 6 Legal Interest in the Site" located at the end of the CON application on page 14-67.

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

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

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

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

9. **Bed Complement Data**

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

		Current Beds Licensed	Current Beds CON	Staffed Beds	Beds Proposed	TOTAL Beds at Completion
A.	Medical					
B.	Surgical					
C.	Long-Term Care Hospital					
D.	Obstetrical					
E.	ICU/CCU					
F.	Neonatal					
G.	Pediatric					
H.	Adult Psychiatric					
I.	Geriatric Psychiatric					
J.	Child/Adolescent Psychiatric					
K.	Rehabilitation					
L.	Nursing Facility (non-Medicaid Certified)					
M.	Nursing Facility Level 1 (Medicaid only)	44				
N.	Nursing Facility Level 2 (Medicare only)*	20			112	112
O.	Nursing Facility Level 2 (dually certified Medicaid/Medicare)	48				
P.	ICF/MR					
Q.	Adult Chemical Dependency					
R.	Child and Adolescent Chemical Dependency					
	Swing Beds					
S.	Mental Health Residential Treatment					
T.	Residential Hospice					
U.	**TOTAL**	112			112	112

*Maury Reg. Hosp. Skilled Nursing Unit

10. **Medicare Provider Number** 44-5030

Certification Type Nursing Home

11. **Medicaid Provider Number** N/A

Certification Type

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

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?__No____ 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.

NHC/Maury Regional Transitional Care Center will participate with the various TennCare MCO's on a contractual basis. Technically, SNF care is not a covered benefit for TennCare recipients. However, if SNF care is the less costly alternative to short term acute rehab, the MCO's can and often do chose to use SNF instead of acute rehab.

NHC/Maury Regional Transitional Care Center will have contracts with the following:

Aetna Health Care
Blue Advantage
BlueCover TN
Blue Cross Blue Shield Network
Cariten
CCN Managed Care, Inc.
Champva
Cigna Health Care of TN
CompPlus
HealthNet
HealthSpring
Humana
The Initial Group
John Deere Health Care
NPPN
Signature Health Alliance
TriCare
United Health of TN
Vanderbilt Health Plans
Windsor

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.**

Proposed Services & Equipment: Relocation and replacement of two (2) separately licensed nursing home facilities, NHC HealthCare, Hillview, License number 183 and Maury Regional Hospital skilled Nursing Unit, License number 359. The proposed new center will have a total of 112 beds and will be called NHC/Maury Regional Transitional Care Center. No new beds are being requested as part of this proposal. The center will be located at 5004 Trotwood Ave in Columbia, Maury County, TN.

Ownership Structure: NHC-Maury Regional HealthCare, LLC (Limited Liability Company)

Service Area: Maury County

Need: Based on the Skilled Bed Need methodology found in the Guidelines for Growth 2000, there is not a projected need for an additional nursing home beds in Maury County for 2013. However, the applicant is not requesting additional beds from the 125 bed pool which became effective July 1, 2013 through June 30, 2014.

Existing Resources: The applicant has a binding joint venture agreement between two existing licensed nursing home entities demonstrating its ability to construction a 112 bed nursing facility by relocating and combining NHC HealthCare, Hillview and the Maury Regional Hospital Skilled Nursing Unit. No new beds are being requested as part of this proposal.

Project Cost: $18,161,672

Funding: Cash Reserves

Financial Feasibility: Projected Data Chart demonstrates the project is financially feasible in year two moving forward with positive net operating income less capital expenditures.

Staffing: 4.04 Direct Hours of Nursing per day (Year 1)
3.93 Direct Hours of Nursing per day (Year 2)

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.

NHC-Maury Regional HealthCare, LLC ("NHC") is applying for a Certificate of Need ("CON") for the relocation and replacement of two (2) separately licensed nursing home facilities, NHC HealthCare, Hillview, License number 183 and Maury Regional Hospital skilled Nursing Unit, License number 359. The proposed new center will have a total of 112 beds and will be called NHC/Maury Regional Transitional Care Center. The facility will be located on 5004 Trotwood Ave in Columbia, Maury County, TN.

NHC HealthCare, Hillview, or as it was previously known in its beginnings, Hillview Haven, located at 2710 Trotwood Ave, was originally built in 1964 as a 60 bed nursing home by a group of local physicians. The center was acquired in 1971 by NHC as one of the original 14 centers that formed the company. NHC has continuously operated the center since that time. In 1982, the center added three patient care wings to increase the total number of beds to 92. Since that time, there have been no further bed additions to the physical plant. The original building was configured to have two rooms sharing a bathroom with central shower areas for bathing. While each room does have a sink in the room. We find that the expectations of today's consumer are not met by sharing a bathroom and shower space. While the building has been well maintained, with survey's that include no life safety tags, the building does have had a number of structural problems with sewage lines, plumbing, roofing, and electrical problems that are inherent in a building of this age. In 2008, the center launched a program called Ortho Short Stay that is designed to meet the needs of a younger population that has had joint replacement. While the program has grown rapidly, a common complaint from customers and orthopedic doctors is that the therapy gym is far too small to accommodate the patients in a comfortable manner. The configuration of the gym in the basement does not permit a physical expansion. Despite our limitations with physical space NHC Hillview has been a four star CMS rated center since the rating system was developed. The American College of Health Care Administrators recently rated the center in the top 7% of centers in the nation based on long term quality performance. The center has had an excellent history of compliance with state and federal survey results. In addition, the current Administrator has been at the center for the past 20 years. Despite the age of our building, the center has attracted and increased its Medicare and third party payment census from 40% in 2011, 50% in 2012, to 57% in 2013. The center runs a high 69% RU rehab rugs for the Medicare population. In light of our past success in this building there is no question that the need for a new physical plant is imperative to meet the needs of an evolving and changing patient demographic. On the hospital side, Maury Regional Hospital has determined to use the space currently occupied by its skilled nursing unit in other ways. But much like the NHC, Hillview facility, the existing skilled unit is not well suited for the demands of patients today seeking a nursing home bed.

Therefore, the replacement of the existing beds and services will enable NHC-Maury to directly address the growing and changing demands of long-term care patients in the community and further expand the access of the local community to quality health care services. This proposal will directly address the continued and growing need Maury Regional has to discharge skilled Medicare patients into community nursing home beds.

The special needs of the skilled care resident are provided for in this proposal. Specifically, the nursing hours per patient day for the center beds in year two are 3.93. Full ancillary areas will be provided such as Physical Therapy, Speech, Occupational Therapy, Activity Room and Dining Room.

NHC-Maury's proposed new nursing facility will be single story, brick and concrete structure which will meet all Life Safety Codes to ensure the safety of the patients and staff, and provide state of the art care in a comfortable environment. The building will be fully sprinkled. Care will be taken to make use of building materials, which provide the greatest insulation consistent with cost constraints.

NHC/Maury Regional Transitional Care Center should be granted the proposed CON for the following reasons:

- Both NHC and Maury Regional have a long history of providing care very much in excess of industry standards (the staffing is 3.93 direct nursing hours per patient day for this proposal, year two) in Maury County.

- The growing aging population of Maury County will be adversely affected if this CON is not approved;

- The project is financially feasible.

- It promotes the orderly development of the existing health care system in that it replaces, without adding additional beds, two old physical plant operations into a new state of the art facility in a highly visible location site. The project is also a joint venture between the two very well know providers of healthcare in the area representing both acute care and post-acute care.

- NHC/Maury Regional Transitional Care Center is also supported by the community (See Support Letters located at the end of the application).

SERVICES:

a. Nursing Services: Licensed (RN's and LPN's) and ancillary nursing personnel serve patients and in emergencies, area residents. In recognizing the critical role qualified nursing assistants play in the care of patients, NHC has established a pilot program with levels of certified nurse assistants (CNA).

b. Rehabilitation Services: The center will provide physical, occupational, speech and recreational therapy services according to physician's orders as part of a rehabilitation program. These services will also be available to all residents of the service area (outpatient) as part of the applicant's continuum of care.

c. Dietary Services: All special diet needs will be met and proper nourishment will be provided at all times. NHC has implemented (and is the only long-term health care chain to do so) an American Dietetic Association-approved Dietetic Internship program whereby dietitians are chosen to train in the three major areas of dietetics within the long-term health care setting: administrative, clinical and community dietetics with an emphasis on the treatment of geriatric nutritional problems. Internists also receive training in hospitals and community health centers. Upon graduation and completion of exams, they become licensed and certified dietitians. NHC's goal is to place an ADA Dietitian in each NHC facility.

d. Medical Director: A local physician will be employed as medical director on a consulting basis and will be available to attend to needs of our nursing home patients and residents.

e. Consultant Services: Advice and instructions is sought from health care professionals, including dietitians, pharmacists, gerontologists, therapists, and social workers.

f. Housekeeping & Janitorial Services: Housekeeping and janitorial services will be provided to insure that services are rendered to patients in a clean, attractive, well-maintained and comfortable atmosphere.

g. Laundry: Clean linens are furnished to all patients and personal laundry services will be available at a nominal charge.

h. Patient Assessment Program: A multi-disciplinary team of health professionals systematically conduct medical care evaluations, admission and extended duration review. The computerized patient assessment program of the applicant maintains patient-specific reports thereby enabling the professional staff to evaluate patient progress on a regular and comprehensive basis. Moreover, management can ensure the physician's orders are carried out in conformance with the highest standards of patient care. Detailed information is fed into the computer and analyzed monthly. This information shows each item of expense and need. The costs are then compared to expected standards and similar corporate facilities. A continuous effort is thus maintained in providing a first class nursing home at the lowest possible cost to the patient, his family and the state/federal government.

i. Discharge Planning: A discharge planning coordinator continuously monitor each patient's progress by individual contact and with the use of the patient assessment program in order to return the patient as soon as possible to the most independent living arrangements. This position is also responsible for some family support.

j. Respite Care: NHC/Maury Regional Transitional Care Center will also provide respite care based on bed availability. Respite care refers to providing nursing services to individuals in the community that are cared for in their home and whose families need a place to care for individuals for a short time while the family is away.

k. Sub-Acute Care: NHC/Maury Regional Transitional Care Center will provide Level II beds for heavy skilled patients, which many centers currently can not take in any significant number due to physical plant limitations and staff training. The facility will be organized and staffed accordingly to meet the needs of these patients.

NHC/Maury Regional Transitional Care Center will provide services to persons with decubiti ulcers, feeding tubes, catheters, tracheotomies, medical problems requiring IV's, or other persons requiring "sub-acute" care. It will be the policy of NHC/Maury Regional Transitional Care Center to make available heavy skilled nursing services to patients requiring such services. The project offers sub-acute services and does so with the expertise and knowledge to do them efficiently and effectively by NHC.

NHC/Maury Regional Transitional Care Center will be able to care for sub-acute patients with its increased staffing. If demand for these "heavy skilled" or "sub-acute" care beds is greater than projected, additional staff, one of the main factors determining the number of sub-acute patients the facility can serve at any given time, is added to the staffing pattern.

l. Transportation: NHC/Maury Regional Transitional Care Center will provide non-medical transportation to and from locations in the county for patients and/or volunteers who need such a service.

m. Alzheimer/Dementia Disease: NHC/Maury Regional Transitional Care Center will provide special services to those patients suffering from dementia diseases, including Alzheimer's disease. NHC/Maury Regional Transitional Care Center has specialized programs within its center which includes specially trained staff of nurses, aides, activities and Social Worker. These individuals provide support to the Alzheimer patients and families.

n. Community Service - NHC/Maury Regional Transitional Care Center will offer a number of Community Services such as health fairs and telephone reassurance for the local community.

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.**

The project consist of the relocation and replacement of two (2) separately licensed nursing home facilities, NHC HealthCare, Hillview, License number 183 and Maury Regional Hospital skilled Nursing Unit, License number 359. The proposed new center will have a total of 112 beds and will be called NHC/Maury Regional Transitional Care Center. No new beds are being requested as part of this proposal. The center will be located at 5004 Trotwood Ave in Columbia, Maury County, TN.

The replacement and relocation/change of site will have a positive impact on the community. The proposed health care will add a unique and comprehensive long-term care community that offers a wide array of services geared towards enhancing the functional capabilities of the elderly and maximizing their personal independence. The project promotes the orderly development of the existing health care system in that it provides for the evolution of two outdated physical plants by the construction on one new center operated within a joint venture.

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
Admin						2,613			$171.60	$448,391
Kitchen						2,517			171.60	431,917
Employee Break						413			171.60	70,871
Laundry						1,440			171.60	247,104
Storage/Central Supply						992			171.60	170,227
Housekeeping						270			171.60	46,332
Classroom										
Beauty/Barber						176			171.60	30,202
PT/OT/Speech						3,744			171.60	642,470
Nursing Support						2,514			171.60	431,402
Dining/Rec						5,768			171.60	989,789
Sun Porch						352			171.60	60,403
Public/Staff Toilets						514			171.60	88,202
Patient Rms & Baths						27,922			171.60	4,791,415
B. Unit/Depart. GSF Sub-Total						49,235			$171.60	$8,448,726
C. Mechanical/ Electrical GSF						1,401			$171.59	$240,398
D. Circulation /Structure GSF						18,828			$171.60	$3,230,885
E. Stor./Maint. Bldg. GSF						950			$88.42	$83,999
F. Total GSF						70,414			$170.48	$12,004,007

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

NHC and Maury Regional have been providing health care to the citizens of Maury and surrounding counties for many years. Our desire is to merely continue to serve our population with the highest quality and state of the art care available anywhere in the country. First, NHC-Maury is responding to ongoing discussions we have had together as separately operated continuum of care providers on how to best deliver the needed skilled Medicare nursing home beds in the community, and specifically in proximity to Maury Regional Medical Center. Second, NHC and Maury Regional have independently verified the need for said project based on the population, the currently bed inventory, and the State Health Plan. Since this project focuses on the needs of skilled Medicare patients, the Choices and/or Options programs do not diminish the need for this project. For patients being discharged from a hospital via Medicare, quite often the best and most cost effective option is a short-term nursing home stay for rehab followed by home care after discharge. NHC-Maury's request is being drive entirely by the local market conditions and patient demand for services.

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

The need to change location is a function of the joint venture between NHC and Maury Regional in that neither existing facility location has the available site on which to build the new 112 bed center. As documented in the referenced attachment, the new location is approximately 2.8 miles from the hospital site and 1.4 miles from the existing NHC HealthCare, Hillview location. The need to replace both centers is based on both the age of the existing facilities, in the case of NHC Hillview the building is 59 years old, and in the case of the hospital unit, limitations of the existing physical plant and the inability to cost effectively modernize the patient areas to current state of the art design and amenities.

Please see map and directions included in the Attachment "Section B, Project Description - III (A) Plot Plan" on page 69A-B at the end of the application.

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: **Not Applicable**

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.

III. (A) Attach a copy of the plot plan of the site on an 8 ½" x 11" sheet of white paper which **must include**:
Please see drawing included in the Attachment "Section B, Project Description - III (A) Plot Plan" on page 69 at the end of the application.

1. Size of site (***in acres***); 11 acres
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

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

(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 proposed center site is located in the center portion of Maury County in the City of Columbia, and is accessible to the major public transportation routes of the County. The site is located at 5004 Trotwood Ave, which is the same road Maury Regional's Skilled Unit and NHC HealthCare, Hillview are currently located on. The site is approximately 11 acres in Columbia, Maury County. Please note that there is presently no public transportation available in Maury County.

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

NOTE: ***DO NOT SUBMIT BLUEPRINTS***. Simple line drawings should be submitted and need not be drawn to scale.
Please see drawing included in the Attachment "Section B, Project Description - IV Floor Plan" on page 70-73 at the end of the application.

V. For a Home Health Agency or Hospice, identify: **Not Applicable**

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.

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.**

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

   The following has been taken from the Tennessee's Health Guidelines for Growth, Criteria and Standards for Certificate of Need, 2000.

(4) **Applications for Change in Site.**

When considering a certificate of need application which is limited to a request for a change of site for a proposed new health care institution, the Commission may consider, in addition to the foregoing factors, the following factors:

(a) ***Need.*** **The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change the proposed new site.**

Following is a chart using DOH Population Projections based on 2010 US Census, US Census Bureau data and TennCare Enrollment data:

Variable	*Maury County*	*Tennessee*
2013, Age 65+	11,924	950,177
2015, Age 65+	12,774	1,012,937
Age 65+, % Change	7.13%	6.61%
Age 65+, % Total (2015)	15.48%	15.23%
2013, Total Population	82,029	6,528,014
2015, Total Population	82,526	6,649,438
Total Pop. % Change	0.61%	1.86%
TennCare Enrollees (2013)	14,601	1,199,087
TennCare Enrollees as a % of Total Population (2013)	17.80%	18.37%
Median Age (2010)	38	38
Median Household Income (2007-2011)	46,552	43,989
Population % Below Poverty Level (2007-2011)	14.8%	16.9%

Source: TN Health Statistics, US Census Bureau and TennCare Enrollment Midmonth Report for February 2013.

(b) *Economic factors.* **The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.**

The new site is easily accessible to referring institutions and physicians in the medical community. The proposed site has 600 feet of frontage on Cedar Lane, making it a much more visible location. In addition, the proposed site is less costly per acre than the original site. In addition, site development costs will be less. The new site is adjacent and overlapping part of the original site, so it remains conveniently located in Maury County and accessible via the major traffic ways.

(c) ***Contribution to the orderly development of health care facilities and/or services.*** **The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.**

Since the proposed site has better visibility and accessibility, lower acquisition costs, and reduced site development costs, we feel the benefits outweigh the delay to the project.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTINOS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standard for those specific activities.

   The proposal is for relocation and replacement, no new beds are proposed.

2. For relocation or replacement of an existing licensed health care institution:

   a. **The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.**

      The proposed project requests the combination of two existing licensed nursing homes into one facility. However, renovation was not an alternative given the lack of a viable site at either location in which to build the new proposed single center.

   b. **The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.**

      The facility is projected to open in late November of 2016. Population projections for Maury County show the continued growth of the age groups who use long term care services. In addition, Maury Regional Medical Center is a referral sources who seek admission to long term care centers for their patients and can attested to the fact that the long-term care beds are needed to continue an adequate level and balance of continuity of care in Maury County. The applicant is seeking to build a 112 bed replacement center.

3. For renovation or expansion of an existing licensed health care institution:

Not Applicable, the proposal is for the relocation and replacement, no expansion is proposed.

a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

Public Chapter No. 1112, Senate Bill No. 2463, which passed during the 1998 legislative session, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. During the fiscal year (July 1 – June 30), the Agency shall issue no more than the designated number of Medicare skilled nursing facility beds for applicants filing for a certificate of need. The number of Medicare skilled nursing facility beds issued shall not exceed the allocated number of beds for each applicant. The applicant must also specify in the application the skilled services to be provided and how the applicant intends to provide such services.

The Tennessee General Assembly directed that there be a pool of 125 skilled nursing facility beds available for certificate of need approval in the fiscal year from July 1, 2013 to June 30, 2014. The General Assembly also directed that nursing home bed certificates of need could be issued only for Medicare – certified skilled nursing facility beds, and that no applicant receives more than 30 such beds.

A. Need

1. **According to TCA 68-11-1622, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:**

County bed need = .0005 x pop. 65 and under, plus
.0120 x pop. 65 – 74
.0600 x pop. 75 – 84
.1500 x pop 85+

As stated above, Public Chapter No. 1112, Senate Bill No. 2463, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. Based on the above referenced bed need methodology and a Nursing Facility Bed Need: Comparison of Tennessee's Health: Guidelines for Growth 2000 vs. Statute, By Total State and County 2015, there is not a projected need in Maury County for additional nursing home beds projected for 2015. **Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria - 1.A. Need" located on page 77-78 at the end of the application.** This information, which is the most current available to the department, was provided and is included here for reference.

These projections demonstrate a need based on the population growth in Maury County for more skilled nursing beds.

SNF Need Formula
Maury County Bed Need

County Bed Need

	2015 Population	Rate	Needed Beds by Age
Population 65 & Under	69,752	0.0005	35
Population 65-74	7,723	0.012	93
Population 75-84	3,612	0.06	217
Population 85+	1,439	0.15	216
	82,526		560

CON	(68)
Less Existing Beds	(594)
Need	(102)

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health

Existing beds based on licensed beds, Licensed Health Facilities, TN Dept of Health 6/13.

CON for the replacement and relocation of Rosewood Manor's 68 beds to move from Columbia to Spring Hill.

2. **The need for nursing home beds shall be projected two years into the future from the current year as calculated by the Department of Health.**

So noted by the applicant. The bed need referenced in response to Question 1 is projected to show the 2015 bed need. There is a surplus of 102 nursing beds, per this report.

3. **The source of the current supply and utilization of licensed and CON approved nursing home beds shall be the inventory of nursing home beds maintained by the Department of Health.**

So noted by the applicant. The following bed inventory was reported to the referenced agency for the 2011 Joint Annual Report for Maury County. The 68 bed CON held by Rosewood Manor is actually reported as licensed on the bed inventory. However, the beds are not in service and have not been for the last several years. The Rosewood CON includes the replacement and relocation of all center's 68 nursing home beds to Spring Hill away from the original location in Columbia.

2011 Licensed Nursing Homes in Maury County

Nursing Home	Licensed Beds	Licensed Occupancy
Life Care Center of Columbia	123	92.8%
Maury Regional Hospital SNU	20	73.7%
Mt Pleasant Health and Rehab	72	85.7%
NHC/Maury Regional HealthCare Center	106	89.7%
NHC HealthCare, Hillview	92	88.2%
Rosewood Manor	68	N/A
Signature HealthCARE of Columbia	181	70.1%
Total Less Rosewood	662 -68 594	83.1%

Source: 2011 TN JAR Summary Reports, Schedule E - Beds
2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Rosewood Manor has an outstanding CON to replace and relocate the existing facility. The CON expires 9/1/13.

Please see Attachment "Section C. General Criteria – 1.A.3 Inventory and Utilization" located on page 43 at the end of the application.

4. **"Service area" shall mean the county or counties represented on an application as the reasonable area to which a health care institution intends to provide services and/or in which the majority of its service recipients reside. A majority of the population of a service area for any nursing home should reside within 30 minutes travel time from that facility.**

Since the proposed project is utilized by the elderly population most frequently, and the elderly often have difficulty with transportation and travel, the primary service has been determined to be Maury County. However, we do expect that some residents will come from outside our primary service area. Nevertheless, we have confined our need justification to Maury County where the majority of the population in the service area is located within 30 minutes travel time from the proposed facility.

Please see Attachment "Section C General Criteria - A.4. Service Area JAR Report", on page 84-86 located at the end of the application that reflects nursing home resident information by county of residence for Maury County.

5. **The Health Services and Development Agency may consider approving new nursing home beds in excess of the need standard for a service area, but the following criteria must be considered:**

   a. **All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and**

      Not Applicable, no new nursing home beds are proposed.

b. All nursing homes that serve the same service area population as the applicant have an annualized occupancy in excess of 90%.

Maury County has seven (7) licensed nursing homes. Presently, Rosewood Manor has a CON to replace its center/beds in Spring Hill and the license has been placed in an inactive status by the Board of Licensing Health Care Facilities.

2011 Licensed Nursing Homes in Maury County

Nursing Home	Licensed Beds	Licensed Occupancy
Life Care Center of Columbia	123	92.8%
Maury Regional Hospital SNU	20	73.7%
Mt Pleasant Health and Rehab	72	85.7%
NHC/Maury Regional HealthCare Center	106	89.7%
NHC HealthCare, Hillview	92	88.2%
Rosewood Manor	68	N/A
Signature HealthCARE of Columbia	181	70.1%
Total Less Rosewood	662 -68 594	83.1%

Source: 2011 TN JAR Summary Reports, Schedule E - Beds
2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Rosewood Manor has an outstanding CON to replace and relocate the existing facility. The CON expires 9/1/13. The license is currently inactive.

B. **Occupancy and Size Standards:**

1. **A nursing home should maintain an average annual occupancy rate for all licensed beds of at least 90 percent after two years of operation.**

   The proposed project projects over a 90 percent annual occupancy rate for all licensed beds after two years of operation.

2. **There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95 percent. The circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently non-complying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate.**

   Not Applicable, no additional nursing home beds are being proposed.

3. **A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.**

   Not Applicable, no additional nursing home beds are being proposed.

4. **A freestanding nursing home shall have a capacity of at least 30 beds in order to be approved. The Health Services and Development Agency may make an exception to this standard. A facility of less than 30 beds may be located in a sparsely populated rural area where the population is not sufficient to justify a larger facility. Also, a project may be developed in conjunction with a retirement center where only a limited number of beds are needed for the residents of that retirement center.**

   The applicant proposes the replacement of 112 nursing home beds.

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

   At NHC, our company motto is Care is Our Business. NHC's long-range development plans for Maury County is quite simple, to provide quality long-term care services to meet the needs of the citizens of Maury County. As a long-term provider (began operations at NHC HealthCare, Hillview in 1971) in Maury County, we are keenly aware of the importance of being sensitive to growing and/or changing needs within the community as it relates to long-term care. This application is being made as a joint venture between NHC and Maury Regional Medical Center after both organizations decided to partner together in response to the continued need for post acute care to serve the needs of Maury County residents. In addition, NHC/Maury Regional Transitional Care Center, will offer a unique model and continuum of long-term care services which has not been offered before in Maury County. The center will also offer a design that emphasizes private rooms. The center will have 60 private rooms, eight (8) companion rooms where each patient has their own room with a shared bath, and eighteen (18) semi–private rooms.

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 service area for this proposed project is Maury County. This is a reasonable area since nursing residents prefer not to leave their local communities. **Please see the county level map in Attachment "Section C. General Criteria - 3 Service Area Map" located on page 90-91 at the end of the application.** The continued growth in the population group aged 65 and above as documented support the continued need for and existence of high quality of care nursing home beds in Maury County.

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

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

During the 20th century, the number of person in the United States under age 65 has tripled. At the same time, the number aged 65 and over has grown by a factor of 11. According to Census Bureau's projections, the elderly population will more than double between 1995 and the year 2050, to 80 million. By that year, as many as 1 in 5 Americans could be elderly. In 2010, persons 65 and above represented 13.0% of the total population (Census 2010).

Perhaps more significant is the rapid growth expected in oldest old age group, which are more likely to need some form of nursing home care. Thanks to the arrival of the survivors of the baby boom generation, it is expected the oldest old will number 19 million in 2050. That would make them 22 percent of elderly Americans and 4.3 percent of all Americans. (U.S. Census, *The Next Four Decades: The Older Population in the United States: 2010-2050,* 5/10).

Diagnostic Related Group (DRG) prospective payment for hospitals made a significant impact on the demand for nursing home services. The prospective payment system encourages hospitals to discharge their elderly patients to long term care facilities (Modern Healthcare, 1984). Nursing homes today still experience great demand to accommodate patients who are admitted sicker and require greater amounts of nursing care. Consequently, there exist a growing need for nursing facilities offering and providing high level and quality skilled care services (Level II). Since many of the local medical centers do not provide nursing home care, the responsibility to provide this level of service rest on local nursing home providers.

Maury County's age 65 and over population grew by 13.8% from 2010 to 2013. According to the Census 2010 figures, Maury County total population increased by 1,570 persons from 2010 to 2015 or 1.9% from 80,956 to 82,526 residents.

The age 65+ population in Maury County is projected to increase from 10,479 to 12,774 from 2010 to 2015 respectively (Source: Office of Health Statistics, TN Dept of Health). The primary population to be served by the proposal is those over the age of 65. **Please see Attachment "Section C – General Criteria – 4A Demographics of the Population Served" located on page 92-94 at the end of the application.**

Maury County Population Projections

Age	2010	2013	2015	2010 - 2013 % Increase	2010 - 2015 % Increase
60 - 64	4,864	5,243	5,501	7.8%	13.1%
65-74	5,858	7,042	7,723	20.2%	31.8%
75-84	3,391	3,507	3,612	3.4%	6.5%
85+	1,230	1,375	1,439	11.8%	17.0%
65+	10,479	11,924	12,774	13.8%	21.9%
Total Population	80,956	82,029	82,526	1.3%	1.9%

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

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.**

NHC/Maury Regional Transitional Care Center is proposing to replace, combine and relocate two licensed nursing homes into a new 112-bed center. Both centers being replaced are currently operating and each licensed entity is well respected within the community. Both centers currently serve the same service area and population, those patients in need of quality Medicare skilled nursing care. The services offered by this proposal address needs of the senior population, which continue to be utilized in the service area. Given the special nature of our services, accessibility will be increased if this application is approved by providing a state of the art physical plant needed to care for the kind of post acute care patient nursing home's see today.

It is and will continue to be NHC's policy to be readily accessible to consumers. The special need for nursing beds is evidenced by the demographics and high occupancy. NHC will continue to train staff and volunteers in the latest appropriate care regimens. In addition, the proposed beds will also be available for student training programs in conjunction with local community colleges and universities.

While this application reflects NHC's commitment to better care for Medicare residents, per the intent of the bed pool, the importance of meeting the needs of all socioeconomic strata has not been overlooked. NHC's quality of care standards apply equally to all patients, regardless of ability to pay.

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.**

The information contained herein, is based on the most current information reported by the State of Tennessee and other sources. It is clear that existing services of similar institutions in the area are high and the approval of this proposal will not adversely affect them. The center's occupancy justifies the need for these additional beds.

Maury County Nursing Homes

Occupancy Data

NURSING HOMES	2009 Licensed Occupancy	2010 Licensed Occupancy	2011 Licensed Occupancy
Life Care Center of Columbia	96.3%	92.2%	92.8%
Maury Regional Hospital SNU	79.5%	79.2%	73.7%
Mt Pleasant Health and Rehab	88.6%	89.4%	85.7%
NHC/Maury Regional HealthCare Center	89.2%	91.8%	89.7%
NHC HealthCare, Hillview	90.3%	88.0%	88.2%
Rosewood Manor	90.5%	N/A	N/A
Signature HealthCare of Columbia	50.9%	66.8%	70.1%
Total	80.0%	83.0% Less Rosewood	83.1% Less Rosewood

Source: 2009, 2010, 2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Rosewood Manor has an outstanding CON to replace and relocate the existing facility. The CON expires 9/1/13. The license is currently inactive.

No outstanding and/or approved CON projects exist in the proposed service area for additional beds. Rosewood Manor has a CON to replace its 68 bed nursing home in Spring Hill.

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.**

Patients and the local hospital do have difficulty to find a long term care bed in a center of their choice. The elderly population in Maury County is projected to be growing at a rapid pace, especially those over the age of 75. Consequently, there is an ever increasing need for nursing home beds. Therefore, we expect occupancy rates to remain strong for nursing home care in Maury County, especially high quality providers. In addition, as aging physical plants are updated to meet the needs and demands of the public, more options become available to patients and families seeking post acute care. Furthermore, as the population continues to grow as a whole, and the elderly population continues to grow in number, so will the need continue for nursing home beds.

Annual utilization for each of the past three (3) years at NHC HealthCare, Hillview and Maury Regional SNU are as follows:

	2010	2011	2012
NHC HealthCare, Hillview	88%	88%	88%
Maury Regional Hospital SNU	79%	73%	75%

Annual utilization for each of the two (2) years ending following completion of the project is projected to be as follows:

	2017	2018
NHC/Maury Regional HealthCare Center*	71.35	94.57

*112 bed Total Center Occupancy

Please see Attachment, Section C, Economic Feasibility – 4, Projected Data & Historical Data Assumptions, p. 121 for the details and methodology used to project utilization.

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 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.**
    - **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.**

The cost of this proposed project is reasonable, at $18,161,672 for 112 nursing home beds. Costs for the proposed project are based on actual cost incurred on projects undertaken by NHC and based on the experience of Johnson & Bailey, Architects. Estimates provided are considered to be reasonable and of sound basis. **Please see Attachment "Section Economic Feasibility – 1 Architect Letter addressing Project Cost" located on page 98 at the end of the application.**

Special efforts to be made by the applicant to contain the costs of offering the proposed services are the following:

a. Group Purchasing
b. Shared Services
c. Energy Conservation
d. Controlled Management Costs
e. Cost and Quality Control

Please see Attachment "Section Economic Feasibility – 1 Project Cost Chart" located on page 95-97 at the end of the application.

PROJECT COSTS CHART

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A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees _____
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees _____
3. Acquisition of Site _____
4. Preparation of Site _____
5. Construction Costs _____
6. Contingency Fund _____
7. Fixed Equipment (Not included in Construction Contract) _____
8. Moveable Equipment (List all equipment over $50,000) _____
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)

_____

E. CON Filing Fee _____

F. Total Estimated Project Cost
(D+E)

TOTAL _____

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

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

   The proposed project has the following source of funds: A commitment of capital cost reflected on the Project Cost Chart has been secured from National HealthCare Corporation. Additionally, a commitment of working capital has been secured from National HealthCare Corporation. Debt incurred for the project will be retired as reflected on the Projected Data Chart.

__ 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

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

Please see letter indicating the required information in Attachment "Section C Economic Feasibility – 2" located on page 100 at the end of the application.

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

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.**

The proposed project is reasonable in relation to similar facilities in the state. The total cost per bed is $162,158 which is reasonable in relation to similar types of projects in the state. Project costs are reasonable and inline with our past experience. Thus, quality nursing services and the continuum of care will be expanded in the local area cost effectively.

Following is information obtained from HSDA regarding the construction ranges for nursing home CONs approved between 2010 and 2012. This project falls between the 2nd and 3rd Quartile.

Nursing Home Construction Cost Per Square Foot
Years: 2010 – 2012

	Renovated Construction	New Construction	Total Construction
1st Quartile	$19.30/sq ft	$164.57/sq ft	$73.23/sq ft
Median	$35.76/sq ft	$167.31/sq ft	$164.57/sq ft
3rd Quartile	$55.00/sq ft	$181.72/sq ft	$167.61/sq ft

Source: CON approved applications for years 2010 through 2012

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).**

   Please see Attachment "Section C Economic Feasibility – 4 Historical Data Chart & Projected Data Chart Assumptions" located on pages 112 and 138 at the end of the application.

5. **Please identify the project's average gross charge, average deduction from operating revenue, and average net charge. Projected Data Chart, page 118 was used as the source for the requested calculations.**

	Year One (Patient Days 29,166)	Year Two (Patient Days 38,659)
Average Gross Charge	$489.24	$510.63
Average Deduction	$135.88	$146.64
Average Net Charge	$353.36	$363.99

HISTORICAL DATA CHART

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

	Year____	Year___	*Year*_____
A. Utilization Data (Specify unit of measure)	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	$_____	$_____	$_____
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify)_____	_____	_____	_____
Gross Operating Revenue	$_____	$_____	$_____
C. Deductions for Operating Revenue			
1. Contractual Adjustments	$_____	$_____	$_____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	$_____	$_____	$_____
NET OPERATING REVENUE	$_____	$_____	$_____
D. Operating Expenses			
1. Salaries and Wages	$_____	$_____	$_____
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	_____	_____	_____
4. Taxes	_____	_____	_____
5. Depreciation	_____	_____	_____
6. Rent	_____	_____	_____
7. Interest, other than Capital	_____	_____	_____
8. Other Expenses (Specify) _____	_____	_____	_____
Total Operating Expenses	$_____	$_____	$_____
E. Other Revenue (Expenses) – Net (Specify)	$_____	$_____	$_____
NET OPERATING INCOME (LOSS)	$_____	$_____	$_____
F. Capital Expenditures			
1. Retirement of Principal	$_____	$_____	$_____
2. Interest	_____	_____	_____
Total Capital Expenditures	$_____	$_____	$_____
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	$_____	$_____	$_____

PROJECTED DATA CHART

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

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		Year_____	Year_____
A.	Utilization Data (Specify unit of measure)	_____	_____
B.	Revenue from Services to Patients		
	1. Inpatient Services	$_____	$_____
	2. Outpatient Services	_____	_____
	3. Emergency Services	_____	_____
	4. Other Operating Revenue (Specify)_____	_____	_____
	Gross Operating Revenue	**$**_____	**$**_____
C.	Deductions for Operating Revenue		
	1. Contractual Adjustments	$_____	$_____
	2. Provision for Charity Care	_____	_____
	3. Provisions for Bad Debt	_____	_____
	Total Deductions	**$**_____	**$**_____
NET OPERATING REVENUE		**$**_____	**$**_____
D.	Operating Expenses		
	1. Salaries and Wages	$_____	$_____
	2. Physician's Salaries and Wages	_____	_____
	3. Supplies	_____	_____
	4. Taxes	_____	_____
	5. Depreciation	_____	_____
	6. Rent	_____	_____
	7. Interest, other than Capital	_____	_____
	8. Other Expenses (Specify) _____	_____	_____
	Total Operating Expenses	**$**_____	**$**_____
E.	Other Revenue (Expenses) -- Net (Specify)	$_____	$_____
NET OPERATING INCOME (LOSS)		**$**_____	**$**_____
F.	Capital Expenditures		
	1. Retirement of Principal	$_____	$_____
	2. Interest	_____	_____
	Total Capital Expenditures	**$**_____	**$**_____
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$_____	$_____

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.**

Please see Attachment "Section C Economic Feasibility – 6B" located on pages 124-126 at the end of the application.

Medicare RUG rates are inflated 2.0% annually. The proposed project has charges consistent with those found in the market.

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).**

NHC/Maury Regional Transitional Care Center proposed addition contemplates the addition of Medicare beds. Medicare reimburses providers via a perspective payment system. Providers are compensated equally based on the particular service rendered.

Please see Attachment "Section C Economic Feasibility – 6B" located on pages 139-143 at the end of the application.

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

Utilization rates are projected for the project at a conservative rate. Projection assumptions are for 106 of the 112 beds, on average, to be occupied starting in year two. In addition, due to economies of scale, the new center, replacing the two separately operating centers, will have operational efficiencies with 112 beds that the existing centers do not share.

Please see Attachment "Section C Economic Feasibility – 4 Historical and Projected Data Chart" for the Occupancy Summary located on page 121 at the end of the application.

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

The center proforma projections show it to be financially viable (see Project Cost Data) within the second year as it will have sufficient positive cash flow. (See Projected Data Chart)

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.**

Medicare, insurance and private funded payment sources will be served by the center. Patient payor mix for NHC/Maury Regional Transitional Care Center is projected in the proforma for year two as 37% Medicare, 16% managed care, and 53% private. Although, on admission, Medicare patients account for almost 100% of the discharges from acute care centers. The estimated Medicare gross operating revenue for year 2 is $9,828,135. The centers focus will be on skilled services includes rehabilitation for the Medicare program along with managed care and private insurance for those patients needing services upon discharge from acute care facilities.

Please see the table "Applicant's Projected Payor Mix by Level of Care" in Attachment "Section C, Economic Feasibility -4, Historical & Projected Data Charts w/Assumptions located on page 138 at the end of the application.

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 copies of the balance sheet and income statements from the most recent reporting periods of NHC in Attachment "Section C Economic Feasibility - 10 located on pages 101-111 at the end of the application.

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.**

   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.**

(III.) 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.**

   Agreements are established between all relevant health care providers in the community including but not limited to the following:

   Health Care Providers (transfer agreements)
   1. Maury Regional Medical Center
   2. Williamson Medical Center
   3. Vanderbilt University Medical Center
   4. Saint Thomas Medical Center
   5. Baptist Hospital
   6. Centennial Medical Center
   7. Skyline Medical Center
   8. Network Pharmacy
   9. Behavioral Health Care
   10. Fresenious Dialysis
   11. Davita Dialysis
   12. Other Area Maury County, and other surrounding area health care providers

   Contractual relationships will be drawn up with a Medical Director, Dietary Consultant, Physical Therapist, Medical Record Consultant, and Therapists for other treatment such as oxygen therapy. Contractual relationships are established with local dentists, optometrists, gerontologists and other specialized physicians, in order to meet the needs of the patients.

   A licensed pharmacist will be a member of the Pharmacy Committee, and a local pharmacy is awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

   It is the intent of this facility to meet all the requirements of the State Department of Public Health with regard to agreements, contractual arrangements and participation by health care professionals. The following is the process which has been established to coordinate and provide for a continuum of care in the project in conjunction with other providers:

   Purpose: The purpose of being actively involved in the community continuum of care is to provide the consumer within our market area the opportunity to acquire the most appropriate level and type of services for his/her needs. These needs relate to medical support, personal care, personal maintenance and nutritional guidance. We will focus on coordinating our services with other health care providers through effective communication and teamwork.

   Targeted Population: Although the targeted population is diverse due to the multifaceted nature of the continuum of care, two groups dominate NHC's particular services on the continuum.

   1. Individuals in other community settings who need services devoted to rehabilitation and short-term stays in the healthcare center.

   2. Persons who can no longer be maintained or cared for in their current setting and need 24-hour care for chronic and/or debilitating conditions of a long-term nature.

Methodology:

Step 1: Maintain a listing of Current Community Resources-This listing is categorized according to type of service contact person for each organizations. Standard categories, with the function as it relates to our facility include the following:

Organization	Function
Hospitals	Discharge sub-acute patients to more cost -effective nursing centers.
Hospices	Care for special group of terminally ill.
Residential Facilities	Residential institution for those unable to maintain independent lifestyles but do not need intense Medical Care.
Assisted Living	Group environment to prevent immediate admission to long-term care facility.
Home Health Care	Provides Medical treatment on less expensive environment than institution.
Home Support	Household or personal services essential to any home health care program.
Adult Day Care (ADCC)	Needed respite service for family support while care provided at home.
Nutrition Programs	Health promotions service which also acts to encourage socialization and prevent isolation.
Senior Centers/ Recreation Services	Acts to improve quality of life and encourages socialization

Step 2: All potential nursing center patients and referrals are pre-screened to determine whether the person's condition warrants admission to the nursing center. If admission to the nursing center is not appropriate, and if the person's condition is such that he can be cared for at home with assistance, the Admissions Director and the Social Services Director will refer the person and his family to the appropriate service provider. This will ensure that elderly persons are not being inappropriately admitted to the nursing center and coordination of other services is maintained.

For elderly persons admitted to the nursing center, discharge planning will ensure that patients are discharged to a non-institutional setting when their physical condition improves. Discharge planning begins upon the patient's admission to the center. At that time, the Admissions Director and Social Services Director will meet with the patient and his family to discuss the availability of suitable accommodations following discharge as determined by the initial assessment.

The patient's progress is monitored and reassessed on a regular basis to determine whether the patient is a candidate for transfer to the community. The Social Services Director, who is part of the center's interdisciplinary care team, will update each patient's medical record with progress notes regarding discharge planning on a regular basis. If discharge has been determined to be appropriate, the Social Services Director will advise the patient and his family of the availability of community support systems, such as home health care, adult day care, etc. The Social Services Director will serve as the liaison between the patient, his family, and the appropriate provider to coordinate the discharge home and the linkage for support services.

Linkages to facilitate referrals and transfers are established through formal working agreements and referral arrangements. These agreements are established prior to facility opening to ensure immediate linkages. Given the fact that National HealthCare has operated in Maury County, the proposed 30 beds will benefit from established referral agreements with the targeted organizations listed above.

Responsible Position: The center's Admissions Director and Social Services Director are responsible for ensuring that potential patients who inquire at the center for admission are referred to the appropriate provider if admission to the nursing center is not warranted or if such service is needed. The Social Services Director is responsible for discharge planning to ensure that patients are discharged from the center when they are ready and that transfer to a semi-institutional setting or to home with appropriate support services is successfully coordinated. Through their ongoing work, the Admissions Director and Social Services Director will maintain linkages and working relationships with providers of non-institutional services.

Desired Outcome: The desired outcome is to ensure that discharges and/or referrals to support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

1) Become a strong link in the chain of health care providers as it relates to an overall continuum of care.
2) Improve and enhance proper service utilization.
3) Improve patient medical conditions by using available avenues.
4) Reduce cost by eliminating duplication of services.

Measurement of Outcome: The Admissions Director and Social Services Director will maintain a record of inquiries and referrals of elderly persons seeking long-term care services. These records are reviewed through Quality Assurance and state licensure surveys to determine if appropriate referrals are being made.

Patient medical records are reviewed on a regular basis by the interdisciplinary care team to determine if discharge from the nursing center is appropriate, and if discharge planning goals are being updated or modified. Discharge planning will also be monitored through Quality Assurance surveys and state licensure surveys. Utilization review is conducted every month for Medicare patients. Monitoring of discharge planning will promote the utilization of less intensive, non-institutional services whenever possible.

To integrate and utilize other providers in the health care network the center has established and will have linkages with others in the health care network through the following process:

Purpose: To promote the utilization of less intensive, non-institutional services such as home health care, adult day care, meals on wheels, etc. Since the proposed nursing center will not offer these services, linkages are established with providers of these services to ensure accessibility and transfer when appropriate by nursing center patients.

Targeted Population: Persons targeted for referral to non-institutional services are those nursing center patients whose health has improved to the point where they no longer require 24-hour nursing supervision and are eligible for transfer to home or to a semi-institutional setting, with support services. Referrals will also be made for persons inquiring at the center for long-term care services, but whom after pre-screening, are determined to be inappropriate for nursing home admission.

Linkages will be established at NHC/Maury Regional Transitional Care Center consistent with those already developed by NHC's existing center with the following providers in Maury County and the surrounding area to provide services not offered by the center:

Home Health

1. Maury Regional Home Care
2. Quality First Home Care
3. Amedisys Home Care
4. NHC HomeCare
5. Home Health Care of Middle Tennessee
6. Other area home care providers

Hospice

1. Caris Healthcare
2. Hospice Compassus
3. Other area hospice providers

Assisted Living Centers

1. The Bridge at Life Care
2. Poplar Estates
3. Morning Pointe
4. Sterling House
5. Willow Springs

Desired Outcome: The desired outcome is to ensure that discharges and/or referrals to non-institutional support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

Consequently, transfer agreements are established between all relevant health care providers in the community.

Contractual relationships are established with local dentists, optometrists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist is a member of the Pharmacy Committee, and a local pharmacy is awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the State Department of Public Health with regard to agreements, contractual arrangements and participation by health care professionals.

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.**

NHC-Maury Regional HealthCare, LLC is requesting to replace existing beds by constructing a 112 bed nursing home to be called NHC/Maury Regional Transitional Care Center. The results of which would seem to have only positive effects for the consumer in Maury County. There should be no instances of duplication or adverse competition arising from the proposal as NHC/Maury Regional Transitional Care Center will offer services it presently provides, but in a state of the art building more conducive to post-acute care and care expectations of today's consumers. Both parties in the joint venture enjoy longstanding positive relationships in the community.

National HealthCare Corporation is one of the largest providers of long term care beds and services in the State of Tennessee, of which NHC-Maury Regional HealthCare, LLC is 80% owned. Maury Regional Medical Center, a 20% owner in the applicant, is likewise large acute care provider operating hospitals and brings to the table an extensive history and expertise in patient care in the region. NHC/Maury Regional Transitional Care Center is committed to providing the highest quality of care at maximum efficiency. Through the proposed project NHC will continue with this commitment and will thus improve both efficiency and care.

This project serves a need by offering the residents of Maury County, and the residents of Tennessee, as a whole, continued alternatives in healthcare services. The proposed project will also serve as a referral source for doctors and area hospitals.

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.**

Please see Attachment "Section C Economic Feasibility – 4" located on page 137 at the end of the application for the current and/or anticipated staffing pattern for all employees providing patient care for the project reported using FTEs for these positions.

Please see Attachment "Section III Contribution of Orderly Development – 3" located on pages 144-148 at the end of the application for the comparison of the clinical staff salaries to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & 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.**

Please see Attachment "Section C Economic Feasibility – 4" located on page 137 at the end of the application for a listing projected human resources required by the proposal per the licensing requirements of the Department of Health. The 112 bed center will require staffing of 112.6 FTE's of which 46.2 FTE's are CNA's. The applicant has approved CNA training programs in-house and has the ability to staff the projected FTE increase based on its current staff and potential employees on file.

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 has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. Specifically, the applicant is familiar with the Rules of the Tennessee Department of Health, Board for Licensing Health Care Facilities, Chapter 1200-8-6, Standards for Nursing Homes. NHC HealthCare, Hillview located in Maury County, has been part of NHC since 1971 and the Maury Regional Skilled Unit has been managed by NHC since 1996. Since that time, the centers have been operated in good standing according to the rules of the State of Tennessee, Department of Health for nursing homes.

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.).**

Since NHC has been established in the market since 1971, applicants can be drawn from resumes kept on file for employment. NHC has had interest from professional nursing personnel in the community. NHC recognizes that staffing shortages are an issue across the nation. Nevertheless, NHC has operated in Maury County since 1971 and based on that experience, does not expect to have a problem staffing the proposed project.

Staffing at long-term health care facilities is, of course, dependent on the availability of licensed and unlicensed personnel in the market area. While a review of the general market area of this facility indicates that NHC's recruitment efforts should have little impact on existing facilities, as NHC HealthCare, Hillview and the Maury Regional Skilled Unit are fully staff. NHC has a company-wide policy to provide in-house education and incentive programs to assist in obtaining licensed as well as certified non-licensed personnel. To begin with, it is Company policy that each health care center owned or managed by NHC will have two employees attending nursing school under a scholarship program.

Secondly, NHC has identified areas in which there appear to be acute shortages of licensed personnel and in these areas has an active scholarship program at all 2 and 4-year nursing schools, as well as ongoing recruitment effort with the graduating high school classes. This program, which was initiated in 1987, has attained excellent success. In addition to the educational push for licensed personnel, the Company operates a full in-house certification program for nurse aides and technicians. This program, which is headed up by a registered nurse located in Maury County, Tennessee, concentrates on utilizing existing vocational schools and/or nonprofit groups to provide classroom space. Classes are run, on the average, every two months and reach a dozen or so potential nurse aides or technicians in each program. At the end of the course, the individuals who graduate are eligible to participate as certified nurse aides in all of the southeastern states which have such certification courses.

Finally, the Company runs an intensive administrator-in-training program, which takes college graduates and works them through a 24-month training program, learning every aspect of the management and administration of long-term health care centers. More than half of the company's administrators are presently graduates of this program. All in all, the company has the highest commitment to the continuing education of its employees and the recruitment of qualified outside individuals with an intent

to assist their educational activities to help meet the continuing health care needs of the aging population of America.

National HealthCare Corporation prides itself and owes much of its success to it's over 14,000 partners. NHC realizes that staffing of medical facilities across the country is becoming more of a problem. However, NHC has managed to avoid many of the staffing problems experienced by other operators by offering competitive salaries and extended benefits to all levels of personnel. The NHC philosophy is to operate as a team, with every job having equal bearing on our desired goal to provide the best possible long term health care to the growing elderly population. All company partners are carefully screened for each job to ensure that the best possible placement is made. The company attitude toward all its employees along with competitive salaries and a friendly, secure, professional work environment has enabled NHC to attract the kind of team that has made it so successful for over thirty four years. NHC also has many strict requirements and company training programs (which are nationally recognized) that continue the level of expertise necessary to deliver state of the art nursing care. Consequently, NHC has an outstanding record for low staff turnover in the industry.

NHC/Maury Regional Transitional Care Center will draw nurses from the surrounding market area. Staff is often acquired from local advertising, recruitment at area colleges, and word of mouth from other employees. Applicants can be drawn from resumes kept on file at NHC's existing center.

To provide access by health professional schools and behavioral research projects NHC has established the following:

Purpose: The purpose of NHC's established and proven recruitment plan is to recruit and maintain staff in a variety of disciplines necessary to meet the needs of residents and provide high quality patient care. The recruitment plan is also used to eliminate and/or reduce reliance on nursing pool personnel and to recruit the highest quality personnel available in the area with the potential for career advancement and longevity. The beneficiaries of staffing retention are the patients that are provided with continuous, superior care.

Targeted Staff Categories: All staff categories, including nursing, social service, administration, dietary, housekeeping, laundry, and maintenance. Particular emphasis is placed on professional and non-professional nursing personnel. NHC has experienced its primary shortage of staff in nurses and nurse aides, and has targeted increased efforts toward the recruitment of personnel in these positions.

Methodology: This recruiting plan has been approved by the management of NHC and has been implemented in all 75 facilities owned and/or managed by NHC. NHC/Maury Regional Transitional Care Center will use the following methods:

National HealthCare Corporation's philosophy whenever adding new beds is that the time and effort expended prior to opening in obtaining quality personnel is beneficial for both the company and the patients of the facility. Thus, considerable effort is used to recruit a staff for the facility that meets the following major criteria:

1) Each staff member is attuned to the National HealthCare Corporation philosophy of restorative nursing and emphasizing quality of life for our patients; and

2) To the extent possible, each staff member has a record of stable employment and a commitment to both the facility and the elderly. The Administrator is trained in the company Administrator program, and will likely be a member of the National HealthCare Corporation corporate staff for training for approximately two (2) years. NHC currently has approximately ten Administrators in its training program. The Administrator and the corporate staff will tailor our Recruitment Plan to meet the local market. The goal of this plan is to put together a cohesive program of employee recruitment at the outset which will enable the facility to select and recruit an initial staff which will have not less than 40% employee retention after five years.

In order to implement the Recruitment Plan and to recruit new employees after opening the facility, the following methods are used:

The recruitment plan is updated annually to account for changes in local market conditions. A great majority of staff personnel are recruited through traditional means, which include classified

advertisements, word of mouth among existing staff members and within the community at-large, and through individuals approaching the facility on a walk-in basis to apply for employment. This method has been quite successful for NHC in attracting staff of varied disciplines to its facilities. National HealthCare Corporation owned and operated facilities enjoy an outstanding reputation in their communities and offer prospective employees an opportunity for growth and advancement while working for a quality nursing home operator in a clean, stable work environment at competitive wages.

Currently NHC includes the following recruiting incentives in its package:

Highly competitive wages	Non-employee Educational Loan Program
Tuition Reimbursement	Continuing Education Program (C.E.U.s)
Ongoing skills training	Earned Time Off
Group Life Insurance	Group Health Insurance (Including Dental)
Employee Stock Purchase Plan	Sick Leave
Stock Option Purchase Plan	Corporate promotions and recognition

For nursing personnel, additional recruitment steps are taken to supplement those described above. The first step involves more intensified recruitment for the nurse aid position to help alleviate shortages experienced within the state. NHC has begun an aggressive recruitment program in Tennessee for nurses and nurses aides aimed at the retired and semi-retired persons living within the service area of its facilities. The program involves both advertising and community outreach in order to invite this targeted group to visit the facility and explore opportunities in the geriatric nursing field. An advantage of this program is the availability of flexible hours which conform to the needs of the prospective employee. NHC recognizes the retiree/semi-retiree as the largest untapped work force in the service area and in Tennessee as a whole, and desires to benefit from the broad experience, compassion, and understanding these people can bring to the patients and other staff at the facility.

The second step to aid in recruiting nursing personnel to the facility involves integration with the area's educational institutions. To assist with staff recruitment and promote community involvement, the facility will work within the community in the following manner:

A. DON will serve with local advisory boards of Vocational Technical Schools. In addition, the facility will provide a classroom for Certified Nursing Assistant, Advanced Certified Nursing Assistant, and Home Health Aide Classes. This will provide NHC with an advantage for staff recruitment. Upon graduation from each step, employees are given a banquet dinner, certificates, and monetary raises.

B. NHC and NHC/Maury Regional Transitional Care Center has established relationships with the following educational institutions to aid in recruitment of qualified nursing personnel:

<u>LPN Programs:</u>

1. Tennessee Tech, LPN Program (Hohenwald)

<u>RN Schools:</u>

1. Columbia State RN Program

Not only are top-notch applicants recruited from the above schools, but all major schools in the Southeast are include in our recruiting plans. Also, all state and national association meetings are well attended including an exhibit booth and display on recruiting. (This includes National meetings of Nurses, Registered Physical Therapists, Speech Pathologists and Occupational Therapists.

Responsible Positions: The overall recruitment plan is implemented initially by the facility's administrator who then reports and has input and output from the National HealthCare Corporation's corporate staff. On an ongoing basis, the Administrator working with department heads are responsible for recruitment. The DON is heavily involved in the recruitment of LPN's and RN's, as is the corporate staff. Judy W. Powell, R.N., M.S., is Senior Vice-President of Patient Services and is responsible for the overall plan of National HealthCare Corporation.

Desired Outcome: The desired outcome is to attract and maintain a full, stable, motivated staff capable of providing the level of patient care expected by the patient and Applicant alike and who respect and strive to maintain the dignity of each and every patient. Particular emphasis is placed on obtaining long-term employees.

Measure of Outcome: The outcome is measured by monthly data collected, maintained and reported in the monthly administrative meeting regarding manpower characteristics.
Specifically, the effectiveness of the Recruitment Plan is measured:

1) By the general success of the facility in staff recruitment;
2) By the employee turnover rate through either voluntary or involuntary dismissal;
3) By facility Quality Assurance and licensure ratings; and
4) By overall staff retention for various periods of time.
5) Hours of Nurse Registry used.

An overall turnover of 40% of the facility's initial staff and 70% of its professional staff after five years is the goal of the program. Although at some times unavoidable, the use of nursing pool personnel is considered unacceptable and represents a failure of the Recruitment Plan.

Giving partners a choice of a primary care assignment enhances low nursing turnover. A primary care assignment consists of the same nurse and the same nursing assistant taking care of the same patients every day. Employees who do not wish a permanent assignment may choose to work "relief" assignments when primary-care employees are off.

Nursing Administration believes that this greatly improves the quality of continuity since employees who retain the same patients are much more aware of individual patient preferences. In addition, this enhances a bonding between patients, employees and patient families.

NHC/Maury Regional Transitional Care Center will be staffed with 24-hour RN coverage.

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 has reviewed and understands the licensure requirements of the Department of Health and/or 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: licensed by the State of Tennessee to provide nursing home services

Accreditation: Not Applicable

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.

NHC/Maury Regional Transitional Care Center has not been constructed and licensed; it exists in CON form at this time. **Please see Attachment "Section III Contribution of Orderly Development – 7b" located on page 149-151 at the end of the application for a copy of each of the two joint venture partners current licenses**.

(c) **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.**

Not Applicable, the applicant is not an existing licensed provider. **Nevertheless, please see Attachment "Section III Contribution of Orderly Development – 7c" located on page 152-169 at the end of the application for a copy of each of the two joint venture partners latest survey inspections and plan of corrections.**

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, None.

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, None.

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.**

If approved, 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 files a Joint Annual Report Annually

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.

Please see "Attachment – Proof of Publication" located on page 170-172 and the "Letter of Intent" located on page 174 at the end of the application.

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 05/03/04
Previous Forms are obsolete

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c): 12/1/13

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.

2013 JUL 12 AM 11 49

Phase	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1. Architectural and engineering contract signed	30	1/14
2. Construction documents approved by the Tennessee Department of Health	150	06/14
3. Construction contract signed	210	08/14
4. Building permit secured	240	09/14
5. Site preparation completed	330	12/14
6. Building construction commenced	330	12/14
7. Construction 40% complete	480	05/15
8. Construction 80% complete	630	10/15
9. Construction 100% complete (approved for occupancy	690	12/15
10. *Issuance of license	720	1/16
11. *Initiation of service	720	1/16
12. Final Architectural Certification of Payment	780	3/16
13. Final Project Report Form (HF0055)	810	04/16

* 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.

AFFIDAVIT

STATE OF Tennessee 2013 JUL 12 AM 11 49

COUNTY OF Rutherford

Bruce K. Duncan, 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.

/Assistant Vice President
SIGNATURE/TITLE

Sworn to and subscribed before me this 11th day of July (Month), 2013 (Year) a Notary

Public in and for the County/State of Rutherford/Tennessee.

Barbara Harris
NOTARY PUBLIC

BARBARA HARRIS NOTARY PUBLIC RUTHERFORD COUNTY

My commission expires 9/20 (Month/Day), 2015 (Year).

ATTACHMENTS

Section A. Applicant Profile - 4

Type of Ownership or Control
Articles of Organization, Certificate of Existence, Organizational Chart & Listing of Other Nursing Facilities owned by NHC/OP, L.P.

NHC

NATIONAL HEALTHCARE CORPORATION

July 9, 2013

Mr. Alan H. Watson
President & CEO
Maury Regional Medical Center
1224 Trotwood Avenue
Columbia, TN 38401

Re: Joint Venture

Dear Mr. Watson:

National HealthCare Corporation ("NHC") is pleased to make the following binding proposal for a joint venture with Maury Regional Medical Center ("MRMC") for a new 112 bed healthcare center in Columbia, Tennessee. NHC is the leading provider of skilled nursing in Tennessee both in terms of quantity and quality. The location of NHC's services fits well with MRMC's services areas and the service areas of Vanderbilt Medical Center, Williamson Medical Center and Northcrest Medical Center.

NHC proposes to form the joint venture under the following terms and conditions:

1. Limited Liability Company and Certificate of Need: The joint venture will be in the form of a Tennessee limited liability company ("LLC"). NHC (or an affiliate) will own 80% of the LLC and MRMC will own 20% of the LLC. The LLC will acquire a Certificate of Need ("CON") for a replacement center for NHC Hillview that would combine the current CON for NHC Hillview (92 beds) and the CON for MRMC's skilled nursing unit (20 beds).

2. Facility and Lease: An affiliate of NHC will own the new facility and lease it to the LLC for an initial annual lease payment of 7% of total development costs for an initial term of fifteen (15) years. The lease rate would increase 2% per year.

3. Management Agreement: An affiliate of NHC will manage the center under a separate management agreement and will be compensated at a rate of 5% of net revenues.

4. Working Capital: NHC would be willing to fund a working capital note at a rate of Prime + 2%.

5. Name: The name of the facility would reflect the brand of both entities, for example: "NHC/Maury Regional Transitional Care Center" or "NHC/Maury Regional Rehab and Healthcare."

6. Contingencies:

   - Negotiation of the agreements referenced in this proposal;
   - Approval of NHC's Board of Directors;
   - Satisfactory due diligence;
   - Approval of 112-bed nursing home CON for the site; and
   - Approval of MRMC's Board of Directors.

7. Closing Costs: Each party will pay their own costs and expenses.

8. Confidentiality and Non Disclosure: The parties shall keep and hold any books, documents,

records, data, facilities, properties, assets, or other information related to the proposed transaction ("Confidential Information") received by or shared with either party hereunder secret and confidential, and shall not at any time during or after its examination of the Confidential Information, directly or indirectly, disseminate or disclose any of the Confidential Information, to any person or organization, without the express written consent of the other party. The term "Confidential Information" shall not include information about a party which (i) becomes generally available to the public other than as a result of an improper disclosure by the other party, or its representatives, (ii) was available to the other party on a non-confidential basis prior to its disclosure hereunder, (iii) was or becomes available to the other party on a non-confidential basis from a third party which is not prohibited by a confidentiality agreement or other agreement or arrangement from disclosing the information, or (iv) is required to be disclosed by law or court order. Each party also agrees that it will undertake all necessary and reasonable steps to assure that the secrecy and confidentiality of the Confidential Information in its possession will be maintained and that it will advise its employees and agents of the obligations hereunder. The conditions and terms of this confidentiality provision shall also apply to any and all Confidential Information that may have been supplied by one party to the other prior to the execution of this proposal.

9. Miscellaneous:
   - Attached as Exhibit A is a preliminary project budget.
   - Attached as Exhibit B is a proforma of operation.

This Letter of intent shall constitute a binding agreement between MRMC and NHC but remains subject to NHC's and MRMC's completion of due diligence, CON approval and the successful positive completion of the other contingencies listed in paragraph 6 herein.

If the above terms are acceptable, please sign both originals of this Letter of Intent. One executed original may be retained for your records. Please return the second executed original to me.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Steve Flatt
President

Agreed and Acknowledged:

MAURY REGIONAL MEDICAL CENTER

By: _____
Its: CEO
Date: 7-9-13

Cc: Robert G. Adams, CEO & Chairman

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

NHC-Maury Regional HealthCare, LLC
PO BOX 1398
MURFREESBORO, TN 37133-1398

July 2, 2013

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	**724315**	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	07/02/2013
Filing Date:	07/02/2013 10:40 AM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2014
Duration Term:	Perpetual	Image # :	A0191-1241
Managed By:	Member Managed		
Business County:	MAURY COUNTY		

Document Receipt

Receipt # : 1081829	Filing Fee:	$308.25
Payment-Credit Card - TennesseeAnytime Online Payment #: 151077851		$308.25

Registered Agent Address:
NATIONAL REGISTERED AGENTS, INC.
STE 2021
800 S GAY ST
KNOXVILLE, TN 37929-9710

Principal Address:
2710 TROTWOOD AVE
COLUMBIA, TN 38401-4903

Congratulations on the successful filing of your **Articles of Organization** for **NHC-Maury Regional HealthCare, LLC** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Visit the TN Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett
Secretary of State

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY (ss-4270)

Division of Business Services
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: $50 per member
(minimum fee = $300, maximum fee = $3,000)

For Office Use Only

Control # 000724315
FILED: Jul 2, 2013 10:40AM
DLN # A0191-1241.001
Tre Hargett,
Secretary of State

The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.

1. The name of the Limited Liability Company is: NHC-Maury Regional HealthCare, LLC
(Note: Pursuant to the provisions of T.C.A. §48-249-106, each Limited Liability Company name must contain the words "Limited Liability Company" or the abbreviation "LLC" or "L.L.C.")

2. Name Consent: (Written Consent for Use of Indistinguishable Name)
☐ This entity name already exists in Tennessee and has received name consent from the existing entity.

3. This company has the additional designation of:

4. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is:
NATIONAL REGISTERED AGENTS, INC. KNOX COUNTY
STE 2021
800 S GAY ST
KNOXVILLE, TN 37929-9710

5. Fiscal Year Close Month: December

6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:
(none) (Not to exceed 90 days)

7. The Limited Liability Company will be:
☑ Member Managed ☐ Manager Managed ☐ Director Managed

8. Number of Members at the date of filing: 2

9. Period of Duration: Perpetual

10. The complete address of the Limited Liability Company's principal executive office is:
2710 TROTWOOD AVE MAURY COUNTY
COLUMBIA, TN 38401-4903

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY (ss-4270)

Division of Business Services
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: $50 per member
(minimum fee = $300, maximum fee = $3,000)

For Office Use Only

Control # 000724315
FILED: Jul 2, 2013 10:40AM
DLN # A0191-1241.002
Tre Hargett,
Secretary of State

The name of the Limited Liability Company is: NHC-Maury Regional HealthCare, LLC

11. The complete mailing address of the entity (if different from the principal office) is:
PO BOX 1398
MURFREESBORO, TN 37133-1398

12. Non-Profit LLC (required only if the Additional Designation of "Non-Profit LLC" is entered in section 3.)
☐ I certify that this entity is a Non-Profit LLC whose sole member is a nonprofit corporation, foreign or domestic, incorporated under or subject to the provisions of the Tennessee Nonprofit Corporation Act and who is exempt from franchise and excise tax as not-for-profit as defined in T.C.A. §67-4-2004. The business is disregarded as an entity for federal income tax purposes.

13. Professional LLC (required only if the Additional Designation of "Professional LLC" is entered in section 3.)
☐ I certify that this PLLC has one or more qualified persons as members and no disqualified persons as members or holders.
Licensed Profession:

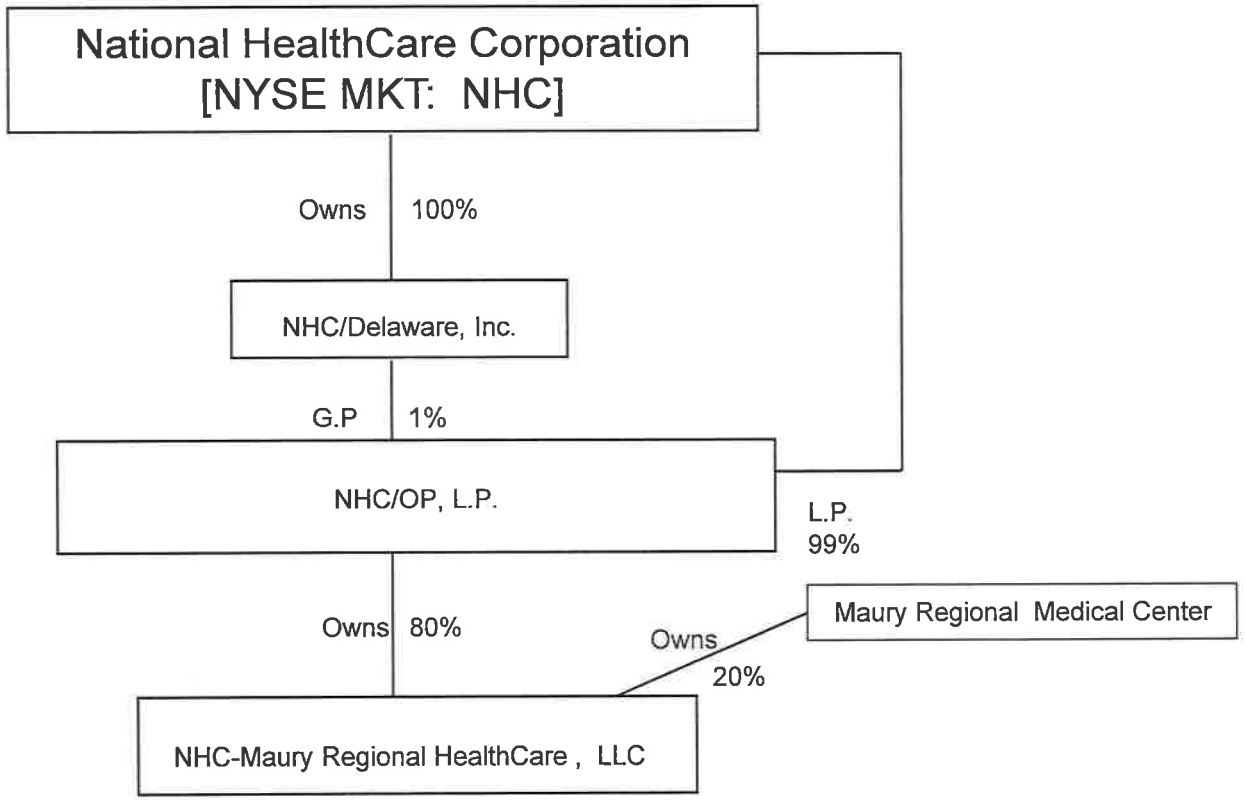
14. Series LLC (required only if the Additional Designation of "Series LLC" is entered in section 3.)
☐ I certify that this entity meets the requirements of T.C.A. §48-249-309(a) & (b)

15. Obligated Member Entity (list of obligated members and signatures must be attached)
☐ This entity will be registered as an Obligated Member Entity (OME) Effective Date: (none)
☐ I understand that by statute: THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES OF THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT YOUR ATTORNEY.

16. This entity is prohibited from doing business in Tennessee:
☐ This entity, while being formed under Tennessee law, is prohibited from engaging in business in Tennessee.

17. Other Provisions:

Jul 2, 2013 10:40AM	Electronic
Signature Date	Signature
VP/Managing Member	Stephen F. Flatt
Signer's Capacity (if other than individual capacity)	Name (printed or typed)


National HealthCare Corporation
[NYSE MKT: NHC]
Owns
100%
NHC/Delaware, Inc.
G.P
1%
NHC/OP, L.P.
L.P.
99%
Owns
80%
Owns
20%
Maury Regional Medical Center
NHC-Maury Regional HealthCare , LLC

NHC/OP, L.P. owns 100% interest of the following nursing facilities: 3/1/13

Alabama

NHC HealthCare, Anniston
2300 Coleman Road
Anniston, AL 36207

NHC HealthCare, Moulton
300 Hospital Street
Moulton, AL 35650

Georgia

NHC HealthCare, Rossville
1425 McFarland Avenue
Rossville, GA 30741

NHC HealthCare, Ft. Oglethorpe
2403 Battlefield Pkwy
Ft. Oglethorpe, GA 30742

Kentucky

NHC HealthCare, Glasgow
P.O. Box 247
Homewood Blvd.
Glasgow, KY 42142-0247

NHC HealthCare, Madisonville
419 North Seminary Street
Madisonville, KY 42431

Missouri

NHC HealthCare, Desloge
801 Brim St.
Desloge, MO 63601

NHC HealthCare, Joplin
2700 E 34th Street
Joplin, MO 64804

NHC HealthCare, Kennett
Route 1, South Bypass
Kennett, MO 63857

Macon Health Care Center
29612 Kellogg Avenue
Macon, MO 63552

NHC HealthCare, Maryland Heights
2920 Fee Fee Road
Maryland Heights, MO 63043

Osage Beach Rehab & Health Care
844 Passover Road
Osage Beach, MO 65065

Springfield Rehab & Health Care
2800 S. Fort Avenue
Springfield, MO 65807

NHC HealthCare, St. Charles
35 Sugar Maple Lane
St. Charles, Mo 63303

NHC HealthCare, Town & Country
13995 Clayton Road
Town & Country, MO 63017

NHC HealthCare, West Plains
211 Davis Drive
West Plains, MO 65775

South Carolina

NHC HealthCare, Anderson
1501 East Greenville
Anderson, SC 29622

NHC HealthCare, Bluffton
3039 Okatie Highway
Bluffton, SC 29910

NHC HealthCare, Charleston
2230 Ashley Crossing Drive
Charleston, SC 29414

NHC HealthCare, Clinton
304 Jacobs Highway
Clinton, SC 29325

NHC HealthCare, Garden City
9405 Highway 17 Bypass
Murrells Inlet, SC 29576

NHC HealthCare, Greenville
1305 Boiling Springs Road
Greer, SC 29650

NHC HealthCare, Greenwood
437 East Cambridge Avenue
Greenwood, SC 29646

NHC HealthCare, Laurens
301 Pinehaven Ext
Laurens, SC 29360

NHC HealthCare, Lexington
2993 Sunset Blvd.
West Columbia, SC 29169

NHC HealthCare, Mauldin
850 East Butler Road
Mauldin, SC 29662

NHC HealthCare, North Augusta
200 Austin Graybill Road
North Augusta, SC 29841

NHC HealthCare, Parklane
7601 Parklane Road
Columbia, SC 29223

Tennessee

The Health Center at AdamsPlace
1927 Memorial Blvd
Murfreesboro, TN 37130

NHC HealthCare, Athens
1204 Frye Street
Athens, TN 37303

NHC HealthCare, Chattanooga
2700 Parkwood Avenue
Chattanooga, TN 37404-1729

The Place at Cool Springs
211 Cool Springs Boulevard
Franklin, TN 37067

NHC HealthCare, Columbia
101 Walnut Lane
Columbia, TN 38401

NHC HealthCare, Dickson
812 N. Charlotte St.
Dickson, TN 37055

NHC HealthCare, Farragut
120 Cavett Hill Lane
Farragut, TN 37922

NHC HealthCare, Franklin
216 Fairground St
Franklin, TN 37064

Holston Health & Rehabilitation Center
3916 Boyds Bridge Pike
Knoxville, TN 37914

NHC HealthCare, Hendersonville
370 Old Shackle Island Road
Hendersonville, TN 37075

NHC HealthCare, Hillview
2710 Trotwood Ave.
Columbia, TN 38401

NHC HealthCare, Johnson City
3209 Bristol Highway
Johnson City, TN 37601

NHC HealthCare, Knoxville
809 Emerald Avenue, NE
Knoxville, TN 37917

NHC HealthCare, Lewisburg
1653 Mooresville Highway
Lewisburg, TN 37091

NHC HealthCare, McMinnville
928 Old Smithville Road
McMinnville, TN 37110

NHC HealthCare, Milan
8017 Dogwood Lane
Milan, TN 38358

NHC HealthCare, Oakwood
244 Oakwood Drive
Lewisburg, TN 37091

NHC HealthCare, Pulaski
993 E. College Street
Pulaski, TN 38478

NHC HealthCare, Scott
2380 Buffalo Road
Lawrenceburg, TN 38464

NHC HealthCare, Sequatchie
405 Dell Trail
Dunlap, TN 37327

NHC HealthCare, Somerville
308 Lake Drive
Somerville, TN 38068

NHC HealthCare, Smithville
825 Fisher Avenue
Smithville, TN 37166

NHC HealthCare, Sparta
34 Gracey Street
Sparta, TN 38583

NHC HealthCare, Springfield
608 8th Avenue East
Springfield, TN 37172

Virginia

NHC HealthCare, Bristol
245 North Street
Bristol, VA 24201

NHC/OP, L.P. owns interest in the following hospice agencies:

Caris Healthcare, LLC
208 Adley Way
Greenville, SC 29607

NHC/OP, L.P. owns 100% interest of the following assisted living facilities:

Assisted Living Facility:

South Carolina

NHC Place-Charleston
1900 Ashley Crossing Drive
Charleston, SC 29414

The Palmettos of Mauldin
810 East Butler Road
Greenville, SC 29607

Palmettos of Parklane
7811 Parklane Road
Columbia, SC 29223

Tennessee

AdamsPlace
1927 Memorial Blvd.
Murfreesboro, TN 37129

NHC Place at Cool Springs
211 Cool Springs Blvd.
Franklin, TN 37067

NHC HealthCare, Dickson
812 N. Charlotte Street
Dickson, TN 37055

NHC Place, Farragut
122 Cavett Hill Lane
Knoxville, TN 37934

NHC HealthCare, Smithville
825 Fisher Avenue
Smithville, TN 37166

NHC HealthCare, Somerville
308 Lake Drive
Somerville, TN 38068

Home for the Aged:

NHC HealthCare Assisted Living
3209 Bristol Highway
Johnson City, TN 37601

Home Health Agencies

NHC HomeCare-St Louis
9495 Page Avenue, Suite 101
St. Louis, MO 63132-1556

NHC HomeCare-, Low Country
109 Burton Avenue, Suite D
Summerville, SC 29845

NHC HomeCare-Piedmont
1668 Herlong Court
Rock Hill, SC 29732

NHC HomeCare-Midlands
193 Medical Circle
West Columbia, SC 29169

NHC/OP, L.P. is the license holder of the following HomeCare agencies

HomeCare Agencies
Tennessee

NHC HomeCare, Athens
1011 West Madison Avenue
Athens, TN 37303

NHC HomeCare, Chattanooga
4525 Hixson Pike
Hixson, TN 37415

NHC HomeCare, Columbia
915 S. James Campbell Blvd.
Columbia, TN 38401

NHC HomeCare, Cookeville
567 S. Willow Avenue
Cookeville, TN 38501

NHC HomeCare, Dickson
305 Highway 70 East
Dickson, TN 37055

NHC HomeCare, Franklin
321 Billingsly Court, Suite 6
Franklin, TN 37067

NHC HomeCare, Hendersonville
112 Saundersville Road, Suite B200
Hendersonville, TN 37075

NHC HomeCare, Johnson City
709 Med Tech Parkway
Johnson City, TN 37604

NHC HomeCare, Knoxville
9000 Executive Park Drive, Suite A-205
Knoxville, TN 37923

NHC HomeCare, Lawrenceburg
399 Tripp Road
Lawrenceburg, TN 38464

NHC HomeCare, Lewisburg
493 Cornersville Road
Lewisburg, TN 37091

NHC HomeCare, McMinnville
612 Sparta St.
McMinnville, TN 37110

NHC HomeCare, Milan
14091 South First Street
Milan, TN 38358

NHC HomeCare, Murfreesboro
237 W. Northfield Blvd., Suite 100
Murfreesboro, TN 37129

NHC HomeCare, Pulaski
1102 E. College Street
Pulaski, TN 38478

NHC HomeCare, Somerville
211 West Market Street
Somerville, TN 38068

NHC HomeCare, Sparta
456 Vista Drive
Sparta, TN 38583

NHC HomeCare, Springfield
2100 Park Plaza Drive
Springfield, TN 37172

South Carolina
NHC HomeCare, Aiken
30 Physician Drive
Aiken, SC 29801

NHC HomeCare, Greenville
210 Adley Way
Greenville, SC 29607-6511

NHC HomeCare, Greenwood
615 South Main Street
Greenwood, SC 39646

NHC HomeCare, Laurens
700 Plaza Circle, Suite O
Clinton, SC 29325

Florida
NHC HomeCare, Carrabelle
1617 West Highway 98, Suite E
Carrabelle, FL 32322

NHC HomeCare, Chipley
1513 Hwy 90
Chipley, FL 32428

NHC HomeCare, Crawfordville
3034 Coastal Hwy
Crawfordville, FL 32327

NHC HomeCare, Marianna
4121 Lafayette St.
Marianna, FL 32446

NHC HomeCare, Merritt Island
2395 N. Courtenay Pkwy, Suite 101
Merritt Island, FL 32953

NHC HomeCare, Ocala
2605 SW 33rd St.
Bldg 100, Suite 103
Ocala, FL 34474

NHC HomeCare, Panama City
1830 Lisenby Ave., Suite B
Panama City, FL 32405

NHC HomeCare, Port St. Joe
418 Reid Ave.
Port St. Joe, FL 32456

NHC HomeCare, Quincy
860 Strong Rd
Quincy, FL 32351

NHC HomeCare, Vero Beach
946 16th Place
Vero Beach, FL 32960

Section A. Applicant Profile - Item 6

Legal Interest in the Site - Option

OPTION TO LEASE AGREEMENT

THIS OPTION TO LEASE AGREEMENT (the "**Agreement**") is entered into this 9th day of July, 2013, by and between National HealthCare Corporation, a Delaware corporation ("**Owner**") and NHC-Maury Regional Healthcare, LLC, a Tennessee limited, a Tennessee limited liability company ("**Operator**").

WHEREAS, Owner will be the owner of the land described in Exhibit A attached hereto (the "**Land**") and the improvements thereon, which Land and improvements will comprise a senior health care facility (the "**Facility**"); and

WHEREAS, Owner has agreed to grant to Operator an option to lease the Facility pursuant to this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Option. Beginning on the date of this Agreement and continuing for ten (10) years thereafter (the "**Option Period**"), Owner hereby grants to Operator the option to lease the Facility (the "**Option**"). In order to exercise the Option, Operator shall provide written notice thereof to Owner during the Option Period, and the parties shall enter into a lease agreement (the "**Option Lease**") for the Facility.

2. Miscellaneous.

(a) Successors. This Agreement shall be binding on the successors, assigns, and personal representatives of the parties hereto; provided, however, this Agreement, and the Option granted to Operator herein, shall not be assignable or otherwise transferable to any person or entity without the prior written consent of Owner, which shall not be unreasonably withheld, conditioned or delayed.

(b) Attorneys' Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled. Such fees and costs shall include those fees and costs incurred in any bankruptcy proceeding.

(c) Other Documents. The parties agree to execute such other and further documents which may be required to consummate the transactions referenced in this Agreement.

(d) Notices. Unless otherwise specifically provided in this Agreement or by law, any and all notices or other communications required or permitted by this Agreement or by law to be

served on, given to, or delivered to any party to this Agreement shall be in writing and shall be deemed duly served, given, delivered and received when personally delivered (including confirmed overnight delivery service to the party to whom it is directed), or in lieu of such personal delivery, when three (3) business days have elapsed following deposit thereof in the United States mail, first-class postage prepaid, certified, return receipt requested, addressed to:

If to Owner:

National HealthCare Corporation
100 Vine Street, Suite 1400
Murfreesboro, Tennessee 37130
Attention: General Counsel

If to Operator:

NHC-Maury Regional Healthcare, LLC
100 Vine Street, Suite 1400
Murfreesboro, Tennessee 37130
Attention: Chief Operating Officer

Either party may change its address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided in its paragraph.

(e) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. Any and all prior understandings or commitments of any kind, oral or written, pertaining thereto are hereby canceled.

(f) Governing Law. This Sublease shall be governed by and construed and enforced in accordance with the internal laws of the State of Tennessee, without regard to the conflict of laws rules thereof.

(Signatures begin on following page)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

OWNER:

National HealthCare Corporation

By: John K. Lines
Its: General Counsel

OPERATOR:

NHC-Maury Regional Healthcare, LLC

By: Steve Flatt
Its: Manager

EXHIBIT "A"

Legal Description of the Land

11959305.3

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE is made as of this 4th day of July, 2013 between NATIONAL HEALTH CARE CORPORATION, a Delaware corporation, whose address is 100 Vine Street, City Center, Murfreesboro, Tennessee, 37130 ("Purchaser"), and KS REALTY, a Tennessee general partnership, c/o Robert L. Holloway, Jr., whose address is 14 Public Square, Columbia, Tennessee, 38401 ("Seller").

RECITALS:

A. Seller is the owner of a tract of unimproved tract of land of approximately 2.17 acres (shown as 2.40 acres as Tax Parcel 14.01 on Tax Map 112) located in Maury County, Tennessee (the "Land") at the corner of Trotwood Avenue and Cayce Lane.

B. Purchaser is desirous of purchasing the Land from Seller and Seller is desirous of selling the Land to Purchaser upon the terms and conditions hereinafter set forth.

C. Seller acknowledges that Purchaser's interest in acquiring the Land is to develop a senior living facility on the Land and the adjoining fifteen (15) acre parcel shown as Tax Parcels 3.03 and 4.00 on Tax Map 112.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency are hereby acknowledged by Purchaser and Seller, the parties hereto, each intending to be legally bound, do hereby covenant and agree as follows:

1. Recitals. All of the recitals set forth above are true and accurate and are incorporated herein by reference.

2. Definitions. In addition to the terms defined elsewhere in this Agreement, as used herein and in the Exhibits annexed hereto, the following terms shall have the following meanings, unless otherwise defined herein:

Agreement: This Agreement of Purchase and Sale and any written amendments or modifications hereof duly executed by all of the parties hereto.

Business Day: Any day of the year in which commercial banks are not required or authorized to close in Nashville, Tennessee.

Effective Date: The date on which Seller and Purchaser have executed this Agreement, as evidenced by the day and year first above written.

Property: As such term is defined in Section 3 hereof.

Purchaser's Representatives: Collectively, Purchaser's employees, agents, directors, officers, affiliates, partners, brokers or other representatives, including, without limitation, contractors, engineers, appraisers, attorneys, accountants, consultants, financial advisors, investors and lenders.

Seller: As such term has been defined at the outset hereof.

Seller's Affiliates: Collectively, all officers, directors, employees, partners, principals, parents, subsidiaries and affiliates of Seller.

Surviving Obligations: Collectively: (i) any indemnities and any other obligations under this Agreement on the part of Purchaser or Seller which are specifically stated to survive the termination of this Agreement, (ii) the delivery by Purchaser to Seller pursuant to Section 34 hereof of all Inspection Materials as defined therein, and (iii) those costs, expenses, and payments specifically stated herein to be the responsibility of Purchaser or Seller, respectively, it being the intention of the parties that the parties shall nonetheless be and remain liable for their respective obligations under (i), (ii) and (iii) notwithstanding the termination of this Agreement for any reason.

3. Sale and Purchase of Property. Seller agrees to sell and convey the Land to Purchaser, and Purchaser agrees to purchase the same from Seller, at the price and upon the terms, provisions and conditions set forth in this Agreement, together with (i) all right, title and interest of Seller in and to all easements, rights of way, reservations, privileges, appurtenances, and other estates pertaining to the Land, (ii) all oil, gas and mineral rights of Seller, if any, in and to the Land, and (iii) all right, title and interest of Seller, if any, in and to all strips and gores, all alleys adjoining the Land to the center line thereof, and all right, title and interest of Seller, if any, in and to any award made or to be made in lieu thereof and in and to any unpaid award for any taking by condemnation or any damages to the Land or any improvements thereon, if any, by reason of a change of grade of any street, road or avenue (the Land and all of the foregoing items listed in clauses (i) - (iii) above being hereinafter sometimes collectively referred to as the "Property").

4. Purchase Price.

(a) The purchase price for the Property is One Hundred Fifty-Nine Thousand Five Hundred Seventy-Five and 00/100 Dollars ($159,575.00) ("Purchase Price").

The Purchase Price shall be paid as follows:

(i) Initial Deposit: On the Effective Date, Purchaser shall deliver to Stites & Harbison, PLLC, Nashville, Tennessee ("Escrow Agent"), in immediately available funds, the sum of Ten Thousand and No/100 Dollars ($10,000.00) (the "Initial Deposit").

(ii) Extension Deposit: If Purchaser elects to extend the Inspection Period beyond one hundred eighty (180) days, as allowed under Section 5 below, Purchaser shall deliver an additional Twenty-Five Thousand and 00/100 Dollars ($25,000.00) (herein the "Extension Deposit") to Escrow Agent to be added to the Initial Deposit. The Initial Deposit

and, if applicable, the Extension Deposit to be paid hereunder shall serve as and be referred to as the "Earnest Money Deposit."

(iii) The balance of the Purchase Price, after giving credit to Purchaser for the Earnest Money Deposit and any interest earned thereon, and after calculating the adjustments and prorations to be made in accordance with Section 6 hereof, shall be paid by Purchaser at Closing, by wire transfer of immediately available funds.

(b) The Earnest Money Deposit shall be held by Escrow Agent and deposited in an interest-bearing money market account under Federal Tax I.D. No. _____ for the mutual benefit of the parties. Any interest earned on the Earnest Money Deposit shall be for the benefit of Purchaser unless the Earnest Money Deposit is paid to Seller as a result of the default of Purchaser or as otherwise provided hereunder, in which event all interest earned thereon shall be paid to Seller. The Earnest Money Deposit, together with all interest earned thereon, shall be applied toward the Purchase Price at Closing. The Earnest Money Deposit, and all interest earned thereon, shall be refundable to Purchaser in the event that this Agreement is terminated in accordance with Section 5(g) or if the Closing fails to occur because any of the Conditions Precedent described in Section 8 are not satisfied or if the Agreement is terminated by Purchaser under the provisions of any of Sections 9, 12 or 13. In the event of a default by Purchaser, the Earnest Money Deposit shall be delivered to Seller.

5. Inspection and Due Diligence Period.

(a) During the period (the "Inspection Period") commencing with the Effective Date and expiring at 5:00 p.m. (Central Time) on December 31, 2013 [180 days] provided Purchaser is not in default hereunder, Purchaser and Purchaser's Representatives shall have full access to examine and inspect the Property and satisfy the Contingencies listed in Section 8 below (except for the condition listed as 8(h) which condition shall extend to the Closing Date). Purchaser may extend the Inspection Period for an additional ninety (90) days by giving written notice to Seller thereof prior to December 31, 2013 and paying the Extension Deposit to Escrow Agent as provided in Section 4(a)(ii) above. Provided Purchaser is not in default hereunder, Purchaser and/or Purchaser's Representatives may make surveys, perform soil tests, environmental audits, engineering tests, and other investigations and tests as Purchaser in its reasonable discretion deems advisable (collectively, the "Inspection") and Seller grants to Purchaser and Purchaser's Representatives a non-exclusive license for such Inspection, subject to the terms and conditions set forth herein.

(b) The Inspection and all other due diligence activities shall be conducted by Purchaser at Purchaser's sole cost and expense.

(c) Purchaser shall promptly repair any damage to the Property resulting from the Inspection and shall promptly replace and refill any portion of the Property used for any inspections or tests and shall promptly restore the Property to the same condition that it existed in prior to the Inspection.

(d) Purchaser and Purchaser's Representatives shall take reasonable precautions so that the Inspection shall cause minimum disruption to parties in possession and Seller's employees, if any, located on the Property.

(e) Purchaser shall (i) comply with all laws applicable to the Inspection and all other activities undertaken in connection therewith; and (ii) take all actions and implement all protections necessary to ensure that all actions taken in connection with the Inspection, and the equipment, materials and substances generated, used or brought onto the Property pose no threat to the safety or health of persons or the environment, and cause no damage to the Property or other property of Seller, any tenant or other occupant of the Property or any other persons.

(f) Purchaser agrees to keep the Property free of any lien or encumbrance, including, without limitation, liens for services, labor or materials furnished in connection with the Inspection, and to cause any such liens or encumbrances to be immediately removed and Purchaser shall indemnify Seller and Seller's Affiliates and hold Seller and Seller's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees and disbursements), suffered or incurred by Seller or any of Seller's Affiliates and arising out of or in connection with (i) Purchaser's and/or Purchaser's Representatives' entry upon the Property, (ii) any Inspection or other due diligence activities conducted with respect to the Property by Purchaser or Purchaser's Representatives, (iii) any liens or encumbrances filed or recorded against the Property as a consequence of the Inspection or any and all other activities undertaken by Purchaser or Purchaser's Representatives, and/or (iv) any and all other activities undertaken by Purchaser or Purchaser's Representatives with respect to the Property.

(g) If prior to the expiration of the Inspection Period, Purchaser, for any reason whatsoever, has determined not to complete the purchase of the Property, Purchaser shall notify Seller and Escrow Agent in writing of its decision to terminate this Agreement (the "Notice of Cancellation") by making demand for a refund of the Earnest Money Deposit, together with any interest earned thereon. Upon Seller's and Escrow Agent's timely receipt of the Notice of Cancellation (and subject to the terms of Section 36(d) hereof), Escrow Agent shall refund the Earnest Money Deposit and any interest earned thereon to Purchaser, less One Hundred and No/100 Dollars ($100.00), which shall be consideration to Seller for entering into this Agreement and granting to Purchaser the Inspection Period, at which time this Agreement shall be deemed to be terminated and all parties hereto shall be relieved of further liability hereunder to the other parties, except for the Surviving Obligations. If Seller has not received a Notice of Cancellation from Purchaser prior to the expiration of the Inspection Period, Purchaser shall be deemed to have irrevocably and unconditionally waived and relinquished its right of cancellation, and the Earnest Money Deposit made by Purchaser, including any interest earned thereon, shall be nonrefundable unless the Closing fails to occur because any of the Conditions Precedent described in Section 8 are not satisfied or if the Agreement is terminated by Purchaser under the provisions of any of Sections 11, 14, or 15 hereof.

(h) The provisions of Section 5(c), (f), (g) and the Surviving Obligations shall survive the Closing or the sooner termination of this Agreement.

6. Adjustments to Purchase Price, Prorations and Apportionments.

(a) Except as otherwise set forth below, the following shall be prorated and apportioned between Seller and Purchaser as of midnight of the day preceding the Closing Date:

(i) real estate taxes for the year of Closing, but if the Closing occurs before the then current year's tax is fixed, then taxes will be prorated based upon the prior year's tax; any tax prorations based on the prior year's taxes, at the request of either Seller or Purchaser, shall be subsequently readjusted upon the receipt of the actual tax bills for the year in which Closing takes place for the Property;

(ii) assessments against the Property under any property owner's association for the period in which the Closing occurs;

(b) (i) If, on the Effective Date of this Agreement, the Property or any part thereof shall be affected by any assessment or assessments which are or may become payable in installments, of which the first installment is now a charge or lien, or has been paid, then (A) Seller shall be obligated to pay all installments of any such assessment which are due and payable prior to the Closing Date, and (B) for the purposes of this Agreement, all the unpaid installments of any such assessment which are to become due and payable on or after the Closing Date shall not be deemed to be liens upon the Property and the payment thereof shall be assumed by Purchaser without abatement of the Purchase Price.

(ii) Seller shall pay, or will have paid, all special assessments and liens for public improvements or similar liens which are, as of the Closing Date, certified liens and Purchaser shall assume payment of all special assessments and liens or public improvements or similar liens which are, as of the Closing Date, pending liens, unless such special assessments are payable in installments in which case Seller shall be responsible for all installments accruing prior to the Closing Date and Purchaser shall be responsible for all of the installments accruing on or after the Closing Date.

(c) Seller shall pay any rollback property tax liability, if applicable.

7. Closing.

(a) Closing Date and Place. The closing hereunder (the "Closing") shall be conducted at a place mutually agreed by the parties on or before the forty-fifth (45th) calendar day following expiration of the Inspection Period ("Closing Date"), time being of the essence. Purchaser shall deposit all funds (the "Funds") necessary to consummate the Closing, by wire transfer, into Escrow Agent's account no later than 2:00 p.m. on the Closing Date. In the event the Funds are deposited after 2:00 p.m. on the Closing Date, all prorations will be recalculated though the next business day.

(b) Seller's Documents. At or prior to the Closing, Seller shall execute, acknowledge and/or deliver, as applicable, the following items to Purchaser (collectively, the "Seller's Documents"):

(i) a limited warranty deed (the "Deed") in the form of Exhibit B attached hereto and made a part hereof in recordable form which shall be effective to vest in Purchaser marketable fee simple title to the Property subject only to the Permitted Encumbrances (as hereinafter defined);

(ii) a copy of the resolutions of Seller authorizing the execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereunder;

(iii) a "FIRPTA" affidavit attesting to facts pertaining to Seller's name, address, tax identification number and non-foreign status as required by Section 1445 of the Internal Revenue Code and regulations;

(iv) an affidavit stating that there have been no improvements to the Property for the ninety (90) day period immediately preceding the Closing Date (other than work done by or on behalf of the Purchaser) or, if there have been any such improvements (other than work done by or on behalf of the Purchaser), that all liens in connection with said improvements have been or will be paid in full when due; that there are no persons or entities in possession of all or any portion of the Property except Seller and any tenants in possession pursuant to recorded or unrecorded leases; and that there are no unrecorded easements or agreements known to Seller affecting title to or relating to the Property, except as otherwise set forth in the affidavit;

(v) a closing statement (the "Closing Statement") reflecting all credits, prorations, apportionments and adjustments contemplated hereunder;

(vi) any documents required to be obtained by the Title Company in connection with the Closing, including, without limitation, Schedule B, Section I requirements of the "Title Commitment" (as that term is hereinafter defined), that are within the purview of Seller's responsibilities hereunder, or otherwise to comply with any state or federal law; and

(vii) all other documents Seller is required to deliver pursuant to the provisions of this Agreement or to consummate the transactions contemplated hereunder.

(c) Purchaser's Documents. At or prior to Closing, Purchaser shall execute, acknowledge and/or deliver, as applicable, the following items to Seller (collectively, the "Purchaser's Documents"):

(i) the Purchase Price in accordance with Section 4 hereof;

(ii) the Closing Statement;

(iii) (a) copies of Purchaser's organizational documents and resolutions and/or consents authorizing Purchaser to purchase the Property and to consummate the closing of the transactions contemplated hereunder and to execute and deliver the Purchaser's Documents, all certified as true and correct, and (b) such other partnership and/or corporate documentation as may be reasonably requested by the Title Company;

(iv) any documents required to be obtained by the Title Company in connection with the Closing, including, without limitation, Schedule B, Section I requirements to the issuance of the Title Policy (as hereinafter defined), that are within the purview of Purchaser's responsibilities hereunder, or otherwise to comply with any state or federal law; and

(v) all other documents Purchaser is required to deliver pursuant to the provisions of this Agreement or to consummate the transactions contemplated hereunder.

(d) Closing Expenses. At Closing, Seller shall pay the brokerage commissions due Broker in accordance with Section 26 herein, and Seller's attorneys' fees. Purchaser shall pay all costs of the Inspection and other due diligence activities of Purchaser, the cost of the Survey, all documentary stamp/transfer taxes and recording fees required to be paid as to the Deed, title insurance premiums and search fees, Purchaser's attorneys' fees, and any other closing costs.

8. Conditions Precedent to Closing. Purchaser's obligation to close hereunder is subject to the satisfaction of the following condition:

(a) the representations and warranties of Seller contained herein shall be true and correct in all material respects as of the Closing Date except to the extent that they relate only to an earlier date and subject to Seller's right to cure as hereinafter set forth. Purchaser shall notify Seller in writing of any material breach of any representation or warranty of Seller whereupon Seller shall have up to thirty (30) days from Seller's receipt of Purchaser's notice to cure such breach.

(b) the Board of Directors of Purchaser shall have duly authorized the purchase of the Property. Such authorization shall be given by appropriate corporate action during the Inspection Period and once given, this condition shall be deemed fully satisfied. If said authorization has not been given by the expiration of the Inspection Period and Purchaser has not timely terminated this Agreement as provided herein by the expiration of the Inspection Period, this condition shall be deemed to be fully satisfied.

(c) Prior to the expiration of the Inspection Period, Purchaser shall have entered into a Purchase and Sale Agreement for the purchase by Purchaser of a tract of land approximately fifteen acres in area and shown on the Maury County, Tennessee tax maps as Map 112, Parcels 3.03 and 4.00 (herein the "Gray Property" and together with the Property, the "Trotwood Avenue Site").

(d) Purchaser shall have obtained a Certificate of Need for not fewer than one hundred twelve (112) skilled nursing beds for a facility Purchaser intends to operate on the Trotwood Avenue Site issued by the Agency for Healthcare Administration for the State of Tennessee. Purchaser shall bear all costs and expenses of applying for and obtaining such Certificate of Need.

(e) Purchaser shall have obtained approval from all planning agencies having jurisdiction over the Trotwood Avenue Site of a site plan acceptable to Purchaser, in Purchaser's sole judgment, for Purchaser's intended development of a senior living facility on the Trotwood Avenue Site.

(f) Purchaser's having obtained any zoning change or allowance which is needed to permit Purchaser's development and use of the Trotwood Avenue Site for and as a nursing home and/or senior living facility of the size desired by Purchaser.

(g) Purchaser's determination that the Trotwood Avenue Site is served with water, sewer, storm water, gas, electrical and other utility lines having sufficient capacity for Purchaser's intended development of the Trotwood Avenue Site.

(h) Purchaser's acquiring title to the Gray Property prior or simultaneously with the Closing.

(i) Purchaser's inability to satisfy any of conditions (b) through (h) above shall not be deemed to be a default by Seller under Section 12 hereof.

9. Condition of Title.

(a) Purchaser shall obtain a title insurance commitment (the "Title Commitment") agreeing to issue to Purchaser, upon recording of the Deed, a standard ALTA owner's title insurance policy (the "Title Policy") in an amount equal to the Purchase Price, subject only to taxes for the year of Closing and subsequent years, pre-printed standard exceptions and the "Permitted Encumbrances" (as hereinafter defined). The cost of the Title Policy shall be borne by Purchaser.

(b) If the Title Commitment or any update thereto shall disclose the existence of any liens, encumbrances or other defects or exceptions other than pre-printed standard exceptions, then Purchaser shall give Seller written notice (each a "Purchaser's Title Notice") (i) as to matters disclosed in the Title Commitment ("Title Matters"), by the end of the Inspection Period, and (ii) as to matters disclosed in any such update to the Title Commitment ("New Title Matters"), within five (5) days after Purchaser's receipt of such update which Purchaser's Title Notice shall specify any Title Matters or New Title Matters, as applicable, which Purchaser finds objectionable ("Objections"), if any. If Purchaser discovers any mortgage lien encumbering the Property, the Seller will immediately obtain from the holder of such mortgage lien an agreement to release such lien upon the payment of a specifically stated sum. Seller shall have up to the Closing Date to cure such Objections. Seller agrees to satisfy prior to Closing any Objections which may be satisfied or released upon the payment of cash. In the event Seller elects (the "Election") not to cure all other Objections by the Closing Date or otherwise arrange for title insurance insuring against enforcement of such Objections against, or collection of same out of, the Property, Purchaser shall have only the right (i) to terminate this Agreement by giving written notice (the "Written Notice") thereof to Seller within five (5) days after receiving notice from Seller of the Election, and upon such termination, to receive the return of the Earnest Money Deposit, neither party hereto thereafter having any further rights or obligations hereunder, except for the Surviving Obligations, or (ii) to waive the Objections and consummate the purchase of the Property, without any abatement or reduction of the Purchase Price, subject to the Objections which shall be deemed to be "Permitted Encumbrances;" provided, however, purchaser shall be deemed to have waived the Objections in the event Purchaser does not deliver the Written Notice to Seller within five (5) days of Purchaser receiving notice from Seller of the Election. Notwithstanding the foregoing, if Seller has commenced curing the Objections and is

diligently prosecuting the same, then Purchaser, upon written request by Seller, shall extend the cure period for such time as may be required for Seller to cure the same, in no event to exceed sixty (60) days. Should Seller elect to cure and be unsuccessful in completing same, Purchaser may elect to terminate this Agreement or to waive the Objections and proceed to close under the provisions as stated herein without any abatement or reduction of the Purchase Price.

(c) Purchaser shall obtain at Purchaser's expense a survey of the Property (the "Survey"). Purchaser shall provide a copy of the Survey to Seller and shall notify Seller, in writing, (i) as to matters disclosed on the Survey which Purchaser finds objectionable, by the end of the Inspection Period, and such objections shall be deemed Objections and dealt with as such in accordance with the provisions of Section 9(b) hereof. It shall be Purchaser's responsibility to provide the Title Company with a copy of the Survey and any other certifications, affidavits or instruments which the Title Company may request or require in order to delete the standard survey exceptions in the Title Commitment. The descriptions of the Property from the Survey shall be used for Exhibit A hereof.

10. Representations, Warranties, Covenants and Acknowledgments.

(a) Seller represents and warrants to Purchaser as of the Effective Date and as of the Closing, as follows:

(i) Seller is a duly formed and validly existing general partnership under the laws of the State of Tennessee;

(ii) Seller has the full legal right, power and authority to execute and deliver this Agreement and all of Seller's Documents, to consummate the transactions contemplated hereby, and to perform its obligations hereunder and under all of Seller's Documents;

(iii) This Agreement and Seller's Documents do not and will not contravene any provision of the operating agreement of Seller, any judgment, order, decree, writ or injunction issued against Seller, or any provision of any laws applicable to Seller. The consummation of the transactions contemplated hereby will not result in a breach or constitute a default or event of default by Seller under any agreement to which Seller or any of its assets are subject or bound and will not result in a violation of any laws applicable to Seller;

(iv) To the actual knowledge of Seller: (1) Seller has not received any written notices of (a) any material claims against the Property, (b) any violation of any laws, ordinances or other governmental regulations applicable to the Property, or (c) any pending condemnation proceedings respecting any portion of the Property; (2) to the extent that any improvements have been made to the Property or any work performed with respect to the Property, all liens in connection with said improvements or work have been or will be paid in full when due unless such indebtedness is to be assumed by Purchaser in accordance with Section 10 hereof; (3) Seller has provided or made available to Purchaser all Inspection Materials within the possession of Seller; and (4) Seller has not falsified any of the Inspection Materials provided to or made available to Purchaser;

(v) To the actual knowledge of Seller, the Property is subject to no zoning ordinance or private restriction which would prevent or limit Purchaser's right to use the Property for a nursing home and or assisted living facility other than such requirements that Purchaser obtain all required certificates of need and state required licensing;

(vi) Seller has a good and marketable fee simple absolute estate in the Property and the Property is not subject to any lease, mortgage or deed of trust lien (there is an easement for a water line serving the Gray Property);

(vii) Seller (A) has not filed or threatened to file any voluntary petition in bankruptcy or sought to reorganize its affairs under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors, (B) not been adjudicated as bankrupt or insolvent, or (C) not had an involuntary petition filed against it under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors;

(viii) To the best of Seller's knowledge, the Property complies with all applicable planning and subdivision laws and regulations;

(ix) To the best of Seller's knowledge, information and belief, no Hazardous Substances (as defined below) have been discharged, disbursed, released, stored, treated, generated, disposed of, incorporated into or allowed to escape on, under or about the Property in violation of applicable environmental laws and regulations (as defined below) or in quantities that could require investigation, monitoring, clean-up, removal or remediation under applicable environmental laws and regulations;

(x) no storage tanks (above ground or below ground) used to hold Hazardous Substances are or have been located on, under or about the Property;

(xi) no investigation, administrative order, agreement, claim, litigation or settlement related to Hazardous Substances located (or allegedly located) on, under or about the Property is proposed, threatened, anticipated or in existence;

(xii) To the best of Seller's knowledge, the Property has not previously been used as a landfill or a dump;

(xiii) Seller has not been advised of the presence or existence of any Hazardous Substances on the Property or any cemeteries, graves, or burial grounds located on the Property by any person, including, but not limited to, Seller's predecessors in title to the Project; and

(xiv) As used in this Agreement, "Hazardous Substances" means all hazardous wastes, hazardous substances, extremely hazardous substances, hazardous constituents, hazardous materials and toxic substances that are regulated under any law, ordinance, regulation, or rule pertaining to health, safety or the environment, whether solids, liquids or gases, including, but not limited to, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq., (ii) the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. § 5101 et

seq., (iii) the Resource, Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901 et seq., (iv) the Clean Water Act, as amended, 33 U.S.C. § 1251 et seq., (v) the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq., (vi) the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., and (vii) any so-called "superfund" or "superlien" law. Without limiting the generality of the foregoing, Hazardous Substances shall specifically include polychlorinated biphenyl (commonly known as PCBs), asbestos (friable and non-friable), radon, urea formaldehyde, gasoline, diesel fuel and other petroleum products.

(xv) Seller agrees that it will not encumber or allow any lien to arise against the Property.

(xvi) Seller shall cooperate with any environmental study of the Property and shall furnish and provide interviews or answer questions reasonably related to such studies.

(b) Purchaser warrants and represents to Seller as follows:

(i) Purchaser is a Delaware corporation;

(ii) Purchaser has the full legal right, power, authority and financial ability to execute and deliver this Agreement and all of Purchaser's Documents, to consummate the transactions contemplated hereby, and to perform its obligations hereunder and under all of Purchaser's Documents;

(iii) This Agreement and Purchaser's Documents do not and will not contravene any provision of the organizational documents of Purchaser, any judgment, order, decree, writ or injunction issued against Purchaser, or any provision of any laws applicable to Purchaser. The consummation of the transactions contemplated hereby will not result in a breach or constitute a default or event of default by Purchaser under any agreement to which Purchaser or any of its assets are subject or bound and will not result in a violation of any laws applicable to Purchaser; and

(iv) There are no pending actions, suits, proceedings or investigations to which Purchaser is a party before any court or other governmental authority which may have an adverse impact on the transactions contemplated hereby.

(c) The representations and warranties of Purchaser and Seller set forth in this Agreement shall be true, accurate and correct in all material respects upon the execution of this Agreement, shall be deemed to be repeated on and as of the Closing Date (except as they relate only to an earlier date) and shall survive the Closing.

11. Remedies Upon Default of Purchaser. If Purchaser fails to perform any of its obligations under this Agreement, or is in default hereunder, Seller as its sole remedy may terminate this Agreement by notice to Purchaser. If Seller elects to terminate this Agreement, then this Agreement shall be terminated and Escrow Agent shall pay to Seller the Earnest Money Deposit and all interest earned thereon, as full and agreed upon liquidated damages, consideration for the execution of this Agreement and in full settlement of all claims whereupon the parties hereto shall be relieved of all obligations hereunder, except for the Surviving Obligations, it being agreed that

the actual damages suffered by Seller shall be impossible to ascertain and the payment of the Earnest Money Deposit and all interest earned thereon (plus the Surviving Obligations) shall be the sole liability of Purchaser by reason of any default hereunder. Except as set forth in the immediately preceding sentence, Seller hereby expressly waives, relinquishes and releases any other right or remedy available to it at law, in equity or otherwise by reason of Purchaser's default hereunder or Purchaser's failure or refusal to perform its obligations hereunder.

12. Remedies on Default of Seller.

If Seller fails to close the transaction contemplated by this Agreement for any reason other than Purchaser's default, Purchaser may seek specific performance or may elect to terminate this Agreement and receive from Escrow Agent the Earnest Money Deposit paid to Escrow Agent pursuant to this Agreement (and any interest earned thereon) and recover as damages all of Purchaser's costs and expenses relating to the planned development of the Trotwood Avenue Site, including lost profits, whereupon each of the parties shall be relieved of all further liability to the other hereunder, except for the Surviving Obligations.

13. Eminent Domain.

(a) If, prior to Closing, all or any portion of the Property is taken by eminent domain (or is the subject of a pending or contemplated taking which has not been consummated), Seller shall notify Purchaser of such fact and Purchaser shall have the option to terminate this Agreement upon written notice to Seller given not later than fifteen (15) days after Purchaser's receipt of Seller's notice. If Purchaser does not elect to so terminate this Agreement, Purchaser shall proceed to Closing as provided in this Agreement without abatement of or adjustment to the Purchase Price and, at Closing, Seller shall assign and turn over all compensation and damages awarded or the right to receive same with respect to such taking, condemnation or eminent domain.

(b) If this Agreement is terminated pursuant to this Section 13, the Deposit and all interest earned thereon shall be delivered by Escrow Agent to Purchaser, subject, however, to Purchaser's obligation to return the Inspection Materials to Seller, and the parties hereto shall be released from all further obligations and liabilities hereunder, except for the Surviving Obligations.

14. Attorneys' Fees. In the event either party hereto shall default in the performance of any of the terms and conditions of this Agreement, the prevailing party shall be entitled to recover all costs, charges and expenses of enforcement, including reasonable attorneys' and paralegal fees, which reasonable fees shall include attorneys' and paralegal fees incurred in any trial or appellate proceedings.

15. Binding Effect. This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

16. Governing Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State in which the Property is located.

17. Time of Essence. Time shall be deemed of the essence with respect to consummating the transactions contemplated under this Agreement on the Closing Date and with respect to all other obligations of Purchaser and Seller hereunder.

18. Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

19. Agreement not to be Recorded. This Agreement shall not be recorded in the public records. Any attempts to record this instrument by or on behalf of Purchaser shall, at Seller's option, cause all of the effect of enforcement of any of its terms to become null and void, and same shall not constitute constructive notice of its existence or constitute a cloud on title. Purchaser hereby indemnifies and exonerates Seller from all loss, claim, expense, liability, action or demand (including, but not limited to, reasonable counsel fees and expenses through and including all appellate proceedings) arising out of or in connection with the improper or unauthorized recordation of this Agreement or any memorandum or notice thereof or any reference hereto by Purchaser or any agent or representative of Purchaser in any recorded document.

20. Waiver. Except as otherwise provided herein, the failure of Seller or Purchaser to insist upon or enforce any of their respective rights hereunder shall not constitute a waiver thereof.

21. Construction. Each party hereto acknowledges that all parties hereto have participated equally in the drafting of this Agreement and that accordingly, no court construing this Agreement shall construe it more stringently against one party than the other.

22. Insertion of Corrections or Modifications. Typewritten or handwritten provisions inserted in this Agreement or in the exhibits hereto (and initialed by the parties) shall control all printed provisions in conflict therewith.

23. Captions. The captions used herein have been included for convenience of reference only and shall not be deemed to vary the content of this Agreement or limit the provisions or scope of any section or paragraph hereof.

24. Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or entity may require.

25. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but in the event that any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

26. Broker. Purchaser and Seller represent and warrant to each other that Realty Corp. and Southeast Venture LLC (hereinafter referred to as "Broker") are the sole brokers with whom either has dealt in connection with the Property and the transactions described herein. Seller shall be liable for a six percent (6%) brokerage commission due to Broker arising out of the transaction contemplated in this Agreement to be shared equally by Realty Corp. representing the Seller and Southeast Venture, LLC representing the Purchaser. Each party hereto agrees to indemnify, defend and hold the other harmless from and against any and all claims, causes of action, losses, costs,

expenses, damages or liabilities, including reasonable attorneys' fees and disbursements, which the other may sustain, incur or be exposed to, by reason of any claim or claims by any broker, finder or other person, except Broker, for fees, commissions or other compensation arising out of the transactions contemplated in this Agreement if such claim or claims are based in whole or in part on dealings, discussions or agreements with the indemnifying party; provided, however, that Purchaser shall not indemnify Seller against any claims of Broker. The obligations and representations contained in this Section 26 shall survive the termination of this Agreement and the Closing.

27. Assignment. Except as provided herein, this Agreement may not be assigned by Purchaser without the prior written consent of Seller. Purchaser may assign this Agreement to an affiliate of Purchaser or to a qualified intermediary as part of a tax free exchange, but such assignment will not relieve Purchaser of liability for the performance of all Purchaser's obligations hereunder.

28. Merger. All prior statements, understandings, letters of intent, representations and agreements between the parties, oral or written, are superseded by and merged in this Agreement, which alone fully and completely expresses the agreement between Seller and Purchaser in connection with this transaction and which is entered into after full investigation, neither party relying upon any statement, understanding, representation or agreement made by the other not embodied in this Agreement. Except as otherwise expressly provided herein, all of Seller's representations, warranties, covenants and agreements herein shall merge in the documents and agreements executed at the Closing and shall not survive the Closing.

29. Exhibits. All of the Exhibits annexed hereto are incorporated herein by reference and form a part of this Agreement.

30. Use of the Word "Herein". Use of the words "herein," "hereof," "hereunder" and any other words of similar import refer to this Agreement as a whole and not to any particular article, section or other paragraph of this Agreement unless specifically noted otherwise in this Agreement.

31. Date of Performance. If the date of the performance of any term, provision or condition of this Agreement shall happen to fall on a Saturday, Sunday or other non-Business Day, the date for the performance of such term, provision or condition shall be extended to the next succeeding Business Day immediately thereafter occurring.

32. Third Parties. This Agreement shall not be deemed to confer in favor of any third parties any rights whatsoever as third-party beneficiaries, the parties hereto intending by the provisions hereof to confer no such benefits or status.

33. Acceptance of the Deed. The delivery by Seller and the acceptance by Purchaser of the Deed shall be deemed to be the full performance and discharge of every agreement, obligation, and covenant, guaranty, representation, or warranty on the part of Seller and Purchaser, respectively, to be performed pursuant to the provisions of this Agreement in respect of the Property, except for those paragraphs or sections specifically stated to survive the Closing. Certain provisions of this Agreement, as expressly provided herein, shall survive Closing or termination. This Section shall survive the Closing.

34. Property Information and Confidentiality.

(a) Upon the execution of this Agreement, or prior to such date, Seller shall deliver to Purchaser and during the term of this Agreement shall deliver any and all updated or additional items in Seller's possession or ordered by Seller relating to the Property or the Project as follows:

(i) All surveys (boundary and/or topographic) of the Property;

(ii) Copies of all environmental studies, wetlands assessments, and/or archeological reports relating to any part of the Property;

All of the foregoing are referred to collectively as the "Investigation Materials."

(b) Purchaser and Seller, for the benefit of each other, hereby agree that between the Effective Date and the Closing Date, they will not release or cause or permit to be released any press notices, publicity (oral or written) or advertising promotion relating to, or otherwise announce or disclose or cause or permit to be announced or disclosed, in any manner whatsoever, the terms, conditions or substance of this Agreement or the transactions contemplated herein, without first obtaining the written consent of the other party hereto. It is understood that the foregoing shall not preclude either party from discussing the substance or any relevant details of the transactions contemplated in this Agreement, with any of its attorneys, accountants, professional consultants or potential lenders, as the case may be, or prevent either party hereto from complying with any laws applicable to such party, including, without limitation, governmental regulatory, disclosure, tax and reporting requirements.

(c) Purchaser shall indemnify and hold Seller and Seller's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees and disbursements) suffered or incurred by Seller or any of Seller's Affiliates and arising out of or in connection with a breach by Purchaser or Purchaser's Representatives of the provisions of this Section 34.

(d) In addition to any other remedies available to Seller, Seller shall have the right to seek equitable relief, including, without limitation, injunctive relief or specific performance, against Purchaser or Purchaser's Representatives in order to enforce the provisions of this Section 34.

(e) The terms and conditions of this Agreement and the transactions contemplated hereby are confidential and shall not be communicated or otherwise provided to third parties (other than the respective legal counsel, employees and financial advisors) by any party hereto, or its agents or employees, without the prior written consent of the other party.

(f) The obligations and covenants of Purchaser under this Section 34 shall survive any termination of this Agreement prior to Closing hereunder.

35. Notices. All notices, elections, consents, approvals, demands, objections, requests or other communications which Seller or Purchaser may be required or desire to give pursuant to, under or by virtue of this Agreement (collectively, "Notices") must be in writing and sent by (a) first class U.S. certified mail, return receipt requested, with postage prepaid, or (b) telecopier (with receipt confirmed), or (c) express mail or courier (next day delivery), addressed to the respective party at the address for each first set forth above. Seller or Purchaser may designate another addressee or change its address for notices and other communications hereunder by a notice given to the other in the manner provided in this Section 35. A notice or other communication shall be deemed to have been properly sent and given when received by the addressee. If sent by telecopy, a Notice shall be deemed received when transmission is received by the addressee with electronic or telephonic confirmation.

When sending any notice to the Purchaser send a copy of said notice to:

National HealthCare Corporation
100 Vine Street, City Center
Murfreesboro, TN 37130
Attention: Thomas B. Campbell
Email: tcampbell@nhccare.com
Facsimile: (615) 278-3258

With copy to:

Robert N. Buchanan, III
Stites & Harbison PLLC
401 Commerce Street, Suite 800
Nashville, TN 37219
Email: robert.buchanan@stites.com
Facsimile: (615) 742-4112

When sending any notice to the Seller send a copy of said notice to:

KS Realty
c/o Robert L. Holloway, Jr.
P.O. Box 1056
Columbia, TN 38402
Email: _____
Facsimile: (931) 540-2477

36. No Modification. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and it supersedes all prior understandings or agreements between the parties as to the subject matter hereof. No term or provision of this Agreement may be changed or waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

37. Waiver of Claims Against Seller's Affiliates. Purchaser agrees that it does not have and will not have any claims or causes of action against any of Seller's Affiliates arising out of or in connection with this Agreement or the transactions contemplated hereby. Purchaser agrees to look solely to Seller and its assets for the satisfaction of any liability or obligation arising under this Agreement or the transactions contemplated hereby, or for the performance of any of the covenants, warranties or other agreements contained herein, and further agrees not to sue or otherwise seek to enforce any personal obligation against any of Seller's Affiliates with respect to any matters arising out of or in connection with this Agreement or the transactions contemplated hereby. Without limiting the generality of the foregoing provisions of this Section 37, Purchaser hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Seller's Affiliates, and hereby unconditionally and irrevocably releases and discharges Seller's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Purchaser against Seller's Affiliates, in connection with or arising out of this Agreement or the transactions contemplated hereby. The provisions of this Section 37 shall survive the termination of this Agreement and the Closing.

38. Tax-Free Exchange. Seller may affect the transaction contemplated hereby by means of a tax-free exchange that will not delay the Closing or cause additional expense to Purchaser. Seller's rights and obligations under this Agreement may be assigned to a "Qualified Intermediary" of Seller's choice for the purpose of completing such tax-free exchange. Purchaser agrees to cooperate with Seller and such "Qualified Intermediary" in a manner necessary to complete the tax-free exchange, provided Purchaser shall not be obligated to incur any additional liability or cost related to the tax-free exchange or acquiring title to any replacement property.

39. Rights of Escrow Agent. If there is any dispute as to whether the Escrow Agent is obligated to deliver any monies and/or documents which it now or hereafter holds, including, without limitation, the Earnest Money Deposit (collectively, the "Escrowed Property") or as to whom any Escrowed Property are to be delivered, the Escrow Agent shall not be obligated to make any delivery, but, in such event, may hold same until receipt by the Escrow Agent of an authorization, in writing, signed by all of the parties having an interest in such dispute directing the disposition of same; or, in the absence of such authorization, the Escrow Agent may hold any Escrowed Property until the final determination of the rights of the parties in an appropriate proceeding. Within three (3) Business Days after receipt by the Escrow Agent of a copy of a final judgment or order of a court of competent jurisdiction, certified by the clerk of such court or other appropriate official, the Escrowed Property shall be delivered as set forth in such judgment or order. A judgment or order under this Agreement shall not be deemed to be final until the time within which to take an appeal therefrom has expired and no appeal has been taken, or until the entry of a judgment or order from which no appeal may be taken. If such written authorization is not given or proceeding for such determination is not begun and diligently continued, the Escrow Agent shall have the right to bring an appropriate action or proceeding for leave to deposit the Escrowed Property in court, pending such determination. In the event that the Escrow Agent places any Escrowed Property in the registry of the governing court in and for Maury or Davidson County, Tennessee and files an action of, interpleader, naming the parties hereto, the Escrow Agent shall be released and relieved from any and all further obligation and liability hereunder or in connection herewith. If, without gross negligence on the part of the Escrow Agent, the Escrow Agent shall become a party to any controversy or litigation with respect to the Escrowed Property or any other matter respecting this Agreement,

Seller and Purchaser shall jointly and severally hold Escrow Agent harmless from any damages or losses incurred by Escrow Agent by reason of or in connection with such controversy or litigation. The provisions of this Section 39 shall survive the Closing or termination of this Agreement.

IN WITNESS WHEREOF, Seller and Purchaser have caused these presents to be executed and delivered, on the date first above written.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

COUNTERPART SIGNATURE PAGES FOLLOW

COUNTERPART SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT

SELLER:

KS REALTY, a Tennessee general partnership

By: _____ Partner
Robert L. Holloway, Jr., Partner 7/3/2013

COUNTERPART SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT

PURCHASER:

NATIONAL HEALTHCARE CORPORATION,
a Delaware corporation

By: _____

Name: John K. Lines

Title: SVP + GC

[CORPORATE SEAL]

ACCEPTANCE BY ESCROW AGENT

The undersigned hereby accepts the duties of Escrow Agent under that certain Agreement for Purchase and Sale between KS REALTY, a Tennessee general partnership, as Seller, and NATIONAL HEALTHCARE CORPORATION, a Delaware corporation, as Purchaser, dated July ____, 2013, relating to the property located in Maury County, Tennessee, as more particularly described in said Agreement, subject to and in accordance with all the terms and conditions thereof, and hereby agrees to notify Seller upon its receipt of Earnest Money from Purchaser in accordance with the terms of Section 4(a) of said Agreement.

Dated: July _____, 2013.

STITES & HARBISON, PLLC

By:_____

Name: _____

Its: Duly Authorized Representative

LIST OF EXHIBITS

Exhibit A	Property Description
Exhibit B	Limited Warranty Deed

EXHIBIT A

Property Description
[to be taken from survey]

EXHIBIT B

STATE OF TENNESSEE)
COUNTY OF MAURY)

Upon recording return to:

_____
_____
_____
_____

LIMITED WARRANTY DEED

THIS INDENTURE, made this _____ day of _____, 2013 by and between KS REALTY, a Tennessee general partnership (hereinafter referred to as "Grantor"), having an address of c/o Robert L. Holloway, Jr., P.O. Box 1056, Columbia, Tennessee, 38402, and NATIONAL HEALTHCARE CORPORATION, a Delaware corporation, having an address of 100 Vine Street, City Center, Murfreesboro, Tennessee, 37130 (hereinafter referred to as "Grantee").

WITNESSETH:

That for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Grantor has granted, bargained, sold, assigned, transferred and conveyed and does hereby grant, bargain, sell, assign and transfer and convey to Grantee, its successors and assigns, all of that certain tract or parcel of land being more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Property").

TO HAVE AND TO HOLD said Property, together with all and singular the rights, members, and appurtenances thereof, to the same being, belonging or in anywise appertaining to the only proper use, benefit and behoof of Grantee and the successors and assigns of Grantee, forever, IN FEE SIMPLE. Grantor covenants that it is lawfully seized and possessed of the Property; has full power and lawful authority to transfer and convey the same; that title to the Property is free, clear and unencumbered (except as to those matters set forth on Exhibit "B" attached hereto) and that Grantor shall warrant and forever defend the title to said Property, unto the Grantee, its successors and assigns, against the lawful claims of all persons claiming by, through or under Grantor, except as to those matters set forth on Exhibit "B" attached hereto.

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SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO LIMITED WARRANTY DEED

IN WITNESS WHEREOF, Grantor has hereunto set its hand and seal on the day, month and year first above written.

Signed, sealed and delivered
in the presence of:

_____
Unofficial Witness

_____
Notary Public

My Commission Expires:

_____

[AFFIX NOTARIAL SEAL]

KS REALTY, a Tennessee general partnership

By: _____

Name: _____

Title: _____

EXHIBIT "A"

[Legal Description]

EXHIBIT "B"

[Permitted Exceptions]

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE is made as of this 4th day of July, 2013 between NATIONAL HEALTHCARE CORPORATION, a Delaware corporation, whose address is 100 Vine Street, City Center, Murfreesboro, Tennessee, 37130 ("Purchaser"), and DANIEL R. GRAY, III, L. RAINEY GRAY, JEFFERSON GAITHER GRAY AND J. DAWSON FRIERSON GRAY, SR. individually (collectively the "Seller") c/o J. Dawson Frierson Gray, Sr., whose address is 3143 North Cross Bridges Road, Columbia, Tennessee, 38401.

RECITALS:

A. Seller is the owner of two tracts with a combined area of approximately fifteen (15) acres located in Maury County, Tennessee (the "Land") on Trotwood Avenue and shown as Parcels 3.03 and 4.00 on Tax Map 112.

B. Purchaser is desirous of purchasing the Land from Seller and Seller is desirous of selling the Land to Purchaser upon the terms and conditions hereinafter set forth.

C. Seller acknowledges that Purchaser's interest in acquiring the Land is to develop a senior living facility on the Land and the adjoining two and 4/10th (2.40) acre parcel shown as Tax Parcel 4.01 on Tax Map 112.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency are hereby acknowledged by Purchaser and Seller, the parties hereto, each intending to be legally bound, do hereby covenant and agree as follows:

1. Recitals. All of the recitals set forth above are true and accurate and are incorporated herein by reference.

2. Definitions. In addition to the terms defined elsewhere in this Agreement, as used herein and in the Exhibits annexed hereto, the following terms shall have the following meanings, unless otherwise defined herein:

Agreement: This Agreement of Purchase and Sale and any written amendments or modifications hereof duly executed by all of the parties hereto.

Business Day: Any day of the year in which commercial banks are not required or authorized to close in Nashville, Tennessee.

Effective Date: The date on which Seller and Purchaser have executed this Agreement, as evidenced by the day and year first above written.

Property: As such term is defined in Section 3 hereof.

Purchaser's Representatives: Collectively, Purchaser's employees, agents, directors, officers, affiliates, partners, brokers or other representatives, including, without limitation, contractors, engineers, appraisers, attorneys, accountants, consultants, financial advisors, investors and lenders.

Seller: As such term has been defined at the outset hereof.

Surviving Obligations: Collectively: (i) any indemnities and any other obligations under this Agreement on the part of Purchaser or Seller which are specifically stated to survive the termination of this Agreement, (ii) the delivery by Purchaser to Seller pursuant to Section 34 hereof of all Inspection Materials as defined therein, (iii) those costs, expenses, and payments specifically stated herein to be the responsibility of Purchaser or Seller, respectively, and (iv) the delivery by Purchaser to Seller pursuant to Section 5(h) of certain surveys and reports relating to the Land, it being the intention of the parties that the parties shall nonetheless be and remain liable for their respective obligations under (i), (ii), (iii) and (iv) notwithstanding the termination of this Agreement for any reason.

3. Sale and Purchase of Property. Seller agrees to sell and convey the Land to Purchaser, and Purchaser agrees to purchase the same from Seller, at the price and upon the terms, provisions and conditions set forth in this Agreement, together with (i) all right, title and interest of Seller in and to all easements, rights of way, reservations, privileges, appurtenances, and other estates pertaining to the Land, (ii) all oil, gas and mineral rights of Seller, if any, in and to the Land, and (iii) all right, title and interest of Seller, if any, in and to all strips and gores, all alleys adjoining the Land to the center line thereof, and all right, title and interest of Seller, if any, in and to any award made or to be made in lieu thereof and in and to any unpaid award for any taking by condemnation or any damages to the Land or any improvements thereon, if any, by reason of a change of grade of any street, road or avenue (the Land and all of the foregoing items listed in clauses (i) - (iii) above being hereinafter sometimes collectively referred to as the "Property").

4. Purchase Price.

(a) The purchase price for the Property is One Million Two Hundred Fifty-One Thousand Six Hundred Forty and 00/100 Dollars ($1,251,640.00) ("Purchase Price").

The Purchase Price shall be paid as follows:

(i) Initial Deposit: On the Effective Date, Purchaser shall deliver to Stites & Harbison, PLLC, Nashville, Tennessee ("Escrow Agent"), in immediately available funds, the sum of Fifty Thousand and No/100 Dollars ($50,000.00) (the "Initial Deposit").

(ii) Extension Deposit: If Purchaser elects to extend the Inspection Period beyond one hundred eighty (180) days, as allowed under Section 5 below, Purchaser shall deliver an additional Twenty-Five Thousand and 00/100 Dollars ($25,000.00) (herein the "Extension Deposit") to Escrow Agent to be added to the Initial Deposit. The Initial Deposit and, if applicable, the Extension Deposit to be paid hereunder shall serve as and be referred to as the "Earnest Money Deposit."

(iii) The balance of the Purchase Price, after giving credit to Purchaser for the Earnest Money Deposit and any interest earned thereon, and after calculating the adjustments and prorations to be made in accordance with Section 6 hereof, shall be paid by Purchaser at Closing, by wire transfer of immediately available funds.

(b) The Earnest Money Deposit shall be held by Escrow Agent and deposited in an interest-bearing money market account under Social Security Numbers (i) Daniel Roger Gray III, No. 409-78-9370; (ii) Leven Rainey Gray, No. 409-78-9369; (iii) Jefferson Gaither Gray, No. 415-78-9940; and (iv) John Dawson Frierson Gray, No. 409-78-9368 for the mutual benefit of the parties. Any interest earned on the Earnest Money Deposit shall be for the benefit of Purchaser unless the Earnest Money Deposit is paid to Seller as a result of the default of Purchaser or as otherwise provided hereunder, in which event all interest earned thereon shall be paid to Seller. The Earnest Money Deposit, together with all interest earned thereon, shall be applied toward the Purchase Price at Closing. The Earnest Money Deposit, and all interest earned thereon, shall be refundable to Purchaser in the event that this Agreement is terminated in accordance with Section 5(g) or if the Closing fails to occur because any of the Conditions Precedent described in Section 8 are not satisfied or if the Agreement is terminated by Purchaser under the provisions of any of Sections 9, 12 or 13. In the event of a default by Purchaser, the Earnest Money Deposit shall be delivered to Seller.

5. Inspection and Due Diligence Period.

(a) During the period (the "Inspection Period") commencing with the Effective Date and expiring at 5:00 p.m. (Central Time) on December 31, 2013 [180 days] provided Purchaser is not in default hereunder, Purchaser and Purchaser's Representatives shall have full access to examine and inspect the Property and satisfy the Contingencies listed in Section 8 below (except for the condition listed as 8(h) which condition shall extend to the Closing Date). Purchaser may extend the Inspection Period for an additional ninety (90) days by giving written notice to Seller thereof prior to December 31, 2013 and paying the Extension Deposit to Escrow Agent as provided in Section 4(a)(ii) above. Provided Purchaser is not in default hereunder, Purchaser and/or Purchaser's Representatives may make surveys, perform soil tests, environmental audits, engineering tests, and other investigations and tests as Purchaser in its reasonable discretion deems advisable (collectively, the "Inspection") and Seller grants to Purchaser and Purchaser's Representatives a non-exclusive license for such Inspection, subject to the terms and conditions set forth herein.

(b) The Inspection and all other due diligence activities shall be conducted by Purchaser at Purchaser's sole cost and expense.

(c) Purchaser shall promptly repair any damage to the Property resulting from the Inspection and shall promptly replace and refill any portion of the Property used for any inspections or tests and shall promptly restore the Property to the same condition that it existed in prior to the Inspection.

(d) Purchaser and Purchaser's Representatives shall take reasonable precautions so that the Inspection shall cause minimum disruption to parties in possession and Seller's employees, if any, located on the Property.

(e) Purchaser shall (i) comply with all laws applicable to the Inspection and all other activities undertaken in connection therewith; and (ii) take all actions and implement all protections necessary to ensure that all actions taken in connection with the Inspection, and the equipment, materials and substances generated, used or brought onto the Property pose no threat to the safety or health of persons or the environment, and cause no damage to the Property or other property of Seller, any tenant or other occupant of the Property or any other persons.

(f) Purchaser agrees to keep the Property free of any lien or encumbrance, including, without limitation, liens for services, labor or materials furnished in connection with the Inspection, and to cause any such liens or encumbrances to be immediately removed and Purchaser shall indemnify Seller and Seller's Affiliates and hold Seller and Seller's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees and disbursements), suffered or incurred by Seller or any of Seller's Affiliates and arising out of or in connection with (i) Purchaser's and/or Purchaser's Representatives' entry upon the Property, (ii) any Inspection or other due diligence activities conducted with respect to the Property by Purchaser or Purchaser's Representatives, (iii) any liens or encumbrances filed or recorded against the Property as a consequence of the Inspection or any and all other activities undertaken by Purchaser or Purchaser's Representatives, and/or (iv) any and all other activities undertaken by Purchaser or Purchaser's Representatives with respect to the Property.

(g) If prior to the expiration of the Inspection Period, Purchaser, for any reason whatsoever, has determined not to complete the purchase of the Property, Purchaser shall notify Seller and Escrow Agent in writing of its decision to terminate this Agreement (the "Notice of Cancellation") by making demand for a refund of the Earnest Money Deposit, together with any interest earned thereon. Upon Seller's and Escrow Agent's timely receipt of the Notice of Cancellation (and subject to the terms of Section 36(d) hereof), Escrow Agent shall refund the Earnest Money Deposit and any interest earned thereon to Purchaser, less One Hundred and No/100 Dollars ($100.00), which shall be consideration to Seller for entering into this Agreement and granting to Purchaser the Inspection Period, at which time this Agreement shall be deemed to be terminated and all parties hereto shall be relieved of further liability hereunder to the other parties, except for the Surviving Obligations. If Seller has not received a Notice of Cancellation from Purchaser prior to the expiration of the Inspection Period, Purchaser shall be deemed to have irrevocably and unconditionally waived and relinquished its right of cancellation, and the Earnest Money Deposit made by Purchaser, including any interest earned thereon, shall be nonrefundable unless the Closing fails to occur because any of the Conditions Precedent described in Section 8 are not satisfied or if the Agreement is terminated by Purchaser under the provisions of any of Sections 11, 14, or 15 hereof.

(h) If Purchaser terminates this Agreement as allowed by this Section 5(h), Purchaser shall deliver to Seller copies of all surveys, environmental reports, soil studies and other reports relating to the Land, but excluding site plans and building plans which Seller may have had prepared. If Seller has not received a Notice of Cancellation from Purchaser prior to the expiration of the Inspection Period, Purchaser shall be deemed to have irrevocably and unconditionally waived and relinquished its right of cancellation, and the Earnest Money Deposit made by Purchaser, including any interest earned thereon, shall be nonrefundable unless the Closing fails to occur because any of the Conditions Precedent described in Section 8 are not

satisfied or if the Agreement is terminated by Purchaser under the provisions of any of Sections 10, 13, or 14 hereof.

(i) The provisions of Section 5(c), (f), (g) and the Surviving Obligations shall survive the Closing or the sooner termination of this Agreement.

6. Adjustments to Purchase Price, Prorations and Apportionments.

(a) Except as otherwise set forth below, the following shall be prorated and apportioned between Seller and Purchaser as of midnight of the day preceding the Closing Date:

(i) real estate taxes for the year of Closing, but if the Closing occurs before the then current year's tax is fixed, then taxes will be prorated based upon the prior year's tax; any tax prorations based on the prior year's taxes, at the request of either Seller or Purchaser, shall be subsequently readjusted upon the receipt of the actual tax bills for the year in which Closing takes place for the Property;

(ii) any rent arising from any lease or rental of the Land, any portion thereof or any improvement located on the Land;

(iii) assessments against the Property under any property owner's association for the period in which the Closing occurs;

(b) (i) If, on the Effective Date of this Agreement, the Property or any part thereof shall be affected by any assessment or assessments which are or may become payable in installments, of which the first installment is now a charge or lien, or has been paid, then (A) Seller shall be obligated to pay all installments of any such assessment which are due and payable prior to the Closing Date, and (B) for the purposes of this Agreement, all the unpaid installments of any such assessment which are to become due and payable on or after the Closing Date shall not be deemed to be liens upon the Property and the payment thereof shall be assumed by Purchaser without abatement of the Purchase Price.

(ii) Seller shall pay, or will have paid, all special assessments and liens for public improvements or similar liens which are, as of the Closing Date, certified liens and Purchaser shall assume payment of all special assessments and liens or public improvements or similar liens which are, as of the Closing Date, pending liens, unless such special assessments are payable in installments in which case Seller shall be responsible for all installments accruing prior to the Closing Date and Purchaser shall be responsible for all of the installments accruing on or after the Closing Date.

(c) Seller shall pay any rollback property tax liability, if applicable.

7. Closing.

(a) Closing Date and Place. The closing hereunder (the "Closing") shall be conducted at a place mutually agreed by the parties on or before the forty-fifth (45th) calendar day following expiration of the Inspection Period ("Closing Date"), time being of the essence. Purchaser shall deposit all funds (the "Funds") necessary to consummate the Closing, by wire

transfer, into Escrow Agent's account no later than 2:00 p.m. on the Closing Date. In the event the Funds are deposited after 2:00 p.m. on the Closing Date, all prorations will be recalculated though the next business day.

(b) Seller's Documents. At or prior to the Closing, Seller shall execute, acknowledge and/or deliver, as applicable, the following items to Purchaser (collectively, the "Seller's Documents"):

(i) a limited warranty deed (the "Deed") in the form of Exhibit B attached hereto and made a part hereof in recordable form which shall be effective to vest in Purchaser marketable fee simple title to the Property subject only to the Permitted Encumbrances (as hereinafter defined);

(ii) a "FIRPTA" affidavit attesting to facts pertaining to Seller's name, address, tax identification number and non-foreign status as required by Section 1445 of the Internal Revenue Code and regulations;

(iii) an affidavit stating that there have been no improvements to the Property for the ninety (90) day period immediately preceding the Closing Date (other than work done by or on behalf of the Purchaser) or, if there have been any such improvements (other than work done by or on behalf of the Purchaser), that all liens in connection with said improvements have been or will be paid in full when due; that there are no persons or entities in possession of all or any portion of the Property except Seller and any tenants in possession pursuant to recorded or unrecorded leases; and that there are no unrecorded easements or agreements known to Seller affecting title to or relating to the Property, except as otherwise set forth in the affidavit;

(iv) a closing statement (the "Closing Statement") reflecting all credits, prorations, apportionments and adjustments contemplated hereunder;

(v) any documents required to be obtained by the Title Company in connection with the Closing, including, without limitation, Schedule B, Section I requirements of the "Title Commitment" (as that term is hereinafter defined), that are within the purview of Seller's responsibilities hereunder, or otherwise to comply with any state or federal law; and

(vi) all other documents Seller is required to deliver pursuant to the provisions of this Agreement or to consummate the transactions contemplated hereunder.

(c) Purchaser's Documents. At or prior to Closing, Purchaser shall execute, acknowledge and/or deliver, as applicable, the following items to Seller (collectively, the "Purchaser's Documents"):

(i) the Purchase Price in accordance with Section 4 hereof;

(ii) the Closing Statement;

(iii) (a) copies of Purchaser's organizational documents and resolutions and/or consents authorizing Purchaser to purchase the Property and to consummate the closing of the transactions contemplated hereunder and to execute and deliver the Purchaser's Documents,

all certified as true and correct, and (b) such other partnership and/or corporate documentation as may be reasonably requested by the Title Company;

(iv) any documents required to be obtained by the Title Company in connection with the Closing, including, without limitation, Schedule B, Section I requirements to the issuance of the Title Policy (as hereinafter defined), that are within the purview of Purchaser's responsibilities hereunder, or otherwise to comply with any state or federal law; and

(v) all other documents Purchaser is required to deliver pursuant to the provisions of this Agreement or to consummate the transactions contemplated hereunder.

(d) Closing Expenses. At Closing, Seller shall pay the brokerage commissions due Broker in accordance with Section 26 herein, and Seller's attorneys' fees. Purchaser shall pay all costs of the Inspection and other due diligence activities of Purchaser, the cost of the Survey, all documentary stamp/transfer taxes and recording fees required to be paid as to the Deed, title insurance premiums and search fees, Purchaser's attorneys' fees, and any other closing costs.

8. Conditions Precedent to Closing. Purchaser's obligation to close hereunder is subject to the satisfaction of the following conditions or Purchaser's express waiver of any condition listed below:

(a) the representations and warranties of Seller contained herein shall be true and correct in all material respects as of the Closing Date except to the extent that they relate only to an earlier date and subject to Seller's right to cure as hereinafter set forth. Purchaser shall notify Seller in writing of any material breach of any representation or warranty of Seller whereupon Seller shall have up to thirty (30) days from Seller's receipt of Purchaser's notice to cure such breach.

(b) the Board of Directors of Purchaser shall have duly authorized the purchase of the Property. Such authorization shall be given by appropriate corporate action during the Inspection Period and once given, this condition shall be deemed fully satisfied. If said authorization has not been given by the expiration of the Inspection Period and Purchaser has not timely terminated this Agreement as provided herein by the expiration of the Inspection Period, this condition shall be deemed to be fully satisfied.

(c) Prior to the expiration of the Inspection Period, Purchaser shall have entered into a Purchase and Sale Agreement for the purchase by Purchaser of a tract of land approximately two and four tenths (2.40) acres in area and shown on the Maury County, Tennessee tax maps as Map 112, Parcel 4.01 (herein the "KS Property" and together with the Property, the "Trotwood Avenue Site").

(d) Purchaser shall have obtained a Certificate of Need for not fewer than one hundred twelve (112) skilled nursing beds for a facility Purchaser intends to operate on the Trotwood Avenue Site issued by the Agency for Healthcare Administration for the State of Tennessee. Purchaser shall bear all costs and expenses of applying for and obtaining such Certificate of Need.

(e) Purchaser shall have obtained approval from all planning agencies having jurisdiction over the Trotwood Avenue Site of a site plan acceptable to Purchaser, in Purchaser's sole judgment, for Purchaser's intended development of a senior living facility on the Trotwood Avenue Site.

(f) Purchaser's having obtained any zoning change or allowance which is needed to permit Purchaser's development and use of the Trotwood Avenue Site for and as a nursing home and/or senior living facility of the size desired by Purchaser.

(g) Purchaser's determination that the Trotwood Avenue Site is served with water, sewer, storm water, gas, electrical and other utility lines having sufficient capacity for Purchaser's intended development of the Trotwood Avenue Site.

(h) Purchaser's acquiring title to the KS Property prior or simultaneously with the Closing.

Purchaser's inability to satisfy any of conditions (b) through (h) above shall not be deemed to be a default by Seller under Section 12 hereof.

9. Condition of Title.

(a) Purchaser shall obtain a title insurance commitment (the "Title Commitment") agreeing to issue to Purchaser, upon recording of the Deed, a standard ALTA owner's title insurance policy (the "Title Policy") in an amount equal to the Purchase Price, subject only to taxes for the year of Closing and subsequent years, pre-printed standard exceptions and the "Permitted Encumbrances" (as hereinafter defined). The cost of the Title Policy shall be borne by Purchaser.

(b) If the Title Commitment or any update thereto shall disclose the existence of any liens, encumbrances or other defects or exceptions other than pre-printed standard exceptions, then Purchaser shall give Seller written notice (each a "Purchaser's Title Notice") (i) as to matters disclosed in the Title Commitment ("Title Matters"), by the end of the Inspection Period, and (ii) as to matters disclosed in any such update to the Title Commitment ("New Title Matters"), within five (5) days after Purchaser's receipt of such update which Purchaser's Title Notice shall specify any Title Matters or New Title Matters, as applicable, which Purchaser finds objectionable ("Objections"), if any. If Purchaser discovers any mortgage lien encumbering the Property, the Seller will immediately obtain from the holder of such mortgage lien an agreement to release such lien upon the payment of a specifically stated sum. Seller shall have up to the Closing Date to cure such Objections. Seller agrees to satisfy prior to Closing any Objections which may be satisfied or released upon the payment of cash. In the event Seller elects (the "Election") not to cure all other Objections by the Closing Date or otherwise arrange for title insurance insuring against enforcement of such Objections against, or collection of same out of, the Property, Purchaser shall have only the right (i) to terminate this Agreement by giving written notice (the "Written Notice") thereof to Seller within five (5) days after receiving notice from Seller of the Election, and upon such termination, to receive the return of the Earnest Money Deposit, neither party hereto thereafter having any further rights or obligations hereunder, except for the Surviving Obligations, or (ii) to waive the Objections and consummate

the purchase of the Property, without any abatement or reduction of the Purchase Price, subject to the Objections which shall be deemed to be "Permitted Encumbrances;" provided, however, purchaser shall be deemed to have waived the Objections in the event Purchaser does not deliver the Written Notice to Seller within five (5) days of Purchaser receiving notice from Seller of the Election. Notwithstanding the foregoing, if Seller has commenced curing the Objections and is diligently prosecuting the same, then Purchaser, upon written request by Seller, shall extend the cure period for such time as may be required for Seller to cure the same, in no event to exceed sixty (60) days. Should Seller elect to cure and be unsuccessful in completing same, Purchaser may elect to terminate this Agreement or to waive the Objections and proceed to close under the provisions as stated herein without any abatement or reduction of the Purchase Price.

(c) Purchaser shall obtain at Purchaser's expense a survey of the Property (the "Survey"). Purchaser shall provide a copy of the Survey to Seller and shall notify Seller, in writing, (i) as to matters disclosed on the Survey which Purchaser finds objectionable, by the end of the Inspection Period, and such objections shall be deemed Objections and dealt with as such in accordance with the provisions of Section 9(b) hereof. It shall be Purchaser's responsibility to provide the Title Company with a copy of the Survey and any other certifications, affidavits or instruments which the Title Company may request or require in order to delete the standard survey exceptions in the Title Commitment. The descriptions of the Property from the Survey shall be used for Exhibit A hereof.

10. Representations, Warranties, Covenants and Acknowledgments.

(a) Seller and each individual included within the meaning of the defined term "Seller" represents and warrants to Purchaser as of the Effective Date and as of the Closing, as follows:

(i) Each individual included within the meaning of the term "Seller" has attained the age of majority. All claims against the estate of Gaither Frierson Gray, including liability for any and all inheritance and estate taxes owing to the United States or the State of Tennessee have been fully paid and satisfied.

(ii) Seller has the full legal right, power and authority to execute and deliver this Agreement and all of Seller's Documents, to consummate the transactions contemplated hereby, and to perform its obligations hereunder and under all of Seller's Documents;

(iii) This Agreement and Seller's Documents do not and will not contravene any judgment, order, decree, writ or injunction issued against Seller (or any individual who is included within the meaning of the term "Seller"), or any provision of any laws applicable to Seller (or any individual who is included within the meaning of the term "Seller"). The consummation of the transactions contemplated hereby will not result in a breach or constitute a default or event of default by Seller under any agreement to which Seller or any of its assets are subject or bound and will not result in a violation of any laws applicable to Seller;

(iv) The following matters regarding the Property:

(1) Seller has not received any written notices of (a) any material claims against the Property, (b) any violation of any laws, ordinances or other governmental regulations applicable to the Property, or (c) any pending condemnation proceedings respecting any portion of the Property;

(2) to the extent that any improvements have been made to the Property or any work performed with respect to the Property, all liens in connection with said improvements or work have been or will be paid in full when due;

(3) Seller has provided or made available to Purchaser all Inspection Materials within the possession of Seller; and

(4) Seller has not falsified any of the Inspection Materials provided to or made available to Purchaser.

(v) Seller, at the sole cost and expense of Purchaser, shall cooperate with Purchaser's application(s) for any zoning change or variance relating to any part of the Property needed to allow Purchaser's intended development of and use of the Property for a skilled nursing facility as described in Section 8 above. Nothing herein shall require Seller to prepare any applications or plans as may be needed to obtain any zoning change for the Property. It is Purchaser's responsibility to obtain such zoning action as needed, but Seller will not oppose any such request for a zone change;

(vi) Seller has a good and marketable fee simple absolute estate in the Property and the Property is not subject to any lease, mortgage or deed of trust lien or lease or occupancy agreement;

(vii) Seller (or any individual who is included within the meaning of the term "Seller") (A) has not filed or threatened to file any voluntary petition in bankruptcy or sought to reorganize its affairs under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors, (B) not been adjudicated as bankrupt or insolvent, or (C) not had an involuntary petition filed against it under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors;

(viii) To the best of Seller's knowledge, the Property is not in violation of any applicable planning and subdivision laws and regulations;

(ix) To the best of Seller's knowledge and since the respective portion of the Property was conveyed to either Dan R. Gray, Jr. or to Gaither Frierson Gray, no Hazardous Substances (as defined below) have been discharged, disbursed, released, stored, treated, generated, disposed of, incorporated into or allowed to escape on, under or about such portion of the Property in violation of applicable environmental laws and regulations (as defined below) or in quantities that could require investigation, monitoring, clean-up, removal or remediation under applicable environmental laws and regulations;

(x) Seller knows of no storage tanks (above ground or below ground) used to hold Hazardous Substances which are now or have been located on, under or about the Property;

(xi) no investigation, administrative order, agreement, claim, litigation or settlement related to Hazardous Substances located (or allegedly located) on, under or about the Property has been sent to Seller, nor does Seller know of any proposed, threatened, anticipated or existing contest relating to such Hazardous Substances;

(xii) the Property has not previously been used by either Dan R. Gray, Jr. or Gaither Frierson Gray or by Seller as a landfill or a dump;

(xiii) Seller has not been advised of the presence or existence of any Hazardous Substances on the Property or any cemeteries, graves, or burial grounds located on the Property by any person, including, but not limited to, Seller's predecessors in title to the Project; and

(xiv) As used in this Agreement, "Hazardous Substances" means all hazardous wastes, hazardous substances, extremely hazardous substances, hazardous constituents, hazardous materials and toxic substances that are regulated under any law, ordinance, regulation, or rule pertaining to health, safety or the environment, whether solids, liquids or gases, including, but not limited to, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq., (ii) the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. § 5101 et seq., (iii) the Resource, Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901 et seq., (iv) the Clean Water Act, as amended, 33 U.S.C. § 1251 et seq., (v) the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq., (vi) the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., and (vii) any so-called "superfund" or "superlien" law. Without limiting the generality of the foregoing, Hazardous Substances shall specifically include polychlorinated biphenyl (commonly known as PCBs), asbestos (friable and non-friable), radon, urea formaldehyde, gasoline, diesel fuel and other petroleum products.

(xv) Seller agrees that it will not encumber or allow any lien to arise against the Property.

(xvi) Seller shall cooperate with any environmental study of the Property and shall furnish and provide interviews or answer questions reasonably related to such studies.

(b) Purchaser warrants and represents to Seller as follows:

(i) Purchaser is a Delaware corporation;

(ii) Purchaser has the full legal right, power, authority and financial ability to execute and deliver this Agreement and all of Purchaser's Documents, to consummate the transactions contemplated hereby, and to perform its obligations hereunder and under all of Purchaser's Documents;

(iii) This Agreement and Purchaser's Documents do not and will not contravene any provision of the organizational documents of Purchaser, any judgment, order, decree, writ or injunction issued against Purchaser, or any provision of any laws applicable to Purchaser. The consummation of the transactions contemplated hereby will not result in a breach or constitute a default or event of default by Purchaser under any agreement to which Purchaser or any of its assets are subject or bound and will not result in a violation of any laws applicable to Purchaser; and

(iv) There are no pending actions, suits, proceedings or investigations to which Purchaser is a party before any court or other governmental authority which may have an adverse impact on the transactions contemplated hereby.

(c) The representations and warranties of Purchaser and Seller set forth in this Agreement shall be true, accurate and correct in all material respects upon the execution of this Agreement, shall be deemed to be repeated on and as of the Closing Date (except as they relate only to an earlier date) and shall survive the Closing.

11. Remedies Upon Default of Purchaser. If Purchaser fails to perform any of its obligations under this Agreement, or is in default hereunder, Seller as its sole remedy may terminate this Agreement by notice to Purchaser. If Seller elects to terminate this Agreement, then this Agreement shall be terminated and Escrow Agent shall pay to Seller the Earnest Money Deposit and all interest earned thereon, as full and agreed upon liquidated damages, consideration for the execution of this Agreement and in full settlement of all claims whereupon the parties hereto shall be relieved of all obligations hereunder, except for the Surviving Obligations, it being agreed that the actual damages suffered by Seller shall be impossible to ascertain and the payment of the Earnest Money Deposit and all interest earned thereon (plus the Surviving Obligations) shall be the sole liability of Purchaser by reason of any default hereunder. Except as set forth in the immediately preceding sentence, Seller hereby expressly waives, relinquishes and releases any other right or remedy available to it at law, in equity or otherwise by reason of Purchaser's default hereunder or Purchaser's failure or refusal to perform its obligations hereunder.

12. Remedies on Default of Seller. If Seller fails to close the transaction contemplated by this Agreement for any reason other than Purchaser's default, Purchaser may seek specific performance or may elect to terminate this Agreement and receive from Escrow Agent the Earnest Money Deposit paid to Escrow Agent pursuant to this Agreement (and any interest earned thereon) and recover as damages all of Purchaser's costs and expenses relating to the planned development of the Trotwood Avenue Site, but not including lost profits, whereupon each of the parties shall be relieved of all further liability to the other hereunder, except for the Surviving Obligations.

13. Eminent Domain.

(a) If, prior to Closing, all or any portion of the Property is taken by eminent domain (or is the subject of a pending or contemplated taking which has not been consummated), Seller shall notify Purchaser of such fact and Purchaser shall have the option to terminate this Agreement upon written notice to Seller given not later than fifteen (15) days after Purchaser's receipt of Seller's notice. If Purchaser does not elect to so terminate this Agreement, Purchaser shall proceed to Closing as provided in this Agreement without abatement of or adjustment to the

Purchase Price and, at Closing, Seller shall assign and turn over all compensation and damages awarded or the right to receive same with respect to such taking, condemnation or eminent domain.

(b) If this Agreement is terminated pursuant to this Section 13, the Deposit and all interest earned thereon shall be delivered by Escrow Agent to Purchaser, subject, however, to Purchaser's obligation to return the Inspection Materials to Seller, and the parties hereto shall be released from all further obligations and liabilities hereunder, except for the Surviving Obligations.

14. Attorneys' Fees. In the event either party hereto shall default in the performance of any of the terms and conditions of this Agreement, the prevailing party shall be entitled to recover all costs, charges and expenses of enforcement, including reasonable attorneys' and paralegal fees, which reasonable fees shall include attorneys' and paralegal fees incurred in any trial or appellate proceedings.

15. Binding Effect. This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

16. Governing Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State in which the Property is located.

17. Time of Essence. Time shall be deemed of the essence with respect to consummating the transactions contemplated under this Agreement on the Closing Date and with respect to all other obligations of Purchaser and Seller hereunder.

18. Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

19. Agreement not to be Recorded. This Agreement shall not be recorded in the public records. Any attempts to record this instrument by or on behalf of Purchaser shall, at Seller's option, cause all of the effect of enforcement of any of its terms to become null and void, and same shall not constitute constructive notice of its existence or constitute a cloud on title. Purchaser hereby indemnifies and exonerates Seller from all loss, claim, expense, liability, action or demand (including, but not limited to, reasonable counsel fees and expenses through and including all appellate proceedings) arising out of or in connection with the improper or unauthorized recordation of this Agreement or any memorandum or notice thereof or any reference hereto by Purchaser or any agent or representative of Purchaser in any recorded document.

20. Waiver. Except as otherwise provided herein, the failure of Seller or Purchaser to insist upon or enforce any of their respective rights hereunder shall not constitute a waiver thereof.

21. Construction. Each party hereto acknowledges that all parties hereto have participated equally in the drafting of this Agreement and that accordingly, no court construing this Agreement shall construe it more stringently against one party than the other.

22. Insertion of Corrections or Modifications. Typewritten or handwritten provisions inserted in this Agreement or in the exhibits hereto (and initialed by the parties) shall control all printed provisions in conflict therewith.

23. Captions. The captions used herein have been included for convenience of reference only and shall not be deemed to vary the content of this Agreement or limit the provisions or scope of any section or paragraph hereof.

24. Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or entity may require.

25. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but in the event that any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

26. Broker. Purchaser and Seller represent and warrant to each other that Realty Corp. (Jim Parks on behalf of Seller) and Southeast Venture LLC (Axson West on behalf of Purchaser) (hereinafter referred to as "Broker") are the sole brokers with whom either has dealt in connection with the Property and the transactions described herein. Seller shall be liable for a six percent (6%) brokerage commission due to Broker arising out of the transaction contemplated in this Agreement to be shared equally by Realty Corp. and Southeast Venture, LLC. Each party hereto agrees to indemnify, defend and hold the other harmless from and against any and all claims, causes of action, losses, costs, expenses, damages or liabilities, including reasonable attorneys' fees and disbursements, which the other may sustain, incur or be exposed to, by reason of any claim or claims by any broker, finder or other person, except Broker, for fees, commissions or other compensation arising out of the transactions contemplated in this Agreement if such claim or claims are based in whole or in part on dealings, discussions or agreements with the indemnifying party; provided, however, that Purchaser shall not indemnify Seller against any claims of Broker. The obligations and representations contained in this Section 26 shall survive the termination of this Agreement and the Closing.

27. Assignment. Except as provided herein, this Agreement may not be assigned by Purchaser without the prior written consent of Seller. Purchaser may assign this Agreement to an affiliate of Purchaser or to a qualified intermediary as part of a tax free exchange, but such assignment will not relieve Purchaser of liability for the performance of all Purchaser's obligations hereunder.

28. Merger. All prior statements, understandings, letters of intent, representations and agreements between the parties, oral or written, are superseded by and merged in this Agreement, which alone fully and completely expresses the agreement between Seller and Purchaser in connection with this transaction and which is entered into after full investigation, neither party relying upon any statement, understanding, representation or agreement made by the other not embodied in this Agreement. Except as otherwise expressly provided herein, all of Seller's representations, warranties, covenants and agreements herein shall merge in the documents and agreements executed at the Closing and shall not survive the Closing.

29. Exhibits. All of the Exhibits annexed hereto are incorporated herein by reference and form a part of this Agreement.

30. Use of the Word "Herein". Use of the words "herein," "hereof," "hereunder" and any other words of similar import refer to this Agreement as a whole and not to any particular article, section or other paragraph of this Agreement unless specifically noted otherwise in this Agreement.

31. Date of Performance. If the date of the performance of any term, provision or condition of this Agreement shall happen to fall on a Saturday, Sunday or other non-Business Day, the date for the performance of such term, provision or condition shall be extended to the next succeeding Business Day immediately thereafter occurring.

32. Third Parties. This Agreement shall not be deemed to confer in favor of any third parties any rights whatsoever as third-party beneficiaries, the parties hereto intending by the provisions hereof to confer no such benefits or status.

33. Acceptance of the Deed. The delivery by Seller and the acceptance by Purchaser of the Deed shall be deemed to be the full performance and discharge of every agreement, obligation, and covenant, guaranty, representation, or warranty on the part of Seller and Purchaser, respectively, to be performed pursuant to the provisions of this Agreement in respect of the Property, except for those paragraphs or sections specifically stated to survive the Closing. Certain provisions of this Agreement, as expressly provided herein, shall survive Closing or termination. This Section shall survive the Closing.

34. Property Information and Confidentiality.

(a) Upon the execution of this Agreement, or prior to such date, Seller shall deliver to Purchaser and during the term of this Agreement shall deliver any and all updated or additional items in Seller's possession or ordered by Seller relating to the Property or the Project as follows:

(i) All surveys (boundary and/or topographic) of the Property;

(ii) Copies of all environmental studies, wetlands assessments, and/or archeological reports relating to any part of the Property;

All of the foregoing are referred to collectively as the "Investigation Materials."

(b) Purchaser and Seller, for the benefit of each other, hereby agree that between the Effective Date and the Closing Date, they will not release or cause or permit to be released any press notices, publicity (oral or written) or advertising promotion relating to, or otherwise announce or disclose or cause or permit to be announced or disclosed, in any manner whatsoever, the terms, conditions or substance of this Agreement or the transactions contemplated herein, without first obtaining the written consent of the other party hereto. It is understood that the foregoing shall not preclude either party from discussing the substance or any relevant details of the transactions contemplated in this Agreement, with any of its attorneys, accountants, professional consultants or potential lenders, as the case may be, or prevent either

party hereto from complying with any laws applicable to such party, including, without limitation, governmental regulatory, disclosure, tax and reporting requirements.

(c) Purchaser shall indemnify and hold Seller and Seller's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees and disbursements) suffered or incurred by Seller or any of Seller's Affiliates and arising out of or in connection with a breach by Purchaser or Purchaser's Representatives of the provisions of this Section 34.

(d) In addition to any other remedies available to Seller, Seller shall have the right to seek equitable relief, including, without limitation, injunctive relief or specific performance, against Purchaser or Purchaser's Representatives in order to enforce the provisions of this Section 34.

(e) The terms and conditions of this Agreement and the transactions contemplated hereby are confidential and shall not be communicated or otherwise provided to third parties (other than the respective legal counsel, employees and financial advisors) by any party hereto, or its agents or employees, without the prior written consent of the other party.

(f) The obligations and covenants of Purchaser under this Section 34 shall survive any termination of this Agreement prior to Closing hereunder.

35. Notices. All notices, elections, consents, approvals, demands, objections, requests or other communications which Seller or Purchaser may be required or desire to give pursuant to, under or by virtue of this Agreement (collectively, "Notices") must be in writing and sent by (a) first class U.S. certified mail, return receipt requested, with postage prepaid, or (b) telecopier (with receipt confirmed), or (c) express mail or courier (next day delivery), addressed to the respective party at the address for each first set forth above. Seller or Purchaser may designate another addressee or change its address for notices and other communications hereunder by a notice given to the other in the manner provided in this Section 35. A notice or other communication shall be deemed to have been properly sent and given when received by the addressee. If sent by telecopy, a Notice shall be deemed received when transmission is received by the addressee with electronic or telephonic confirmation.

When sending any notice to the Purchaser send a copy of said notice to:

National HealthCare Corporation
100 Vine Street, City Center
Murfreesboro, TN 37130
Attention: Thomas B. Campbell
Email: tcampbell@nhccare.com
Facsimile: (615) 278-3258

With copies to:

Robert N. Buchanan, III
Stites & Harbison PLLC
401 Commerce Street, Suite 800
Nashville, TN 37219
Email: robert.buchanan@stites.com
Facsimile: (615) 742-4112

When sending any notice to the Seller send a copy of said notice to:

J. Dawson Frierson Gray, Sr.
3143 North Cross Bridges Road
Columbia, TN 38401
Attention: J. Dawson Frierson Gray, Sr.
Facsimile: (931) _____

36. No Modification. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and it supersedes all prior understandings or agreements between the parties as to the subject matter hereof. No term or provision of this Agreement may be changed or waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

37. Intentionally Deleted.

38. Tax-Free Exchange. Seller may affect the transaction contemplated hereby by means of a tax-free exchange that will not delay the Closing or cause additional expense to Purchaser. Seller's rights and obligations under this Agreement may be assigned to a "Qualified Intermediary" of Seller's choice for the purpose of completing such tax-free exchange. Purchaser agrees to cooperate with Seller and such "Qualified Intermediary" in a manner necessary to complete the tax-free exchange, provided Purchaser shall not be obligated to incur any additional liability or cost related to the tax-free exchange or acquiring title to any replacement property.

39. Rights of Escrow Agent. If there is any dispute as to whether the Escrow Agent is obligated to deliver any monies and/or documents which it now or hereafter holds, including, without limitation, the Earnest Money Deposit (collectively, the "Escrowed Property") or as to whom any Escrowed Property are to be delivered, the Escrow Agent shall not be obligated to make any delivery, but, in such event, may hold same until receipt by the Escrow Agent of an authorization, in writing, signed by all of the parties having an interest in such dispute directing the disposition of same; or, in the absence of such authorization, the Escrow Agent may hold any Escrowed Property until the final determination of the rights of the parties in an appropriate proceeding. Within three (3) Business Days after receipt by the Escrow Agent of a copy of a final judgment or order of a court of competent jurisdiction, certified by the clerk of such court or other appropriate official, the Escrowed Property shall be delivered as set forth in such judgment or order. A judgment or order under this Agreement shall not be deemed to be final until the time within which to take an appeal therefrom has expired and no appeal has been taken, or until the entry of a judgment or order from which no appeal may be taken. If such

written authorization is not given or proceeding for such determination is not begun and diligently continued, the Escrow Agent shall have the right to bring an appropriate action or proceeding for leave to deposit the Escrowed Property in court, pending such determination. In the event that the Escrow Agent places any Escrowed Property in the registry of the governing court in and for Maury or Davidson County, Tennessee and files an action of, interpleader, naming the parties hereto, the Escrow Agent shall be released and relieved from any and all further obligation and liability hereunder or in connection herewith. If, without gross negligence on the part of the Escrow Agent, the Escrow Agent shall become a party to any controversy or litigation with respect to the Escrowed Property or any other matter respecting this Agreement, Seller and Purchaser shall jointly and severally hold Escrow Agent harmless from any damages or losses incurred by Escrow Agent by reason of or in connection with such controversy or litigation. The provisions of this Section 39 shall survive the Closing or termination of this Agreement.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

COUNTERPART SIGNATURE PAGES FOLLOW

COUNTERPART SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT

IN WITNESS WHEREOF, Seller and Purchaser have caused these presents to be executed and delivered, on the date first above written.

SELLER:

Daniel R. Gray III

Daniel R. Gray, III

L. Rainey Gray

Jefferson Gaither Gray

J. Dawson Frierson Gray, Sr.

COUNTERPART SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT

IN WITNESS WHEREOF, Seller and Purchaser have caused these presents to be executed and delivered, on the date first above written.

SELLER:

Daniel R. Gray, III

L. Rainey Gray

Jefferson Gaither Gray

J. Dawson Frierson Gray, Sr.

COUNTERPART SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT

IN WITNESS WHEREOF, Seller and Purchaser have caused these presents to be executed and delivered, on the date first above written.

SELLER:

_____
Daniel R. Gray, III

_____
L. Rainey Gray

_____
Jefferson Gaither Gray

_____
J. Dawson Frierson Gray, Sr.

COUNTERPART SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT

IN WITNESS WHEREOF, Seller and Purchaser have caused these presents to be executed and delivered, on the date first above written.

SELLER:

_____

Daniel R. Gray, III

_____

L. Rainey Gray

_____

Jefferson Gaither Gray

J. Dawson Frierson Gray, Sr.

J. Dawson Frierson Gray, Sr.

COUNTERPART SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT

PURCHASER:

NATIONAL HEALTHCARE CORPORATION,
a Delaware corporation

By: _____

Name: John K. Lines

Title: SVP + G.C.

[CORPORATE SEAL]

ACCEPTANCE BY ESCROW AGENT

The undersigned hereby accepts the duties of Escrow Agent under that certain Agreement for Purchase and Sale between the Seller named in the foregoing Agreement of Purchase and Sale, as Seller, and NATIONAL HEALTHCARE COPRORATION, a Delaware corporation, as Purchaser, dated June ____, 2013, relating to the property located in Maury County, Tennessee, as more particularly described in said Agreement, subject to and in accordance with all the terms and conditions thereof, and hereby agrees to notify Seller upon its receipt of Earnest Money from Purchaser in accordance with the terms of Section 4(a) of said Agreement.

Dated: June _____, 2013.

STITES & HARBISON, PLLC

By:_____

Name: _____

Its: Duly Authorized Representative

LIST OF EXHIBITS

Exhibit A	Property Description
Exhibit B	Limited Warranty Deed

EXHIBIT A

Property Description
[to be taken from survey]

EXHIBIT B

STATE OF TENNESSEE)
COUNTY OF MAURY)

Upon recording return to:

_____
_____
_____
_____

LIMITED WARRANTY DEED

THIS INDENTURE, made this _____ day of _____, 2013 by and between _____ (hereinafter referred to as "Grantor"), having an address of c/o J. Dawson Frierson Gray, Sr., 3143 North Cross Bridges Road, Columbia, Tennessee, 38401, and NATIONAL HEALTHCARE CORPORATION, a Delaware corporation, having an address of 100 Vine Street, City Center, Murfreesboro, Tennessee, 37130 (hereinafter referred to as "Grantee").

WITNESSETH:

That for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Grantor has granted, bargained, sold, assigned, transferred and conveyed and does hereby grant, bargain, sell, assign and transfer and convey to Grantee, its successors and assigns, all of that certain tract or parcel of land being more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Property").

TO HAVE AND TO HOLD said Property, together with all and singular the rights, members, and appurtenances thereof, to the same being, belonging or in anywise appertaining to the only proper use, benefit and behoof of Grantee and the successors and assigns of Grantee, forever, IN FEE SIMPLE. Grantor covenants that it is lawfully seized and possessed of the Property; has full power and lawful authority to transfer and convey the same; that title to the Property is free, clear and unencumbered (except as to those matters set forth on Exhibit "B" attached hereto) and that Grantor shall warrant and forever defend the title to said Property, unto the Grantee, its successors and assigns, against the lawful claims of all persons claiming by, through or under Grantor, except as to those matters set forth on Exhibit "B" attached hereto.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO LIMITED WARRANTY DEED

IN WITNESS WHEREOF, Grantor has hereunto set its hand and seal on the day, month and year first above written.

Signed, sealed and delivered
in the presence of:

SELLER

_____

_____
Unofficial Witness

Name:_____

_____
Notary Public

My Commission Expires:

_____

[AFFIX NOTARIAL SEAL]

EXHIBIT "A"

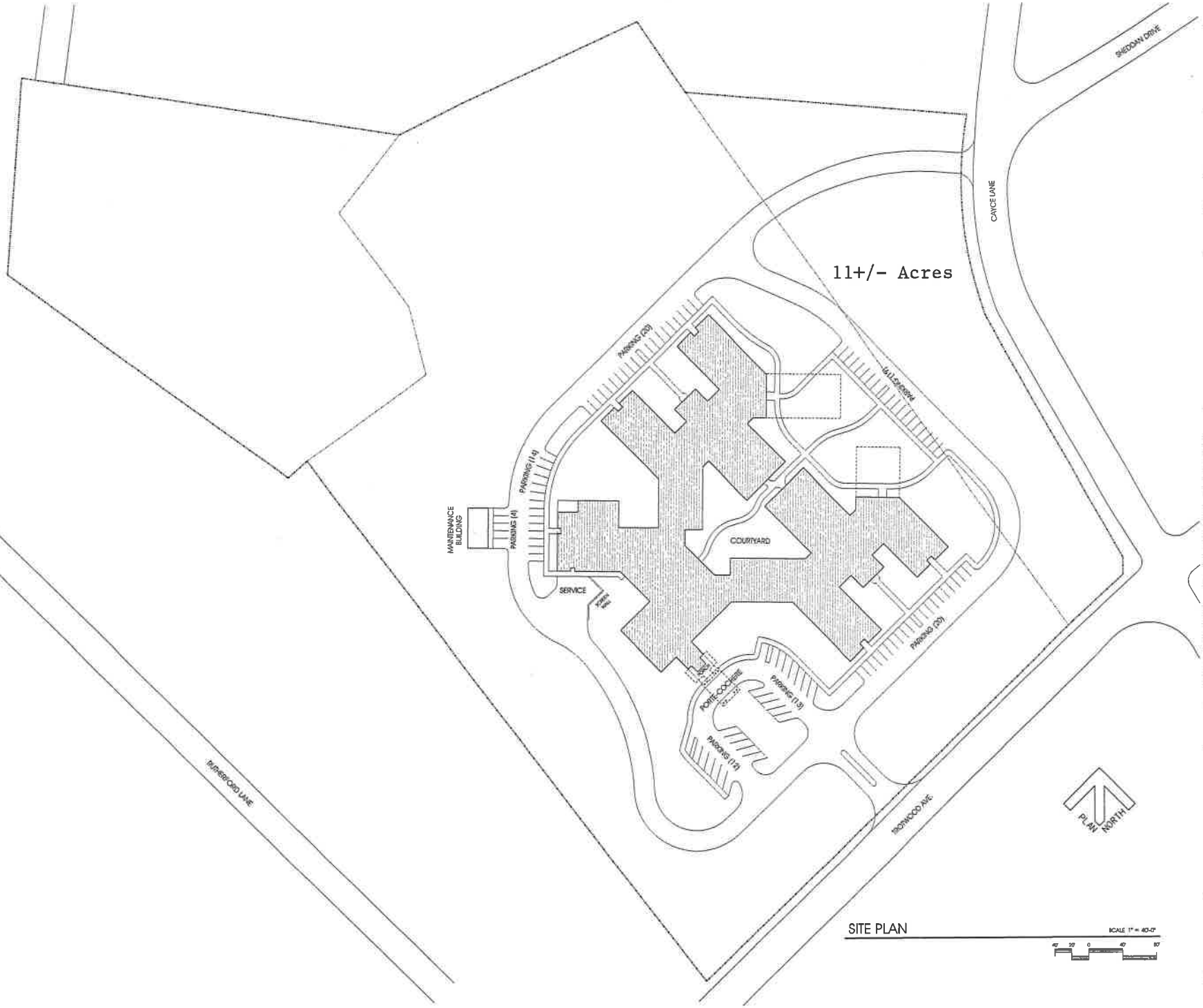
[Legal Description]

EXHIBIT "B"

[Permitted Exceptions]

Section B - Project Description - III (A)

Plot Plan



SITE PLAN

SCALE 1" = 40'-0"

40 20 0 40 80

Johnson + Bailey Architects P.C.

City Center
100 East Vine St.
Murfreesboro, Tennessee
37130
615-890-4560
Fax: 615-890-4564

NHC/ Maury Regional Transitional Care Center

Columbia, Tennessee

REVISION	DATE

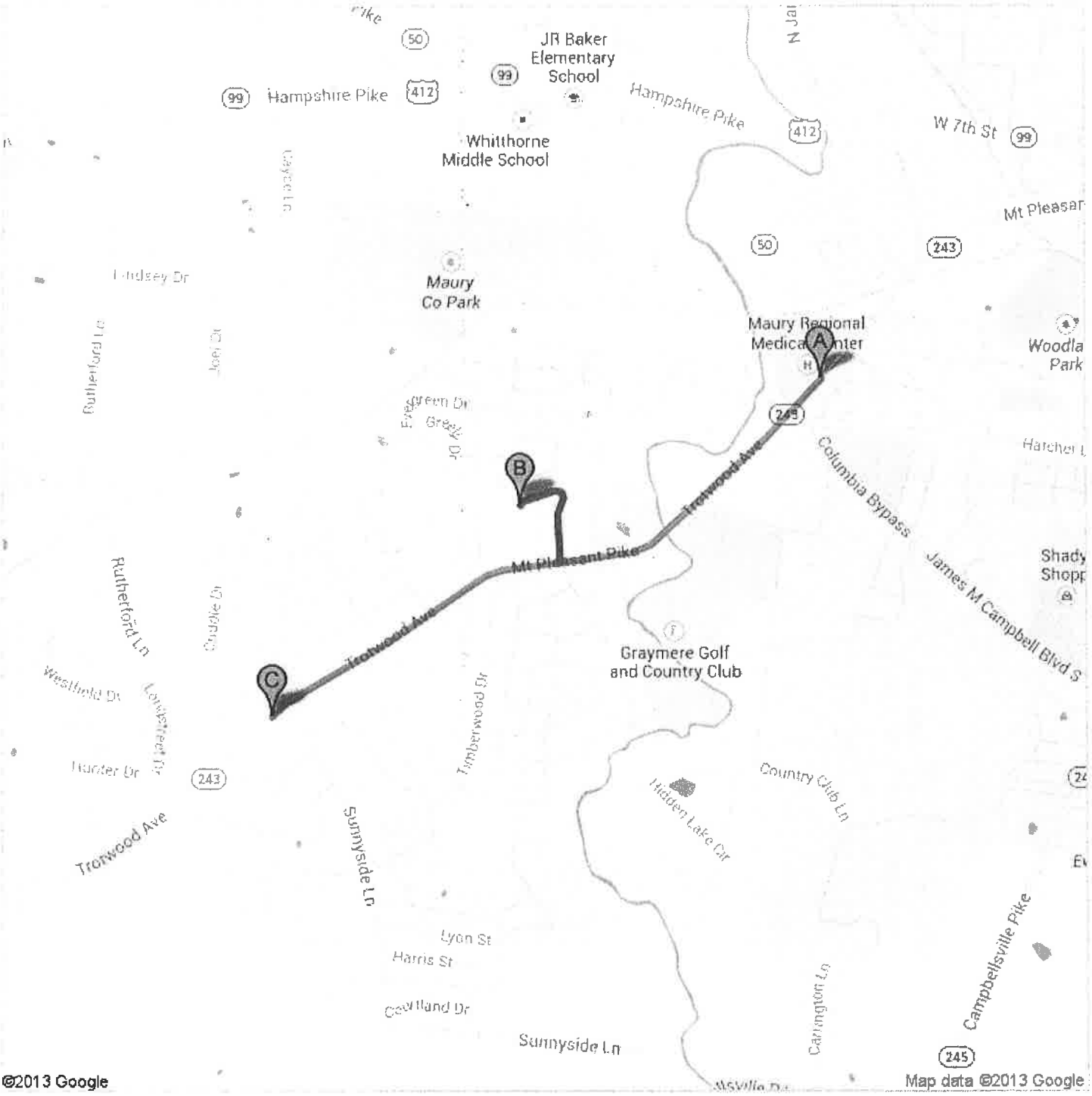
NOTES:

THIS DRAWING SHALL NOT BE REPRODUCED, PUBLISHED, OR USED IN ANY WAY WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.

PROJECT NO. CON
DATE 07/02/13
DRAWN BY J.R.P.
CHECKED BY

Google

Directions to 5004 Trotwood Ave, Columbia, TN 38401
2.8 mi – about **7 mins**



Maury Regional Medical Center
1224 Trotwood Ave, Columbia, TN 38401

	1. Head **southwest** on **Mt Pleasant Pike/Trotwood Ave** toward **Columbia Bypass/S James Campbell Blvd/James M Campbell Blvd W** About 2 mins	go 1.0 mi total 1.0 mi
	2. Turn right onto **Walnut Ln** About 1 min	go 0.4 mi total 1.4 mi
	3. Take the 1st left to stay on **Walnut Ln**	go 72 ft total 1.4 mi

Total: **1.4 mi** – about **4 mins**

NHC HealthCare
101 Walnut Ln, Columbia, TN 38401

total 0.0 mi

	4. Head **northeast** on **Walnut Ln**	go 72 ft total 72 ft
	5. Turn right to stay on **Walnut Ln** About 1 min	go 0.4 mi total 0.4 mi
	6. Take the 1st right onto **Mt Pleasant Pike/Trotwood Ave** Continue to follow Trotwood Ave About 2 mins	go 1.0 mi total 1.4 mi

Total: **1.4 mi** – about **3 mins**

5004 Trotwood Ave, Columbia, TN 38401

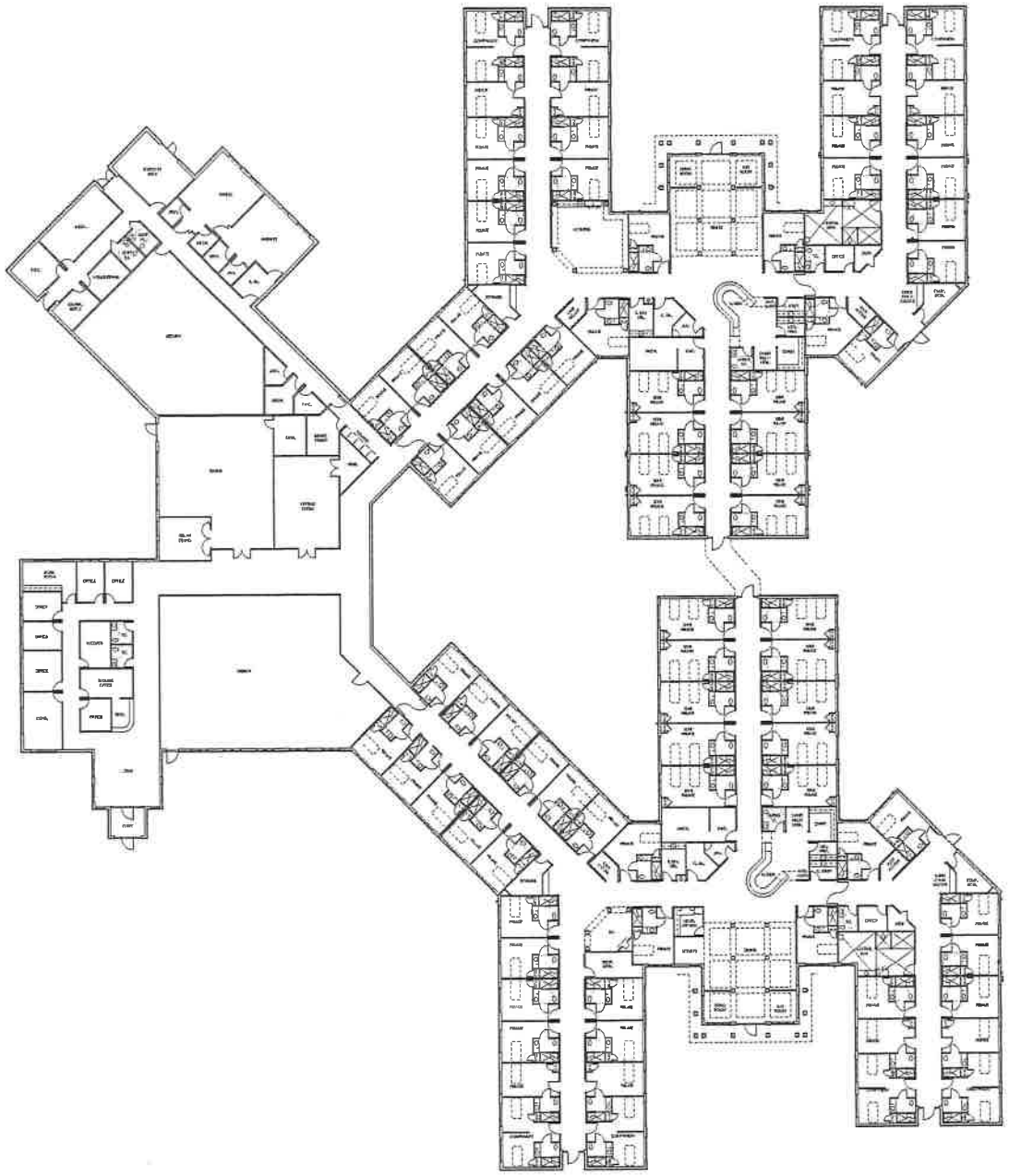
These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Map data ©2013 Google

Directions weren't right? Please find your route on maps.google.com and click "Report a problem" at the bottom left.

Section B - Project Description - IV

Floor Plan



MASTER FLOOR PLAN

SCALE 1/16" = 1'-0"

PROJECT DATA	
8 COMPANION ROOMS -	16 BEDS
18 SEMI-PRIVATE ROOMS -	36 BEDS
60 PRIVATE ROOMS -	60 BEDS
TOTAL -	112 BEDS
TOTAL BUILDING AREA	69,464 S.F.

Johnson + Bailey Architects P.C.

City Center
100 East Vine St.
Murfreesboro Tennessee
37130
615 - 890 - 4560
Fax: 615 - 890 - 4564

NHC/ Maury Regional Transitional Care Center

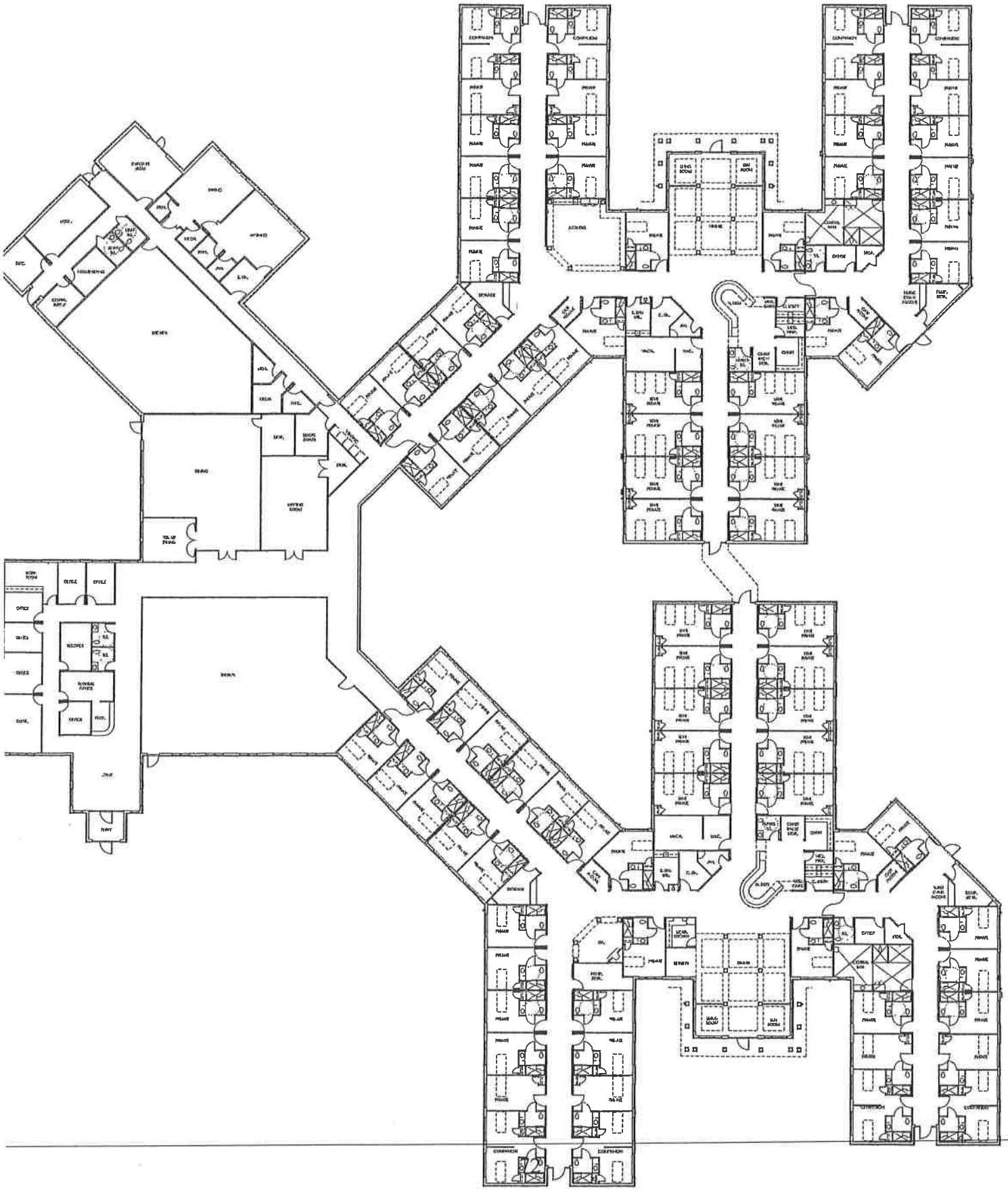
Columbia, Tennessee

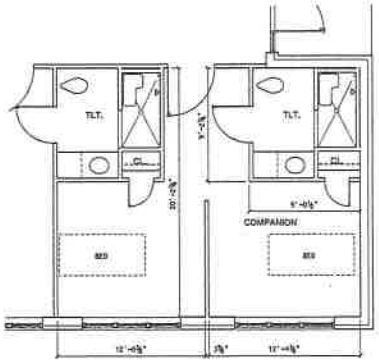
REVISION	DATE

NOTES:

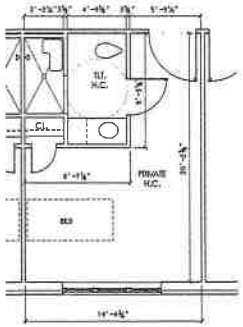
THIS DRAWING SHALL NOT BE REPRODUCED, PUBLISHED, OR USED IN ANY WAY WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.

PROJECT NO.	CON
DATE	07/02/13
DRAWN BY	K.S.P.
CHECKED BY	

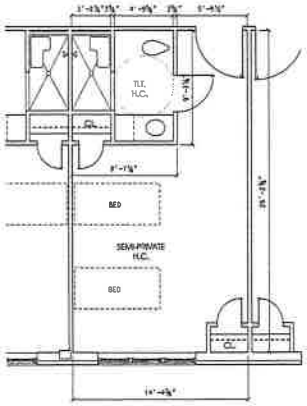




LARGE SCALE FLOOR PLAN - COMPANION SCALE 1/4" = 1'-0"
334 S.F.



LARGE SCALE FLOOR PLAN - PRIVATE SCALE 1/4" = 1'-0"
211 S.F.



LARGE SCALE FLOOR PLAN - SEMI-PRIVATE SCALE 1/4" = 1'-0"
289 S.F.

Johnson + Bailey Architects P.C.

City Center
100 East Vine St.
Murfreesboro Tennessee
37130
615 · 890 · 4560
Fax: 615 · 890 · 4564

NHC/
Maury
Regional
Transitional
Care
Center

Columbia, Tennessee

REVISION	DATE

NOTES:

THIS DRAWING SHALL NOT BE REPRODUCED, PUBLISHED, OR USED IN ANY WAY WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.

PROJECT NO.	CCN
DATE	07/02/13
DRAWN BY	C.A.L.
CHECKED BY	

Section C Need Item 1

Principles of the State Health Plan

Tuition Reimbursement Contract $ Amount

	Contract Amount
2012	$402,855.00
2011	421,533.00
2010	478,168.87
2009	516,295.43
2008	486,566.94
2007	726,835.35
2006	658,558.33
2005	553,648.56
2004	740,099.99
2003	535,480.98
2002	406,632.00
2001	315,886.60
2000	281,937.56
1999	128,290.82
1998	78,340.80
1997	70,438.00
1996	26,000.00
1995	10,750.00
1994	15,500.00
TOTAL	$6,853,818.23

TFGE $ DONATED / RAISED

	Donated (Includes Books Reimbursements and Scholarship Reimb.)	Raised (Includes Misc. Donations)
2012	118,380.81	246,914.05
2011	97,575.41	273,966.08
2010	95,846.41	255,565.38
2009	89,518.81	247,004.13
2008	98,100.69	237,127.02
2007	173,507.81	216,378.60
2006	87,697.96	237,499.23
2005	116,725.40	224,599.34
2004	119,938.62	197,375.33
2003	103,846.70	200,715.86
2002	134,792.43	208,015.89
2001	71,782.36	161,325.43
2000	92,735.89	185,882.04
1999	117,636.23	234,488.98
1998	151,001.92	165,649.47
1997	133,007.00	171,180.00
1996	76,880.98	179,357.69
1995	71,618.25	162,775.60
1994	54,768.51	175,020.38
1993	51,246.39	144,138.33
1992	52,150.48	146,688.42
1991	40,821.04	119,167.91
1990	31,474.02	82,806.09
1989	37,795.59	68,438.41
1988	24,000.00	53,708.65
1987	28,000.00	53,408.87
1986	30,000.00	50,361.12
1985	25,500.00	35,453.00
1984	29,500.00	39,138.97
1983	24,000.00	44,981.40
1982	2,000.00	
TOTAL	$ 2,381,849.71	$ 4,819,131.67

Section C – General Criteria - 1.A.

Nursing Facility Bed Need

Maury County

County Bed Need

	2015 Population	Rate	Needed Beds by Age
Population 65 & Under	69,752	0.0005	35
Population 65-74	7,723	0.012	93
Population 75-84	3,612	0.06	217
Population 85+	1,439	0.15	216
	82,526		560

CON	(68)
Less Existing Beds	(594)
Need	(102)

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health

Existing beds based on licensed beds, Licensed Health Facilities, TN Dept of Health 6/13.

CON for the replacement and relocation of Rosewood Manor's 68 beds to move from Columbia to Spring Hill.

Section C - General Criteria – 1.A.3

Inventory and Utilization

Maury County Nursing Homes
2011

	Nursing Home	Licensed Beds	Licensed Occupancy
1	Life Care Center of Columbia	123	92.8%
2	Maury Regional Hospial SNU	20	73.7%
3	Mt Pleasant Health and Rehab	72	85.7%
4	NHC HealthCare, Columbia	106	89.7%
5	NHC HealthCare, Hillview	92	88.2%
6	Rosewood Manor	68	—
7	Signature HealthCARE of Columbia	181	70.1%
	Total Less Rosewood	662 -68 594	83.1%

Source: 2011 TN JAR Summary Reports, Schedule E - Beds
2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Rosewood Manor has an outstanding CON to replace and relocate the existing facility. The CON expires 9/1/1

Health Care Facilities

Licensed Facilities

For more information, please contact:
Health Care Facilities: (615)741-7221 or 1-888-310-4650

Current Listings:

Type = Nursing Home *County* = MAURY

Click here to return to the search page

Total Facilties:7 ***Total Beds:662***

1.
LIFE CARE CENTER OF COLUMBIA
841 W. JAMES CAMPBELL BLVD.
COLUMBIA , TN 38401
Attn: MELISSA WHITE (2106)
(931) 388-5035

Administrator: Melissa White
Owner Information:
COLUMBIA OPERATIONS, LLC
3570 KEITH STREET, N.W.
CLEVELAND, TN 37312
(423) 473-5867

Facility License Number: 00000179
Status: Licensed
Number of Beds: 0123
Date of Last Survey: 10/12/2011
Accreditation Expires: 01/26/2015
Date of Original Licensure: 07/01/1992
Date of Expiration: 03/31/2014

This Facility is Managed By:
LIFE CARE CENTERS OF AMERICA, INC.
CLEVELAND TN

2.
MAURY REGIONAL HOSPITAL SKILLED NURSING UNIT
1224 TROTWOOD AVENUE
COLUMBIA , TN 38401
Attn: JOAN M. STEPHENS
(931) 540-4312

Administrator: JOAN M. STEPHENS
Owner Information:
MAURY COUNTY
41 PUBLIC SQUARE
COLUMBIA, TN 38401
(931) 375-1000

Facility License Number: 00000359
Status: Licensed
Number of Beds: 0020
Date of Last Survey: 04/25/2012
Accreditation Expires: 07/17/2013
Date of Original Licensure: 07/01/1997
Date of Expiration: 05/07/2014

This Facility is Managed By:
NATIONAL HEALTHCARE CORPORATION
MURFREESBORO TN

Facility License Number: 00000181

3. MT. PLEASANT HEALTH AND REHABILIATION 904 HIDDEN ACRES DRIVE MOUNT PLEASANT , TN 38474 *Attn:* DAVID J. MILLER (3405) (931) 379-5502	Administrator: David J. Miller *Owner Information:* MT. PLEASANT HEALTHCARE & REHAB, LLC 15 SOUTH BELLS STREET SUITE 3 ALAMO, TN 38001 (731) 696-4670	*Status:* Licensed *Number of Beds:* 0072 *Date of Last Survey:* 06/29/2011 *Accreditation Expires:* *Date of Original Licensure:* 07/01/1992 *Date of Expiration:* 07/14/2014 *This Facility is Managed By:* NEW BEGINNINGS CARE, LLC HIXSON TN
4. NHC HEALTHCARE, COLUMBIA 101 WALNUT LANE COLUMBIA , TN 38401 *Attn:* BRAD RECTOR (931) 381-3112	Administrator: BRAD RECTOR *Owner Information:* NHC HEALTHCARE/COLUMBIA LLC 101 WALNUT LANE COLUMBIA, TN 38401 (931) 381-3112	*Facility License Number:* 00000180 *Status:* Licensed *Number of Beds:* 0106 *Date of Last Survey:* 06/15/2011 *Accreditation Expires:* *Date of Original Licensure:* 07/01/1992 *Date of Expiration:* 04/24/2014
5. NHC HEALTHCARE, HILLVIEW 2710 TROTWOOD AVENUE COLUMBIA , TN 38401 *Attn:* EDWARD W. MOORE (1513) (931) 388-7182	Administrator: EDWARD W. MOORE *Owner Information:* NHC HEALTHCARE/HILLVIEW, LLC 2710 TROTWOOD AVENUE COLUMBIA, TN 38401 (931) 388-7182	*Facility License Number:* 00000183 *Status:* Licensed *Number of Beds:* 0092 *Date of Last Survey:* 10/26/2011 *Accreditation Expires:* *Date of Original Licensure:* 07/01/1992 *Date of Expiration:* 01/22/2014
6. ROSEWOOD MANOR, INC. 1400 ROSEWOOD DRIVE COLUMBIA , TN 38401 *Attn:* CHARLIE ANDERSON (2620) (931) 388-6573	Administrator: CHARLIE ANDERSON *Owner Information:* ROSEWOOD MANOR INC PO BOX 10 PARSONS, TN 38363 (731) 847-6343	*Facility License Number:* 00000184 *Status:* Licensed *Number of Beds:* 0068 *Date of Last Survey:* 09/30/2009 *Accreditation Expires:* *Date of Original Licensure:* 07/01/1992 *Date of Expiration:* 06/29/2014 *This Facility is Managed By:* TENNESSEE HEALTH MANAGEMENT, INC. PARSONS TN *Facility License Number:* 00000182

7.
SIGNATURE HEALTHCARE OF COLUMBIA
1410 TROTWOOD AVENUE
COLUMBIA , TN 38401
Attn: DEVIN SHELBY (3388)
(931) 388-6443

Administrator: Devin Shelby
Owner Information:
LP COLUMBIA, LLC
12201 BLUEGRASS PARKWAY
LOUISVILLE, KY 40299
(502) 568-7800

Status: Licensed
Number of Beds: 0181
Date of Last Survey: 09/20/2012
Accreditation Expires:
Date of Original Licensure: 07/01/1992
Date of Expiration: 05/28/2014

This Facility is Managed By:
SIGNATURE CONSULTING SERVICES, LLC
LOUISVILLE KY

Section C – General Criteria – I.A. 4

Service Area JAR Report

2011 Joint Annual Report of Nursing Homes

		Patient Origin						Patient Origin						
		Tennessee Counties						Tennessee Counties						
NH Name	**County**	**Bedford**	**Benton**	**Davidson**	**Dickson**	**Giles**	**Hickman**	**Lawrence**	**Lewis**	**Macon**	**Madison**	**Marshall**	**Maury**	**Montgomery**
Life Care Center of Columbia	Maury				1	6		5	5			1	93	
NHC Healthcare, Hillview	Maury			3		2	1	5	2			2	61	1
NHC Healthcare, Columbia	Maury	2		5		1	1	2	2		1	2	69	
Signature HealthCARE of Columbia	Maury	1	1	7		3	1	6	3	1	1	2	85	
Hidden Acres Health Care	Maury			5		4		7					42	
Maury Regional Hospital Skilled Nursing Unit	Maury					1		2					8	

2011 Joint Annual Report of Nursing Homes

NH Name	County	Rutherford	Wayne	Williamson	Wilson	Unknown County
Life Care Center of Columbia	Maury			4		1
NHC Healthcare, Hillview	Maury			2		3
NHC Healthcare, Columbia	Maury		2	2	1	1
Signature HealthCARE of Columbia	Maury		1	2		3
Hidden Acres Health Care	Maury	1	1			
Maury Regional Hospital Skilled Nursing Unit	Maury		1			

Maury County Nursing Homes
2009

	Nursing Home	Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	SNF Medicaid ADC	SNF All Other Payors ADC	NF Medicaid* Level 1 ADC	NF All Other Payors ADC	Licensed Occupancy
1	Life Care Center of Columbia	123	0	123	0	0	29	3	5	66	15	96.3%
2	Maury Regional Hospial SNU	20	20	0	0	0	14	0	2	0	0	79.5%
3	Mt Pleasant Health and Rehab	72	0	28	44	0	6	8	1	46	3	88.6%
4	NHC HealthCare, Columbia	106	0	56	50	0	19	19	2	45	9	89.2%
5	NHC HealthCare, Hillview	92	0	48	44	0	18	19	2	29	14	90.3%
6	Rosewood Manor	68	0	68	0	0	10	0	0	44	8	90.5%
7	Signature HealthCARE of Columbia	181	0	169	12	0	13	14	1	57	8	50.9%
	Total	662	20	424	150	0	99	63	13	243	49	80.0%

Source: 2009 TN JAR Summary Reports, Schedule E - Beds
2009 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

* Includes TennCare MCO and all other Medicaid/TennCare Patient Days

Maury County Nursing Homes
2010

	Nursing Home	Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	SNF Medicaid ADC	SNF All Other Payors ADC	NF Medicaid* Level 1 ADC	NF All Other Payors ADC	Licensed Occupancy
1	Life Care Center of Columbia	123	0	123	0	0	31	0	0.00	68	15	92.2%
2	Maury Regional Hospial SNU	20	20	0	0	0	15	0	1	0	0	79.2%
3	Mt Pleasant Health and Rehab	72	0	28	44	0	4	10	1	47	2	89.4%
4	NHC HealthCare, Columbia	106	0	56	50	0	23	16	9	37	11	91.8%
5	NHC HealthCare, Hillview	92	0	48	44	0	18	15	5	32	11	88.0%
6	Rosewood Manor	68	Information Not Available									
7	Signature HealthCARE of Columbia	181	0	181	0	0	23	6	0	86	6	66.8%
	Total Less Rosewood	662 -68 594	20	436	138	0	114	47	17	270	45	83.0%

Source: 2010 TN JAR Summary Reports, Schedule E - Beds
2010 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

* Includes TennCare MCO and all other Medicaid/TennCare Patient Days
Rosewood Manor has an outstanding CON to replace and relocate the existing facility. The CON expires 9/1/13.

Maury County Nursing Homes
2011

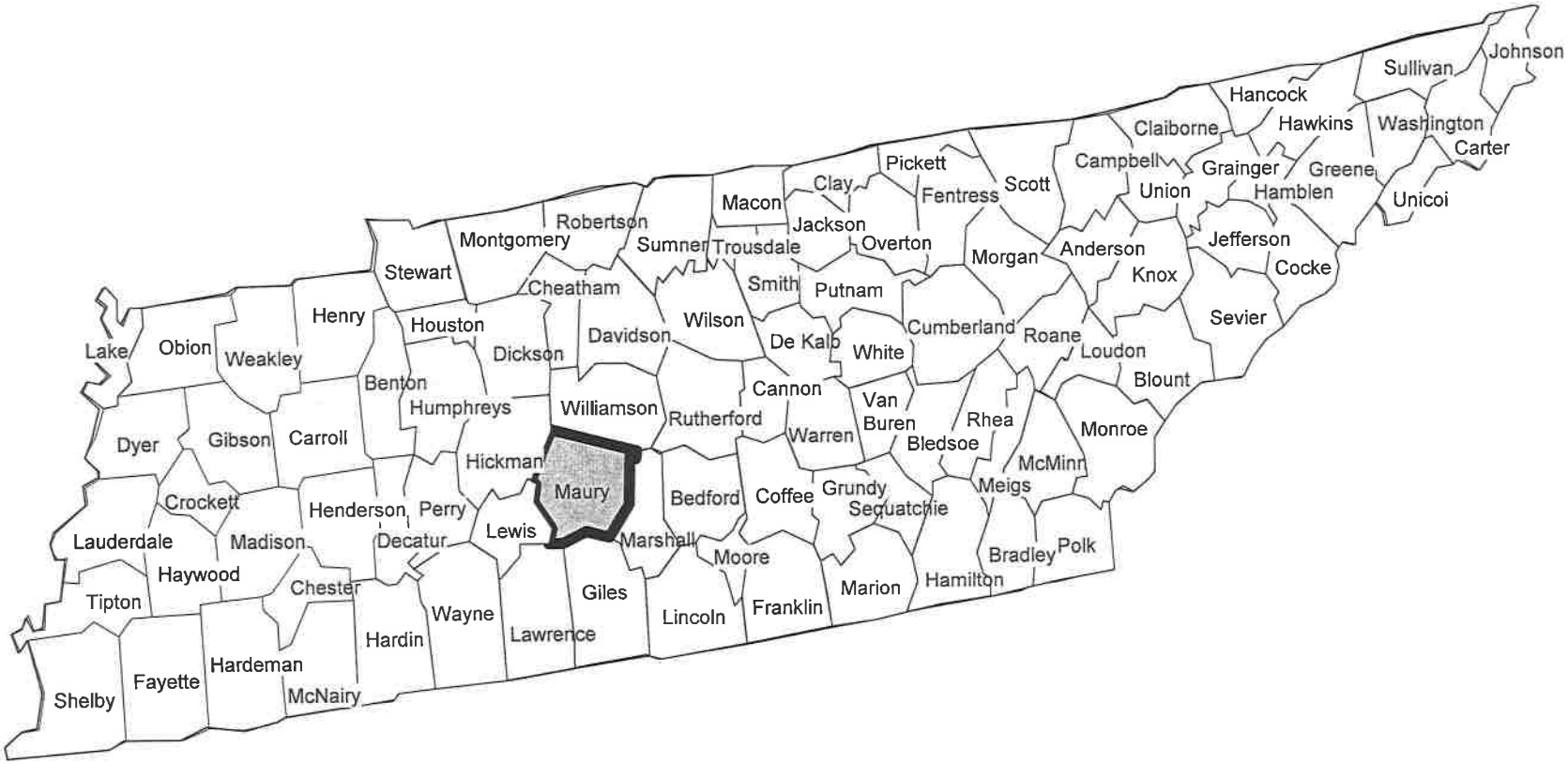
	Nursing Home	Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	SNF Medicaid ADC	SNF All Other Payors ADC	NF Medicaid* Level 1 ADC	NF All Other Payors ADC	Licensed Occupancy
1	Life Care Center of Columbia	123	0	123	0	0	33	2	2.69	62	16	92.8%
2	Maury Regional Hospial SNU	20	20	0	0	0	11	0	4	0	0	73.7%
3	Mt Pleasant Health and Rehab	72	0	28	44	0	3	8	1	47	3	85.7%
4	NHC HealthCare, Columbia	106	0	56	50	0	17	20	3	34	20	89.7%
5	NHC HealthCare, Hillview	92	0	48	44	0	17	13	7	33	12	88.2%
6	Rosewood Manor	68	Information Not Available									
7	Signature HealthCARE of Columbia	181	0	181	0	0	22	0	0	101	4	70.1%
	Total Less Rosewood	662 -68 594	20	436	138	0	103	42	17	277	54	83.1%

Source: 2011 TN JAR Summary Reports, Schedule E - Beds
2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

* Includes TennCare MCO and all other Medicaid/TennCare Patient Days
Rosewood Manor has an outstanding CON to replace and relocate the existing facility. The CON expires 9/1/13.

Section C – General Criteria - 3

Service Area Map


Johnson
Sullivan
Hancock
Hawkins
Washington
Carter
Claiborne
Campbell
Grainger
Greene
Hamblen
Unicoi
Union
Pickett
Fentress
Scott
Clay
Macon
Jackson
Overton
Morgan
Anderson
Knox
Jefferson
Cocke
Sevier
Robertson
Montgomery
Sumner
Trousdale
Smith
Putnam
Cumberland
Roane
Loudon
Blount
Stewart
Cheatham
Wilson
Davidson
De Kalb
White
Cannon
Van Buren
Warren
Rhea
Bledsoe
Monroe
McMinn
Meigs
Henry
Houston
Dickson
Benton
Humphreys
Williamson
Rutherford
Hickman
Maury
Bedford
Coffee
Grundy
Sequatchie
Bradley
Polk
Lake
Obion
Weakley
Dyer
Gibson
Carroll
Crockett
Henderson
Perry
Lewis
Marshall
Moore
Hamilton
Lauderdale
Madison
Decatur
Haywood
Chester
Giles
Marion
Tipton
Wayne
Lawrence
Lincoln
Franklin
Hardin
Hardeman
Fayette
Shelby
McNairy

Section C – General Criteria – 4A

Demographics of the Population Served

Population Projections,
Tennessee Counties and the State,
2010-2020

COUNTY - MAURY
SEX - Total

AGE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0-4	5,810	5,756	5,533	5,266	5,101	4,949	4,919	4,886	4,863	4,853	4,855
5-9	5,399	5,351	5,516	5,795	5,851	5,889	5,743	5,516	5,244	5,077	4,920
10-14	5,309	5,388	5,417	5,309	5,340	5,340	5,337	5,496	5,775	5,824	5,861
15-19	5,174	4,827	4,844	4,954	5,060	5,174	5,378	5,404	5,298	5,324	5,323
20-24	4,626	4,820	4,878	4,908	4,956	4,920	4,844	4,869	4,991	5,103	5,228
25-29	5,341	5,358	5,236	5,000	4,884	4,871	4,825	4,887	4,933	4,990	4,962
30-34	5,393	5,634	5,656	5,709	5,616	5,447	5,348	5,236	5,009	4,899	4,896
35-39	5,147	5,051	5,081	5,164	5,281	5,454	5,613	5,646	5,709	5,626	5,467
40-44	5,143	5,105	5,144	5,201	5,181	5,126	5,026	5,065	5,151	5,279	5,452
45-49	5,967	5,748	5,491	5,295	5,173	5,063	5,051	5,094	5,153	5,146	5,098
50-54	6,557	6,452	6,283	6,069	5,867	5,744	5,625	5,384	5,204	5,093	4,995
55-59	5,747	5,887	6,064	6,192	6,268	6,274	6,244	6,094	5,897	5,711	5,603
60-64	4,864	5,191	5,235	5,243	5,352	5,501	5,623	5,801	5,932	6,010	6,022
65-69	3,384	3,568	3,848	4,151	4,386	4,620	4,840	4,889	4,907	5,010	5,153
70-74	2,474	2,609	2,728	2,891	2,981	3,103	3,200	3,456	3,736	3,946	4,155
75-79	1,928	1,967	1,944	1,985	2,083	2,125	2,192	2,300	2,443	2,518	2,623
80-84	1,463	1,502	1,524	1,522	1,503	1,487	1,490	1,479	1,516	1,591	1,627
85 plus	1,230	1,301	1,349	1,375	1,397	1,439	1,454	1,489	1,495	1,485	1,504
All Ages	80,956	81,515	81,771	82,029	82,280	82,526	82,752	82,991	83,256	83,485	83,744

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.
Note: These data will not match the University of Tennessee Center for Business of Economic Research data exactly due to rounding.

2013 Revision (6/13)

Population Projections,
Tennessee Counties and the State,
2010-2020

Tennessee
SEX - Total

AGE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0-4	407,813	404,958	402,881	400,790	401,571	404,059	407,777	410,704	413,432	416,033	418,572
5-9	412,181	411,217	414,060	418,447	419,628	420,371	419,269	418,265	416,944	418,348	421,443
10-14	418,941	421,403	424,625	425,993	426,430	424,871	425,562	428,584	433,217	434,747	435,750
15-19	437,186	427,921	425,099	425,686	428,957	434,441	439,476	442,598	443,997	444,679	443,450
20-24	426,244	443,525	450,356	454,219	454,413	450,490	443,833	440,174	440,107	442,866	448,009
25-29	417,683	419,630	420,565	422,310	429,345	438,538	449,638	458,381	463,845	465,448	462,658
30-34	406,314	416,506	423,662	428,777	431,324	430,375	431,420	433,457	436,189	444,039	454,046
35-39	423,622	407,946	404,881	407,845	414,379	423,254	434,120	441,657	447,235	450,255	449,954
40-44	430,508	436,473	441,965	445,024	442,634	436,429	425,299	422,498	425,791	432,614	441,775
45-49	467,087	458,027	452,418	444,973	439,230	440,253	449,040	454,655	457,810	455,714	449,951
50-54	459,349	463,499	464,932	466,272	469,533	468,878	463,955	458,654	451,560	446,237	447,544
55-59	414,991	426,524	436,411	446,056	451,379	457,454	461,883	463,461	464,950	468,273	467,897
60-64	370,724	390,728	390,815	391,445	397,891	407,088	417,236	426,791	436,019	441,179	447,208
65-69	280,538	289,009	310,328	326,531	340,924	355,003	370,224	370,478	371,246	377,316	386,041
70-74	206,536	213,997	223,574	236,174	246,532	255,340	260,822	280,076	294,754	307,552	319,987
75-79	154,517	158,862	160,575	165,000	170,433	175,475	180,226	188,272	198,963	207,627	214,931
80-84	111,954	113,616	114,786	114,982	115,518	117,136	119,721	121,108	124,504	128,575	132,436
85 plus	99,917	104,174	105,882	107,490	108,577	109,983	111,078	112,209	112,946	113,495	115,112
All Ages	6,346,105	6,408,015	6,467,815	6,528,014	6,588,698	6,649,438	6,710,579	6,772,022	6,833,509	6,894,997	6,956,764

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.
Note: These data will not match the University of Tennessee Center for Business of Economic Research data exactly due to rounding.

2013 Revision (6/13)

Section C - Economic Feasibility – 1

Project Cost Chart & Assumptions

PROJECT COSTS CHART

2013 JUL 12 AM 11 50

A. Construction and equipment acquired by purchase:	
1. Architectural and Engineering Fees	676,100
2. Legal, Administrative, Consultant Fees	121,200
3. Acqusition of Site (Builiding, including estimated closing costs)	900,600
4. Preparation of Site	1,146,200
5. Construction Costs	12,004,000
6. Contingency Fund	600,200
7. Fixed Equipment (Not included in Construction Contract)	404,600
8. Moveable Equipment (List all equipment over $50,000)	1,294,200
9. Other (Specify) Landscaping, pre-opening, impact fees	623,300
B. Acqusition by gift, donation or lease:	
1. Facility (Inclusive of building and land)	
2. Building Only	
3. Land Only	
4. Equipment (Specify)	
5. Other (Specify)	
C. Financing costs and Fees:	
1. Interim Financing	350,500
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify)	
D. Total Estimated Project Cost (A + B + C)	**18,120,900**
E. CON Filing Fee	40,772.03
F. Total Estimated Project Cost (D + E)	**$ 18,161,672**

NHC/Maury Regional Transitional Care Center

Project Costs Charts Assumptions

2013 JUL 12 AM 11 50

Architectural/Engineering		
Architect	$	553,100
Civil and Landscaping		48,000
Materials and SWWP Inspection		40,000
Test & balance study		35,000
Total	$	676,100

Fixed Equipment		
Kitchen, Laundry, Asst. Bathing, Signage & Miscellanec	$	404,600

Other Costs		
Landscaping	$	125,000
Impact Fees		50,000
Development Fee		348,300
Start up costs (pre-opening)		100,000
Total	$	623,300

Johnson + Bailey Architects P.C.

July 5, 2013

Mr. Bruce Duncan
National HealthCare Corporation
100 East Vine Street
Murfreesboro, TN 37130

Re: NHC/Maury Regional Transitional Care Center

Dear Bruce:

Based upon a new construction total building area of 69,464 sq. ft., and a 950 sq. ft. Maintenance building, it is my opinion, based upon recently completed similar projects, that the total construction costs for the referenced project should be $12,004,000 or approximately $170.50 per sq. ft. exclusive of site development, equipment, and other soft costs.

The plans have been designed in compliance with the applicable building and life safety codes and to the requirements specified in the latest adopted edition of the Guidelines for the Design and Construction of Health Care Facilities.

Please advise if you require any additional information relative to construction costs for this project.

Sincerely,

JOHNSON + BAILEY ARCHITECTS P.C.

James H. Bailey III AIA
President

City Center • Suite 700
100 East Vine Street
Murfreesboro, Tennessee 37130
615 890 4560 • FAX 615 890 4564

Section C – Economic Feasibility - 2

Project Funding

NHC

NATIONAL HEALTHCARE CORPORATION

July 3, 2013

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

RE: NHC/Maury Regional Transitional Care Center (Maury County), 112 Bed Replacement Facility $18,161,672

Dear Ms. Hill:

National HealthCare Corporation, a NYSE Amex publicly traded company with over $66,000,000 of cash and cash equivalents, as stated in the December 31, 2012 10-K, will make available all the necessary funds for the operation and working capital for the above referenced project. These funds are available on immediate notice.

Should you have any further questions or comments, please advise.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Donald K. Daniel
Senior Vice President and Controller

City Center • 100 East Vine Street • Murfreesboro, Tennessee 37130 (615) 890-2020

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2013
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 001–13489

NHC

NATIONAL HEALTHCARE CORPORATION

(Exact name of registrant as specified in its Charter)

Delaware	52–2057472
(State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

100 E. Vine Street
Murfreesboro, TN
37130
(Address of principal executive offices)
(Zip Code)

(615) 890–2020
Registrant's telephone number, including area code

Indicate by check mark whether the registrant: (1) Has filed all reports required to be filed by Section 13 or 15(d), of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S–T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit and post such files).
Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non–accelerated filer or a smaller reporting company. See the definitions of "large accelerated file," "accelerated filer" and "smaller reporting company" in Rule 12b–2 of the Exchange Act. (Check one):

Large Accelerated filer [ ]	Accelerated filer [x]
Non–accelerated filer (Do not check if a smaller reporting company) [ ]	Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as is defined in Rule 12b–2 of the Exchange Act). Yes [ ] No [x]

14,065,202 shares of common stock of the registrant were outstanding as of May 2, 2012.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

NATIONAL HEALTHCARE CORPORATION
Interim Condensed Consolidated Statements of Income
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended March 31	
	2013	2012 *(as adjusted)*
Revenues:		
Net patient revenues	$ 178,430	$ 176,113
Other revenues	15,948	13,937
Net operating revenues	194,378	190,050
Cost and Expenses:		
Salaries, wages and benefits	107,063	106,471
Other operating	54,411	51,528
Facility rent	9,868	9,847
Depreciation and amortization	6,956	7,380
Interest	84	118
Total costs and expenses	178,382	175,344
Income Before Non–Operating Income	15,996	14,706
Non–Operating Income	6,618	5,868
Income Before Income Taxes	22,614	20,574
Income Tax Provision	(8,809)	(7,920)
Net Income	13,805	12,654
Dividends to Preferred Stockholders	(2,168)	(2,168)
Net Income Available to Common Stockholders	$ 11,637	$ 10,486
Earnings Per Common Share:		
Basic	$ 0.84	$ 0.76
Diluted	$ 0.82	$ 0.75
Weighted Average Common Shares Outstanding:		
Basic	13,861,584	13,840,079
Diluted	14,111,752	13,908,274

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Interim Condensed Consolidated Statements of Comprehensive Income
(Unaudited – in thousands)

	Three Months Ended March 31	
	2013	2012
		(as adjusted)
Net Income	$ 13,805	$ 12,654
Other Comprehensive Income:		
Unrealized gains on investments in marketable securities	15,764	8,656
Less: Reclassification adjustment for realized gains on sale of securities	(230)	(687)
Income tax expense related to items of other comprehensive income	(6,090)	(3,110)
Other comprehensive income, net of tax	9,444	4,859
Comprehensive Income	$ 23,249	$ 17,513

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Interim Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2013 *(unaudited)*	December 31, 2012 *(as adjusted)*
Assets		
Current Assets:		
Cash and cash equivalents	$ 73,839	$ 66,701
Restricted cash and cash equivalents	17,376	11,563
Marketable securities	123,577	107,250
Restricted marketable securities	134,782	135,207
Accounts receivable, less allowance for doubtful accounts of $3,407 and $3,166, respectively	75,687	74,693
Inventories	6,558	6,660
Prepaid expenses and other assets	2,917	1,132
Notes receivable	5,950	5,840
Federal income tax receivable	–	5,933
Total current assets	440,686	414,979
Property and Equipment:		
Property and equipment, at cost	681,818	675,455
Accumulated depreciation and amortization	(261,501)	(254,548)
Net property and equipment	420,317	420,907
Other Assets:		
Deposits	108	143
Goodwill	17,600	17,600
Notes receivable	15,445	15,949
Deferred income taxes	13,844	12,817
Investments in limited liability companies	41,823	40,039
Total other assets	88,820	86,548
Total assets	$ 949,823	$ 922,434

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

The balance sheet at December 31, 2012 is taken from the audited consolidated financial statements at that date.

NATIONAL HEALTHCARE CORPORATION
Interim Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	March 31, 2013 *(unaudited)*	December 31, 2012 *(as adjusted)*
Liabilities and Stockholders' Equity		
Current Liabilities:		
Trade accounts payable	$ 10,948	$ 10,555
Accrued payroll	35,385	37,243
Amounts due to third party payors	16,826	17,001
Accrued risk reserves	114,367	110,331
Deferred income taxes	30,420	24,474
Other current liabilities	23,182	20,411
Dividends payable	6,461	6,480
Total current liabilities	237,589	226,495
Long–term debt	10,000	10,000
Refundable entrance fees	10,837	10,680
Deferred revenue	6,334	3,430
Obligation to provide future services	1,791	1,791
Other noncurrent liabilities	14,462	13,890
Stockholders' Equity:		
Series A Convertible Preferred Stock; $.01 par value; 25,000,000 shares authorized; 10,838,305 and 10,838,412 shares, respectively, issued and outstanding; stated at liquidation of $15.75 per share	170,512	170,514
Common stock, $.01 par value; 30,000,000 shares authorized; 14,058,152 and 14,158,127 shares, respectively, issued and outstanding	140	141
Capital in excess of par value	150,493	154,692
Retained earnings	287,413	279,993
Accumulated other comprehensive income	60,252	50,808
Total stockholders' equity	668,810	656,148
Total liabilities and stockholders' equity	$ 949,823	$ 922,434

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

The balance sheet at December 31, 2012 is taken from the audited consolidated financial statements at that date.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)
[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 001-13489

NHC

NATIONAL HEALTHCARE CORPORATION

(Exact name of registrant as specified in its Corporate Charter)

Delaware	**52-2057472**
(State of Incorporation)	(I.R.S. Employer I.D. No.)

100 Vine Street
Murfreesboro, Tennessee 37130
(Address of principal executive offices)
Telephone Number: **615-890-2020**

Securities registered pursuant to Section 12(b) of the Act.

Title of Each Class	Name of Each Exchange on which Registered
Shares of Common Stock	**NYSE MKT**
Shares of Preferred Cumulative Convertible Stock	**NYSE MKT**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [x]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [x]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit and post such files).
Yes [x] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Act). Large accelerated filer [ ] Accelerated filer [x] Non-accelerated filer [ ] Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [x]

The aggregate market value of Common Stock held by non-affiliates on June 30, 2012 (based on the closing price of such shares on the NYSE MKT) was approximately $308 million. For purposes of the foregoing calculation only, all directors, named executive officers and persons known to the Registrant to be holders of 5% or more of the Registrant's Common Stock have been deemed affiliates of the Registrant.
The number of shares of Common Stock outstanding as of February 12, 2013 was 14,158,127.

Documents Incorporated by Reference

The following documents are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14 of this Form 10-K:
The Registrant's definitive proxy statement for its 2013 shareholder's meeting.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
National HealthCare Corporation

We have audited the accompanying consolidated balance sheets of National HealthCare Corporation as of December 31, 2012 and 2011 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of National HealthCare Corporation at December 31, 2012 and 2011 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), National HealthCare Corporation's internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 15, 2013, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Nashville, Tennessee
February 15, 2013

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Income
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2012	2011	2010
Revenues:			
Net patient revenues	$ 705,386	$ 715,489	$ 663,629
Other revenues	55,876	58,048	57,024
Net operating revenues	761,262	773,537	720,653
Costs and Expenses:			
Salaries, wages and benefits	426,934	428,672	400,270
Other operating	198,691	198,439	197,016
Rent	39,355	39,736	38,086
Depreciation and amortization	29,792	28,901	27,141
Interest	455	443	513
Total costs and expenses	695,227	696,191	663,026
Income Before Non-Operating Income	66,035	77,346	57,627
Non-Operating Income	25,245	20,533	23,340
Income Before Income Taxes	91,280	97,879	80,967
Income Tax Provision	(33,323)	(33,807)	(28,272)
Net Income	57,957	64,072	52,695
Dividends to Preferred Stockholders	(8,671)	(8,671)	(8,673)
Net Income Available to Common Stockholders	$ 49,286	$ 55,401	$ 44,022
Earnings Per Common Share:			
Basic	$ 3.56	$ 4.02	$ 3.22
Diluted	$ 3.49	$ 3.90	$ 3.22
Weighted Average Common Shares Outstanding:			
Basic	13,852,709	13,774,628	13,671,053
Diluted	16,598,816	16,414,023	13,676,476

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2012	2011	2010
Net Income	$ 57,957	$ 64,072	$ 52,695
Other Comprehensive Income:			
Unrealized gains on investments in marketable securities	23,099	598	15,016
Income tax expense related to items of other comprehensive income	(8,993)	(183)	(5,809)
Other comprehensive income, net of tax	14,106	415	9,207
Comprehensive Income	$ 72,063	$ 64,487	$ 61,902

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Balance Sheets
(in thousands)

	December 31, 2012	December 31, 2011
Assets		
Current Assets:		
Cash and cash equivalents	$ 66,701	$ 61,008
Restricted cash and cash equivalents	11,563	50,587
Marketable securities	107,250	85,051
Restricted marketable securities	135,207	83,625
Accounts receivable, less allowance for doubtful accounts of $3,166 and $3,713, respectively	74,693	71,696
Inventories	6,660	7,419
Prepaid expenses and other assets	1,132	1,082
Notes receivable	5,840	1,260
Federal income tax receivable	5,933	6,470
Total current assets	414,979	368,198
Property and Equipment:		
Property and equipment, at cost	675,455	659,523
Accumulated depreciation and amortization	(254,548)	(229,872)
Net property and equipment	420,907	429,651
Other Assets:		
Deposits	143	397
Goodwill	17,600	20,320
Notes receivable	15,949	21,189
Deferred income taxes	10,564	10,167
Investments in limited liability companies	40,039	20,502
Total other assets	84,295	72,575
Total assets	$ 920,181	$ 870,424

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31, 2012	December 31, 2011
Liabilities and Stockholders' Equity		
Current Liabilities:		
Trade accounts payable	$ 10,555	$ 9,834
Accrued payroll	37,243	54,063
Amounts due to third party payors	17,001	16,807
Accrued risk reserves	110,331	98,732
Deferred income taxes	24,474	14,526
Other current liabilities	20,411	20,335
Dividends payable	6,480	6,362
Total current liabilities	226,495	220,659
Long-Term Debt	10,000	10,000
Other Noncurrent Liabilities	13,890	16,244
Deferred Revenue	10,124	11,785
Stockholders' Equity:		
Series A Convertible Preferred Stock; $.01 par value; 25,000,000 shares authorized; 10,838,412 and 10,838,490 shares, respectively, issued and outstanding; stated at liquidation value of $15.75 per share	170,514	170,515
Common stock, $.01 par value; 30,000,000 shares authorized; 14,158,127 and 13,862,738 shares, respectively, issued and outstanding	141	138
Capital in excess of par value	154,692	139,183
Retained earnings	283,517	265,198
Accumulated other comprehensive income	50,808	36,702
Total stockholders' equity	659,672	611,736
Total liabilities and stockholders' equity	$ 920,181	$ 870,424

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

Section C Economic Feasibility – 4

Historical & Projected Data Charts w/Assumptions

HISTORICAL DATA CHART
Combind NHC and Maury Regional Operations

2013 JUL 12 AM 11 51

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

	2010	2011	2012
A. Utilization Data (Specify unit of measure) Patient Days	35,235	35,152	35,264
Licensed Beds	112	112	112
% Occupancy (Licensed Beds)	86.19%	85.99%	86.03%
Operating Beds	105	104	103
% Occupancy (Licensed Beds)	91.94%	92.60%	93.54%
B. Revenue from Services to Patients			
1. Inpatient Services	$ 14,130,823	$ 15,366,155	$ 16,969,538
2. Outpatient Services			
3. Emergency Services			
4. Other Operating Revenue (Specify) (Cafeteria Sales, vending, etc)	17,317	12,309	10,704
Gross Operating Revenue	**$ 14,148,140**	**$ 15,378,464**	**$ 16,980,242**
C. Deductions for Operating Revenue			
1. Contractual Adjustments	(4,395,650)	(5,125,156)	(6,706,654)
2. Provision for Charity Care	(1,868)	(1,963)	(2,221)
3. Provisions for Bad Debt	(93,299)	(50,177)	(44,178)
Total Deductions	**$ (4,490,817)**	**$ (5,177,296)**	**$ (6,753,053)**
NET OPERATING REVENUE	**$ 9,657,323**	**$ 10,201,168**	**$ 10,227,189**
D. Operating Expenses			
1. Salaries and Wages	4,209,896	4,529,211	4,450,497
2. Physician's Salaries and Wages (Medical Services)	51,576	44,996	45,268
3. Supplies	240,750	229,729	225,283
4. Taxes	56,829	56,889	56,844
5. Depreciation	273,661	267,852	244,607
6. Rent	553,313	562,805	555,211
7. Interest, other than Capital	155	185	193
8. Management Fees:	-	-	-
a. Fees to Affiliates	209,711	223,808	233,330
a. Fees to Non-Affiliates	-	-	-
9. Other Expenses (Specify)	4,297,616	4,570,539	4,835,021
Total Operating Expenses	**$ 9,893,507**	**$ 10,486,014**	**$ 10,646,254**
E. Other Revenue (Expenses)--Net (Specify)			
NET OPERATING INCOME (LOSS)	**$ (236,184)**	**$ (284,846)**	**$ (419,065)**
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	**$ -**	**$ -**	**$ -**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ (236,184)**	**$ (284,846)**	**$ (419,065)**

HISTORICAL DATA CHART
NHC Operations

2013 JUL 12 AM 11 51

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

	2010	2011	2012
A. Utilization Data (Specify unit of measure) Patient Days	29,556	29,635	29,913
Licensed Beds	92	92	92
% Occupancy (Licensed Beds)	88.02%	88.25%	88.84%
Operating Beds	86	85	84
% Occupancy (Licensed Beds)	94.16%	95.52%	97.30%
B. Revenue from Services to Patients			
1. Inpatient Services	$ 8,246,929	$ 8,673,279	$ 9,819,352
2. Outpatient Services			
3. Emergency Services			
4. Other Operating Revenue (Specify) (Cafeteria Sales, vending, etc)	17,317	12,309	10,704
Gross Operating Revenue	**$ 8,264,246**	**$ 8,685,588**	**$ 9,830,056**
C. Deductions for Operating Revenue			
1. Contractual Adjustments	$ (1,178,726)	$ (1,173,169)	$ (2,005,986)
2. Provision for Charity Care	(1,868)	(1,963)	(2,221)
3. Provisions for Bad Debt	(93,299)	(50,177)	(44,178)
Total Deductions	**$ (1,273,893)**	**$ (1,225,309)**	**$ (2,052,385)**
NET OPERATING REVENUE	**$ 6,990,353**	$ 7,460,279	**$ 7,777,671**
D. Operating Expenses			
1. Salaries and Wages	$ 2,697,278	$ 2,886,100	$ 2,748,310
2. Physician's Salaries and Wages (Medical Services)	51,576	44,996	45,268
3. Supplies	188,852	184,195	165,518
4. Taxes	56,829	56,889	56,844
5. Depreciation	224,191	218,769	195,678
6. Rent	545,173	560,360	552,759
7. Interest, other than Capital	155	185	193
8. Management Fees:			
a. Fees to Affiliates	209,711	223,808	233,330
a. Fees to Non-Affiliates			
9. Other Expenses (Specify) See Attached Schedule	3,355,557	3,596,596	3,858,638
Total Operating Expenses	**$ 7,329,322**	**$ 7,771,898**	**$ 7,856,538**
E. Other Revenue (Expenses)--Net (Specify)			
NET OPERATING INCOME (LOSS)	**$ (338,969)**	**$ (311,619)**	**$ (78,867)**
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	**$ -**	**$ -**	**$ -**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ (338,969)**	**$ (311,619)**	**$ (78,867)**

NHC/Maury Regional Transitional Care Center
HISTORICAL DATA CHART SUPPLEMENT
ANALYSIS OF HISTORICAL OPERATING EXPENSES

	2010			2011			2012		
	Salaries	Other	Total	Salaries	Other	Total	Salaries	Other	Total
Nursing	$1,722,799	$ 565,434	$2,288,233	$1,860,542	$ 687,212	$2,547,754	$1,789,616	$ 663,970	$ 2,453,586
Social Services	83,808	35,390	119,198	88,136	42,691	130,827	101,304	54,849	156,153
Activities	45,369	17,981	63,350	48,286	20,272	68,558	48,512	25,933	74,445
Dietary	203,196	327,300	530,496	233,816	334,303	568,119	201,716	321,928	523,644
Plant Operations	61,747	211,680	273,427	56,236	205,190	261,426	54,304	202,357	256,661
Housekeeping	113,521	31,878	145,399	122,529	46,869	169,398	119,344	42,011	161,355
Laundry	63,228	40,538	103,766	60,683	37,693	98,376	67,834	48,503	116,337
Medical Records	51,237	34,179	85,416	56,023	36,945	92,968	54,402	32,726	87,128
Administrative & General	337,261	423,480	760,741	340,415	472,641	813,056	292,075	491,841	783,916
State License Fee		204,700	204,700		204,700	204,700		204,700	204,700
Insurance		5,962	5,962		6,101	6,101		6,518	6,518
IV Therapy		79,253	79,253		50,149	50,149		72,015	72,015
Pharmacy		489,607	489,607		480,396	480,396		516,703	516,703
Occupational Therapy		300,527	300,527		334,594	334,594		425,668	425,668
Speech Therapy		117,353	117,353		105,650	105,650		117,223	117,223
Inhalation Therapy		32,046	32,046		33,875	33,875		42,487	42,487
Physical Therapy	15,112	377,621	392,733	19,434	429,811	449,245	19,203	522,535	541,738
Audiology									
Laboratory		18,847	18,847		18,879	18,879		20,649	20,649
X-Ray		13,549	13,549		15,034	15,034		17,665	17,665
Transportaion		14,447	14,447		20,796	20,796		13,829	13,829
Beauty and Barber		13,785	13,785		12,795	12,795		14,528	14,528
Miscellaneous									
TOTAL	$2,697,278	$3,355,557	$6,052,835	$2,886,100	$3,596,596	$6,482,696	$2,748,310	$ 3,858,638	$ 6,606,948

HISTORICAL DATA CHART
Maury Regional Operations

2013 OCT 18 PM 11 51

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

	2010	2011	2012
A. Utilization Data (Specify unit of measure) Patient Days	5,679	5,517	5,351
Licensed Beds	20	20	20
% Occupancy (Licensed Beds)	77.79%	16.43%	15.89%
Operating Beds	19	19	19
% Occupancy (Licensed Beds)	81.89%	79.55%	76.95%
B. Revenue from Services to Patients			
1. Inpatient Services	$ 5,883,894	$ 6,692,876	$ 7,150,186
2. Outpatient Services			
3. Emergency Services			
4. Other Operating Revenue (Specify) (Cafeteria Sales, vending, etc)			
Gross Operating Revenue	**$ 5,883,894**	**$ 6,692,876**	**$ 7,150,186**
C. Deductions for Operating Revenue			
1. Contractual Adjustments	$ (3,216,924)	$ (3,951,987)	$ (4,700,668)
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions	**$ (3,216,924)**	**$ (3,951,987)**	**$ (4,700,668)**
NET OPERATING REVENUE	**$ 2,666,970**	**$ 2,740,889**	**$ 2,449,518**
D. Operating Expenses			
1. Salaries and Wages	$ 1,512,618	$ 1,643,111	$ 1,702,187
2. Physician's Salaries and Wages (Medical Services)			
3. Supplies	51,898	45,534	59,765
4. Taxes			
5. Depreciation	49,470	49,083	48,929
6. Rent	8,140	2,445	2,452
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates			
a. Fees to Non-Affiliates			
9. Other Expenses (Specify) See Attached Schedule	942,059	973,943	976,383
Total Operating Expenses	**$ 2,564,185**	**$ 2,714,116**	**$ 2,789,716**
E. Other Revenue (Expenses)–Net (Specify)			
NET OPERATING INCOME (LOSS)	**$ 102,785**	**$ 26,773**	**$ (340,198)**
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	**$ -**	**$ -**	**$ -**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ 102,785**	**$ 26,773**	**$ (340,198)**

NHC/Maury Regional Transitional Care Center
HISTORICAL DATA CHART SUPPLEMENT
ANALYSIS OF HISTORICAL OPERATING EXPENSES

	2010			2011			2012		
	Salaries	Other	Total	Salaries	Other	Total	Salaries	Other	Total
Salaries	$1,512,618		$1,512,618	$1,643,111		$1,643,111	$1,702,187		$ 1,702,187
Benefits		349,717	349,717		380,822	380,822		403,249	403,249
Purchased Service		116,499	116,499		126,138	126,138		130,981	130,981
Repairs & Maintenance		1,250	1,250		1,472	1,472		1,051	1,051
Other Expenses		48,998	48,998		54,656	54,656		46,737	46,737
Utilities		847	847			-			-
Professional Fees		9,600	9,600		8,481	8,481		7,688	7,688
Allocated Costs		324,555	324,555		315,297	315,297		291,851	291,851
Laundry		31,848	31,848		29,460	29,460		38,364	38,364
Housekeeping		19,219	19,219		19,219	19,219		19,219	19,219
Dietary		39,526	39,526		38,398	38,398		37,243	37,243
Miscellaneous						-			-
TOTAL	$1,512,618	$ 942,059	$2,454,677	$1,643,111	$ 973,943	$2,617,054	$1,702,187	$ 976,383	$ 2,678,570

2013 JUL 12 AM 11 51

PROJECTED DATA CHART

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

	Jun-17	Jun-18
A. Utilization Data (Specify unit of measure) (Patient Days)	29,166	38,659
(Specify unit of measure) (% Occupancy)	71.35%	94.57%
B. Revenue from Services to Patients		
1. Inpatient Services	$14,269,221	$19,740,620
2. Outpatient Services		
3. Emergency Services		
4. Other Operating Revenue (Specify)		
Gross Operating Revenue	**$ 14,269,221**	**$ 19,740,620**
C. Deductions for Operating Revenue		
1. Contractual Adjustments	$ (3,937,225)	$ (5,633,757)
2. Provision for Charity Care	(4,178)	(5,674)
3. Provisions for Bad Debt	(21,594)	(29,514)
Total Deductions	**$ (3,962,997)**	**$ (5,668,945)**
NET OPERATING REVENUE	**$ 10,306,224**	**$ 14,071,675**
D. Operating Expenses		
1. Salaries and Wages	$ 3,211,174	$ 4,066,918
2. Physician's Salaries and Wages	60,001	61,800
3. Supplies	237,017	323,714
4. Taxes	155,306	159,965
5. Depreciation	129,420	129,420
6. Rent	1,180,723	1,204,338
7. Interest, other than Capital		
8. Management Fees		
a. Fees to Affiliates	515,311	703,584
b. Fees to Non-Affiliates		
9. Other Expenses (Specify) - SEE ATTACHED SCHEDULE	5,629,521	7,277,048
Total Operating Expenses	**$ 11,118,473**	**$ 13,926,787**
E. Other Revenue (Expenses)--Net (Specify)		
NET OPERATING INCOME (LOSS)	**$ (812,249)**	**$ 144,888**
F. Capital Expenditure		
1. Retirement of Principal		
2. Interest		
Total Capital Expenditures	**$ -**	**$ -**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ (812,249)**	**$ 144,888**

2013 JUL 12 AM 11 51

PROJECTED DATA CHART SUPPLEMENT
NHC/Maury Regional Transitional Care Center
PROJECTED DATA
YEAR 1

	Salaries	Other	Total
Inhalation Therapy		$ 85,155	$ 85,155
Occupational Therapy		711,643	711,643
Physical Therapy		785,021	785,021
Speech Pathology		143,199	143,199
Pharmacy		903,351	903,351
Lab and Radiology		102,868	102,868
IV Therapy		145,755	145,755
Nursing Service	2,085,800	886,372	2,972,172
Social Service	108,701	55,699	164,400
Activities	50,346	28,503	78,849
Dietary	256,232	385,072	641,304
Plant Operations	65,671	473,748	539,419
Housekeeping	195,017	85,278	280,295
Laundry and Linen	79,950	46,127	126,077
Medical Records	64,892	36,630	101,522
Adminstrative and General	304,565	755,100	1,059,665
Totals	$3,211,174	$5,629,521	$ 8,840,695

PROJECTED DATA CHART SUPPLEMENT

2013 JUL 12 AM 11 51

NHC/Maury Regional Transitional Care Center

PROJECTED DATA

YEAR 2

	Salaries	Other	Total
Inhalation Therapy		$ 116,414	$ 116,414
Occupational Therapy		1,070,253	1,070,253
Physical Therapy		1,072,903	1,072,903
Speech Pathology		146,894	146,894
Pharmacy		1,234,771	1,234,771
Lab and Radilology		140,444	140,444
IV Therapy		199,179	199,179
Nursing Service	$2,719,789	1,045,705	3,765,494
Social Service	167,127	77,669	244,796
Activities	58,044	37,601	95,645
Dietary	324,403	520,379	844,782
Plant Operations	67,313	481,177	548,490
Housekeeping	236,516	110,625	347,141
Laundry and Linen	97,194	60,478	157,672
Medical Records	73,103	48,601	121,704
Adminstrative and General	323,429	913,955	1,237,384
Totals	$4,066,918	$7,277,048	$ 11,343,966

NHC/Maury Regional Transitional Care Center

OCCUPANCY SUMMARY

FILL RATE = 4 NET PATIENTS PER MONTH

MONTH	CENSUS AT BEGINNING OF MONTH	NET INCREASE IN PATIENTS	CENSUS AT END OF MONTH	AVERAGE CENSUS FOR MONTH	DAYS IN MONTH	PATIENT DAYS	PATIENT DAYS AVAILABLE	% OCCUPANCY
Jul-16	56.00	4.00	60.00	58.00	31	1,798	3,472	51.79%
Aug-16	60.00	4.00	64.00	62.00	31	1,922	3,472	55.36%
Sep-16	64.00	4.00	68.00	66.00	30	1,980	3,360	58.93%
Oct-16	68.00	4.00	72.00	70.00	31	2,170	3,472	62.50%
Nov-16	72.00	4.00	76.00	74.00	30	2,220	3,360	66.07%
Dec-16	76.00	4.00	80.00	78.00	31	2,418	3,472	69.64%
Jan-17	80.00	4.00	84.00	82.00	31	2,542	3,472	73.21%
Feb-17	84.00	4.00	88.00	86.00	28	2,408	3,136	76.79%
Mar-17	88.00	4.00	92.00	90.00	31	2,790	3,472	80.36%
Apr-17	92.00	4.00	96.00	94.00	30	2,820	3,360	83.93%
May-17	96.00	4.00	100.00	98.00	31	3,038	3,472	87.50%
Jun-17	100.00	4.00	104.00	102.00	30	3,060	3,360	91.07%
YEAR 1	56.00	48.00	104.00		365	29,166	40,880	71.35%
Jul-17	104.00	2.00	106.00	105.00	31	3,255	3,472	93.75%
Aug-17	106.00	-	106.00	106.00	31	3,286	3,472	94.64%
Sep-17	106.00	-	106.00	106.00	30	3,180	3,360	94.64%
Oct-17	106.00	-	106.00	106.00	31	3,286	3,472	94.64%
Nov-17	106.00	-	106.00	106.00	30	3,180	3,360	94.64%
Dec-17	106.00	-	106.00	106.00	31	3,286	3,472	94.64%
Jan-18	106.00	-	106.00	106.00	31	3,286	3,472	94.64%
Feb-18	106.00	-	106.00	106.00	28	2,968	3,136	94.64%
Mar-18	106.00	-	106.00	106.00	31	3,286	3,472	94.64%
Apr-18	106.00	-	106.00	106.00	30	3,180	3,360	94.64%
May-18	106.00	-	106.00	106.00	31	3,286	3,472	94.64%
Jun-18	106.00	-	106.00	106.00	30	3,180	3,360	94.64%
YEAR 2	104.00	2.00	106.00		365	38,659	40,880	94.57%

NHC/Maury Regional Transitional Care Center

PROJECTED REVENUES (TOTAL FACILITY)
FOR NURSING HOME PROJECTS
PAGE 1

PROJECTED OPERATING YEAR 1 ENDING Jun-17

	PVT -PVT (1)	Semi-Private (2)	SP - Comp (3)	ICF Mcaid (3A)	MEDICARE (4)	Managed Care (5)	Hospice (6)	MEDICARE PART B (7)	MISC (8)	RESTRICTED GRANTS & DONATIONS (9)	NON NURSING HOME REVENUE (10)	TOTAL (11)
1 ROUTINE SERVICES	1,129,120	1,727,249	823,511		2,552,000	1,093,750	-					7,325,630
2 PHYSICAL THERAPY	6,920	12,358	5,437		1,844,466	833,382		199,741				2,902,304
3 SPEECH THERAPY					167,262	20,939		27,919				216,120
4 OCCUPATIONAL THERAPY	4,584	8,187	3,602		1,541,373	606,378		86,909				2,251,032
5 AUDIOLOGICAL THERAPY							-					
6 MEDICAL SUPPLIES	2,922	5,219	2,296		36,011	16,259						62,707
7 PHARMACY	22,699	40,538	17,834		811,920	385,350						1,278,341
8 LAB	78	139	61		34,667	6,470						41,415
9 RADIOLOGY/MEDICAL SERVICES					45,114	17,885						62,999
10 OTHER - INHALATION THERAPY	2,867	5,121	2,253		16,950	5,183	-	-				32,374
10 OTHER ANCILLARY - IV THERAPY	2,423	4,327	1,904		57,716	7,127						73,497
11 UNRESTRICTED GRANTS/DONATIONS												
12 OUTPATIENT CLINIC												
13 OTHER NURSING HOME REVENUE									22,802			22,802
14 ALLOWANCE FOR BAD DEBTS	(2,929)	(4,508)	(2,142)		(11,229)	(4,178)		(786)				(25,772)
15 CONTRACTUAL ADJUSTMENTS				-	(2,615,831)	(1,321,394)	-					(3,937,225)
16 PRIVATE ROOM REVENUE												
17 TOTAL NURSING HOME REVENUE	1,168,684	1,798,630	854,755		4,480,419	1,667,151	-	313,783	22,802			10,306,224
18 TOTAL RESTRICTED GRANTS/DONATIONS												
19 NON NURSING HOME REVENUES												
20 TOTAL REVENUE	1,168,684	1,798,630	854,755		4,480,419	1,667,151	-	313,783	22,802			10,306,224
22 % OF NURSING HOME REVENUE	11.34%	17.45%	8.29%		43.47%	16.18%		3.04%	0.22%			100.00%
23 PATIENT DAYS	4,083	7,292	3,208		10,208	4,375						29,166
24 % OF PATIENT DAYS	14.00%	25.00%	11.00%		35.00%	15.00%						100.00%
25 REVENUE PER PATIENT DAY	286.23	246.66	266.44	#DIV/0!	438.91	381.06	#DIV/0!		0.78			353.36
26 TOTAL NUMBER NURSING HOME BEDS												112
27 TOTAL NUMBER OTHER BEDS												
28 AVERAGE OCCUPANCY NURSING HOME												71.35%
29 AVERAGE OCCUPANCY OTHER												

NHC/Maury Regional Transitional Care Center

PROJECTED REVENUES (TOTAL FACILITY)
FOR NURSING HOME PROJECTS
PAGE 2

PROJECTED OPERATING YEAR 2 ENDING Jun-18

		PVT -PVT (1)	Semi-Private (2)	SP - Comp (3)	ICF Mcaid (3A)	MEDICARE (4)	Managed Care (5)	Hospice (6)	MEDICARE PART B (7)	MISC (8)	RESTRICTED GRANTS & DONATIONS (9)	NON NURSING HOME REVENUE (10)	TOTAL (11)
1	ROUTINE SERVICES	1,563,992	2,392,359	1,140,629		3,518,060	1,507,740	-	-				10,122,780
2	PHYSICAL THERAPY	9,584	17,116	7,530		2,554,626	1,154,253		276,646	\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	4,019,756
3	SPEECH THERAPY					231,577	28,990		38,654	\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	299,221
4	OCCPATIONAL THERAPY	6,350	11,341	4,989		2,135,182	839,983		120,390	\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	3,118,235
5	AUDIOLOGICAL THERAPY									\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	
6	MEDICAL SUPPLIES	4,036	7,207	3,171		49,729	22,453			\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	86,595
7	PHARMACY	31,440	56,147	24,701		1,124,555	533,731			\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	1,770,575
8	LAB	108	194	85		48,216	8,999			\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	57,602
9	RADIOLOGY/MEDICAL SERVICES					62,566	24,803			\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	87,369
10	OTHER - INHALATION THERAPY	3,972	7,093	3,121		23,479	7,179			\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	44,844
10	OTHER ANCILLARY - IV THERAPY	3,365	6,009	2,644		80,145	9,897			\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	102,060
11	UNRESTRICTED GRANTS/DONATIONS	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\ \\\\\\\\\\\\		\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\		\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	
12	OUTPATIENT CLINIC	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\ \\\\\\\\\\\\		\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\		\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	
13	OTHER NURSING HOME REVENUE	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\ \\\\\\\\\\\\		\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	31,583	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	31,583
14	ALLOWANCE FOR BAD DEBTS	(4,057)	(6,244)	(2,967)		(15,157)	(5,674)		(1,089)	\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	(35,188)
15	CONTRACTUAL ADJUSTMENTS					(3,765,255)	(1,868,502)	-					(5,633,757)
16	PRIVATE ROOM REVENUE	\\\\\\\\\\\\	\\\\\\\\\\\\				\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	
17	TOTAL NURSING HOME REVENUE	1,618,791	2,491,222	1,183,903		6,047,723	2,263,852	-	434,601	31,583	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	14,071,675
18	TOTAL RESTRICTED GRANTS/DONATIONS	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\ \\\\\\\\\\\\		\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\		\\\\\\\\\\\\	
19	NON NURSING HOME REVENUES	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\ \\\\\\\\\\\\		\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\	\\\\\\\\\\\\\\\\\\		
20	TOTAL REVENUE	1,618,791	2,491,222	1,183,903		6,047,723	2,263,852	-	434,601	31,583			14,071,675
22	% OF NURSING HOME REVENUE	11.50%	17.70%	8.41%		42.98%	16.09%		3.09%	0.22%	\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	100.00%
23	PATIENT DAYS	5,412	9,665	4,252		13,531	5,799				\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	38,659
24	% OF PATIENT DAYS	14.00%	25.00%	11.00%		35.00%	15.00%				\\\\\\\\\\\\\\\\\\	\\\\\\\\\\\\	100.00%
25	REVENUE PER PATIENT DAY	299.11	257.76	278.43	#DIV/0!	446.95	390.39	#DIV/0!		0.82			363.99
26	TOTAL NUMBER NURSING HOME BEDS												112
27	TOTAL NUMBER OTHER BEDS												
28	AVERAGE OCCUPANCY NURSING HOME												94.57%
29	AVERAGE OCCUPANCY OTHER												

EFFECT ON PATIENT CHARGE RATES (TOTAL FACILITY)

Patient Charge/Reimbursement type:	Present Charge per Patient Day	Projected Charge per Patient Day During Construction	Projected Charge per Patient Day Day Year 1	Projected Charge per Patient Day Day Year 2	
Private/Private pay	237.00		276.54	288.99	
Semi-private/Private pay	203.00		236.87	247.53	
Semi Private - Companion	220.00		256.71	268.26	
			-	-	
Medicare Reimbursement	416.85		440.01	448.07	Hillview's 5/31/13 YTD Mix
ICF Medicaid			-	-	
Managed Care	356.42		382.02	389.66	Hillview's 5/31/13 YTD Rate
Hospice			-	-	

NHC/Maury Regional Transitional Care Center
ESTIMATED PPS PAYMENTS

PROJECTED PPS RATE	PERIOD	2.00%
416.85	10/1/12 - 9/30/13	
408.51	Sequestration	
416.68	10/1/13 - 9/30/14	2% Increase
425.01	10/1/14 - 9/30/15	2% Increase
433.51	10/1/15- 9/30/16	2% Increase
442.18	10/1/16 - 9/30/17	2% Increase
451.02	10/1/17 - 9/30/18	2% Increase

YEAR 1 = 7/16 - 6/17

	# OF MONTHS IN PERIOD	PPS RATE FOR PERIOD	YEAR 1 PROJECTED PPS RATE
10/1/15- 9/30/16	3	433.51	108.38
10/1/16 - 9/30/17	9	442.18	331.64
	12		440.01

YEAR 2 = 7/17 - 6/18

	# OF MONTHS IN PERIOD	PPS RATE FOR PERIOD	YEAR 2 PROJECTED PPS RATE
10/1/16 - 9/30/17	4	442.18	147.39
10/1/17 - 9/30/18	8	451.02	300.68
	12		448.07

NHC/Maury Regional Transitional Care Center

ESTIMATED PPS PAYMENTS - 10/1/12 - 9/30/13

RUGS Category	Therapy Minutes	Rate	% of Medicare Residents in RUGS Category	Estimated Medicare Reimbursement
RUX	720	**639.80**	0.00%	-
RUL	720	**626.77**	1.40%	8.80
RVX	500	**562.14**	0.00%	-
RVL	500	**507.46**	0.00%	-
RHX	325	**503.44**	0.00%	-
RHL	325	**451.36**	0.00%	-
RMX	150	**457.51**	0.00%	-
RML	150	**421.05**	0.00%	-
RLX	45	**398.21**	0.00%	-
RUC	720	**495.28**	21.83%	108.13
RUB	720	**495.28**	25.01%	123.86
RUA	720	**421.07**	4.95%	20.84
RVC	500	**418.93**	9.60%	40.20
RVB	500	**366.85**	9.76%	35.81
RVA	500	**365.56**	1.47%	5.38
RHC	325	**360.23**	1.30%	4.70
RHB	325	**326.38**	0.00%	-
RHA	325	**289.92**	0.00%	-
RMC	150	**313.00**	1.04%	3.24
RMB	150	**294.77**	1.30%	3.84
RMA	150	**245.30**	0.13%	0.33
RLB	45	**299.27**	0.00%	-
RLA	45	**196.41**	0.00%	-
ES3		**551.36**	0.00%	-
ES2		**432.89**	0.00%	-
ES1		**387.32**	2.31%	8.94
HE2		**374.30**	0.00%	-
HE1		**311.81**	0.00%	-
HD2		**350.87**	0.47%	1.64
HD1		**293.58**	0.00%	-
HC2		**331.34**	0.77%	2.55
HC1		**277.96**	0.30%	0.84
HB2		**327.43**	0.00%	-
HB1		**275.36**	1.67%	4.60
LE2		**340.45**	1.64%	5.58
LE1		**285.77**	0.00%	-
ID2		**327.43**	1.50%	4.93
ID1		**275.36**	1.84%	5.06
IC2		**288.38**	0.00%	-
IC1		**244.11**	0.00%	-
IB2		**274.06**	0.00%	-
IB1		**233.69**	0.03%	0.08
CE2		**304.00**	1.40%	4.27
CE1		**280.56**	0.23%	0.66
CD2		**288.38**	0.00%	-
CD1		**264.94**	1.67%	4.43
CC2		**253.22**	0.07%	0.17
CC1		**235.00**	1.20%	2.83
CB2		**235.00**	0.03%	0.08
CB1		**218.07**	0.00%	-
CA2		**199.85**	0.00%	-
CA1		**186.82**	0.00%	-
BB2		**211.56**	0.37%	0.78
BB1		**202.45**	1.14%	2.30
BA2		**176.41**	0.00%	-
BA1		**168.60**	2.11%	3.55
PE2		**280.56**	0.00%	-
PE1		**267.54**	1.10%	2.95
PD2		**264.94**	0.00%	-
PD1		**251.92**	0.90%	2.27
PC2		**228.49**	1.00%	2.29
PC1		**218.07**	0.40%	0.87
PB2		**194.64**	0.00%	-
PB1		**186.82**	0.00%	-
PA2		**162.09**	0.00%	-
PA1		**155.58**	0.03%	0.05
DEFAULT RATE		**155.58**	0.00%	-
Projected Medicare Reimbursement			100.00%	416.85

NHC/Maury Regional Transitional Care Center
Expense Projection
Year 1

			Amount In $'s	Amount Per Day
INHALATION THERAPY			$ 77,474.74	$ 2.66
INHALATION THERAPY			$ 7,680.75	$ 0.26
TOTAL INHALATION THERAPY			85,155.49	2.92
MEDICAL SUPPLIES			$ 118,880.86	4.08
MEDICAL SUPPLIES			7,827.75	0.27
MEDICAL SUPPLIES			126,708.61	4.34
PHARMACY			$ 802,890.58	27.53
PHARMACY			72,963.90	2.50
TOTAL PHARMACY			875,854.48	30.03
IV THERAPY			$ 137,966.49	4.73
IV THERAPY			7,788.60	0.27
TOTAL IV THERAPY			145,755.09	5.00
LABORATORY			$ 37,686.04	1.29
RADIOLOGY/Medical Services			$ 65,182.29	2.23
		111.76%		
PHYSICAL THERAPY	FTE	Rate		
Purchased Service - RPT	3.00	68.69	428,625.60	14.70
Purchased Service - LPTA	3.00	56.70	353,808.00	12.13
Purchased Service - Aides			-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			2,587.88	0.09
TOTAL PHYSICAL THERAPY			785,021.48	26.92
OCCUPATIONAL THERAPY				
Purchased Service - OTR	2.50	68.69	357,188.00	12.25
Purchased Service - COTA	3.00	56.70	353,808.00	12.13
Purchased Service - Aides			-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			646.97	0.02
TOTAL OCCUPATIONAL THERAPY			711,642.97	24.40
SPEECH THERAPY				
Purch Serv - SLP-CCC	1.00	68.69	142,875.20	4.90
Purch Serv - STA			-	-
Purchased Service - Aides			-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			323.49	0.01
TOTAL SPEECH THERAPY			143,198.69	4.91
TOTAL ANCILLARY EXPENSES			2,976,205.14	102.04
NURSING SERVICE				
ICF RN			$ -	
ICF LPN			-	-
ICF AIDES			-	-
SNF RN			847,610.88	29.06
SNF LPN			350,760.60	12.03
SNF AIDES			864,481.68	29.64
REHAB AIDES			22,946.40	0.79
PAYROLL TAXES			181,995.91	6.24
OTHER FRINGE			74,528.49	2.56
NURSING ADMIN SUPPLIES			28,790.19	0.99
PROFESSIONAL LIABILITY INSURANCE			443,520.00	15.21
EDUCATION			23,937.91	0.82
SMALL EQUIPMENT/REPAIRS			30,084.14	1.03
OTHER			103,515.31	3.55
TOTAL NURSING SERVICE			2,972,171.51	101.91

NHC/Maury Regional Transitional Care Center
Expense Projection
Year 1

			Amount In $'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			110,308.50	3.78
NON LEGEND DRUGS			27,496.25	0.94
		111.76%		
SOCIAL SERVICE	FTE	Rate		
SALARIES - Director	1.00	26.13	54,350.40	1.86
SALARIES - Assistant	1.00	26.13	54,350.40	1.86
PAYROLL TAXES			8,631.33	0.30
OTHER FRINGE			809.19	0.03
MANAGEMENT FEE				-
OTHER			46,258.40	1.59
TOTAL SOCIAL SERVICE			164,399.72	5.64
ACTIVITIES	FTE	RATE		
SALARIES - Director	1.00	15.14	$31,498.74	$1.08
SALARIES - Assistant	0.75	12.08	18,846.94	0.65
PAYROLL TAXES			4,416.29	0.15
OTHER FRINGE			1,766.51	0.06
MANAGEMENT FEE				-
OTHER			22,320.49	0.77
TOTAL ACTIVITIES			78,848.96	2.70
DIETARY	FTE	Rate		
SALARIES - Reg Dietitian	1.00	23.47	48,817.23	$1.67
SALARIES - Supervisor	1.00	27.29	56,767.46	1.95
SALARIES - Cooks	3.50	12.11	82,684.18	2.83
SALARIES - Aides	3.50	9.96	67,962.74	2.33
ETO & SICK DAYS - 8%			20,498.53	0.70
PAYROLL TAXES			24,438.27	0.84
OTHER FRINGE			8,886.65	0.30
FOOD			245,848.85	8.43
MANAGEMENT FEE				-
SUPPLIES			22,320.49	0.77
OTHER			63,079.64	2.16
TOTAL DIETARY			641,304.03	21.99
PLANT OPERATIONS				
SALARIES - Supervisor	1.00	19.02	$39,565.20	$1.36
SALARIES - Assistant	1.00	12.55	26,105.59	0.90
PAYROLL TAXES			5,051.60	0.17
OTHER FRINGE			2,755.42	0.09
UTILITIES			408,093.00	13.99
REPAIRS & MAINTENANCE			31,701.56	1.09
GROUND MAINTENANCE			20,000.00	0.69
MANAGEMENT FEE				-
OTHER			6,146.22	0.21
TOTAL PLANT OPERATIONS			539,418.60	18.49
HOUSEKEEPING				
SALARIES - Supervisor	0.50	15.74	16,365.39	$0.56
SALARIES - Staff	7.50	12.22	178,651.44	6.13
ETO & SICK - 8%			15,601.35	0.53
PAYROLL TAXES			16,368.32	0.56
OTHER FRINGE			6,079.66	0.21
SUPPLIES			32,348.53	1.11
MANAGEMENT FEE				-
OTHER			14,880.33	0.51
TOTAL HOUSEKEEPING			280,295.02	9.61

NHC/Maury Regional Transitional Care Center
Expense Projection
Year 1

			Amount In $'s	Amount Per Day
LAUNDRY AND LINEN				
SALARIES - Supervisor	0.50	15.74	16,365.39	0.56
SALARIES - Staff	2.80	11.65	63,584.44	2.18
ETO & SICK - 8%			6,395.99	0.22
PAYROLL TAXES			7,548.91	0.26
OTHER FRINGE			2,745.06	0.09
SUPPLIES & LINEN			21,997.00	0.75
MANAGEMENT FEE				-
OTHER			7,440.16	0.26
TOTAL LAUNDRY & LINEN			126,076.96	4.32
MEDICAL SERVICES			60,000.00	2.06
MEDICAL RECORDS				
SALARIES - Director	1.00	21.93	45,609.24	1.56
SALARIES - Staff	0.75	12.36	19,282.81	0.66
PAYROLL TAXES			5,604.31	0.19
OTHER FRINGE			294.96	0.01
SUPPLIES			4,528.79	0.16
MANAGEMENT FEE				-
OTHER			26,202.31	0.90
TOTAL MEDICAL RECORDS			101,522.43	3.48
ADMINISTRATIVE AND GENERAL				
SALARIES - Administrator	1.00	36.06	150,000.00	5.14
SALARIES - Bookkeeper	1.00	25.82	53,698.95	1.84
SALARIES - Bookkeeper	1.00	18.69	38,867.81	1.33
SALARIES - Secretary			-	-
SALARIES - Receptionist	2.10	14.19	61,997.88	2.13
PAYROLL TAXES			34,308.03	1.18
OTHER FRINGE			2,589.28	0.09
HEALTH INSURANCE			305,046.66	10.46
MANAGEMENT FEES			515,311.00	17.67
FEES MEMBERSHIP & DUES			323.49	0.01
TELEPHONE			15,000.00	0.51
EDUCATION			12,000.00	0.41
SUPPLIES			11,321.99	0.39
REPAIRS & MAINT - SMALL EQUIPMENT			9,057.59	0.31
STATE TAX FEE			249,200.00	8.54
OTHER			99,310.00	3.40
TOTAL ADMINISTRATIVE EXPENSES			1,558,032.68	53.42
TOTAL OPERATING EXPENSES			9,636,079.80	330.39
NET OPERATING INCOME			670,143.72	22.98
FIXED EXPENSES				
LEASE PAYMENT			1,180,723.04	$40.48
INTEREST - WORKING CAPITAL			-	-
DEPRECIATION			129,420.00	4.44
PROPERTY INSURANCE			16,943.00	0.58
PROPERTY TAXES			155,306.00	5.32
TOTAL FIXED EXPENSES			1,482,392.04	50.83
TOTAL NURSING HOME COSTS			$11,118,471.84	$381.22

DAILY NURSING SERVICE STAFFING PATTERN

CENTER NHC/Maury Regional Transitional Center

PERIOD: Jun-17

INTERMEDIATE CARE	-
BUDG. OCCUPIED BEDS	
NSG. STATION	

SHIFT	CATEGORY	NUMBER	HOURS	DAYS PER WEEK	AVERAGE HOURS PER DAY	AVERAGE HRS. BY CATEGORY	ETO & SICK %	ETO/SICK HOURS	TOTAL HOURS	AV. PAY RATE	DAILY TOTAL	AV. DAYS IN MONTH	MO. PAY CATEGORY
FIRST	DON			5	-		0.00%	-	-			30	$ -
	RN			7	-		8.00%	-	-			30	
	LPN			7	-		6.00%	-	-			30	
	CNA			7	-		5.00%	-	-			30	
SECOND	RN			7	-								
	LPN			7	-								
	CNA			7	-								
THIRD	RN			7	-								
	LPN			7	-								
	CNA			7	-								
			-	5	-	-	5.00%	-	-			30	
			-	5	-	-	5.00%	-	-			30	
			-	5	-	-	0.00%	-	-			30	
			-	5	-	-	8.00%	-	-			30	
	TOTAL HRS. ICF:				-								
	HRS. PPD. ICF:				#DIV/0!			-					$ -

SKILLED CARE	112.00	40,880	
BUDG. OCCUPIED BEDS	79.91	29,166	71.35%
NSG. STATION			

SHIFT	CATEGORY	NUMBER	HOURS	DAYS PER WEEK	AVERAGE HOURS PER DAY	AVERAGE HRS. BY CATEGORY	ETO & SICK %	ETO/SICK HOURS	TOTAL HOURS	AV. PAY RATE	DAILY TOTAL	AV. DAYS IN MONTH	MO. PAY CATEGORY
FIRST	DON	1.00	8.00	5	5.71	5.71	0.00%	-	5.71	$69.49	396.81	30	$11,904.30
	RN	2.00	16.00	7	16.00	48.00	8.00%	3.84	51.84	$29.66	1,537.65	30	46,129.50
	LPN	3.00	24.00	7	24.00	48.00	6.00%	2.88	50.88	$18.81	957.02	30	28,710.60
	CNA	10.00	75.00	7	75.00	187.50	5.00%	9.38	196.88	$11.32	2,228.96	30	66,868.80
SECOND	RN	2.00	16.00	7	16.00								
	LPN	2.00	16.00	7	16.00								
	CNA	8.00	60.00	7	60.00								
THIRD	RN	2.00	16.00	7	16.00								
	LPN	1.00	8.00	7	8.00								
	CNA	7.00	52.50	7	52.50								
	NURSING SUPPLY CLERK	1.00	7.50	5	5.36	5.36	5.00%	0.27	5.63	$11.32	63.74	30	1,912.20
	NURSING SECRETARY	1.00	7.50	5	5.36	5.36	5.00%	0.27	5.63	$11.32	63.74	30	1,912.20
			-	7	-	-	8.00%	-	-			30	
	MDS Coordinator	1.00	8.00	5	5.71	5.71	8.00%	0.46	6.17	$29.66	183.01	30	5,490.30
	ADON	1.00	8.00	5	5.71	5.71	8.00%	0.46	6.17	$33.99	209.70	30	6,291.00
	TOTAL HRS. SNF:				311.35			17.56					
	HRS. PPD. SNF:				3.90								$169,218.90

	REHAB AIDES	1.00	7.50	5	5.36	5.36	5.00%	0.27	5.63	$11.32	63.74	30	$ 1,912.20

CATEGORY	(FTE's) NUMBER OF EMPLOYEES	% OF TURNOVER	NEW EMPLOYEES	ORIENTATION ANNUAL OREINTATION HOURS	DAILY OREINTATION HOURS	AVG PAY RATE	DAILY TOTAL			MO PAY TOTAL
RN	8.40	100.00%	8.40	336.00	0.92	$29.66	27.30	x	30.00	819.14
LPN	8.40	100.00%	8.40	336.00	0.92	$18.81	17.31	x	30.00	519.45
CNA	37.80	100.00%	37.80	1,417.50	3.88	$11.32	43.97	x	30.00	1,319.02
REHAB AIDES	1.00	100.00%	1.00	30.00	0.08	$11.32	0.93	x	30.00	27.92
	55.60		55.60	2119.50	5.81					2,685.53

(A) TOTAL HRS.(ICF, SNF, REHAB)	316.71
(B) TOTAL ORIENTATION HOURS	5.81
(C) TOTAL"DIRECT" HOURS	322.52
(D) TOTAL "DIRECT" HOURS PPD	4.04
(E) TOTAL ETO / SICK HOURS	17.83
(F) TOTAL HRS. (C+E)	340.35
(G) TOTAL PATIENT DAYS	79.91
(H) TOTAL HRS. PPD.:	4.26
TOTAL NURSING SALARIES	$173,816.63

NHC/Maury Regional Transitional Care Center

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 1 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
RUX	720		10,208	-	103	-
RUL	720	1.40%	10,208	143	103	14,729
RVX	500		10,208	-	71	-
RVL	500		10,208	-	71	-
RHX	325		10,208	-	46	-
RHL	325		10,208	-	46	-
RMX	150		10,208	-	21	-
RML	150		10,208	-	21	-
RLX	45		10,208	-	6	-
RUC	720	21.83%	10,208	2,229	103	229,587
RUB	720	25.01%	10,208	2,553	103	262,959
RUA	720	4.95%	10,208	505	103	52,015
RVC	500	9.60%	10,208	980	71	69,580
RVB	500	9.76%	10,208	997	71	70,787
RVA	500	1.47%	10,208	150	71	10,650
RHC	325	1.30%	10,208	133	46	6,118
RHB	325		10,208	-	46	-
RHA	325		10,208	-	46	-
RMC	150	1.04%	10,208	106	21	2,226
RMB	150	1.30%	10,208	133	21	2,793
RMA	150	0.13%	10,208	14	21	294
RLB	45		10,208	-	6	-
RLA	45		10,208	-	6	-
ESTIMATED PART A RESIDENTS RECEIVING THERAPY				7,943		

ESTIMATED THERAPY MINUTES REQUIRED FOR PART A RESIDENTS		**721,738**
ESTIMATED THERAPY STAFF REQUIRED FOR PART A RESIDENTS		**5.78**
TOTAL MEDICARE RESIDENTS	27.97	
TOTAL MANAGED CARE RESIDENTS	11.99	
ADDITIONAL THERAPY STAFF FOR MANAGED CARE RESIDENTS		**2.48**
ESTIMATED PART B AND PRIVATE THERAPY REVENUE	$ 345,832	
ESTIMATED "FEE SCREEN AMOUNT" PER 15 MINUTE PART B TREATMENT	18.75	
ESTIMATED PART B TREATMENTS (15 MINUTES PER TREATMENT)	18,444	
ESTIMATED MINUTES REQUIRED FOR PART B TREATMENTS	276,660	
ESTIMATED THERAPY STAFF REQUIRED FOR PART B TREATMENTS		**2.22**
ESTIMATED TOTAL THERAPY STAFF REQUIRED FOR PART A, PART B AND MANAGED CARE		10.48
NON PRODUCTIVE FACTOR (20%)		2.10
TOTAL THERAPY STAFF REQUIRED		**12.58**

PROPOSED THERAPY STAFF

POSITION	HOURS PPD	PATIENT DAYS	BUDGETD HOURS	BUDGETED STAFF
OTR	0.1783	80	5,200	2.50
COTA	0.2139	80	6,240	3.00
OT AIDES	-	80	-	-
Purch Service		80		
RPT	0.2139	80	6,240	3.00
LPTA	0.2139	80	6,240	3.00
PT AIDES	-	80	-	
Purch Service		80		
SLP - CCC	0.0713	80	2,080	1.00
STA	-	80	-	-
ST AIDE	-	80	-	-
Purch Service		80		
TOTAL THERAPY STAFF PER BUDGET				**12.50**

NHC/Maury Regional Transitional Care Center
Expense Projection
Year 2

			Amount In $'s	Amount Per Day
INHALATION THERAPY			$ 105,774.82	$ 2.74
INHALATION THERAPY			10,639.50	0.28
TOTAL INHALATION THERAPY			$ 116,414.32	$ 3.01
MEDICAL SUPPLIES			$ 162,305.84	4.20
MEDICAL SUPPLIES			10,809.75	0.28
TOTAL MEDICAL SUPPLIES			$ 173,115.59	4.48
PHARMACY			$ 1,096,171.66	28.35
PHARMACY			101,060.10	2.61
TOTAL PHARMACY			1,197,231.76	30.97
IV THERAPY - Medicare/Managed Care			$ 188,363.10	4.87
IV THERAPY - Private/Medicaid			10,816.20	0.28
TOTAL IV THERAPY			199,179.30	5.15
LABORATORY			51,452.05	1.33
RADIOLOGY			88,992.18	2.30
PHYSICAL THERAPY	FTE	Rate		
Purchased Service - RPT	4.00	70.41	585,811.20	15.15
Purchased Service - LPTA	4.00	58.12	483,558.40	12.51
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			3,533.10	0.09
TOTAL PHYSICAL THERAPY			1,072,902.70	27.75
OCCUPATIONAL THERAPY				
Purchased Service - OTR	4.00	70.41	585,811.20	15.15
Purchased Service - COTA	4.00	58.12	483,558.40	12.51
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			883.27	0.02
TOTAL OCCUPATIONAL THERAPY			1,070,252.87	27.68
SPEECH THERAPY				
Purch Serv - SLP-CCC	1.00	70.41	146,452.80	3.79
Purch Serv - STA	-	-	-	-
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			441.64	0.01
TOTAL SPEECH THERAPY			146,894.44	3.80
TOTAL ANCILLARY EXPENSES			4,116,435.20	106.48
NURSING SERVICE				
ICF RN				
ICF LPN			-	-
ICF AIDES			-	-
SNF RN			1,048,359.36	27.12
SNF LPN			484,288.68	12.53
SNF AIDES			1,154,223.00	29.86
REHAB AIDES			32,918.40	0.85
PAYROLL TAXES			237,314.54	6.14
OTHER FRINGE			97,181.82	2.51
NURSING ADMIN SUPPLIES			39,305.70	1.02
PROFESSIONAL LIABILITY INSURANCE			456,825.60	11.82
EDUCATION			32,681.15	0.85
SMALL EQUIPMENT/REPAIRS			41,072.25	1.06
OTHER			141,323.87	3.66
TOTAL NURSING SERVICE			3,765,494.37	97.40

NHC/Maury Regional Transitional Care Center
Expense Projection
Year 2

			Amount In $'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			150,598.25	3.90
NON LEGEND DRUGS			37,539.15	0.97
		114.56%		
SOCIAL SERVICE	FTE	Rate		
SALARIES - Director	1.00	26.78	$55,709.16	$1.44
SALARIES - Assistant	2.00	26.78	111,418.32	2.88
PAYROLL TAXES			13,270.67	0.34
OTHER FRINGE			1,244.13	0.03
MANAGEMENT FEE				-
OTHER			63,154.11	1.63
TOTAL SOCIAL SERVICE			244,796.38	6.33
ACTIVITIES	FTE	RATE		
SALARIES - Director	1.00	15.52	$32,286.20	$0.84
SALARIES - Assistant	1.00	12.38	25,757.48	0.67
PAYROLL TAXES			5,091.55	0.13
OTHER FRINGE			2,036.62	0.05
MANAGEMENT FEE				-
OTHER			30,472.96	0.79
TOTAL ACTIVITIES			95,644.82	2.47
DIETARY	FTE	Rate		
SALARIES - Reg Dietitian	1.00	24.06	50,037.66	$1.29
SALARIES - Supervisor	1.00	27.97	58,186.65	1.51
SALARIES - Cooks	4.90	12.42	118,651.80	3.07
SALARIES - Aides	4.90	10.21	97,526.53	2.52
ETO & SICK DAYS - 8%			25,952.21	0.67
PAYROLL TAXES			30,940.14	0.80
OTHER FRINGE			11,250.96	0.29
FOOD			335,644.20	8.68
MANAGEMENT FEE				-
SUPPLIES			30,472.96	0.79
OTHER			86,119.24	2.23
TOTAL DIETARY			844,782.34	21.85
PLANT OPERATIONS				
SALARIES - Supervisor	1.00	19.50	$40,554.33	$1.05
SALARIES - Assistant	1.00	12.86	26,758.23	0.69
PAYROLL TAXES			5,177.89	0.13
OTHER FRINGE			2,824.30	0.07
UTILITIES			420,335.79	10.87
REPAIRS & MAINTENANCE			23,848.40	0.62
GROUND MAINTENANCE			20,600.00	0.53
MANAGEMENT FEE				-
OTHER			8,391.11	0.22
TOTAL PLANT OPERATIONS			548,490.06	14.19
HOUSEKEEPING				
SALARIES - Supervisor	0.50	16.13	16,774.53	$0.43
SALARIES - Staff	9.00	12.52	219,741.28	5.68
ETO & SICK - 8%			18,921.26	0.49
PAYROLL TAXES			19,851.45	0.51
OTHER FRINGE			7,373.39	0.19
SUPPLIES			44,163.71	1.14
MANAGEMENT FEE				-
OTHER			20,315.31	0.53
TOTAL HOUSEKEEPING			347,140.93	8.98

NHC/Maury Regional Transitional Care Center
Expense Projection
Year 2

			Amount In $'s	Amount Per Day
LAUNDRY AND LINEN				
SALARIES - Supervisor	0.50	16.13	15,726.12	0.41
SALARIES - Staff	3.50	11.94	81,467.56	2.11
ETO & SICK - 8%			7,775.49	0.20
PAYROLL TAXES			9,177.09	0.24
OTHER FRINGE			3,337.12	0.09
SUPPLIES & LINEN			30,031.32	0.78
MANAGEMENT FEE				-
OTHER			10,157.65	0.26
TOTAL LAUNDRY & LINEN			157,672.37	4.08
MEDICAL SERVICES			61,800.00	1.60
MEDICAL RECORDS				
SALARIES - Director	1.00	22.48	46,749.47	$1.21
SALARIES - Staff	1.00	12.67	26,353.17	0.68
PAYROLL TAXES			6,313.41	0.16
OTHER FRINGE			332.28	0.01
SUPPLIES			6,182.92	0.16
MANAGEMENT FEE				-
OTHER			35,772.61	0.93
TOTAL MEDICAL RECORDS			121,703.86	3.15
ADMINISTRATIVE AND GENERAL				
SALARIES - Administrator	1.00		165,000.00	$4.27
SALARIES - Bookkeeper	1.00	26.46	55,041.43	1.42
SALARIES - Bookkeeper	1.00	19.15	39,839.51	1.03
SALARIES - Secretary			-	-
SALARIES - Receptionist	2.10	14.55	63,547.83	1.64
PAYROLL TAXES			36,433.00	0.94
OTHER FRINGE			2,749.66	0.07
HEALTH INSURANCE			416,463.79	10.77
MANAGEMENT FEES			703,584.00	18.20
FEES MEMBERSHIP & DUES			441.64	0.01
TELEPHONE			15,450.00	0.40
EDUCATION			12,360.00	0.32
TRAVEL			15,457.30	0.40
REPAIRS & MAINT - SMALL EQUIPMENT			12,365.84	0.32
STATE TAX FEE			249,200.00	6.45
OTHER			135,582.59	3.51
TOTAL ADMINISTRATIVE EXPENSES			1,923,516.58	49.76
TOTAL OPERATING EXPENSES			12,415,614.31	321.16
NET OPERATING INCOME			1,656,060.69	42.84
FIXED EXPENSES				
LEASE PAYMENT			1,204,337.50	$31.15
INTEREST - WORKING CAPITAL			-	-
DEPRECIATION			129,420.00	3.35
PROPERTY INSURANCE			17,451.29	0.45
PROPERTY TAXES			159,965.18	4.14
TOTAL FIXED EXPENSES			1,511,173.97	39.09
TOTAL NURSING HOME COSTS			$13,926,788.28	$360.25

DAILY NURSING SERVICE STAFFING PATTERN

CENTER NHC/Maury Regional Transitional Center — PERIOD: Jun-18

INTERMEDIATE CARE
BUDG. OCCUPIED BEDS
NSG. STATION

SHIFT	CATEGORY	NUMBER	HOURS	DAYS PER WEEK	AVERAGE HOURS PER DAY	AVERAGE HRS. BY CATEGORY	ETO & SICK %	ETO/SICK HOURS	TOTAL HOURS	AV. PAY RATE	DAILY TOTAL	AV. DAYS IN MONTH	MO. PAY CATEGORY
FIRST	DON			5	-		0.00%	-	-			30	$ -
	RN			7	-		8.00%	-	-			30	
	LPN			7	-		6.00%	-	-			30	
	CNA			7	-		5.00%	-	-			30	
SECOND	RN			7	-								
	LPN			7	-								
	CNA			7	-								
THIRD	RN			7	-								
	LPN			7	-								
	CNA			7	-								
			-	5	-	-	5.00%	-	-			30	
			-	5	-	-	5.00%	-	-			30	
			-	5	-	-	0.00%	-	-			30	
			-	5	-	-	8.00%	-	-			30	
	TOTAL HRS. ICF:				-								
	HRS. PPD. ICF:				#DIV/0!			-					$ -

SKILLED CARE — 112.00 — 40,880
BUDG. OCCUPIED BEDS — 105.92 — 38,659 — 94.57%
NSG. STATION

SHIFT	CATEGORY	NUMBER	HOURS	DAYS PER WEEK	AVERAGE HOURS PER DAY	AVERAGE HRS. BY CATEGORY	ETO & SICK %	ETO/SICK HOURS	TOTAL HOURS	AV. PAY RATE	DAILY TOTAL	AV. DAYS IN MONTH	MO. PAY CATEGORY
FIRST	DON	1.00	8.00	5	5.71	5.71	0.00%	-	5.71	$71.23	406.73	30	$ 12,201.90
	RN	3.00	24.00	7	24.00	56.00	8.00%	4.48	60.48	$30.40	1,838.77	30	55,163.10
	LPN	3.00	24.00	7	24.00	64.00	6.00%	3.84	67.84	$19.28	1,307.93	30	39,237.90
	CNA	13.00	97.50	7	97.50	247.50	5.00%	12.38	259.88	$11.60	3,015.76	30	90,472.80
SECOND	RN	2.00	16.00	7	16.00								
	LPN	3.00	24.00	7	24.00								
	CNA	11.00	82.50	7	82.50								
THIRD	RN	2.00	16.00	7	16.00								
	LPN	2.00	16.00	7	16.00								
	CNA	9.00	67.50	7	67.50								
	NURSING SUPPLY CLERK	1.00	7.50	5	5.36	5.36	5.00%	0.27	5.63	$11.60	65.33	30	1,959.90
	NURSING SECRETARY	1.00	7.50	5	5.36	5.36	5.00%	0.27	5.63	$11.60	65.33	30	1,959.90
	MDS Coord	2.00	16.00	5	11.43	11.43	8.00%	0.91	12.34	$30.40	375.17	30	11,255.10
			-	7	-	-	8.00%	-	-			30	
	ADON	1.00	8.00	5	5.71	5.71	8.00%	0.46	6.17	$34.84	214.94	30	6,448.20
	TOTAL HRS. SNF:				401.07			22.61					
	HRS. PPD. SNF:				3.79								$218,698.80

REHAB AIDES	1.00	7.50	7	7.50	7.50	5.00%	0.38	7.88	$11.60	91.44	30	$ 2,743.20

ORIENTATION

CATEGORY	(FTE's) NUMBER OF EMPLOYEES	% OF TURNOVER	NEW EMPLOYEES	ANNUAL OREINTATION HOURS	DAILY OREINTATION HOURS	AVG PAY RATE	DAILY TOTAL			MO PAY TOTAL
RN	9.80	100.00%	9.80	392.00	1.07	$71.23	76.50	x	30.00	2,294.98
LPN	11.20	100.00%	11.20	448.00	1.23	$30.40	37.32	x	30.00	1,119.49
CNA	49.00	100.00%	49.00	1,837.50	5.03	$11.60	58.42	x	30.00	1,752.59
REHAB AIDES	1.40	100.00%	1.40	42.00	0.12	$11.60	1.34	x	30.00	40.06
	71.40		71.40	2719.50	7.45					5,207.12

(A) TOTAL HRS.(ICF, SNF, REHAB)	408.57
(B) TOTAL ORIENTATION HOURS	7.45
(C) TOTAL "DIRECT" HOURS	416.02
(D) TOTAL "DIRECT" HOURS PPD	3.93
(E) TOTAL ETO / SICK HOURS	22.99
(F) TOTAL HRS. (C+E)	439.01
(G) TOTAL PATIENT DAYS	105.92
(H) TOTAL HRS. PPD.:	4.14
TOTAL NURSING SALARIES	$226,649.12

NHC/Maury Regional Transitional Care Center

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 2 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
RUX	720		13,531	-	103	-
RUL	720	1.40%	13,531	190	103	19,570
RVX	500		13,531	-	71	-
RVL	500		13,531	-	71	-
RHX	325		13,531	-	46	-
RHL	325		13,531	-	46	-
RMX	150		13,531	-	21	-
RML	150		13,531	-	21	-
RLX	45		13,531	-	6	-
RUC	720	21.83%	13,531	2,954	103	304,262
RUB	720	25.01%	13,531	3,384	103	348,552
RUA	720	4.95%	13,531	670	103	69,010
RVC	500	9.60%	13,531	1,298	71	92,158
RVB	500	9.76%	13,531	1,321	71	93,791
RVA	500	1.47%	13,531	199	71	14,129
RHC	325	1.30%	13,531	176	46	8,096
RHB	325		13,531	-	46	-
RHA	325		13,531	-	46	-
RMC	150	1.04%	13,531	140	21	2,940
RMB	150	1.30%	13,531	176	21	3,696
RMA	150	0.13%	13,531	18	21	378
RLB	45		13,531	-	6	-
RLA	45		13,531	-	6	-
ESTIMATED PART A RESIDENTS RECEIVING THERAPY				10,526		

ESTIMATED THERAPY MINUTES REQUIRED FOR PART A RESIDENTS			**956,582**
ESTIMATED THERAPY STAFF REQUIRED FOR PART A RESIDENTS			**7.66**
TOTAL MEDICARE RESIDENTS	37.07		
TOTAL MANAGED CARE RESIDENTS	15.89		
ADDITIONAL THERAPY STAFF FOR MANAGED CARE RESIDENTS			**3.28**
ESTIMATED PART B AND PRIVATE THERAPY REVENUE		$ 478,993	
ESTIMATED "FEE SCREEN AMOUNT" PER 15 MINUTE PART B TREATMENT		18.75	
ESTIMATED PART B TREATMENTS (15 MINUTES PER TREATMENT)		25,546	
ESTIMATED MINUTES REQUIRED FOR PART B TREATMENTS		383,190	
ESTIMATED THERAPY STAFF REQUIRED FOR PART B TREATMENTS			**3.07**
ESTIMATED TOTAL THERAPY STAFF REQUIRED FOR PART A, PART B AND MANAGED CARE			14.01
NON PRODUCTIVE FACTOR (20%)			2.80
TOTAL THERAPY STAFF REQUIRED			**16.81**

PROPOSED THERAPY STAFF

POSITION	HOURS PPD	PATIENT DAYS	BUDGETD HOURS	BUDGETED STAFF
OTR	0.2152	106	8,320	4.00
COTA	0.2152	106	8,320	4.00
OT AIDES	-	106	-	-
Purch Service		106		
RPT	0.2152	106	8,320	4.00
LPTA	0.2152	106	8,320	4.00
PT AIDES	-	106	-	
Purch Service		106		
SLP - CCC	0.0538	106	2,080	1.00
STA	-	106	-	
ST AIDE	-	106	-	-
Purch Service		106		
TOTAL THERAPY STAFF PER BUDGET				**17.00**

NHC/Maury Regional Transitional Center

Staffing - Full Time Equivalents
Year 2

	112 Beds
Administrator	1.00
Medical Director	*
Secretary	
Receptionist	2.10
Bookkeeper	2.00
RN's	9.80
LPN's	11.20
Aides	46.20
DON	1.00
Nursing Supply Clerk	1.00
Nursing Secretary	1.00
MDS Coordinator	2.00
ADON	1.00
Rehab Aides	1.00
Assisted Living	
Medical Records - Head	1.00
Medical Records - Staff	1.00
Speech Therapy	*
Occupational Therapy	*
Physical Therapy	*
Dietary	10.80
Laundry	4.00
Housekeeping	9.50
Maintenance - Dept Head	1.00
Maintenance - Staff	1.00
Other (spec.)	
Activities - Dept Head	1.00
Activities Staff	1.00
Social Services - Dept Head	1.00
Social Services - Staff	2.00
Total	112.60

* Consultants

NHC/Maury Regional Transitional Care Center
Applicant's Projected Payor Mix by Level of Care

YEAR 1

Payor/Care Level	Patient Admissions	Days of Care	Average Daily Census	Gross Revenue	Cont Adj/ Bad Debt	Net Revenue	% of Total Revenue	PPD	
Medicare/Skilled Care	329	10,208	27.97	7,107,479	(2,627,060)	4,480,419	43.47%	438.91	
Managed Care/Tenn Care Skilled Care	141	4,375	11.99	2,992,723	(1,325,572)	1,667,151	16.18%	381.06	
Private Pay - Skilled		-	-	-	-	-	0.00%		
Managed Care/Tenn Care ICF		-	-	-	-	-	0.00%		
Hospice		-	-	-	-	-	0.00%		
Private Pay - ICF	69	14,583	39.95	3,831,648	(9,579)	3,822,069	37.09%	262.09	
Medicare Part B				314,569	(786)	313,783	3.04%	10.76	(1)
Other Revenue				22,802	-	22,802	0.22%	0.78	(1)
							100.00%		
Total - Skilled	470	14,583	39.96	10,100,202	(3,952,632)	6,147,570	59.65%	421.56	
Total - ICF	69	14,583	39.95	3,831,648	(9,579)	3,822,069	37.09%	262.09	
Total Other Revenue				337,371	(786)	336,585	3.27%	11.54	
Grand Total	539	29,166	79.91	14,269,221	(3,962,997)	10,306,224	100.00%	353.36	

YEAR 2

Payor/Care Level	Patient Admissions	Days of Care	Average Daily Census	Gross Revenue	Cont Adj/ Bad Debt	Net Revenue	% of Total Revenue	PPD	% Inflation
Medicare/Skilled Care	437	13,531	37.07	9,828,135	(3,780,412)	6,047,723	43.01%	446.95	1.83%
Managed Care/Tenn Care Skilled Care	187	5,799	15.89	4,128,131	(1,874,176)	2,253,955	16.03%	388.68	2.00%
Private Pay - Skilled		-	-	-	-	-	0.00%		
Managed Care/Tenn Care ICF		-	-	-	-	-	0.00%		
Hospice		-	-	-	-	-	0.00%		
Private Pay - ICF	92	19,329	52.96	5,307,184	(13,268)	5,293,916	37.65%	273.88	4.50%
Medicare Part B				435,690	(1,089)	434,601	3.09%	11.24	0.00%
Other Revenue				31,583	-	31,583	0.22%	0.82	4.50%
							100.00%		
Total - Skilled	624	19,330	52.96	13,956,266	(5,654,588)	8,301,678	59.04%	429.47	1.88%
Total - ICF	92	19,329	52.96	5,307,184	(13,268)	5,293,916	37.65%	273.88	4.50%
Total Other Revenue				467,273	(1,089)	466,184	3.32%	12.06	4.49%
Grand Total	716	38,659	105.92	19,730,723	(5,668,945)	14,061,778	100.00%	363.74	2.94%

(1) - Medicare Part B Revenue and other revenue is divided by total patient days to determine PPD amount.

Section C Economic Feasibility – 6b

Estimated Nursing Home Rates

Maury County 2011 Nursing Home Rates

	NURSING HOMES	2011 Rates						
		SNF/Medicare	Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
			Level II	Level I	Level II	Level I	Level II	Level I
1	Life Care Center of Columbia	$491.00	$162.00	$159.00	$217.00	$219.00	$189.00	$190.00
2	Maury Regional Hospital SNU	$845.00	N/A	N/A	N/A	N/A	$576.00	N/A
3	Mt Pleasant Healthcare and Rehab	$443.00	$134.00	$134.00	N/A	N/A	$180.00	$150.00
4	NHC HealthCare, Columbia	$434.00	$178.00	$160.00	$221.00	$218.00	$191.00	$188.00
5	NHC HealthCare, Hillview	$453.00	$177.00	$162.00	$222.00	$200.00	$197.00	$186.00
6	Signature Healthcare of Columbia	$181.00	$148.00	$181.00	N/A	$181.00	N/A	$181.00
	Average Rates	**$474.50**	**$159.80**	**$159.20**	**$220.00**	**$204.50**	**$266.60**	**$179.00**

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge

Maury County Estimated 2015 Nursing Home Rates

	NURSING HOMES	Estimated 2015 Rates						
		SNF/Medicare	Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
			Level II	Level I	Level II	Level I	Level II	Level I
1	Life Care Center of Columbia	$585.53	$193.19	$189.61	$258.78	$261.16	$225.39	$226.58
2	Maury Regional Hospital SNU	$1,007.68	N/A	N/A	N/A	N/A	$686.89	N/A
3	Mt Pleasant Healthcare and Rehab	$528.29	$159.80	$159.80	N/A	N/A	$214.65	$178.88
4	NHC HealthCare, Columbia	$517.55	$212.27	$190.80	$263.55	$259.97	$227.77	$224.19
5	NHC HealthCare, Hillview	$540.21	N/A	$193.19	$264.74	$238.50	$234.93	$221.81
6	Signature Healthcare of Columbia	$215.85	$176.49	$215.85	N/A	$215.85	N/A	$215.85
	Average Rates	**$565.85**	**$185.44**	**$189.85**	**$262.35**	**$243.87**	**$317.93**	**$213.46**

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge inflated 4.5% to Year 2015

Maury County Estimated 2016 Nursing Home Rates

	NURSING HOMES	Estimated 2015 Rates						
		SNF/Medicare	Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
			Level II	Level I	Level II	Level I	Level II	Level I
1	Life Care Center of Columbia	$611.88	$201.88	$198.14	$270.42	$272.91	$235.53	$236.77
2	Maury Regional Hospital SNU	$1,053.02	N/A	N/A	N/A	N/A	$717.80	N/A
3	Mt Pleasant Healthcare and Rehab	$552.06	$166.99	$166.99	N/A	N/A	$224.31	$186.93
4	NHC HealthCare, Columbia	$540.84	$221.82	$199.39	$275.41	$271.67	$238.02	$234.28
5	NHC HealthCare, Hillview	$564.52	N/A	$201.88	$276.65	$249.24	$245.50	$231.79
6	Signature Healthcare of Columbia	$225.56	$184.43	$225.56	N/A	$225.56	N/A	$225.56
	Average Rates	**$591.31**	**$193.78**	**$198.39**	**$274.16**	**$254.84**	**$332.23**	**$223.07**

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge inflated 4.5% to Year 2016.

Maury County Estimated 2017 Nursing Home Rates

	NURSING HOMES	Estimated 2015 Rates						
		SNF/Medicare	Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
			Level II	Level I	Level II	Level I	Level II	Level I
1	Life Care Center of Columbia	$639.41	$210.97	$207.06	$282.59	$285.19	$246.13	$247.43
2	Maury Regional Hospital SNU	$1,100.41	N/A	N/A	N/A	N/A	$750.10	N/A
3	Mt Pleasant Healthcare and Rehab	$576.90	$174.50	$174.50	N/A	N/A	$234.41	$195.34
4	NHC HealthCare, Columbia	$565.18	$231.80	$208.36	$287.80	$283.89	$248.73	$244.82
5	NHC HealthCare, Hillview	$589.92	N/A	$210.97	$289.10	$260.45	$256.55	$242.22
6	Signature Healthcare of Columbia	$235.71	$192.73	$235.71	N/A	$235.71	N/A	$235.71
	Average Rates	**$617.92**	**$202.50**	**$207.32**	**$286.50**	**$266.31**	**$347.18**	**$233.10**

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge inflated 4.5% to Year 2017.

Section III – Contribution of Orderly Development – 3

Salary Comparison

Nursing	2012 Wages	NHC/Maury Regional Transitional Year 1 Average Wages
RN	$26.45	$29.66
LPN	$16.20	$18.81
C N A	$9.45	$11.32

Source: Tennessee Department of Labor & Workforce Development 2012 Occupational Employment and Wages
BOS Area Healthcare Practitioners and Technical Operations

TENNESSEE OCCUPATIONAL WAGES

Total all industries
BOS area 470002, Tennessee

Healthcare Practitioners and Technical Occupations

Occupation	Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	25th pct	Median wage	75th pct
HEALTHCARE PRACTITIONERS AND TECHNICAL OCCUPATIONS	29-0000	N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Dentists, General	29-1021	N/A	132,390 63.65	84,160 40.45	156,510 75.25	88,600 42.60	130,070 62.55	145,700 70.05
Dietitians and Nutritionists	29-1031	40	43,690 21.00	31,630 15.20	49,720 23.90	34,600 16.65	41,090 19.75	49,740 23.90
Optometrists	29-1041	N/A	96,780 46.55	84,260 40.50	103,050 49.55	81,410 39.15	87,110 41.90	92,800 44.60
Pharmacists	29-1051	410	105,920 50.90	79,850 38.40	118,950 57.20	97,000 46.65	110,850 53.30	126,280 60.70
Family and General Practitioners	29-1062	60	201,690 96.95	137,750 66.20	233,670 112.35	159,730 76.80	183,820 88.40	>$145,600 >$70
Internists, General	29-1063	N/A	226,770 109.00	150,920 72.55	>$145,600 >$70	175,960 84.60	>$145,600 >$70	>$145,600 >$70
Surgeons	29-1067	20	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Physicians and Surgeons, All Other	29-1069	230	222,130 106.80	143,700 69.10	>$145,600 >$70	161,670 77.75	>$145,600 >$70	>$145,600 >$70
Physician Assistants	29-1071	N/A	85,870 41.30	53,470 25.70	102,070 49.05	65,430 31.45	79,170 38.05	93,890 45.15
* Registered Nurses	29-1111	2,410	57,760 27.75	42,060 20.20	65,610 31.55	46,840 22.50	55,000 26.45	65,750 31.60
Occupational Therapists	29-1122	N/A	79,650 38.30	65,980 31.70	86,490 41.60	69,650 33.50	79,680 38.30	90,010 43.25
Physical Therapists	29-1123	180	86,590 41.65	62,780 30.20	98,490 47.35	71,330 34.30	85,520 41.10	98,540 47.40
Recreational Therapists	29-1125	10	24,910 12.00	18,860 9.05	27,940 13.45	20,960 10.10	25,710 12.35	28,790 13.85
Respiratory Therapists	29-1126	160	48,150 23.15	40,950 19.70	51,750 24.90	41,710 20.05	46,020 22.10	54,310 26.10
Speech-Language Pathologists	29-1127	130	58,850 28.30	40,630 19.55	67,950 32.65	44,610 21.45	54,320 26.10	72,280 34.75
Veterinarians	29-1131	90	79,060 38.00	43,910 21.10	96,640 46.45	45,350 21.80	64,890 31.20	85,530 41.10
Audiologists	29-1181	N/A	64,540 31.05	50,340 24.20	71,640 34.45	52,650 25.30	58,200 28.00	71,780 34.50
Medical and Clinical Laboratory Technologists	29-2011	130	55,210 26.55	44,810 21.55	60,410 29.05	47,620 22.90	54,610 26.25	61,160 29.40

TENNESSEE OCCUPATIONAL WAGES

Total all industries
BOS area 470002, Tennessee

Healthcare Practitioners and Technical Occupations

Occupation	Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	25th pct	Median wage	75th pct
Veterinary Technologists and Technicians	29-2056	60	26,830	23,090	28,700	24,350	26,740	29,030
			12.90	11.10	13.80	11.70	12.85	13.95
* Licensed Practical and Licensed Vocational Nurses	29-2061	1,510	33,560	27,160	36,760	29,680	33,650	37,160
			16.15	13.05	17.65	14.25	16.20	17.85
Medical Records and Health Information Technicians	29-2071	140	30,550	18,610	36,520	20,210	27,610	40,270
			14.70	8.95	17.55	9.70	13.30	19.35
Health Technologists and Technicians, All Other*	29-2799	10	48,150	25,840	59,310	28,560	44,630	66,970
			23.15	12.40	28.50	13.75	21.45	32.20
Occupational Health and Safety Specialists	29-9011	70	56,180	28,210	70,160	29,710	55,520	72,300
			27.00	13.55	33.75	14.30	26.70	34.75
Occupational Health and Safety Technicians	29-9012	10	46,990	27,210	56,890	28,720	34,300	66,610
			22.60	13.10	27.35	13.80	16.50	32.00
Healthcare Practitioners and Technical Workers, All Other*	29-9799	80	38,890	23,130	46,770	24,870	32,610	42,510
			18.70	11.10	22.50	11.95	15.70	20.45

Entry and Experienced wages represent the mean of the lower third and the mean of the upper two-thirds of the wage distribution respectively. The OES survey does not collect information for entry or experienced workers. Tennessee Department of Labor & Workforce Development, Employment Security Division, Labor Market Information. Publish date May 2012.

TENNESSEE OCCUPATIONAL WAGES

Total all industries
BOS area 470002, Tennessee

Healthcare Support Occupations

Occupation	Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	25th pct	Median wage	75th pct
HEALTHCARE SUPPORT OCCUPATIONS	31-0000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			N/A	N/A	N/A	N/A	N/A	N/A
Home Health Aides	31-1011	N/A	18,800	16,690	19,850	16,790	18,370	21,090
			9.05	8.05	9.55	8.05	8.85	10.15
* Nursing Aides, Orderlies, and Attendants	31-1012	1,810	20,050	16,810	21,670	17,420	19,630	22,640
			9.65	8.10	10.40	8.35	9.45	10.90
Psychiatric Aides	31-1013	250	17,170	16,740	17,380	16,440	17,580	18,730
			8.25	8.05	8.35	7.90	8.45	9.00
Occupational Therapist Assistants	31-2011	10	53,680	46,630	57,200	48,600	53,840	58,900
			25.80	22.40	27.50	23.35	25.90	28.30
Physical Therapist Assistants	31-2021	70	63,290	39,380	75,240	45,220	60,650	84,200
			30.45	18.95	36.15	21.75	29.15	40.50
Physical Therapist Aides	31-2022	40	20,740	16,830	22,700	17,940	20,680	23,470
			9.95	8.10	10.90	8.60	9.95	11.30
Dental Assistants	31-9091	240	32,140	25,620	35,400	26,900	31,930	37,010
			15.45	12.30	17.00	12.95	15.35	17.80
Medical Assistants	31-9092	490	26,460	20,720	29,330	22,050	25,570	29,210
			12.70	9.95	14.10	10.60	12.30	14.05
Medical Transcriptionists	31-9094	60	36,580	26,460	41,640	28,410	33,170	37,590
			17.60	12.70	20.00	13.65	15.95	18.05
Pharmacy Aides	31-9095	20	17,970	16,730	18,590	16,540	17,830	19,120
			8.65	8.05	8.95	7.95	8.55	9.20
Veterinary Assistants and Laboratory Animal Caretakers	31-9096	140	22,290	17,140	24,860	16,920	18,530	31,630
			10.70	8.25	11.95	8.15	8.90	15.20
Healthcare Support Workers, All Other*	31-9799	150	26,360	21,120	28,970	21,810	24,440	29,260
			12.65	10.15	13.95	10.50	11.75	14.05

Entry and Experienced wages represent the mean of the lower third and the mean of the upper two-thirds of the wage distribution respectively. The OES survey does not collect information for entry or experienced workers. Tennessee Department of Labor & Workforce Development, Employment Security Division, Labor Market Information. Publish date May 2012.

Section III – Contribution of Orderly Development – 7 (b)

Facility License

Board for Licensing Health Care Facilities

State of Tennessee

License No. 0000000183

No. Beds 0092

DEPARTMENT OF HEALTH

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

NHC HEALTHCARE/HILLVIEW, LLC *to conduct*

and maintain a Nursing Home NHC HEALTHCARE, HILLVIEW

Located at 2710 TROTWOOD AVENUE, COLUMBIA

County of MAURY *, Tennessee.*

This license shall expire JANUARY 22 *,* 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 22ND *day of* JANUARY *,* 2013 *.*

By Vincent J. Dario, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Dreyzehner MD

COMMISSIONER

Board for Licensing Health Care Facilities

State of Tennessee

License No. 0000000359

No. Beds 0020

DEPARTMENT OF HEALTH

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

MAURY COUNTY *to conduct*

and maintain a Nursing Home MAURY REGIONAL HOSPITAL SKILLED NURSING UNIT

Located at 1224 TROTWOOD AVENUE, COLUMBIA

County of MAURY *, Tennessee.*

This license shall expire MAY 07 *,* 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 7TH *day of* MAY *,* 2013 *.*

By Vincent J. Davino, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By [illegible] MD

COMMISSIONER

Section III – Contribution of Orderly Development – 7 (c)

Survey

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
DIVISION OF HEALTH CARE FACILITIES
WEST TENNESSEE REGIONAL OFFICE
2975 C Highway 45 Bypass
Jackson, Tennessee 38305
Telephone: (731) 984-9684
Fax: (731) 512-0063

December 06, 2011

Mr. Edward Moore, Administrator
NHC Healthcare, Hillview
2710 Trotwood Avenue
Columbia, TN 38401

RE: Compliance Notice
Recertification Survey
CCN 44-5030

Dear Mr. Moore:

The West Tennessee Regional Office of Health Care Facilities conducted a recertification survey at your facility on October 24-26, 2011. Based on a review of your plan of correction for deficiencies cited as a result of the survey, we are accepting your plan of correction and are assuming your facility is in compliance with all participation requirements as of 12/01/2011. This office is recommending certification in the Medicare and/or Medicaid program.

If you have any questions, please feel free to contact this office.

Sincerely,

Jan Priddy/rm

Jan Priddy, RN
Public Health Nurse Consultant 2

JP/rm

State of Tennessee
DEPARTMENT OF HEALTH
DIVISION OF HEALTH CARE FACILITIES
WEST TENNESSEE REGIONAL OFFICE
2975 Highway 45 Bypass, Suite C
Jackson, Tennessee 38305
Phone: (731) 984-9684

IMPORTANT NOTICE – PLEASE READ CAREFULLY
(Receipt of this notice is presumed to be 11/01/2011, date notice faxed.)

November 1, 2011

Mr. Edward Moore, Administrator
NHC Healthcare, Hillview
2710 Trotwood Avenue
Columbia, TN 38401

RE: Recertification Survey
CCN: 44-5030

Dear Mr. Moore:

A recertification survey was conducted at your facility by the Department of Health West Tennessee Regional Office of Health Care Facilities on **October 24-26, 2011**, to determine if your facility was in compliance with Federal participation requirements for Nursing Homes participating in the Medicare and/or Medicaid Programs. This survey found that your facility was **not in substantial compliance with the participation requirements.**

No deficiencies were cited on the life safety portion of the survey conducted on 10/242011.

All references to regulatory requirements contained in this letter are found in Title 42, Code of Federal Regulations.

PLAN OF CORRECTION (POC)

A POC for the deficiencies must be submitted by **November 11, 2011.** Failure to submit an acceptable POC by **November 11, 2011,** may result in the imposition of remedies by **November 26, 2011.** You may fax your Plan of Correction to this office to accomplish the deadline. Please mail your Plan of Correction with an original signature to this office at the address above.

The POC must respond to the following:

- What corrective action(s) will be accomplished for those residents found to have been affected by the deficient practice;
- How you will identify other residents having the potential to be affected by the same deficient practice and what corrective action will be taken;
- What measures will be put into place or what systematic changes you will make to ensure that the deficient practice does not recur; and
- How the corrective action(s) will be monitored to ensure the deficient practice will not recur; i.e., what quality assurance program will be put into place.

If you do not achieve substantial compliance by **November 26, 2011,** this office will recommend to the Centers for Medicare & Medicaid Services (CMS) and/or the state Medicaid agency that enforcement remedies be imposed:

CIVIL MONEY PENALTY OF $50 to $3000 PER DAY, EFFECTIVE THE LAST DAY OF SURVEY

All references to regulatory requirements contained in this letter are found in Title 42, Code of Federal Regulations.

Mandatory Remedies

If substantial compliance is not achieved within 3 months after the last day of the survey **(January 26, 2012)** identifying noncompliance, the CMS Regional Office and/or State Medicaid Agency must deny payments for new admissions. This office will also recommend to the CMS Regional Office that your Provider Agreement be terminated on **April 26, 2012**, if substantial compliance is not achieved by that time.

Please note that this notice does not constitute formal notice of imposition of alternative remedies or termination of your provider agreement. Should the Centers for Medicare and Medicaid Services determine that termination or any other remedy is warranted, it will provide you with a separate formal notification of that determination.

Informal Dispute Resolution (IDR):

In accordance with 488.331, you have one opportunity to question cited deficiencies. The facility must submit this written request within ten (10) days after the date that the facility receives the statement of deficiencies.

Upon receiving the facility's request to participate, the state survey agency shall perform a desk review for all deficiencies unless the facility requests a face-to-face IDR. Desk reviews will be conducted by the regional office that cited the deficiency. A facility may request a face-to-face IDR to be conducted before a panel but only for substandard or immediate jeopardy level deficiencies. In making a request to participate in the IDR process (desk review or face-to-face), a facility's request must be accompanied by the following: a short, plain statement of the facts containing the reasons for requesting participation in the IDR process; a copy of the CMS 2567

form; a summary of the facility's dispute with the cited deficiencies stating that the deficiency should not have been cited and the reasons for this assertion; proof (in the form of documentation that shall consist of no more than ten (10) typed pages with a font size of not less than ten (10) and/or other evidence that may consist of photographs or flow chart visual aids) supporting the facility's position disputing the deficiencies; and a plan of corrective action.

Should the facility request a face-to-face IDR, then the facility shall submit the following additional information: a list of individuals who intend to appear at the face-to-face IDR (should one be requested for substandard and/or immediate jeopardy deficiencies); and proof (in the form of documentation that shall consist of no more than ten (10) typed pages with a font size of not less than ten (10) and/or other evidence that may consist of photographs or flow chart visual aids) specifically disputing the scope and severity of the cited immediate jeopardy or substandard deficiencies. If the facility is requesting a desk review in addition to a face-to-face IDR, the facility must submit two separate requests with their plan of correction to the State Survey Agency at the address on this letter by fax at **(731) 512-0063.** An incomplete Informal Dispute Resolution process will not delay the effective date of any enforcement action.

If you have any questions concerning the instructions contained in this letter, please contact me at the number in this letter.

Sincerely,

Jan Priddy

Jan Priddy, RN
Public Health Nurse Consultant II

JP/rm

Enclosure: CMS Form 2567

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445030	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 10/26/2011
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, HILLVIEW		STREET ADDRESS, CITY, STATE, ZIP CODE 2710 TROTWOOD AVE COLUMBIA, TN 38401	

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE	(X5) COMPLETION DATE
F226 SS=D	483.13(0) DEVELOP/IMPLMENT ABUSE/NEGLECT, ETC POLICIES The facility must develop and implement written policies and procedures that prohibit mistreatment, neglect, and abuse of residents and misappropriation of resident property. This REQUIREMENT is not met as evidenced by: Based on review of the State Operations Manual, policy review and interviews, it was determined the facility failed to ensure the education of residents and families on how and to whom they may report concerns, incidents and grievances without fear of retribution. The findings included: Review of the State Operations Manual, Appendix PP, F226, III. Prevention (483.13(b) and 483.13(c) documented, "Provide residents, families and staff information on how and to whom they may report concerns, incidents and grievances without the fear of retribution." Review of the facility's "Patient Protection and Response" policy failed to document education to the residents and their families concerning how and to whom residents and families may report concerns, incidents and grievances without fear of retribution. During an interview in the Director of Nursing (DON) office on 10/26/1 1 at 2:48 PM, the DON was asked if there was anything written in the facility's Abuse policy on educating the residents and their families about how and to whom they	F226	This plan of correction is submitted as required under state and federal law and admission on the part of the center that the findings constitute a deficiency, or that the scope and severity regarding any of the deficiencies are correctly applied. The center will develop and implement procedures that prohibit mistreatment, neglect, and abuse of patients and misappropriation of patients' property. In addition to the "How to Report" policy posted in the lobby and patients' rights handbook. The center will ensure the education to patients and families on how and to whom they may report concerns, incidents, and grievances without fear of retribution. This will be added to the agenda for the monthly patient council meetings beginning November 21, 2011. Social Services will discuss and notify family of the "How to Report" posting in the lobby on admission and during monthly patient council meetings. QA will be conducted monthly x4 or until substantial compliance is met. Social Services will report compliance to the QA committee monthly beginning December until substantial compliance is met.	11/4/2011

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE — TITLE: Administrator — (X6) DATE: 11-4-11

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 IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	445030		10/26/2011

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
NHC HEALTHCARE, HILLVIEW	2710 TROTWOOD AVE COLUMBIA, TN 38401

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
F 226	Continued From page 1	F226		
	may report any abuse. The DON stated, "...no, that information isn't in our Abuse policy..."			
F 283 SS=D	483.20(l)(1)&(2) ANTICIPATE DISCHARGE: RECAP STAY/FINAL STATUS When the facility anticipates discharge a resident must have a discharge summary that includes a recapitulation of the resident's stay; and a final summary of the resident's status to include items in paragraph (b)(2) of this section, at the time of the discharge that is available for release to authorized persons and agencies, with the consent of the resident or legal representative. This REQUIREMENT is not met as evidenced by: Based on medical record review and interview, it was determined the facility failed to develop a complete recapitulation of the resident's stay for 2 of 2 (Residents #14 and 16) sampled discharged residents reviewed The findings included: 1 . Medical record review for Resident #14 documented an admission date of 8/31/1 1 with diagnoses of Left Femur Fracture, Status Post Open Reduction Internal Fixation, Hypertension, Vertigo, and Chronic Pain with a discharge date of 9/12/1 1 . The facility's recapitulation failed to document a complete recapitulation of Resident # 14's stay which included nursing care, physical therapy services and occupational therapy services. 2. Medical record review for Resident #16 documented an admission date of 9/2/11 with	F283	When the center anticipates discharge a resident will have a discharge summary that includes a recapitulation of the residents stay. All nurses will be in serviced regarding appropriate recapitulation documentation by the DON. DON and/ or ADON will review 5 discharges for appropriate recapitulation documentation weekly x 4 weeks or until substantial compliance is met. The DON will report compliance to the QA committee monthly beginning December or until substantial compliance is met.	11/15/2011

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445030	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 10/26/2011
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, HILLVIEW		STREET ADDRESS, CITY, STATE, ZIP CODE 2710 TROTWOOD AVE COLUMBIA, TN 38401	

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
F283	Continued From page 2 diagnoses of After Care Follow Knee Replacement, End Stage Renal Disease, Hypertension and Osteoarthritis and a discharge date of 9/22/1 1 . Review of the facility's "NHC [National Healthcare] Discharge Summary" dated 9/22/11 documented, "...pt. [patient] admitted c [with] dx [diagnosis] of r [right] TKA [total knee arthroplasty], has progress, but need more PT [physical therapy] to help c ambulation and mobility. Dialysis M [Monday] - W [Wednesday] - F [Friday]." The facility's recapitulation failed to document a complete recapitulation of Resident #16's stay which included nursing care with a wound, physical therapy services and occupational therapy services. During an interview in the conference room on 10/26/1 1 at 9:15 AM, the Director of Nursing (DON) was asked what is expected to be documented on the recapitulation of the resident's stay in the facility. The DON stated, "...Nursing is responsible for the recapitulation, it should be a summary of why they were here, what occurred and where going... Yes, the recapitulation is not complete..."	F283		
F 371 SS=D	483.35(i) FOOD PROCURE, STORE/PREPARE/SERVE - SANITARY The facility must - (1) Procure food from sources approved or considered satisfactory by Federal, State or local authorities; and (2) Store, prepare, distribute and serve food under sanitary conditions	F371	The center will produce food from sources approved or considered satisfactory by Federal, State or local authorities; and store, prepare, distribute and serve food under sanitary condition.	

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: A. BUILDING	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	445030	BWING	10/26/2011
NAME OF PROVIDER OR SUPPLIER		STREET ADDRESS, CITY, STATE, ZIP CODE	
NHC HEALTHCARE, H.LLV.EW COLUMB.A, TN 38401		2710 TROTWOOD AVE	

(X4) ID PREFIX TAG DEFICIENCY)	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE	(X5) COMPLETION DATE
F 371	Continued From page 3	F 371		
	This REQUIREMENT is not met as evidenced by: Based on policy review, observation and interview, it was determined 2 of 3 staff members (Certified Nursing Assistants (CNA) #1 and Recreation Coordinator) staff members failed to ensure food was stored, prepared, distributed and served under sanitary conditions as evidenced by failure to have their hair covered while in the dietary department during 1 of 2 (10/25/11 lunch) dining observations. The findings included: Review of the faciliy's "Safety & [and] Sanitation Best Practice Guidelines, Personal Hygiene" policy documented, "...3. Hair Restraints: a ...shall wear hair restraints to keep their hair from contacting exposed food; clean equipment, utensils, and linens; and unwrapped single-service and single-use articles..." Observations in the kitchen during meal preparation and serving on 10/25/1 1 at 12:30 PM, revealed the Recreation Coordinator in the kitchen with her hair uncovered. The Recreation coordinator placed multiple uncovered plated food and drink on a tray then left the kitchen with the tray up on her shoulder near her uncovered hair. The Recreation Coordinator took the uncovered plated food and drink and served three residents in the dining room. Observations in the kitchen during meal preparation and serving on 10/25/11 at 12:35 PM, CNA #1 entered the kitchen, walked past the steam table, walked past a table on the right side		All partners will be in serviced on the importance of putting on hair restraints in food prep areas and not carrying food tray on shoulder near uncovered hair. Dietary manager will monitor compliance via random checks x 4 meals per week x 4 weeks or until substantial evidence is met. Dietary manager will report compliance to the QA committee monthly beginning December or until substantial compliance is met.	12/01/2011

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: A. BUILDING	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	445030	BWING	10/26/2011

NAME OF PROVIDER OR SUPPLIER
NHC HEALTHCARE, HILLVIEW

STREET ADDRESS, CITY, STATE, ZIP CODE
2710 TROTWOOD AVE COLUMBIA, TN 38401

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
F 371	Continued From page 4	F 371		
	of the wall and past a sink area at the end of the wall. CNA #1 did not have her hair covered.			
	During an interview in the Dietary Manager's (DM) office on 10/26/11 at 10:45 AM, the DM stated, "...Anyone that comes into the kitchen must wear a hairnet..."			
F 441 SS=D	483.65 INFECTION CONTROL, PREVENT SPREAD, LINENS	F 441		
	The facility must establish and maintain an Infection Control Program designed to provide a safe, sanitary and comfortable environment and to help prevent the development and transmission of disease and infection.		The facility will establish and maintain an Infection Control Program designed to provide a safe, sanitary and comfortable environment and to help prevent the development and transmission of disease and infection.	
	(a) Infection Control Program The facility must establish an Infection Control Program under which it -(1) Investigates, controls, and prevents infections in the facility; (2) Decides what procedures, such as isolation, should be applied to an individual resident; and (3) Maintains a record of incidents and corrective actions related to infections.		CNA #2 and #4 will be individually counseled regarding not touching food with bare hands and proper hand washing techniques Nursing partners will be in serviced regarding appropriate meal delivery and hand washing practices. DON and/or ADON will conduct random checks on 15 tray deliveries to ensure proper infection control practice weekly x 4 weeks and observe hand washing of 4 random CNAs per week x 4 weeks or until substantial compliance is met. The DON will report compliance to the QA committee monthly beginning December or until substantial compliance is met.	11/4/2011 11/15/11
	(b) Preventing Spread of Infection (1) When the Infection Control Program determines that a resident needs isolation to prevent the spread of infection, the facility must isolate the resident. (2) The facility must prohibit employees with a communicable disease or infected skin lesions from direct contact with residents or their food, if direct contact will transmit the disease. (3) The facility must require staff to wash their hands after each direct resident contact for which hand washing is indicated by accepted			

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445030	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 10/26/2011
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, HILLVIEW		STREET ADDRESS, CITY, STATE, ZIP CODE 2710 TROTWOOD AVE COLUMBIA, TN 38401	

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
F 441	Continued From page 5 professional practice. (c) Linens Personnel must handle, store, process and transport linens so as to prevent the spread of infection. This REQUIREMENT is not met as evidenced by: Based on policy review, observation and interview, it was determined 2 of 18 Certified Nursing Assistants (CNA #2 and 4) failed to use sanitary hand hygiene during dining observations by touching food with bare hands or turned the faucet off with bare hands. The findings included: 1. Review of the facility's "Safety & [and] Sanitation Best Practice Guidelines... GLOVE USE" policy documented, "...The purpose is to prevent food-borne illness that is caused by direct hand contact on food..." a. Observations in the main dining room on 10/24/11 at 5:00 PM, while CNA #2 was preparing the resident's meal tray, CNA #2 touched the bread with her bare hands and applied a condiment. b. Observations in room 110 on 10/24/11 at 6:00 PM, while CNA #4 was preparing the resident's meal tray she touched the bread with her bare hands and applied a condiment. During an interview in the conference room on	F 441		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	445030		10/26/2011

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
NHC HEALTHCARE, HILLVIEW	2710 TROTWOOD AVE COLUMBIA, TN 38401

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
F 441	Continued From page 6 10/26/11 at 12:35 PM, the Director of Nursing (DON) was asked if the staff can touch the food with their bare hands. The DON stated, "...No..." 2. Review of the facility's "INFECTION CONTROL Manual" and "HANDWASHING" policy documented, "...Turn water off with paper towel used to dry hands..." Observations in room 219A on 10/24/11 at 5:20 PM, CNA #4 turned the faucet off with her bare hand. During an interview in the conference room on 10/26/11 at 1:00 PM, the DON was asked what is the technique to turn the faucet off during hand washing. The DON stated ..."staff are to turn the faucet off with a paper towel, not by the bare hand..."	F 441		

PRINTED: 10/31/2011
FORM APPROVED
OMB NO. 0938-0391

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445030	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING	(X3) DATE SURVEY COMPLETED 10/24/2011

NAME OF PROVIDER OR SUPPLIER: NHC HEALTHCARE, HILLVIEW

STREET ADDRESS, CITY, STATE, ZIP CODE: 2710 TROTWOOD AVE, COLUMBIA, TN 38401

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K9999	FINAL OBSERVATIONS During the annual recertification survey completed on 10/24/11, this facility was found to be in compliance with the requirements of the National Fire Protection Association (NFPA) 101, Life Safety code, 2000 edition, Chapter 19, existing Health Care Occupancies.	K9999		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE Administrator | (X6) DATE 11-4-11

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

PRINTED: 10/31/2011
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TN6006	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING	(X3) DATE SURVEY COMPLETED 10/24/2011
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, HILLVIEW	STREET ADDRESS, CITY, STATE, ZIP CODE 2710 TROTWOOD AVE COLUMBIA, TN 38401		

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
N 002	1200-8-6 No Deficiencies During the annual licensure survey completed on 10/24/11, this facility was found to be in compliance with the requirements of the National Fire Protection Association (NFPA) 101, Life Safety code, 2000 edition, Chapter 19, existing Health Care Occupancies.	N 002		

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE — TITLE Administrator — (X6) DATE 11-4-11

STATE FORM 6899 F5D021 If continuation sheet 1 of 1

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Inspection Report

Print this Inspection Report to PDF

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

PRINTED: 6/3/2013
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
	445398		04/25/2012

NAME OF PROVIDER OF SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP
MAURY REGIONAL HOSPITAL SNU	1224 TROTWOOD AVE COLUMBIA, TN 38401

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 0156 Level of harm - Potential for minimal harm Residents Affected - Many	**Give residents a notice of rights, rules, services and charges.** Based on interview, it was determined the facility failed to provide residents with liability and/or appeal notice(s) for three Medicare beneficiaries who were discharged from the facility in the past 6 months. The findings included: During an interview in the Activity/Dining room on 4/25/12 at 3:30 PM, the surveyor asked the Administrator to provide the liability and appeal notice(s) given for 3 discharged Medicare covered residents who had days of Medicare covered services left. The Administrator stated, "...We don't do them [Liability Notices and Beneficiary Appeal Rights]. At admission it is understood we are a short term facility..." During an interview in the Social Worker's office on 4/25/12 at 5:00 PM, the Social Worker was asked if she gave Medicare covered residents the required liability and/or appeal notice(s) to a resident with Medicare Skilled coverage remaining. The Social Worker stated, "...No..."
F 0272 Level of harm - Minimal harm or potential for actual harm Residents Affected - Few	**Conduct initial and periodic assessments of each resident's functional capacity.** **NOTE- TERMS IN BRACKETS HAVE BEEN EDITED TO PROTECT CONFIDENTIALITY** Based on medical record review and interview, it was determined the facility failed to assess the need for [MEDICAL CONDITION] medication usage for 1 of 10 (Resident #118) sampled residents receiving [MEDICAL CONDITION] medications. The findings included: Medical record review for Resident #118 documented an admitted 4//12 with [DIAGNOSES REDACTED].[milligram] Q [every] HS [hour of sleep] PRN [as needed] PO [by mouth]." Review of the long term care facility medication instructions documented, "...[MEDICATION NAME] 1 MG TAB [tablet]... ORAL 1-2 MG AT BEDTIME [MEDICAL CONDITION]..." The facility was unable to provide documentation of an appropriate [DIAGNOSES REDACTED]. During an interview at the nurses' station on 4/25/12 at 4:40 PM, the Director of Nursing (DON) was asked what the [DIAGNOSES REDACTED].[[MEDICATION NAME]] was prn for [MEDICAL CONDITION]."
F 0279 Level of harm - Minimal harm or potential for actual harm Residents Affected - Few	**Develop a complete care plan that meets all the resident's needs, with timetables and actions that can be measured.** **NOTE- TERMS IN BRACKETS HAVE BEEN EDITED TO PROTECT CONFIDENTIALITY**

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.

FORM CMS-2567(02-99) Previous Versions Obsolete Event ID: YL1O11 Facility ID: 445398 If continuation sheet Page 1 of 3

Back To Top

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

PRINTED: 6/3/2013
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENNTIFICATION NUMBER: 445398	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 04/25/2012
NAME OF PROVIDER OF SUPPLIER MAURY REGIONAL HOSPITAL SNU		STREET ADDRESS, CITY, STATE, ZIP 1224 TROTWOOD AVE COLUMBIA, TN 38401	

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 **Level of harm** - Minimal harm or potential for actual harm **Residents Affected** - Few	Based on medical record review, observation and interview, it was determined the facility failed to develop a care plan to reflect a pressure ulcer for 1 of 14 (Resident #125) sampled residents reviewed of the 14 residents in the Stage 2 review. The findings included: Medical record review for Resident #125 documented an admission date of [DATE] with [DIAGNOSES REDACTED].#125 has a stage I pressure ulcer to the left heel (was actually the right heel). Review of a physician's order [REDACTED].[bilateral] Heels Bid [twice daily] & [and] prn [as needed]..." Review of a physician's order [REDACTED].[every] pm..." Review of the care plan dated 4/19/12 documented, "...Potential for Impaired Skin Integrity..." The care plan did not document that Resident #125 has a Stage I pressure ulcer on the right heel. Observations in Resident #125's room on 4/24/12 at 3:40 PM, revealed Resident #125 lying in bed with her feet floated on two pillows. During an interview in Resident #125's room on 4/24/12 at 3:40 PM Resident #125 stated, "My heel is not as sore as it was a few days ago when it was really red." During an interview in the Activity/Dining room on 4/25/12 at 12:10 PM, Nurse #1 was asked if the care plan for Resident #125 included the Stage I pressure ulcer. Nurse #1 reviewed the care plan and stated, "It says potential. She [Resident #125] had a Stage I, so it needs to have impaired skin as the problem instead of potential."
F 0329 **Level of harm** - Minimal harm or potential for actual harm **Residents Affected** - Few	**Ensure that each resident's 1) entire drug/medication regimen is free from unnecessary drugs; and 2) is managed and monitored to achieve highest level of well-being.** **NOTE- TERMS IN BRACKETS HAVE BEEN EDITED TO PROTECT CONFIDENTIALITY** Based on medical record review and interview, it was determined the facility failed to provide an adequate indication for the use of a [MEDICAL CONDITION] medication for 1 of 10 (Resident #118) sampled residents reviewed receiving [MEDICAL CONDITION] medications. The findings included: Medical record review for Resident #118 documented an admission date of [DATE] with [DIAGNOSES REDACTED], [REDACTED].[milligram] Q [every] HS [hour of sleep] PRN [as needed] PO [by mouth]." Review of the long term care facility medication instructions documented,"...[MEDICATION NAME] 1 MG TAB [tablet]... ORAL 1-2 MG AT BEDTIME [MEDICAL CONDITION]..." The facility was unable to provide documentation of an appropriate [DIAGNOSES REDACTED]. During an interview at the nurses' station on 4/25/12 at 4:40 PM, the Director of Nursing (DON) was asked what the [DIAGNOSES REDACTED].[[MEDICATION NAME]] was prn for [MEDICAL CONDITION]."

FORM CMS-2567(02-99)
Previous Versions Obsolete

Event ID: YL1D11

Facility ID: 445398

If continuation sheet
Page 2 of 3

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

PRINTED: 6/3/2013
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENNTIFICATION NUMBER: 445398	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 04/25/2012
NAME OF PROVIDER OF SUPPLIER MAURY REGIONAL HOSPITAL SNU		STREET ADDRESS, CITY, STATE, ZIP 1224 TROTWOOD AVE COLUMBIA, TN 38401	

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 0329 Level of harm - Minimal harm or potential for actual harm Residents Affected - Few F 0514 Level of harm - Minimal harm or potential for actual harm Residents Affected - Few	**Keep accurate, complete and organized clinical records on each resident that meet professional standards.** **NOTE- TERMS IN BRACKETS HAVE BEEN EDITED TO PROTECT CONFIDENTIALITY** Based on medical record review and interview, it was determined the facility failed to ensure medical records were accurate for 1 of 14 (Resident #125) sampled residents reviewed of the 14 residents in the Stage 2 review. The findings included: Medical record review for Resident #125 documented an admission date of [DATE] with [DIAGNOSES REDACTED].#125's right heel. During an interview in the Activity/Dining room on 4/25/12 at 11:50 AM, Nurse #1 was asked if Resident #125 had a pressure ulcer on the left heel. Nurse #1 stated, "I saw redness to the right heel. I was not aware there was a Stage I to the left heel. I feel like it [stage 1 pressure ulcer] has been the right heel the whole time." During an interview in the Activity/Dining room on 4/25/12 at 11:55 AM, Nurse #2 was asked if the Stage I pressure ulcer was on the left heel. Nurse #2 stated, "I need to look at the admission note. I did the assessment. I know without a doubt it [pressure ulcer] was the right heel and not the left. Guess I don't know my right from left. That was an error." The pressure ulcer was actually on Resident #125's right heel.

FORM CMS-2567(02-99) Previous Versions Obsolete | Event ID: YL1O11 | Facility ID: 445398 | If continuation sheet Page 3 of 3

Attachment – Proof of Publication

LEGA

2013 JUL 12 AM 11 52

200 Garage Sales

ESTATE/ MOVING SALE: 3970 Petty Ln. Columbia. Thursday-Saturday, 7/11-7/13, 7:30am-4:30pm. Lots of furniture, Cub Cadet Riding Mower, antiques, glassware, washer/ dryer, much more!

GARAGE SALE. 101 East College St., Summertown. July 11th & 12th. 20 years of stuff- men/ women's clothes, dishware, indoor/ outdoor furniture, power tolls, kids toys, and many more stuff!! Please come and look worth the drive. Something for everyone. Rain or shine!

200 Garage Sales

MULTI-FAMILY SALE, CULLEOKA: Lots of household and baby items, clothes, shoes, toddler to adults. Electronics, jewelry. 1949 Mooresville Pike, Friday and Saturday, 8 - 4.

200 Garage Sales

WE ARE OFF to travel so all must go! Tools, sofa, recliner, end tables, lamps, TV, DVD Player, antique repro 3 board table, 44" round dinette set, vacuum, pie safe, dishes, pans & home decor. Part of sale items will be inside. 960 Pinehurst in Port Royal townhouse complex; watch for signs. 9AM-7PM until all is gone. 7/10/13-7/12/13.

YARD SALE THURSDAY and Friday, 8 til. Lawnmowers, tools, hot tub, clothes, variety of everything! 1821 Scribner Avenue.

250 Services Offered

#1 LOWEST PRICE. Lawncare, Mowing, Bushhogging. Licensed, Insured and Bonded. (931)982-9737.

A1 HAUL AWAY Service. You call we haul. Free estimates. Also, estate clean-up and small demolition. (931)446-3574.

AAA LAWNCARE. INSURED. MOWING, Trimming & Landscaping. Free Estimates. Call Brian, (931)215-6995.

AFFORDABLE LANDSCAPING, by Will. Shrubs Trimmed, Flower Beds Cleaned, Mulching, Tree Work, etc. Park like appearance. (931)215-9259.

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: NHC/Maury Regional Transitional Care Center, Nursing Home owned by: NHC-Maury Regional HealthCare, LLC with an ownership type of Limited Liability Company and to be managed by: Tennessee HealthCare Advisors, LLC intends to file an application for a Certificate of Need for: the establishment of NHC/Maury Regional Transitional Care Center, a 112 bed nursing home, by relocating and combining two existing licensed nursing home facilities, NHC HealthCare, Hillview consisting of 92 nursing home beds, license number 183 and Maury Regional Hospital SNU's 20 bed nursing home, license number 181. No new beds are being requested as part of this application. The proposed center will be Medicare certified. The center site will be located on approximately 11 acres at 5004 Trotwood Ave in Columbia, Maury County. The project costs for the nursing home are estimated to be $18,161,672.

The anticipated date of filing the application is: July 15, 2013

The contact person for this project is Bruce K. Duncan, Assistant Vice President who may be reached at: National HealthCare Corporation, 100 Vine Street, 12th Floor, Murfreesboro, Tennessee 37130, 615/ 890-2020

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
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
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.

July 10 1tc

STATE OF TENNESSEE

COUNTY OF MAURY

2013 JUL 12 AM 11 52

PROOF OF PUBLICATION

Before me, Vickie L Woody, of the county and state aforesaid,

Personally appeared Mark Palmer with whom I am personally

Acquainted and who upon oath acknowledged herself to be the

Bookkeeper of ***THE DAILY HERALD,*** a newspaper published in the

City of Columbia, in said county and state, who, on oath, deposes

And says that the publication of which the annexed slip is a true

Copy, was published in said newspaper as follows:

DATE	SIZE
JUNE 10, 2013	18.00"

Mark Palmer

PUBLISHER

Subscribed and sworn to before me, this 11th

day of July, 2013

Vickie L. Woody

NOTARY PUBLIC

MY COMMISSION EXPIRES:
6/25/2017

VICKIE L. WOODY
STATE OF TENNESSEE
NOTARY PUBLIC
MAURY COUNTY, TENN

NHC

NATIONAL HEALTHCARE CORPORATION

July 5, 2013

Ms. Peggy Bell
Public Notices, Legal Advertising
Daily Herald
1115 S. Main St.
Columbia, TN 38401

PHONE: 931-388-6464
Email: pbell@c-dh.net

Dear Ms. Bell:

Please publish the attached document according to the instructions at the top of the attached document page on Wednesday the tenth (10) of July 2013. Also, please send us a copy of the notice and proof of publication (i.e. notary of publication). Please bill us for any cost incurred with regard to this request. Please send all correspondence to my attention at:

Bruce K. Duncan, National HealthCare Corporation, City Center, 100 Vine Street, 12th Floor, Murfreesboro, TN 37130.

I will need the proof of publication sent to me no later than July the 12th (FAX 615-890-0123), and the original mailed to me on the same day. Thank you for your prompt attention to this matter.

If you have any questions please do not hesitate to call me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Bruce K. Duncan, Assistant Vice President
Director of Health Planning

Attachment

City Center • 100 East Vine Street • Murfreesboro, Tennessee 37130 (615) 890-2020

2013 JUL 12 AM 11 52

PUBLICATION OF INTENT

TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

==========

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:

NHC/Maury Regional Transitional Care Center, Nursing Home
(Name of Applicant) (Facility Type-Existing)

owned by: NHC-Maury Regional HealthCare, LLC with an ownership type of Limited Liability Company and to be managed by: Tennessee HealthCare Advisors, LLC intends to file an application for a Certificate of Need for: : the establishment of NHC/Maury Regional Transitional Care Center, a 112 bed nursing home, by relocating and combining two existing licensed nursing home facilities, NHC HealthCare, Hillview consisting of 92 nursing home beds, license number 183 and Maury Regional Hospital SNU's 20 bed nursing home, license number 181. No new beds are being requested as part of this application. The proposed center will be Medicare certified. The center site will be located on approximately 11 acres at 5004 Trotwood Ave in Columbia, Maury County. The project costs for the nursing home are estimated to be $18,161,672.

The anticipated date of filing the application is: July 15, 2013

The contact person for this project is Bruce K. Duncan (Contact Name), Assistant Vice President (Title)

who may be reached at: National HealthCare Corporation (Company Name), 100 Vine Street, 12th Floor (Address)

Murfreesboro (City), Tennessee (State), 37130 (Zip Code), 615 / 890-2020 (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
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
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.

==========

HF0050 (Revised 01/09/13 – all forms prior to this date are obsolete)

Attachment – Letter of Intent

2013 JUL 12 AM 11 52

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the The Daily Herald (Name of Newspaper) which is a newspaper of general circulation in Maury (County), Tennessee, on or before July 10 (Month / day), 20 13 (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:

NHC/Maury Regional Transitional Care Center (Name of Applicant), Nursing Home (Facility Type-Existing)

owned by: NHC-Maury Regional HealthCare, LLC with an ownership type of Limited Liability Company and to be managed by: Tennessee HealthCare Advisors, LLC intends to file an application for a Certificate of Need for: the establishment of NHC/Maury Regional Transitional Care Center, a 112 bed nursing home, by relocating and combining two existing licensed nursing home facilities, NHC HealthCare, Hillview consisting of 92 nursing home beds, license number 183 and Maury Regional Hospital SNU's 20 bed nursing home, license number 181. No new beds are being requested as part of this application. The proposed center will be Medicare certified. The center site will be located on approximately 11 acres at 5004 Trotwood Ave in Columbia, Maury County. The project costs for the nursing home are estimated to be $18,161,672.

The anticipated date of filing the application is: July 15, 20 13

The contact person for this project is Bruce K. Duncan (Contact Name), Assistant Vice President (Title)

who may be reached at: National HealthCare Corporation (Company Name), 100 Vine, Street, 12th Floor (Address)

Murfreesboro (City), Tennessee (State), 37130 (Zip Code), 615 / 890-2020 (Area Code / Phone Number)

(Signature), 7/5/13 (Date), Bduncan@nhccare.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
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
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.

==========

HF0051 (Revised 01/09/13 – all forms prior to this date are obsolete)

Attachment – Letters of Support

MAURY REGIONAL
MEDICAL CENTER

July 8, 2013

Ms. Melanie Hill
Executive Director
Health Service & Development Agency
161 Rose L. Parks Blvd., 3rd Floor
Nashville, TN 37234

Dear Ms. Hill:

This letter is in support of the Certificate of Need for the proposed National Health Care (NHC)/Maury Regional Transitional Care Center. This proposed new center will replace and relocate 112 beds in Columbia/Maury County, meeting the needs of both long term patients and those with continuing needs who have been dismissed from Maury Regional Medical Center.

There is a great need for the services provided by this joint facility and we will appreciate your favorable consideration and approval of this application.

Sincerely,

Doug Williamson
Chairman, Maury Regional Medical Center Board of Trustees

DW:km

1224 Trotwood Avenue • Columbia, TN 38401 • P: 931.381.1111 • mauryregional.com

James L. Bailey, Jr.
County Mayor

Maury County Government

Room 101
Maury County Courthouse
Columbia, Tennessee 38401

Phone
(931) 375-1001
(931) 375-1002

July 5, 2013

Mrs. Melanie Hill, Executive Director
Health Services and Development Agency
161 Rosa L. Parks Blvd., 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

It is my privilege to send this letter of support for the NHC/Maury Regional Transitional Care Center Certificate of Need application. This development which will replace and relocate 112 nursing facility beds in Maury County is a great step forward in meeting the needs of our elderly and their families. As Maury County Mayor, I enthusiastically endorse the proposed NHC/Maury Regional Transitional Care Center and ask for your every consideration in granting a Certificate of Need to allow NHC and Maury Regional to improve the quality and availability of long term care for Maury County.

Respectfully,

Maury County Mayor
James L. Bailey, Jr.

CITY OF COLUMBIA
700 NORTH GARDEN STREET
COLUMBIA, TENNESSEE 38401

Phone
931-560-1505
Fax
931-540-0675

Dean Dickey
Mayor

July 5, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

The following letter is in regard to my enthusiastic support for NHC/Maury Regional Transitional Care Center to replace and relocate 112 nursing facility beds in Maury County. As a longtime resident of Columbia and Maury County, I am aware of the great need for such a facility. As you know, a large percentage of the population in this county is comprised of the elderly. Such a facility would be an asset and would fulfill a need for the elderly and their families.

Thank you very much in advance for your attention and cooperation in this matter.

Sincerely,

Dean Dickey
Mayor
City of Columbia

J. Cummins Couch III, MD, MRO, CMD
Family Medicine

Affiliated Physician
MDVIP
PERSONALIZED HEALTHCARE

July 8, 2013

Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill,

I am sending this letter in regards to my support for the NHC/Maury Regional Transitional Care Center that is to replace and relocate 112 bed nursing facility in Maury County. I was born and raised in Maury County and have been practicing family medicine for the last 17 years in Mount Pleasant. I have also been a Certified Medical Director for long term care facilities for the last 14 years. Currently I am the Medical Director for three free standing long term care facilities and the Skilled Nursing Unit at Maury Regional Medical Center.

Over the last several years, I have noticed an increased need for skilled beds because of our aging population. Maury County is currently a healthcare mecca for most of the bordering southern counties thus covering a broad area. Not to mention, 12% of Maury County's population is greater than 65 years old. As I'm sure you are aware, the elderly population is expected to increase dramatically over the next 20 years, thus increasing the need for skilled care. I feel this facility would be an asset to this community fulfilling the needs of our elderly and rehab patients. Thank you so much for your cooperation. If I can be of anymore help feel free to contact me.

Sincerely,

Cummins Couch, MD, CMD, MRO

Phone 931.379.7325 • Fax 931.379.9896 • DrCouch@mdvip.com • 200 South Cross Bridges Road, Mount Pleasant, TN 38474

Exceptional Doctors. Exceptional Care. Exceptional Results.

PAUL PERRYMAN, M.D., F.A.C.P.
Internal Medicine

854 W. JAMES CAMPBELL BLVD.
SUITE 103
COLUMBIA, TN 38401

TEL: (931) 381-5555
FAX: (931) 381-5081
www.drperryman.com

July 8, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill,

I would like to offer my support for NHC/Maury Regional Transitional Care Center to replace and relocate 112 nursing facility beds in Maury County. As a physician practicing in Maury County, I am aware of the great need for such a facility. As you know, a large percentage of the population in this county is comprised of the elderly. Such a facility would be an asset and would fulfill a need for the elderly and their families.

Thank you very much in advance for your attention and cooperation in this matter.

Sincerely,

Paul Perryman MD

Paul Perryman, M.D.

Columbia State
COMMUNITY COLLEGE

Office of the President • 1665 Hampshire Pike • Columbia, TN 38401 www.columbiastate.edu

July 3, 2013

Ms. Melanie Hill
Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Ms. Hill:

This letter is submitted in support of the NHC/Maury Regional Transitional Care Center Certificate of Need application. The proposal to relocate and replace the existing licensed nursing facility beds in Maury County to the NHC/Maury Regional Transitional Care Center will provide great service for existing and future health care needs.

As an institution of higher education that has several health care education programs, we are aware of the health care needs in our community and view this application as a positive for health care in Maury County.

By approving the CON, HSDA will allow NHC/Maury Regional Transitional Care Center to provide needed services to the residents of Maury County. It also addresses the future medical services needed for a population that is less family dependent due to lifestyles and more services needy. This plan is a plan that services today, but is future oriented – it is good health care planning.

Thank you for your favorable consideration of the CON application.

Respectfully,

Janet F. Smith, Ph.D.
President

Columbia Campus
1665 Hampshire Pike
Columbia, TN 38401
931/540-2722

Clifton Campus
795 Main Street
Clifton, TN 38425
931/676-6966

Williamson County Campus
104 Claude Yates Drive
Franklin, TN 37064
615/790-4400

Lawrence County Campus
1620 Springer Road
Lawrenceburg, TN 38464
931/766-1600

Lewisburg Campus
980 South Ellington Parkway
Lewisburg, TN 37091
931/359-0351

Columbia State Community College, a Tennessee Board of Regents institution, is an equal opportunity, affirmative action institution.

FIRST FARMERS

WAYMON L. HICKMAN
SENIOR CHAIRMAN

July 8, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd., 3rd Floor
Nashville, TN 37243

RE: **NHC/Maury Regional Transitional Care Center**

Dear Ms. Hill:

Please accept my endorsement and desire for acceptance to the above-captioned facility to serve Maury County. It is the mission of both NHC and Maury Regional to jointly furnish medical care for the citizens in our area needing special medical treatment.

NHC has a long tenure in our county providing quality care. Maury Regional was recognized last year as being in the top 10 hospitals in our nation. The joint venture of these two outstanding health providers will make an outstanding team.

I personally have been a patient at both of these institutions and found them to be under excellent management and with very qualified medical providers. Your approval of this application will be greatly appreciated.

Sincerely yours,

Waymon L. Hickman

Waymon L. Hickman

WLH:kt

First Farmers & Merchants Bank, Member FDIC
816 South Garden Street, Columbia, Tennessee 38401 • (931) 388-3145 or (800) 882-8378 • www.myfirstfarmers.com

South Central Tennessee
Workforce Alliance

July 8, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

Please accept this letter of support to NHC/Maury Regional Transitional Care Center and its planned replacement and relocation of the existing nursing facility. As the Executive Director of the South Central Tennessee Workforce Alliance, I work closely with NHC and others in the field of healthcare to ensure the workforce development of our region for all growing industries. As Chairman of the Economic Development Council of Maury Alliance, I understand the importance of such a facility in providing much needed employment opportunities, and improving the livability of our community.

We are excited about the jobs this project will ensure, and the services this project will offer to our community, especially our aging population.

I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

Jan Outland McKeel, Executive Director

#8 Public Square, 2nd Floor◆Columbia, TN 38401◆931.375.4201◆Fax 931-381-7643◆www.sctworkforce.org

Board Chairman – Robby Moore ◆ Chief Elected Official Chairman - Steve Gregory

South Central Tennessee Workforce Alliance/Administrative Entity

TTY # 931.388.3869

FIRST PRESBYTERIAN CHURCH

July 8, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill,

The following letter is in regard to my enthusiastic support for NHC/Maury Regional Transitional Care Center to replace and relocate 112 nursing facility beds in Maury County. As a pastor in Maury County, I am aware of the great need for such a facility. As you know, a large percentage of the population in this county is comprised of the elderly. Such a facility would be an asset and would fulfill a need for the elderly and their families.

Thank you very much in advance for your attention and cooperation in this matter.

Sincerely,

Rev. Joe Evans

801 South High Street • Columbia, Tennessee 38401 • Phone (931) 388-1985 • Fax (931) 388-9932

THE KING'S DAUGHTERS' SCHOOL

412 WEST 9TH STREET COLUMBIA, TN 38401
TEL(931)388-3810 FAX(931)388-0405

July 5, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

I am writing in support of NHC/Maury Regional Transitional Care Center Certificate of Need application. NHC/Maury Regional Transitional Care Center is proposing to relocate and replace their existing licensed nursing facility beds in Maury County.

As a health care provider, the Executive Director of a residential facility for individuals with developmental disabilities, and the son of an elderly Maury County resident, I can speak directly to the need for additional services and facilities to serve older Maury County residents.

By approving the CON, HSDA will allow NHC/Maury Regional Transitional Care Center to directly address the needs of the residents of Maury County. Thank you for your favorable consideration of this CON application.

Sincerely,

David H. Craig, PhD

David H. Craig, Ph.D.
Licensed Senior Psychological Examiner
Executive Director

July 10, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

I am excited to provide this letter of support for NHC/Maury Regional Transitional Care Center to replace and relocate 112 nursing facility beds in Maury County. There is a definite need for "quality" long term care beds in this market and the need for these services will only continue to grow as our population ages. Speaking from a professional as well as a personal aspect, I know with certainty that this new facility will be a substantial asset here in Maury County. It will afford residents in this area a long term care facility that will both meet their needs and enrich their lives.

Thank you very much in advance for your attention and cooperation in this matter.

Sincerely,

Pat Santel

Pat Santel,
Retiree – State of TN
Maury County Resident

MRS. ROBERT L. JONES
1120 Mooresville Pike
Columbia TN 38401
(931) 388-0085

July 9, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd., 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

This letter is to show my enthusiastic support for the proposed NHC/Maury Regional Transitional Care Center to replace and relocate 112 nursing facility beds in Maury County. I believe that there is a real need for long term care beds in our community and that this need for these services will continue to grow as our population grows and ages.

This new facility will be a substantial asset here in Maury County, and, by joining the efforts of NHC and Maury Regional Medical Center, the patients' care will be enhanced greatly.

Thanking you in advance for your attention to this important matter, I am

Sincerely yours,

Mrs. Robert L. Jones

Section A, Applicant Profile – (5) Draft Management Agreement

MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is entered into and effective the ____ day of _____, 201_ (the "Effective Date") by and between TENNESSEE HEALTHCARE ADVISORS, LLC, a Tennessee limited liability company, hereinafter referred to as "Manager", and NHC – MAURY REGIONAL HEALTHCARE, LLC., hereinafter referred to as "Owner";

WITNESSETH:

WHEREAS, Owner will operate a skilled nursing center in Columbia, Tennessee which will have ____ skilled nursing beds (hereinafter, the "Project"); and

WHEREAS, Owner desires to have Manager provide certain defined procedures and processes for the Project and to enter into an agreement (the "Agreement") evidencing same;

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, Manager and Owner do hereby represent, covenant, promise and agree as follows:

1) **Operating Terms and Appointment and Employment of Manager as Agent and General Manager of the Project.**

   a) The term of this Agreement shall commence on the date first above mentioned and shall continue for fifteen (15) years thereafter.

   b) Owner hereby contracts with Manager to provide enumerated processes and procedures for the Project during the term of this Agreement upon the terms and conditions hereinafter stated.

   c) Manager shall provide all documents and manuals as may be required to maintain and preserve all necessary licenses, permits and approvals to operate the Project, and shall ensure that all such licenses, permits and approvals are maintained without restriction during the term of this Agreement. Manager shall ensure that Project is eligible for participation in the Federal Medicare Program as said program is presently structured and administered and as may be changed from time to time, and for any successor programs thereto. Manager shall also ensure that Project is eligible for participation in any other programs for payers who may provide reimbursement for any services provided at Project. Manager shall not knowingly cause Owner to violate any of the obligations imposed on Owner by the long-term lender in its supporting documentation (hereinafter "Bond or Loan Documents").

2. **Manager Procedures and Services**. In performance of its duties hereunder, Manager shall provide and perform the following Operational Services, as well as such other services as may be necessary from time to time as mutually agreed upon by the parties:

a. Managerial Review, Coordination and Control:

(1) Manager shall regularly provide the Project with visits from a Regional Senior Vice President and Regional Nurse to review and advise Owner and the Administrator concerning the operational policies and procedures of the Project. Manager expressly authorizes Owner to adopt Manager's standard form Policies and Procedures, and if adopted, Manager shall be responsible for their implementation.

(2) Manager shall be responsible for obtaining and renewing all licenses and certifications required to operate Project.

(3) Manager shall be responsible for survey compliance of the Project and will be available for consultation on all operational aspects of the Project. Manager shall be responsible for the selection of employees, the terms of their employment (including the rates of compensation which rates shall be comparable for like facilities in the area), and the termination of their employment. All such employees shall be the employees and agents of Manager or its designee and not of Owner within the meaning and intent of federal and state law and regulations, and Manager shall make all final determinations over the hiring and termination of such employees.

(4) Manager shall advise Owner and its Administrator in the establishment of all prices, price schedules, rates and rate schedules; provided, however, that Owner shall approve all such prices, price schedules, rates and rate schedules when Owner approves the annual budget that is prepared by and presented to Owner by the Manager.

(5) Manager shall advise Owner concerning such repairs, alterations and decorations for the Project, as Manager and Owner may deem reasonable and necessary for the proper maintenance and operation thereof and as approved in the operating and capital costs budget.

(6) Manager shall coordinate the purchase of and manage all professional and service contracts for the Project, including but not limited to speech therapy, occupational therapy, inhalation therapy, physical therapy and prosthetic devices, medical director, mental health services, routine and ancillary laboratory supplies, x-ray and rental of equipment, pharmaceutical services and supplies, and any item reimbursed by Part B Medicare or its successor provisions. Manager may recommend the use of consultants or companies, even though same may be employed by Manager or a subsidiary or division, and if employed or retained, such consultants or companies shall be compensated at market rates and on terms comparable to the normal and customary rates in the industry, and these payments shall be a direct cost of operation of the Project and services pursuant to this Agreement. If any such companies or services are related to Manager as an affiliate or through common ownership or

control, such relationships shall be disclosed to Owner at the time of origination and annually thereafter, together with the nature of the relationship.

(7) Manager shall be responsible for assisting Owner in the negotiation of service and such other contracts reasonably necessary or desirable in connection with the operation of the Project in the usual course of business, including the execution of all Owner agreements necessary and appropriate to obtain and maintain Project status as a reimbursable Provider of services under the Medicare program. These contracts may be entered into with subsidiaries, divisions, or affiliates of Manager, but only at market rates and on terms comparable to those normal and customary in the industry.

(8) Subject to the pre-approval of the Board of Directors of the Owner, the cost of professional assistance (including Manager home office personnel) in any litigation, claims, labor negotiations or administrative or legal appeals of reimbursement rulings shall be an expense or direct cost of operations of the Project.

b. Personnel Services For Which Manager Shall Be Responsible for Providing:

(1) The preparation and implementation of standard personnel policies and procedures, including the supervision of the Project's administration of an employee grievance system.

(2) The implementation and maintenance of a computerized personnel file which shall include all appurtenant and appropriate personnel information necessary for the administration of the personnel policies and practices at the Project.

(3) The use by Project employees of Manager run employee training programs. Owner agrees that the actual cost of Project employee participation in these training programs, including travel and lodging, shall be a direct cost of operations of the Project.

c. Quality Control Services as Provided by Manager:

(1) Manager shall implement and regularly review the quality control system at the Project. This review shall include but not be limited to (i) an annual pre-survey visit to the Project designed to provide a quality review of the actual services provided by the Project, and (ii) utilization of the Manager Comprehensive Patient Care System (CPCS) Program, for which there will be a commercially reasonable separate charge not to exceed Manager's cost as calculated and approved annually. Such review shall also include evaluation of the standards for quality control and recommendations as to quality control standards to be implemented, so that the quality of patient care at the facility is continually audited.

(2) Manager shall provide a continuing education program at the Project level designed to inform and educate health care professionals and the general public in the geographical area served by the Project of the existence of all services and advantages offered by the Project.

(3) Manager shall provide such descriptive booklets, brochures or pamphlets as may be necessary to properly inform health care professionals and members of the public of the nature and requirements of state and federal reimbursement programs for patients and how same relate to the services offered at the Project. Such booklets, brochures or pamphlets shall be approved by Owner and be a direct cost of operations of Project.

d. Legal and Risk Management Services provided by Manager:

(1) Legal review and preparation of a Project Patient Rights Policy and a Project Patient Care Policy, and any other applicable policies, all in accordance with all applicable federal and state standards.

(2) Legal review and preparation of all other federal and state mandated documents, including the Provider contract entered into by the Project and the state reimbursement agency and the federal reimbursement agency.

(3) Continuing review of the medical records system of Project, including implementation of any necessary updates or revisions to such system, which may be provided after consultation with Owner at Owner's expense.

(4) Continuing risk management review of all legal actions initiated by Project or which involve Project, but the cost of the Project's counsel shall be a direct cost of operations of Project.

(5) Overview of the risk management program at the Project, including periodic safety checks, the installation of and review of the performance of functions of a Project safety committee designed to monitor all incidents involving patients, staff or visitors at the Project and the implementation of corrective procedures designed to ensure the non-recurrence of any incident.

(6) Manager Home Office risk management department shall manage and regularly review all Project insurance claims, including those either for or against the Project.

(7) Continuing review of all insurance requirements of the Project and obtaining of the best known commercial rate quotations available on a group basis.

(8) Manager agrees to maintain, on behalf of Project and Owner, Worker's Compensation Insurance and the insurance set forth on Exhibit 1 attached hereto. The cost of all such insurance shall be the direct cost of the Project.

e. Financial Services, Books and Records: Manager Agrees:

(1) To process for Owner the Project's financial statements, including but not limited to:

(a) Coordinating with any independent certified public accountants selected by Owner to provide an audited annual financial statement of the Project for each fiscal year (prepared in accordance with Generally Accepted Accounting Standards as promulgated by the American Institute of Certified Public Accountants); and

(b) Furnishing to Owner unaudited monthly financial statements.

(2) The processing cost of all unaudited financial statements shall be paid by Manager (excluding Project personnel time and expenses), but the cost of all audited financial statements shall be paid as a Cost of Operations as hereinafter defined in Section 4(c).

(3) Pursuant to and in compliance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL96 499), Manager covenants, promises and agrees to maintain for a period of at least four (4) years after the rendering of any management services all books, documents and records of Manager as same pertain to Manager's actual cost of providing the services contemplated herein and to, additionally, make said documents available to the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States Government or any of their duly authorized representatives upon written request from said officials or their designees.

(4) All books, accounts and records maintained for the operation of the Project shall be open at all reasonable hours and upon appropriate notice for inspection by either Manager or Owner or any certified public accountants selected for that purpose by the examining party.

(5) To prepare and file all state and federal cost reports necessary for reimbursement as well as any other reports required by other sources of reimbursement.

(6) To supervise the preparation, implementation and review of annual operating and capital expenditure budgets for Project. Such budgets must be approved by Board of Directors of Owner prior to implementation.

(7) To process all payroll checks, including associated reports. Manager's standard form payroll check will be utilized and may not be issued in Owner's name.

3. Compensation of Manager for Services Provided Herein.

As compensation for the services to be rendered by Manager during the term of this Agreement or any renewal period, Owner shall pay to Manager the following compensation:

a. During the term hereof, Owner shall pay monthly in arrears to Manager a Management Fee equal to 5% of the Net Revenues of the Project through the term of this Agreement. "The Net Revenues of the Project" are defined as follows: All revenue and income of every kind or source resulting from the operation of the Project (including interest income) as calculated on the accrual basis using generally accepted accounting principles consistently applied.

b. Owner acknowledges that Manager may receive compensation for other services or goods which it provides the Project or the patients therein which would be as defined in other contracts or agreements and this compensation shall not reduce or be a credit against the compensation owed Manager pursuant to Section 3 of this Agreement. All such current contracts and agreements are set forth on Exhibit 2 to this Agreement. Manager shall be compensated for such other services or goods at market rates and on terms comparable to those normal and customary in the industry and each such agreement shall have a ninety (90) day cancellation clause. Owner shall be given an annual written acknowledgement of any changes to Exhibit 2.

c. Management fees and expenses are due and payable monthly on the last day of the month following the month service is rendered, except for Additional Management Fees which are due within thirty (30) days of the respective invoice date, and if unpaid shall accrue interest, compounded monthly, at two percentage points over the National Prime Rate of interest as quoted in the WALL STREET JOURNAL (hereinafter "Prime Rate"). Owner agrees to reimburse Manager for all collection costs necessary to collect said fees including, but not limited to, attorney's fees and court costs.

4. Handling and Disposition of Funds.

Funds originating from the operation of the Project shall be deposited in a Project bank account as established with Owner's consent. The Treasurer and Chief Manager of the Manager and the Administrator and/or bookkeeper shall be signatories thereon. The funds shall be received, handled, managed and disposed of as follows:

a. Staff at the Project shall deposit all funds received from the operation of the Project, and all working capital loans advanced by Owner in a bank account or accounts bearing the name of the Project (hereinafter the "Agency Accounts") in a bank or trust company approved by Owner and Manager. Such funds shall in no

event be commingled with other funds, except specifically allocated overnight "sweep accounts" may be utilized to effect maximum return. Manager shall have no liability or responsibility for any loss resulting from the insolvency, malfeasance or nonfeasance of the bank or banks in which such funds are deposited.

b. Manager shall have the authority to direct the Administrator or Project staff to make withdrawals from and use the Agency Accounts for the purposes of operating the Project and performing its obligations hereunder, including the payment of Manager's fees herein until the expiration or termination of this Agreement, at which time Manager shall cause the Treasurer and Chief Manager of the Manager or any other designees or representatives of Manager to resign as signatories of the account and cooperate in making the designees of Owner as signatories for the account.

c. Out of such Agency Accounts, Manager is authorized to direct the payment of all "Costs of Operations", defined as including all debt service or lease payments, all operating expenses, all Manager fees and deferred Manager fees, but specifically excluding payments or distributions to Owner for anything other than interest on loans from Owner to the Project, if applicable. Notwithstanding any other provisions of this Agreement, Manager shall have no authority to make any expenditure in excess of $10,000.00 unless such expenditure is set forth on a budget previously approved by Owner in writing.

5. Manager Not to Pledge Owner's Credit.

Manager shall not pledge the credit of Owner, nor shall Manager in the name of, or on behalf of, Owner borrow any money or execute any promissory note, bill of exchange or other obligation without the consent of the Owner.

6. Reimbursement for Expenses/Use of Manager Employees.

Everything done by Manager in the performance of its obligations and all its expense incurred under this Agreement shall be for and on behalf of Owner and paid by or reimbursed by Owner. In the event that Manager shall have advanced any funds in payment of expense in the maintenance or operation of the Project, then Owner agrees to reimburse Manager within fifteen (15) days after Manager sends written notice of the advance or advances to Owner. Manager shall notify the Owner of such advancements and shall furnish the Owner with receipts evidencing such advancements.

Any services or persons, whose physical presence in the Project is necessary to obtain or maintain licensure as a nursing facility or certification, if applied for or sought, in the Medicaid or Medicare programs or to provide services in the absence of Project staff shall be direct expenses chargeable to the Project as a Cost of Operation, and not payable by Manager, except for (a) preparation and filing of cost reports and (b) preparation of operating and capital expenditure budgets. For example, if the Project's Director of Nurses is terminated or otherwise quits, and Manager sends a Manager employee to

perform the day to day duties of that position, this is chargeable to the Project; where, however, Manager`s employee is sent to assist in the training or supervision of the nursing department, this is not chargeable to the Project. Also, where licensure requires that a specific consultant or position provide services or hours of supervision at the Project, the normal charges of any Manager staff person or subsidiary employee who satisfies this requirement is chargeable to the Project. Such services shall be chargeable to and reimbursed by the Project at the cost of such services to Manager, without any markup of such expense.

Subject to the annual capital budget approved by the Owner, Manager is expressly authorized in its sole discretion to install computer equipment (hardware and software) necessary in the performance of its obligations. Manager's expense incurred in providing the installation, equipment, and software shall be paid for by Owner.

The Project Administrator may from time to time contract with Manager's affiliates for the provision of goods or services to either the Project or the patients therein; provided, however, that Manager shall be compensated for such goods and services at market rates and on terms comparable to those normal and customary in the industry, but with a ninety (90) day termination provision, and that Manager has provided Owner with an annual summary of these agreements and Owner has given an annual written acknowledgement of each of these agreements that is different than the agreements set forth on Exhibit 2 attached hereto.

7. Insurance.

Owner and Manager agree to provide such insurance coverage as shall be required by law and as are normal and customary in the industry.

8. Cooperation by Owner.

It is the intent of the parties that the Project be fully licensed and without substantial deficiencies, and Owner hereby agrees to cooperate fully with the Project staff and Manager to that end and to do all acts necessary for the performance of this Agreement, including but not limited to furnishing and replacing furnishings with those of appropriate quality, maintaining the Project in excellent condition, and maintaining the highest reputation for the Project.

9. Termination Rights.

This Agreement may be terminated as follows:

a. By either party after a Default by the other which is not cured within the applicable grace period, in accordance with the provisions of Section 11.

b. Immediately by Owner in the event of filing of bankruptcy of National HealthCare Corporation;

If this Agreement is terminated, Manager will give Owner all of the Project's cash, trust accounts and investments within five (5) days and all records within thirty (30) days of the date this Agreement is terminated.

10. Manager to Act Solely as Agent, Indemnity by Owner.

In taking any action pursuant to this Agreement, Manager will be acting only as agent for or independent consultant for Owner, and nothing in this Agreement shall be construed as (a) creating a partnership or any other relationship between the parties hereto, except that of principal and agent or independent consultant, or (b) requiring Manager to bear any portion of any losses or liability arising out of or connected with the ownership or operation of the Project.

Owner agrees to indemnify Manager, parent, affiliates, officers, directors and employees and hold each of them harmless from and against any and all claims, suits and judgments for property damage, bodily injuries and/or deaths caused by any act or omission of Owner and against and from the expense of defending such claims and suits, including court costs, attorneys' fees and all other legal expenses. Owner's insurance shall be endorsed to cover Manager as an additional insured.

Manager agrees to indemnify and hold harmless Owner from and against all claims, suits, and judgments for property damage, bodily injuries and/or deaths caused by any act or omission of Manager, its agents and employees, and against and from the expense of defending such claims and suits, including court costs, attorney's fees and all other legal expenses.

11. Default.

a. Non Financial Default:

In addition to Manager's other obligations under this Agreement, a non-financial default shall include the loss of the nursing facility of its Medicare certification, the suspension of admissions to the nursing facility and the revocation, suspension or termination of any material license of the Owner. In the event either party to this Agreement deems the other party to be in default under its obligations as contained hereunder (other than a default in Owner's financial responsibilities to Manager as described in Section 3 hereof), then said party shall be required to provide the alleged defaulting party with notice thereof which notice shall contain detailed specifications of such notice. Upon the receipt of said detailed specifications (which shall be deemed to have occurred on the date the specifications were mailed to the party by Certified Mail, Return Receipt Requested), the party being charged with the default shall have thirty (30) days in which to:

1. Correct the alleged default or provide appropriate assurances to the charging party that the default will be timely corrected; or

2. File notice with the charging party that the party against whom the default has been charged denies that the factual matters alleged constitute a default under this Agreement. In the event this latter course is chosen, the parties do hereby covenant and agree to submit such matter to binding arbitration under the American Arbitration Association rules then in effect in Nashville, Tennessee with the arbitration to be conducted in that city or reasonably nearby. The decision of the arbitrator or arbitrators shall be binding upon the parties and may be enforced as a judgment in a court of competent jurisdiction. The cost of arbitration (including reasonable attorneys' fees) shall be paid by the party deemed to have been at fault.

3. If the party who has been charged with the default, contends that the default has been corrected and appropriate assurances given, but the charging party contends the default has not been corrected or that there has not been a provision of appropriate assurances, then either party shall have the right to submit that dispute to binding arbitration under the American Arbitration Rules then in effect in Nashville, Tennessee, with the arbitration to be conducted in that city or reasonably nearby. The decision of the arbitrator or arbitrators shall be binding upon the parties and may be enforced as a judgment in a court of competent jurisdiction. The cost of arbitration (including reasonable attorneys' fees) shall be paid by the party deemed to have been at fault.

b. Financial Default:

In the event either party fails to make the payments or reimbursements due to the other pursuant to this Agreement, then (but only after 15 days written notice of said default, which the defaulting party may cure during that time) the non-defaulting party shall be authorized and entitled to bring suit against the other in the appropriate jurisdiction for the recovery of said sums including all costs and reasonable attorneys' fees. In the event of such a suit, and regardless of whether same is initially brought by Manager or Owner, both Manager and Owner hereby expressly waive their right to a trial by jury.

12. Notices.

a. Any notice, statement or demand required or permitted by this Agreement to be given by Manager to Owner shall be in writing and shall be sent by registered or certified mail to Owner at such address as Owner may, from time to time, designate to Manager in writing.

b. Any notice required or permitted by this Agreement to be given by Owner to Manager shall be in writing and shall be sent by registered or certified mail to Tennessee HealthCare Advisors, LLC, c/o NHC/OP, L.P., sole member, Attn: Mr. Michael Ussery, Chief Operating Officer, 100 Vine Street, Suite 1400, P. O. Box 1398, Murfreesboro, Tennessee 37130, or such other address as Manager may, from time to time, designate to Owner in writing.

c. Any such notice shall be deemed given as of the date of its receipt at the address to which such notice is to be directed, regardless of any other date that may appear thereon.

13. Assignability of this Agreement.

a. Manager shall not have the right to assign its respective rights, interests and obligations hereunder to any party other than an entity in which the majority ownership is with Manager or a parent or affiliate of Manager without Owner's consent, which shall not be unreasonably withheld.

b. Owner shall have the right to assign this Agreement to any purchaser upon the following conditions:

1. Filing with Manager purchaser's financial statements.

2. Review of those statements by Manager and approval of the proposed purchaser by Manager, which approval shall not be unreasonably withheld.

3. Upon purchaser's agreeing in writing to assume all the terms, conditions and covenants imposed upon Owner under the terms and conditions of this Agreement.

c. Owner agrees not to sell, lease or otherwise transfer ownership during the term of this Agreement, unless the purchaser thereof expressly assumes in writing delivered by Manager, all of Owner's obligations hereunder, with the same force and effect as if such purchaser was the Owner mentioned herein.

14. Non Solicitation of Employees.

During the term of this Agreement, Owner and Project shall not solicit the employment of any Manager employee who has been involved in furnishing Services, hereunder. The Manager shall not solicit the employment of any Owner or Project employees.

15. Enforceability.

Should any provisions of this Agreement be unenforceable as between the parties, such unenforceability shall not affect the enforceability of the other provisions of the contract.

16. Waiver of Provisions.

None of the conditions or provisions of this Agreement shall be held to have been waived by any act or knowledge of Manager, its agents or employees, but only by an instrument in writing, signed by an officer of such party.

17. Entire Agreement.

This Agreement shall constitute the entire Agreement between the parties relative to the subject matter hereof, may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Both parties acknowledge that this Agreement replaces all prior agreements for management or advisory services.

18. Burdens and Benefits.

This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of Manager and Owner. Owner agrees not to sell, lease or otherwise transfer ownership during the term of this Agreement, unless the purchaser thereof expressly assumes in writing delivered by Manager, all of Owner's obligations hereunder, with the same force and effect as if such purchaser was the Owner mentioned herein.

19. Laws to Govern.

This contract shall be construed and governed under the laws of the State of Tennessee, and any questions will be answered by sending representatives of both Owner and Manager to that state for consultation and conflict resolution.

20. Modification of Agreement.

Owner and Manager agree that they shall not modify or amend this Agreement in any respect without same being in writing.

21. Confidentiality of Health Information.

Manager recognizes that Owner and/or some of the entities it owns are an entity covered by 45 C.F.R. Parts 160 and 164, Subparts A, D, and E (the "Privacy Rule") promulgated under the Administrative Simplification Section of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). The parties further acknowledge that Manager is a "business associate" of Owner as that term is used in the Privacy Rule. In order to enable Owner to meet certain of its obligations under the Privacy Rule, the parties agree to comply with the provisions of the Health Information Privacy Addendum as executed by both parties. The agreements contained in this Section 21 shall survive the expiration or earlier termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the day and year first above written.

TENNESSEE HEALTHCARE ADVISORS, LLC

2013 JUL 12 AM 11 32

BY: _____

Jeffrey R. Smith, Chief Manager

NHC – MAURY REGIONAL HEALTHCARE, LLC

BY: _____

ITS: _____

Copy
Supplemental #1

NHC/Maury Regional Transitional Care Center

CN1307-025

SUPPLEMENTAL- # 1
July 26, 2013
9:44 am

2013 JUL 26 AM 9 45

OMISSION RESPONSES

TO

NHC-MAURY REGIONAL HEALTHCARE, LLC CON APPLICATION FOR:

NHC/MAURY REGIONAL TRANSITIONAL CARE CENTER

112 BED NURSING HOME

MAURY COUNTY

July 25, 2013

ATTN: Phillip M. Earhart, Health Services Development Examiner

1. **Section B, Project Description Item II.A.**

   The applicant provided background information regarding NHC Healthcare Hillview. Please provide similar background information regarding Maury Regional's Hospital's skilled nursing unit and indicate if the physical plant is currently meeting the needs of a modern skilled nursing unit.

   The physical plant on the Maury Regional skilled nursing unit no longer meets the increasing standards the hospital has for its patients who need skilled nursing services. While the unit was retro-fitted in 1997, the ability to upgrade further is limited by the unit's location and square footage. The investment required to move the unit to another location in the hospital is not a reasonable alternative. Currently, the unit design requires four patients to share a bathroom. This causes patient dissatisfaction and staff frustration. In order to meet the needs of patients, the unit capacity has been decreased to allow more privacy and fewer patients sharing a bathroom. By making this change, we have reduced the revenue of the unit.

   If approved, what are the plans for the space vacated by NHC Healthcare Hillview and Maury Regional's skilled nursing unit?

   At this time, no specific plans have been made for the space to be vacated. However, both organizations plan to utilize the spaces in the future.

2. **Section B, Project Description Item III.A.(Plot Plan)**

   The agreement of purchase and sale of land for the proposed project list 2.17 acres at the corner of Trotwood Avenue and Cayce Lane and a fifteen (15) acre parcel of land. The plot plan indicates the size of the proposed site is 11 acres. Please clarify.

   NHC is assembling a 17 acre tract of land for the purposes of creating a campus that includes the proposed SNF as the first phase. The other components of the campus will be determined by market demand in the future. Possible future uses may be ALF, Home Health Care Office, Medical Office Building, or other medical/health care uses.

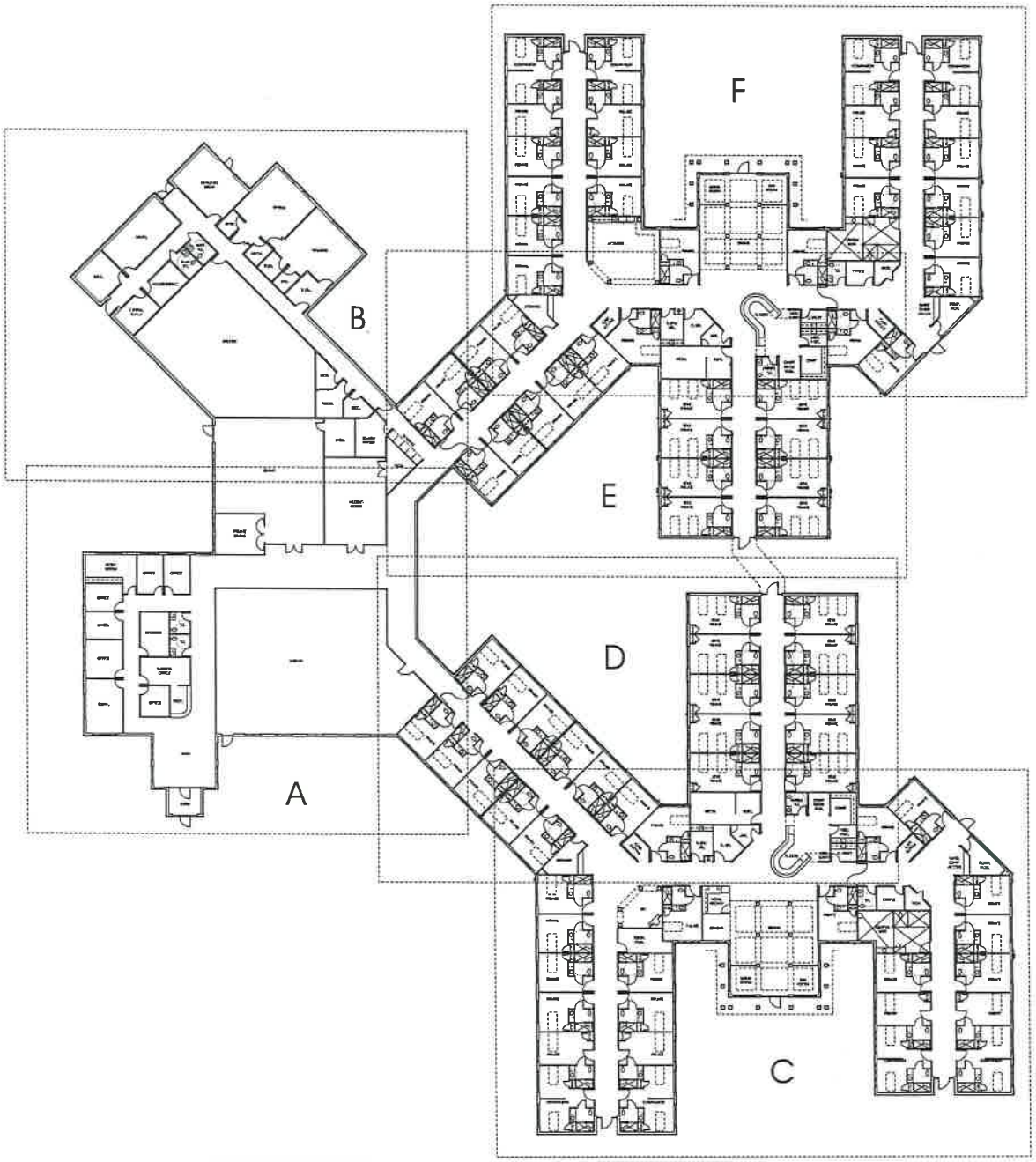
   The properties under contract include a 15 acre tract and 2.17 acre tract. We wish to acquire the 2.17 acre tract to obtain access to Cayce Lane. There is a traffic light at Cayce Lane and Trotwood Ave. Having entrances off both Trotwood Ave and Cayce Lane will give our residents and staff two points of entry to choose from depending on time of day or traffic volumes.

   The site plan shows 11 acres (with portions from both the 15 and 2.17 acre tracts) because that is the site area required for the CON project. NHC/MRH has yet to determine the specific uses for the remainder property; but, it is the applicants intention to use that surplus property for a complementary purpose(s).

3. **Section B, Project Description, Item IV. (Floor Plan)**

   Please provide enlarged floor plans so that the room labels are readable.

   Please see the attached Floor Plan which has been created in sections to enhance the readability.



MASTER FLOOR PLAN

SCALE 1/16" = 1'-0"

PROJECT DATA

8 COMPANION ROOMS -	16 BEDS
18 SEMI-PRIVATE ROOMS -	36 BEDS
60 PRIVATE ROOMS -	60 BEDS
TOTAL -	112 BEDS
TOTAL BUILDING AREA	69,464 S.F.

Johnson + Bailey Architects P.C.

City Center
100 East Vine St.
Murfreesboro Tennessee
37130
615 · 890 · 4560
Fax: 615 · 890 · 4564

NHC/ Maury Regional Transitional Care Center

Columbia, Tennessee

REVISION DATE

NOTES:

THIS DRAWING SHALL NOT BE REPRODUCED, PUBLISHED, OR USED IN ANY WAY WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT

PROJECT NO.
DATE
DRAWN BY
CHECKED BY

SUPPLEMENTAL - # 1

July 26, 2013
9:44 am

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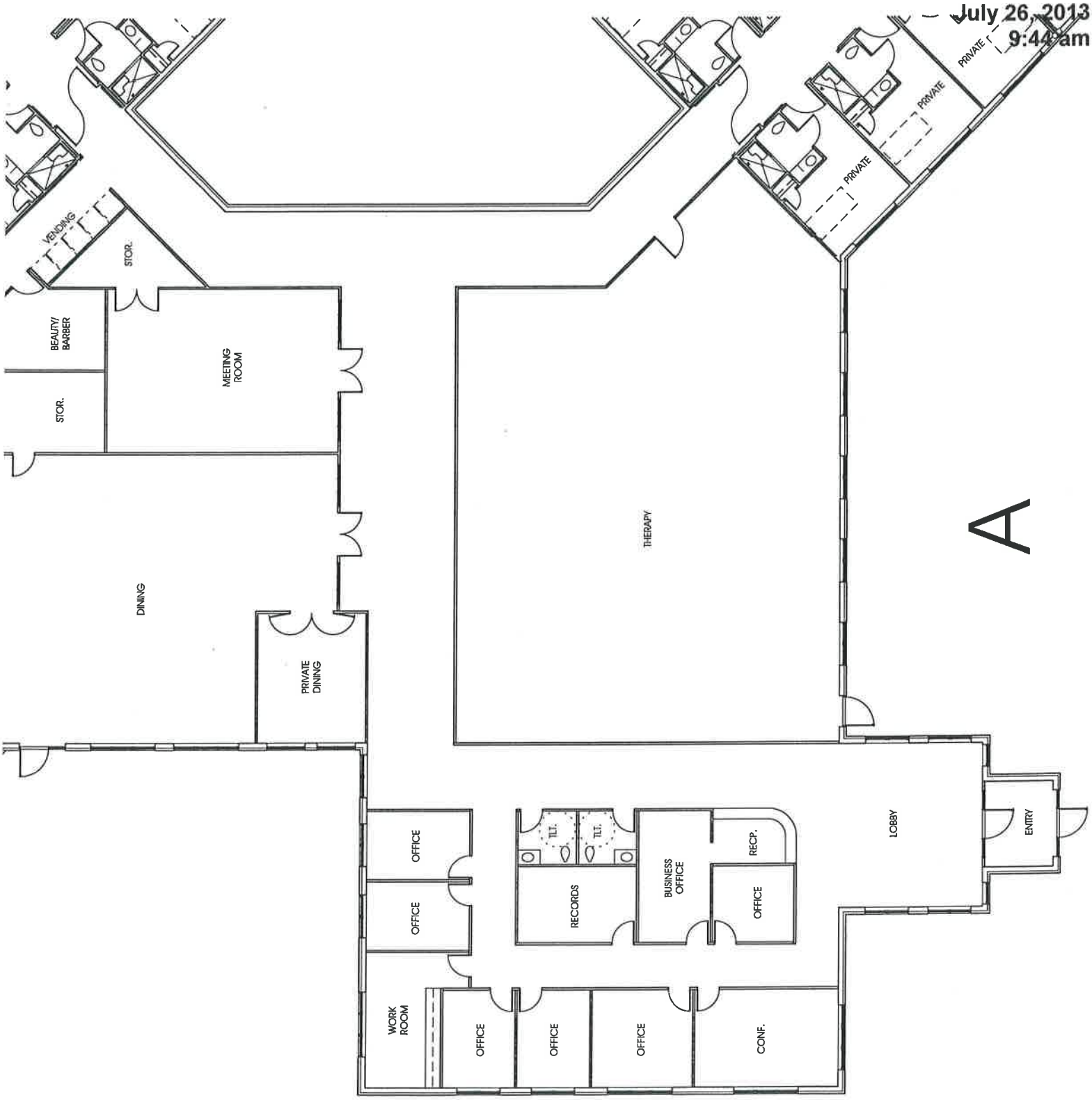

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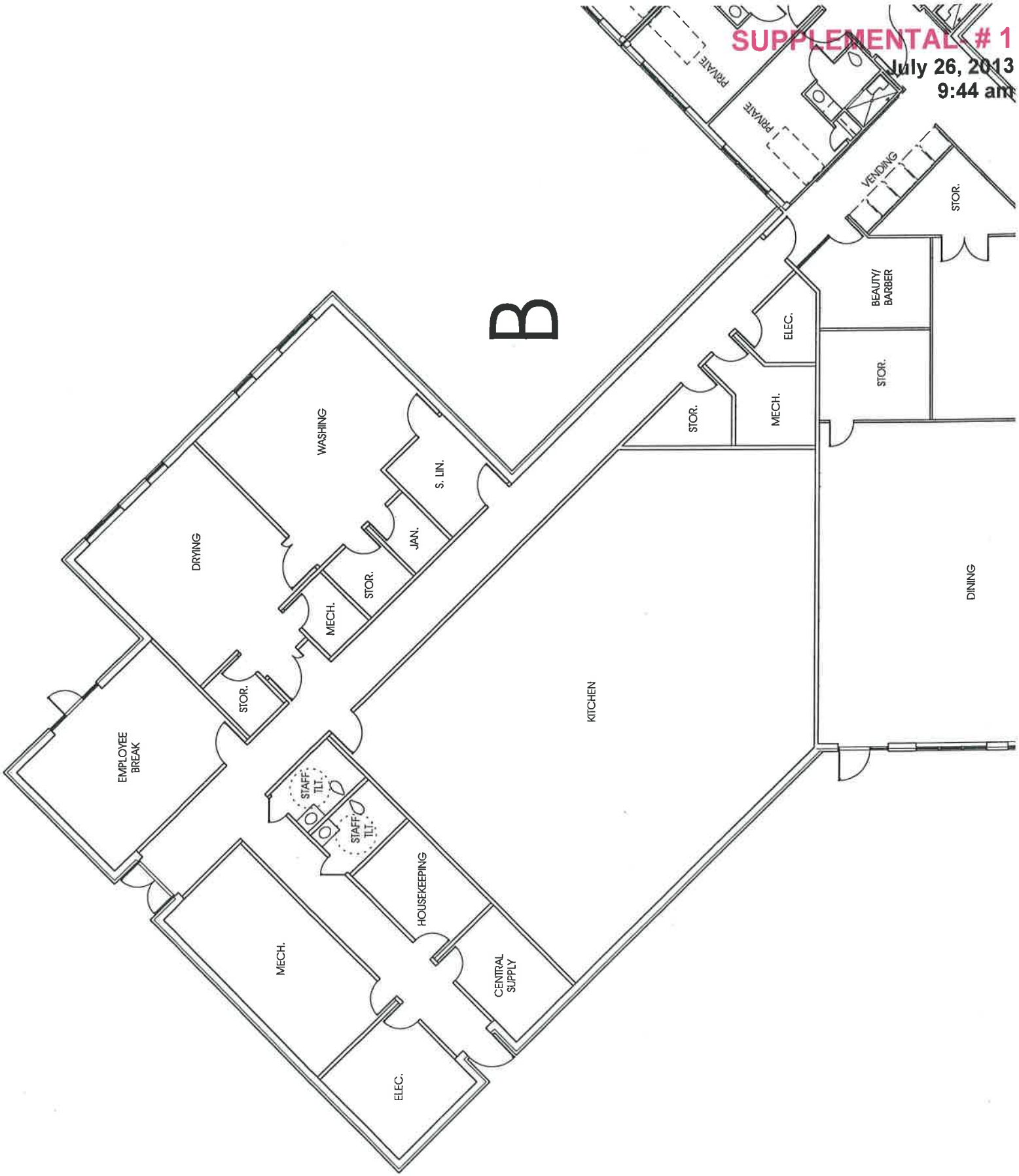

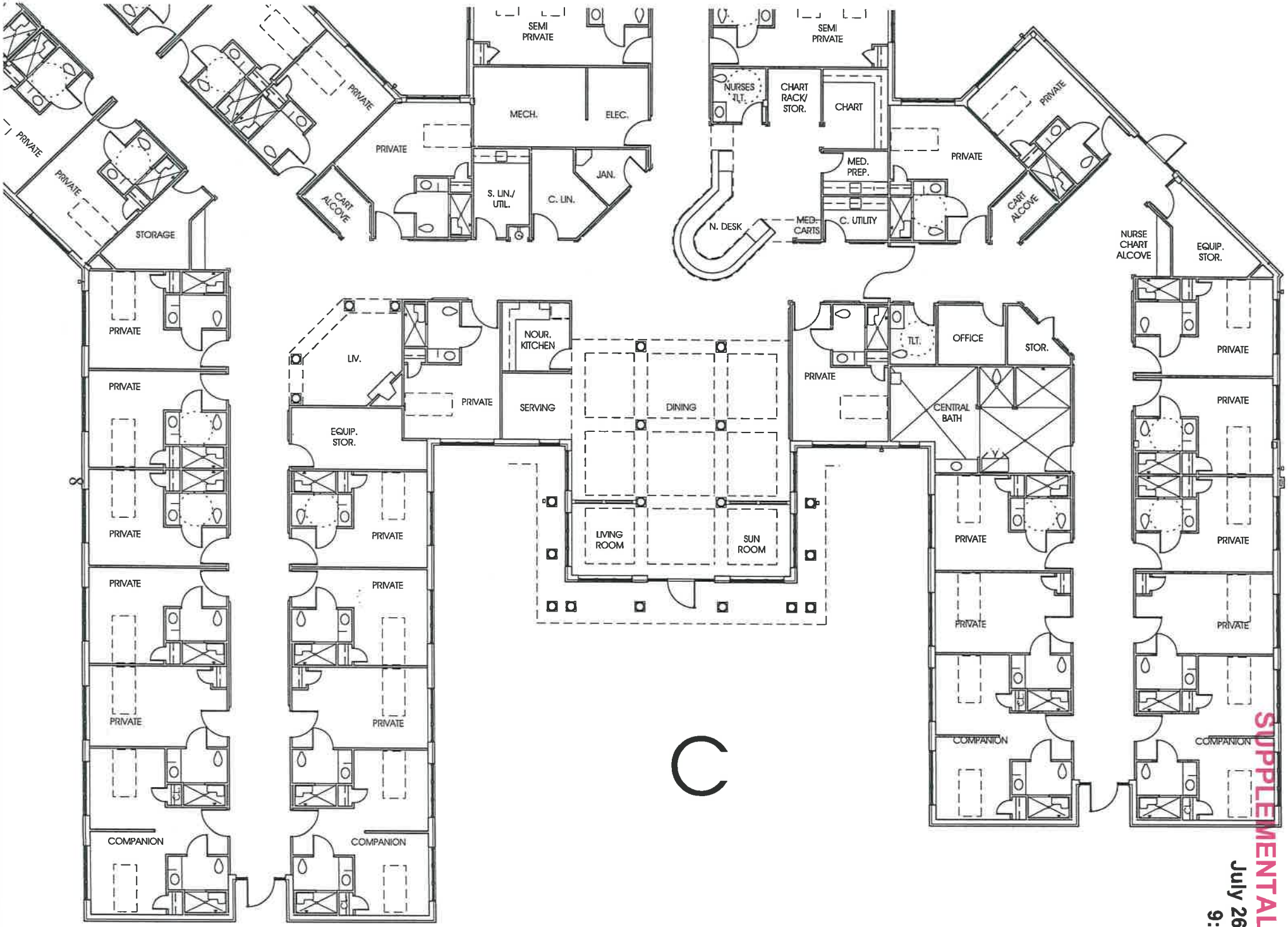

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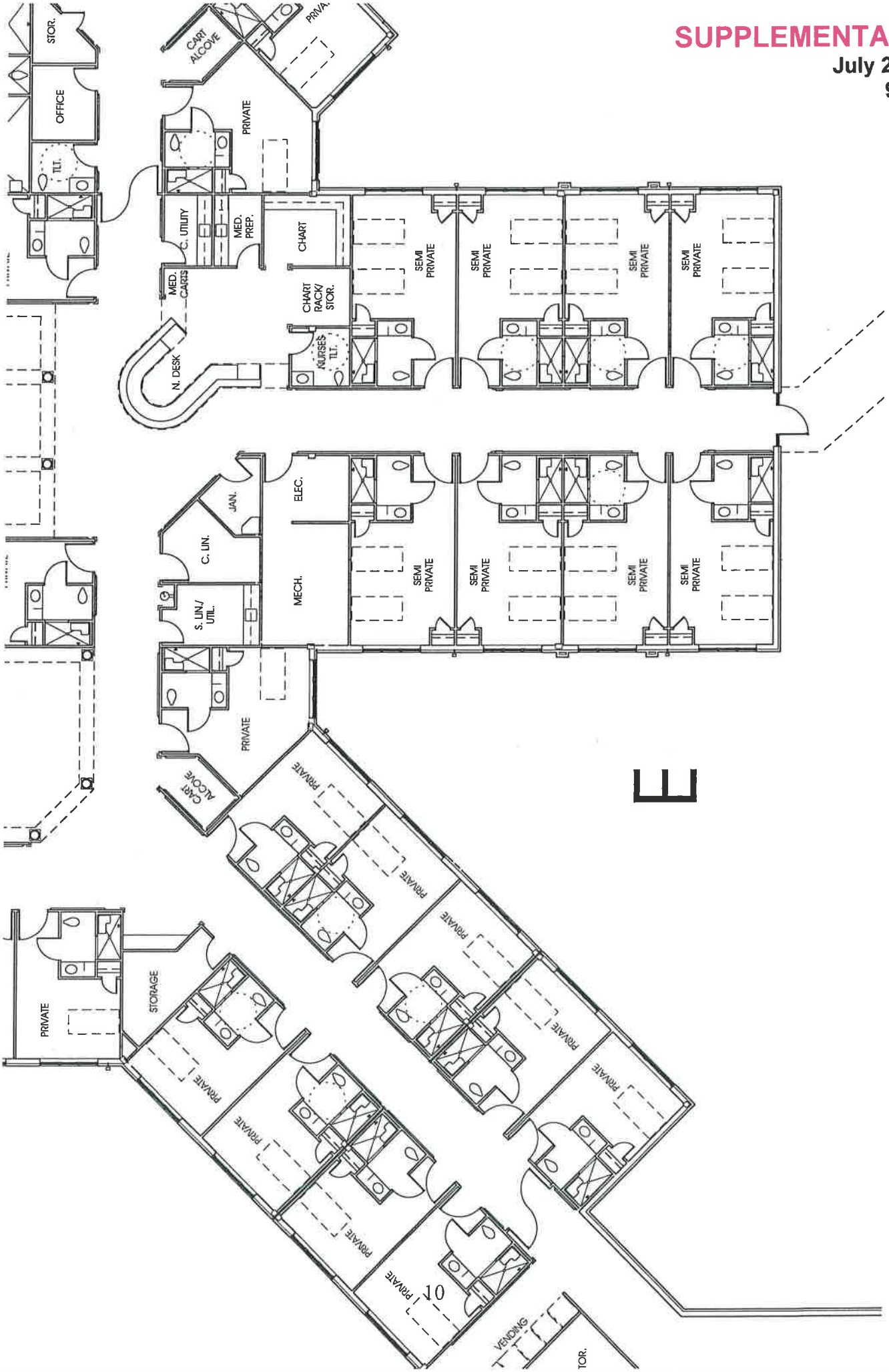

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4. **Section C., Need, Item I.a. (Service Specific Criteria-Construction, Renovation, Expansion, and Replacement of Health Care Institutions) (2B)**

There is an 83% nursing home licensed occupancy rate in Maury County in 2011 and a surplus of 102 nursing home beds according to the state county bed formula. With this in mind, please discuss the projected future demand for the proposed project.

As discussed previously, the senior population is growing in numbers far greater than they have in the past. And with this growth in the elderly population, comes more frequent access to long term care and services including rehab services. NHC/Maury is proposing to offer a model and level of care that is in growing demand across the service area, the State and the country. And that is, a skilled level of care that is delivered in a physical plant that meets the expectations of doctors, patients, and families. Nursing homes that continue to do business as usual will see census decline, especially with the Choices Act. However, occupancy rates in facilities that are not changing with consumer demands, quality care standards, protocols, and reimbursement models and offering new and innovative care delivery models and partnerships should not be used to deter existing providers seeking to offer a better service without increasing the existing bed capacity in the service area. We believe, and the public support shows, that there is a clear need for this project now and in the future.

Please discuss the impact of converting ninety-two (92) Medicaid beds to Medicare only?

The impact is the conversion of approximately 31 Medicaid beds to Medicare, since that's the number of Medicaid patients the two centers currently serve within the existing 92 licensed beds. We believe that the other existing centers in the service area, including NHC HealthCare, Columbia, can accommodate that number of patients within their current occupancies.

Will Medicaid patients have difficulty in locating a bed in Maury County?

Medicaid beds in the area are not in short supply. The focus of the Choices Act is to divert Medicaid patients away from nursing home beds and to other less costly services in the community. Centers that continue to offer a care model based around less intensive care levels and services will see their census decline with time.

Please discuss how the Long-term Care Community Choices Act of 2008 has impacted nursing home utilization rates in the proposed service area for years 2009, 2010, and 2011. The Long-term Care Community Choices Act of 2008 allows TennCare to pay for more community and home-based services for seniors such as household assistance, home delivered meals, personal hygiene assistance, adult day care centers and respite.

While I am not able to quantify the exact impact of the Long-term Care Community Choices Act, "Choices" on nursing home utilization in the service area, since I do not have the TennCare data available, I can say based on Statewide Nursing Home Association data, that nursing home utilization has declined several percentage points across the State since 2009 to 2012. However, the percentage did not change significantly by the two (2) percent until year 2012. Generally, most of the decline in census has been seen within the Medicaid and Private pay categories. However, Medicare and third party payment source utilization has been increasing, on average across the States nursing homes. There was a 1.3 percent decrease in private pay census during the same 2009 to 2012 time period within the State. That said, the Choices Act primarily impacts the Medicaid population, which is not the rehab and skilled level of care this facility proposed to offer. The vast majority of the patients admitted to the proposed center will be admitted from a hospital as a Medicare patient.

5. Section C., Need, Item 5

Please indicate the number of patient referrals the applicant expects from Maury Regional Hospital and from either sources in Year One and Two of the proposed project. Please describe the support from Physician practices or other referral sources?

MRMC discharged 2,141 patients to skilled facilities in 2012. With the growing aging population, discharges to skilled nursing facilities are expected to increase.

NHC HealthCare, Hillview in 2012 had 914 referrals from MRMC and so far June, year to date 2013; the center has had 501 referrals so on an annual basis we expect to receive over 1,000 referrals in 2013. Projecting into the future we expect the number of patients to grow. NHC works with two physician groups who admit the majority of our patients. The two groups have a total of 12 admitting physicians.

The Maury Skilled Nursing Unit has a large number of attending physicians. From July 1, 2012 through June 30, 2013, the unit had 23 attending physicians for patients. The largest supporters during this time period were: Family Health Group (FHG): 5 physicians/174 patients; Middle Tennessee Bone and Joint Clinic: 6 physicians/69 patients; and Core Physician Group: 6 physicians/53 patients.

Based on the stated historical data, the proposed project expects to continue to receive the same support and patient referral pattern that these two licensed providers have experienced in the past.

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6. **Section C, Economic Feasibility, Item 1**

The architect's letter indicates the cost per square foot of the proposed facility is $170.50. Please provide the calculations used to come to this figure.

The construction cost for Columbia, TN project was based on following estimates and calculations.

Estimated cost for SNF	**69,464 sf**	**@$171.60/sf**	**$11,920,000**
Estimated cost for Main Bldg.	**950 sf**	**@$88.42/sf**	**84,000**
Total 70,414 s.f.			**$12,004,000**

Average cost/SF **$12,004,000/70414 = $170.48 or $170.50 rounded**

Construction estimates based on cost experience at NHC Health Tullahoma and estimates from contractors for NHC facilities under development in Davidson County and Sumner County.

7. **Section C, Economic Feasibility, Item 1 and 2**

   The Project Costs Chart indicates Interim Financing in the amount of $350,500. If this facility is being financed through cash reserves why are there finance charges?

   The project will be funded from cash reserves but even corporate cash has a "cost of capital". It is our company policy to charge each project with interim financing costs based on our line of credit borrowing rate (varies or fluctuates with market rates), avg. outstanding balance, and project duration (from project's genesis to completion/opening.)

   We have assumed a borrowing/interest rate of 4%, average balance of $8.88 million, and construction duration of 12 months. This results in a projected interim financing charge of $350,500.

8. **Section C, Economic Feasibility, Item 3**

The applicant calculated the cost per bed in the amount of $162,158 as it relates to other recently approved similarly projects approved by HSDA. Please indicate the cost per square foot of construction as it compares to other similarly constructed projects approved by the HSDA.

The cost per square foot of construction for the project is $170.50, which is slightly higher than the median but within the second quartile of historical cost data for new construction.

Following is information obtained from HSDA regarding the construction ranges for nursing home CONs approved between 2010 and 2012. This project falls between the 2nd and 3rd Quartile.

Nursing Home Construction Cost Per Square Foot
Years: 2010 – 2012

	Renovated Construction	New Construction	Total Construction
1st Quartile	$19.30/sq ft	$164.57/sq ft	$73.23/sq ft
Median	$35.76/sq ft	$167.31/sq ft	$164.57/sq ft
3rd Quartile	$55.00/sq ft	$181.72/sq ft	$167.61/sq ft

Source: CON approved applications for years 2010 through 2012

9. Section C, Economic Feasibility, Item 4 Historical Data Chart

The Historical Data Chart for NHC (Hillview) Regional Transitional Care in 2012 reflected losses of -$78,867, with Maury Regional Transitional Care Center experiencing a loss of -$340,198 for the same period. Please explain if these losses were a result of the physical plant, reduction in revenue, or other reason.

Both operations have experienced operational losses. Maury Regional Transitional Care Center is a small hospital unit which, based on its bed size, is not a profit center for the hospital. In addition, given the fact that the unit design is such that four patients share a bathroom, we have further reduced the operating beds to better accommodate our existing patients. Also, the Medicare program has experienced significant reimbursement reductions in recent years, including an 11.2 percent decrease in rates in 2012.

NHC has similar physical plant limitations which exist from the operation of a building constructed in 1964. Consequently, NHC has also operated fewer beds in an effort to accommodate our patient's privacy and physical space needs. NHC operations have likewise been impacted by Medicare reimbursement cuts.

NHC Transitional Care experienced losses in 2010, 2011 and 2012 and Maury Regional in 2012. What type of cost cutting reductions did both facilities take such as staff reduction, reduction in services, etc. to manage negative net operating income?

Please note that no cost cutting reductions have taken place in either center regarding staffing or services. The losses have been managed by both entities by positive income from other operations. More importantly, the proposed project is projected to be financially feasible.

10. Section C, Economic Feasibility, Item 6 A. and 6 B.

Please discuss the anticipated revenue from the proposed project and the impact on existing patient charges for non-Medicare patients.

Charges for non-Medicare patients were based upon 2013 actual private pay rates ($237) and semi-private pay rates ($203) at NHC Hillview. These actual 2013 rates were inflated 4.5% annually to estimate projected Year 1 and Year 2 rates for the proposed project.

The charts of estimated Maury County nursing home rates for the Years 2011-2017 is noted on pages 139-143. Please add a row in the "Year 2017 chart" for the proposed project in order to compare the proposed charges to other nursing homes in Maury County.

Please see the attached chart.

Maury County Estimated 2017 Nursing Home Rates

	NURSING HOMES	Estimated 2017 Rates						
		SNF/Medicare	Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
			Level II	Level I	Level II	Level I	Level II	Level I
1	Life Care Center of Columbia	$639.41	$210.97	$207.06	$282.59	$285.19	$246.13	$247.43
2	Maury Regional Hospital SNU	$1,100.41	N/A	N/A	N/A	N/A	$750.10	N/A
3	Mt Pleasant Healthcare and Rehab	$576.90	$174.50	$174.50	N/A	N/A	$234.41	$195.34
4	NHC HealthCare, Columbia	$565.18	$231.80	$208.36	$287.80	$283.89	$248.73	$244.82
5	NHC HealthCare, Hillview	$589.92	N/A	$210.97	$289.10	$260.45	$256.55	$242.22
6	Signature Healthcare of Columbia	$235.71	$192.73	$235.71	N/A	$235.71	N/A	$235.71
	Average Rates	**$617.92**	**$202.50**	**$207.32**	**$286.50**	**$266.31**	**$347.18**	**$233.10**
	NHC/Maury Regional Transitional Care	$440.01	N/A	N/A	N/A	$276.54	N/A	$236.87

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge inflated 4.5% to Year 2017.

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11. Section C, Economic Feasibility, Item 8

The projected data charges projects a loss of -$812,248 in Year One of the proposed project. Please discuss the availability of cash until financial viability is achieved.

Please note that pursuant to the Project Funding letter, found on page 100, the company will make available all the necessary funds for operation and working capital and that said funds will be available on immediate notice.

12. **Section C, Economic Feasibility, Item 9**

Please indicate the reason why net revenue in Year Two in the amount of $14,061,778 on the table on page 138 is different from the Projected Data Chart's Year Two amount of $14,071,065.

The Managed Care Revenue Table on Page 138 of the Attachments did not include estimated gross IV therapy charges of $9,897. This table was revised to correctly reflect these charges and Year 2 total revenue on this table ($14,071,675) now ties to Year 2 Net Operating Revenue on the Projected Data Chart.

Please note total revenue is $14,071,675 not $14,071,065 as referenced in the original question.

The applicant states a payor mix (managed care, Medicare, private) that totals 106%. Please clarify.

The "corrected" payor mix (managed care, Medicare, private) for Year 2 as reported on page 138 of the attachment in the original application is as follows.

Medicare	43.01%
Managed Care	16.03%
Private Pay	37.65%

Please re-verify the Medicare gross operating revenue for Year 2 in the amount of $9,828,135.

Total projected Year 2 Medicare revenue of $9,828,135 is detailed in the attachments on page 123 of the original application. This amount is comprised of amounts reflected on Lines 1 (Routine Services) to Line 10 (Other Ancillary - IV). The Medicare amounts are reflected in the column labeled Medicare (4).

NHC/Maury Regional Transitional Care Center
Applicant's Projected Payor Mix by Level of Care

YEAR 1

Payor/Care Level	Patient Admissions	Days of Care	Average Daily Census	Gross Revenue	Cont Adj/ Bad Debt	Net Revenue	% of Total Revenue	PPD	
Medicare/Skilled Care	329	10,208	27.97	7,107,479	(2,627,060)	4,480,419	43.47%	438.91	
Managed Care/Tenn Care Skilled Care	141	4,375	11.99	2,992,723	(1,325,572)	1,667,151	16.18%	381.06	
Private Pay - Skilled		-	-	-	-	-	0.00%		
Managed Care/Tenn Care ICF		-	-	-	-	-	0.00%		
Hospice		-	-	-	-	-	0.00%		
Private Pay - ICF	69	14,583	39.95	3,831,648	(9,579)	3,822,069	37.09%	262.09	
Medicare Part B				314,569	(786)	313,783	3.04%	10.76	(1)
Other Revenue				22,802	-	22,802	0.22%	0.78	(1)
							100.00%		
Total - Skilled	470	14,583	39.96	10,100,202	(3,952,632)	6,147,570	59.65%	421.56	
Total - ICF	69	14,583	39.95	3,831,648	(9,579)	3,822,069	37.09%	262.09	
Total Other Revenue				337,371	(786)	336,585	3.27%	11.54	
Grand Total	539	29,166	79.91	14,269,221	(3,962,997)	10,306,224	100.00%	353.36	

YEAR 2

Payor/Care Level	Patient Admissions	Days of Care	Average Daily Census	Gross Revenue	Cont Adj/ Bad Debt	Net Revenue	% of Total Revenue	PPD	% Inflation
Medicare/Skilled Care	437	13,531	37.07	9,828,135	(3,780,412)	6,047,723	42.98%	446.95	1.83%
Managed Care/Tenn Care Skilled Care	187	5,799	15.89	4,138,028	(1,874,176)	2,263,852	16.09%	390.39	2.45%
Private Pay - Skilled		-	-	-	-	-	0.00%		
Managed Care/Tenn Care ICF		-	-	-	-	-	0.00%		
Hospice		-	-	-	-	-	0.00%		
Private Pay - ICF	92	19,329	52.96	5,307,184	(13,268)	5,293,916	37.62%	273.88	4.50%
Medicare Part B				435,690	(1,089)	434,601	3.09%	11.24	0.00%
Other Revenue				31,583	-	31,583	0.22%	0.82	4.50%
							100.00%		
Total - Skilled	624	19,330	52.96	13,966,163	(5,654,588)	8,311,575	59.07%	429.98	2.00%
Total - ICF	92	19,329	52.96	5,307,184	(13,268)	5,293,916	37.62%	273.88	4.50%
Total Other Revenue				467,273	(1,089)	466,184	3.31%	12.06	4.49%
Grand Total	716	38,659	105.92	19,740,620	(5,668,945)	14,071,675	100.00%	363.99	3.01%

(1) - Medicare Part B Revenue and other revenue is divided by total patient days to determine PPD amount.

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13. Section C, Economic Feasibility, Item 11 a. and 11 b.

Please respond to these two questions.

Please see attached.

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.

After compiling all of the facts, it was decided that the best alternative would be to replace the two separately licensed facilities with one new building in a joint venture project to be known as NHC/Maury Regional Transitional Care Center. In addition, no new beds are being requested. This proposal will allow NHC/Maury Regional Transitional Care Center to meet the long-term care needs of the residents of Maury County in the coming years.

(a) Do nothing and continue to operate at the two existing sites. Both entities in the joint venture could continue to operate at their existing locations. However, neither location is ideal for the delivery of state of the art long term care. Both locations have outlived their usefulness given their space and physical plants. The propose change in site and consolidation will provide better access and visibility for the project along a major road in Columbia. In addition, the population of the county indicates a continued need for the existing beds to accommodate the population of Maury County.

(b) Request additional beds. This proposal was really not considered because of the lack of addition bed need based on the current formula.

(c) Build two separate centers. This proposal was considered but rejected based on project financial feasibility and our goal to partner in offering the citizens of Maury County a single new state of the art long term care replacement center.

(d) Build a single replacement Center on a new site and combine the two operations. This proposal was considered and accepted. Different sites in the area were explored and a new site has been selected that proposes relocates the beds to a visible and accessible site. This area of town is still close to the medical center and provides good access to other areas of Maury County. This proposal is being pursued because it meets the projected needs and orderly development of the health care community in Maury County.

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.

NHC/Maury has chosen new construction since all has been done in the past through renovation and modernize with the former two licensed properties.

14. Section C, Orderly Development, Item 1

Please indicate if the required 112.6 FTE's for the proposed project will come from the two existing nursing homes. Please clarify if there will be staff reductions if this project is approved.

Existing partners and employees will be given the opportunity to continue their employment as a part of the proposed center. There will not be staff reductions if this project is approved.

15. Section C, Orderly Development, Item 7.c

The Medicare Inspection Report for Maury Regional Transitional Care is noted. Please include an approved plan of correction.

Please see the attached approved plan of correction.

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STATE OF TENNESSEE
DEPARTMENT OF HEALTH
DIVISION OF HEALTH CARE FACILITIES
WEST TENNESSEE REGIONAL OFFICE
2975 C Highway 45 Bypass
Jackson, Tennessee 38305
Telephone: (731) 984-9684
Fax: (731) 512-0063

May 21, 2012

Ms. Joan Stephens, Administrator
Maury Regional Hospital SNU
1224 Trotwood Avenue
Columbia, TN 38401

RE: Compliance Notice
Recertification Survey
CCN 44-5398

Dear Ms. Stephens:

West Tennessee Regional Office of Health Care Facilities conducted a recertification survey at your facility on **April 23-24, 2012**. Based on a review of your plan of correction for deficiencies cited as a result of the survey, we are accepting your plan of correction and are assuming your facility is in compliance with all participation requirements with a completion date of 05/21/2012. This office is recommending certification in the Medicare and/or Medicaid program.

If you have any questions, please feel free to contact this office.

Sincerely,

Jan Priddy

Jan Priddy, RN
Public Health Nurse Consultant 2

JP/rm RM

16. Project Completion Forecast Chart

The applicant has entered December 1, 2013 as the Projected Agency Decision Date. The date should reflect October 2013. Please resubmit.

Please see attached revised page.

PROJECT COMPLETION FORECAST CHART

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Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c): 10/23/13

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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	30	1/14
2. Construction documents approved by the Tennessee Department of Health	150	06/14
3. Construction contract signed	210	08/14
4. Building permit secured	240	09/14
5. Site preparation completed	330	12/14
6. Building construction commenced	330	12/14
7. Construction 40% complete	480	05/15
8. Construction 80% complete	630	10/15
9. Construction 100% complete (approved for occupancy	690	12/15
10. *Issuance of license	720	1/16
11. *Initiation of service	720	1/16
12. Final Architectural Certification of Payment	780	3/16
13. Final Project Report Form (HF0055)	810	04/16

* 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.

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17. Historical Data Chart

Please see the attached revised Chart which reflects a revised Operating Bed line item and a reallocation of expenses to reflect Fees to Non-Affiliates.

NHC/Maury Regional Transitional Care Center

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HISTORICAL DATA CHART
Combined NHC and Maury Regional Operations

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

	2010	2011	2012
A. Utilization Data (Specify unit of measure) Patient Days	35,235	35,152	35,264
Licensed Beds	112	112	112
% Occupancy (Licensed Beds)	86.19%	85.99%	86.03%
Operating Beds	105	104	101
% Occupancy (Licensed Beds)	91.94%	92.60%	95.40%
B. Revenue from Services to Patients			
1. Inpatient Services	$ 14,130,823	$ 15,366,155	$ 16,969,538
2. Outpatient Services			
3. Emergency Services			
4. Other Operating Revenue (Specify) (Cafeteria Sales, vending, etc)	17,317	12,309	10,704
Gross Operating Revenue	**$ 14,148,140**	**$ 15,378,464**	**$ 16,980,242**
C. Deductions for Operating Revenue			
1. Contractual Adjustments	(4,395,650)	(5,125,156)	(6,706,654)
2. Provision for Charity Care	(1,868)	(1,963)	(2,221)
3. Provisions for Bad Debt	(93,299)	(50,177)	(44,178)
Total Deductions	**$ (4,490,817)**	**$ (5,177,296)**	**$ (6,753,053)**
NET OPERATING REVENUE	**$ 9,657,323**	**$ 10,201,168**	**$ 10,227,189**
D. Operating Expenses			
1. Salaries and Wages	4,209,896	4,529,211	4,450,497
2. Physician's Salaries and Wages (Medical Services)	51,576	44,996	45,268
3. Supplies	240,750	229,729	225,283
4. Taxes	56,829	56,889	56,844
5. Depreciation	273,661	267,852	244,607
6. Rent	553,313	562,805	555,211
7. Interest, other than Capital	155	185	193
8. Management Fees:	-	-	-
a. Fees to Affiliates	209,711	223,808	233,330
a. Fees to Non-Affiliates	112,498	111,621	108,000
9. Other Expenses (Specify)	4,185,118	4,458,918	4,727,021
Total Operating Expenses	**$ 9,893,507**	**$ 10,486,014**	**$ 10,646,254**
E. Other Revenue (Expenses)–Net (Specify)			
NET OPERATING INCOME (LOSS)	**$ (236,184)**	**$ (284,846)**	**$ (419,065)**
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	**$ -**	**$ -**	**$ -**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ (236,184)**	**$ (284,846)**	**$ (419,065)**

NHC/Maury Regional Transitional Care Center

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HISTORICAL DATA CHART
Maury Regional Operations

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

	2010	2011	2012
A. Utilization Data (Specify unit of measure) Patient Days	5,679	5,517	5,351
Licensed Beds	20	20	20
% Occupancy (Licensed Beds)	77.79%	75.58%	73.10%
Operating Beds	19	19	17
% Occupancy (Licensed Beds)	81.89%	79.55%	86.00%
B. Revenue from Services to Patients			
1. Inpatient Services	$ 5,883,894	$ 6,692,876	$ 7,150,186
2. Outpatient Services			
3. Emergency Services			
4. Other Operating Revenue (Specify) (Cafeteria Sales, vending, etc)			
Gross Operating Revenue	**$ 5,883,894**	**$ 6,692,876**	**$ 7,150,186**
C. Deductions for Operating Revenue			
1. Contractual Adjustments	$ (3,216,924)	$ (3,951,987)	$ (4,700,668)
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions	**$ (3,216,924)**	**$ (3,951,987)**	**$ (4,700,668)**
NET OPERATING REVENUE	**$ 2,666,970**	**$ 2,740,889**	**$ 2,449,518**
D. Operating Expenses			
1. Salaries and Wages	$ 1,512,618	$ 1,643,111	$ 1,702,187
2. Physician's Salaries and Wages (Medical Services)			
3. Supplies	51,898	45,534	59,765
4. Taxes			
5. Depreciation	49,470	49,083	48,929
6. Rent	8,140	2,445	2,452
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates			
a. Fees to Non-Affiliates	112,498	111,621	108,000
9. Other Expenses (Specify) See Attached Schedule	829,561	862,322	868,383
Total Operating Expenses	**$ 2,564,185**	**$ 2,714,116**	**$ 2,789,716**
E. Other Revenue (Expenses)–Net (Specify)			
NET OPERATING INCOME (LOSS)	**$ 102,785**	**$ 26,773**	**$ (340,198)**
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	**$ -**	**$ -**	**$ -**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ 102,785**	**$ 26,773**	**$ (340,198)**

NHC/Maury Regional Transitional Care Center
HISTORICAL DATA CHART SUPPLEMENT
ANALYSIS OF HISTORICAL OPERATING EXPENSES

	2010			2011			2012		
	Salaries	Other	Total	Salaries	Other	Total	Salaries	Other	Total
Salaries	$1,512,618		$1,512,618	$1,643,111		$1,643,111	$1,702,187		$ 1,702,187
Benefits		349,717	349,717		380,822	380,822		403,249	403,249
Purchased Service		4,001	4,001		14,517	14,517		22,981	22,981
Repairs & Maintenance		1,250	1,250		1,472	1,472		1,051	1,051
Other Expenses		48,998	48,998		54,656	54,656		46,737	46,737
Utilities		847	847			-			-
Professional Fees		9,600	9,600		8,481	8,481		7,688	7,688
Allocated Costs		324,555	324,555		315,297	315,297		291,851	291,851
Laundry		31,848	31,848		29,460	29,460		38,364	38,364
Housekeeping		19,219	19,219		19,219	19,219		19,219	19,219
Dietary		39,526	39,526		38,398	38,398		37,243	37,243
Miscellaneous						-			-
TOTAL	$1,512,618	$ 829,561	$2,342,179	$1,643,111	$ 862,322	$2,505,433	$1,702,187	$ 868,383	$ 2,570,570

SUPPLEMENTAL- # 1
July 26, 2013
9:44 am

18. Support Letters

Please see the attached additional support letters for the file. Additional letters are being gathered and will be submitted as received.

SUPPLEMENTAL- # 1
July 26, 2013
9:44 am

Marco Chavarria-Aguilar, M.D., F.A.C.S.
Mark S. Hinson, M.D., F.A.C.S.
K. Todd Piercy, M.D., F.A.C.S.
James W. Richardson, Jr., M.D., F.A.C.S.
Melanie Durham, PA-C

July 5, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

It is my understanding that NHC/Maury Regional Transitional Care Center is filing a CON to replace and relocate 112 beds in Maury County. I am writing to express my enthusiastic support for this proposed project. I and numerous colleagues look forward to a more formal partnership with NHC in offering this new center and services in the community. I am a surgeon who has practiced in Maury County twenty-five years, caring for patients not only from our community but also from several surrounding counties. I would greatly appreciate and utilize such a facility as my patients recuperate from surgical procedures.

Our hospital admits and discharges patients with medically complex conditions, and NHC/Maury Regional Transitional Care Center's proposed center would benefit us by receiving discharges from our hospital as well as admitting patients into our hospital. There is a definite need for long term care beds in this market and I believe the need for these services will continue to grow as our population ages and the new facility will help meet this increasing demand.

Thank you for your thoughtful consideration.

Sincerely,

James W. Richardson

James W. Richardson, M.D.

1222 Trotwood Ave, Suite 211, Columbia, TN 38401 (931) 380-3033; Fax (931) 388-3401

SUPPLEMENTAL- # 1
July 26, 2013
9:44 am

CPWS
Columbia Power & Water Systems

201 Pickens Lane
P.O. Box 379
Columbia, TN 38402

P 931.388.4833
F 931.388.5287
www.cpws.com

July 15, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

I am writing in support of NHC/Maury Regional Transitional Care Center's Certificate of Need application. I understand that NHC/Maury Regional Transitional Care Center is proposing to relocate and replace their existing licensed nursing facility beds in Maury County with a new facility.

In my role as executive director of Columbia's power, water and broadband utilities, and as the chair-elect of the Maury County Chamber and Economic Alliance, I am encouraged by this partnership between NHC and Maury Regional Medical Center. Both organizations are vitally important members of our community. I believe Maury County will be made better by this endeavor.

By approving the Certificate of Need, your agency will allow NHC/Maury Regional Transitional Care Center to better address the medical and rehabilitation needs of Maury County. Thank you for your favorable consideration of this CON application.

Sincerely,

Columbia Power & Water Systems

Wes Kelley
Executive Director

MTB&J
MID-TENNESSEE BONE & JOINT CLINIC, P.C.

Orthopedic Surgery & Sports Medicine
C. Douglas Wilburn, MD
Randall L. Davidson, Jr., MD
Jeffrey T. Adams, MD
J. Fredrick Wade, MD
A. Lee Hunter, Jr., MD
Scott W. McCall, MD
Jonathan R. Pettit, MD

Physical Medicine & Rehabilitation
Charles S. Kim, MD

Emeritus
Eslick E. Daniel, MD
Kenneth L. Moore, MD

Administration
Fred Drew
Chief Executive Officer

1050 N. James Campbell Blvd. • Suite 200 • Columbia, TN 38401 • Phone 931-381-BONE (2663) • Fax 931-380-0513 • www.mtbj.net

SUPPLEMENTAL- # 1
July 26, 2013
9:44 am

July 12, 2013

Ms. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Boulevard, 3rd Floor
Nashville, Tennessee 37243

Dear Ms. Hill:

Please accept this letter in support of NHC Maury Regional Transitional Care Center and its planned replacement and relocation of the existing facility.

As a practicing orthopedic surgeon in Columbia for the last 19 years, I would also like to emphasize the fact that NHC has been at the forefront of leading inpatient short term orthopedic rehabilitation. As the need for younger and more active patients to go undergo knee and hip replacement surgeries has exploded, the associated need of these patients for facilities that participate in short term and aggressive functional rehabilitation has also exploded. NHC has been proactive in meeting those needs. However, the needs have now out stripped their facility. I believe that an expanded facility with improved physical therapy and occupational therapy will continue to allow us to meet the tremendous growth and need that we seeing in our region. Please accept this letter in strong support of the new facility.

Sincerely,

Freddie Wade, M.D.

JFW/mkc

SUPPLE # 1
013
am

TENNESSEE FARM BUREAU FEDERATION

July 17, 2011

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, Tennessee 37243

Dear Mrs. Hill:

Please accept the following comments as supportive material in consideration of the proposed relocation of services and further relationship between Maury Regional Hospital and NHC Hillview Medical Center.

I am acutely aware of the need for medical assistance during transition points during our life. As a customer of the current NHC Hillview Medical Center, due to my 94 year old mother having been a resident for over three years following a repeated broken hip, and as a participant in the Ortho Short Stay Program at Hillview following double knee replacement personally, I want to support the new proposed facility. I have also had ample opportunity to utilize the services of an excellent regional hospital personally and as a business leader. I feel experience qualifies me to make informed statements not only to the need for care, but the excellent quality of care.

It is extremely gratifying to see the joint efforts of two well-qualified entities join forces in serving the needs of this community. The need for transitional health assistance and long-term care are no doubt going to grow in significance as life styles dictate assistance in elder care and improved technology and health care delivery allows more individuals to improve quality of life. A new facility with a dedicated focus will certainly be a positive for the health care industry and the people served.

I appreciate your consideration of my opinion and any assistance you might provide as a Certificate of Need is developed.

Sincerely,

Joe Pearson
Chief Administrative Officer

147 Bear Creek Pike, Columbia, TN 38401 • P.O. Box 313, Columbia, TN 38402-0313 • Phone 931-388-7872 • Fax 931-388-5818

SUPPLEMENTAL- # 1
July 26, 2013
9:44 am

2013 JUL 26 AM 9 46

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Rutherford

NAME OF FACILITY: NHC-Maury Regional HealthCare, LLC d/b/a NHC/Maury Regional Transitional Care Center

I, Bruce K. Duncan, being first duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Assistant Vice President
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 25th day of July, 2013, witness my hand at office in the County of Rutherford, State of Tennessee.

Barbara Harris
NOTARY PUBLIC

BARBARA HARRIS STATE OF TENNESSEE NOTARY PUBLIC RUTHERFORD COUNTY

My commission expires 9-20, 2015

HF-0043

Revised 7/02

CPWS
Columbia Power & Water Systems

201 Pickens Lane
P.O. Box 379
Columbia, TN 38402

P 931.388.4833
F 931.388.5287
www.cpws.com

2013 JUL 18 AM 9 51

July 15, 2013

Mrs. Melanie Hill, Executive Director
Health Service and Development Agency
161 Rosa L. Parks Blvd, 3rd Floor
Nashville, TN 37243

Dear Mrs. Hill:

I am writing in support of NHC/Maury Regional Transitional Care Center's Certificate of Need application. I understand that NHC/Maury Regional Transitional Care Center is proposing to relocate and replace their existing licensed nursing facility beds in Maury County with a new facility.

In my role as executive director of Columbia's power, water and broadband utilities, and as the chair-elect of the Maury County Chamber and Economic Alliance, I am encouraged by this partnership between NHC and Maury Regional Medical Center. Both organizations are vitally important members of our community. I believe Maury County will be made better by this endeavor.

By approving the Certificate of Need, your agency will allow NHC/Maury Regional Transitional Care Center to better address the medical and rehabilitation needs of Maury County. Thank you for your favorable consideration of this CON application.

Sincerely,

Columbia Power & Water Systems

Wes Kelley
Executive Director

COPY-

Additional Information

Maury Regional Transitional Care Ctr.

CN1307-025

LEG

200 Garage Sales

ESTATE/ MOVING SALE: 3970 Petty Ln. Columbia. Thursday-Saturday, 7/11-7/13, 7:30am-4:30pm. Lots of furniture, Cub Cadèt Riding Mower, antiques, glassware, washer/ dryer, much more!

GARAGE SALE. 101 East College St., Summertown. July 11th & 12th. 20 years of stuff- men/ women's clothes, dishware, indoor/ outdoor furniture, power tolls, kids toys, and many more stuff!! Please come and look worth the drive. Something for everyone. Rain or shine!

200 Garage Sales

MULTI-FAMILY SALE, CULLEOKA. Lots of household and baby items, clothes, shoes, toddler to adults. Electronics, jewelry. 1949 Mooresville Pike, Friday and Saturday, 8 - 4.

200 Garage Sales

WE ARE OFF to travel so all must go! Tools, sofa, recliner, end tables, lamps, TV, DVD Player, antique repro 3 board table, 44" round dinette set, vacuum, pie safe, dishes, pans & home decor. Part of sale items will be inside. 960 Pinehurst in Port Royal townhouse complex; watch for signs. 9AM-7PM until all is gone. 7/10/13-7/12/13.

YARD SALE THURSDAY and Friday, 8 til. Lawnmowers, tools, hot tub, clothes, variety of everything! 1821 Scribner Avenue.

250 Services Offered

#1 LOWEST PRICE. Lawncare, Mowing, Bushhogging. Licensed, Insured and Bonded. (931)982-9737.

A1 HAUL AWAY Service. You call we haul. Free estimates. Also, estate clean-up and small demolition. (931)446-3574.

AAA LAWNCARE. INSURED. MOWING, Trimming & Landscaping. Free Estimates. Call Brian, (931)215-6995.

AFFORDABLE LANDSCAPING, by Will. Shrubs Trimmed, Flower Beds Cleaned, Mulching, Tree Work,

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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: NHC/Maury Regional Transitional Care Center, Nursing Home owned by: NHC-Maury Regional HealthCare, LLC with an ownership type of Limited Liability Company and to be managed by: Tennessee HealthCare Advisors, LLC intends to file an application for a Certificate of Need for: the establishment of NHC/Maury Regional Transitional Care Center, a 112 bed nursing home, by relocating and combining two existing licensed nursing home facilities, NHC HealthCare, Hillview consisting of 92 nursing home beds, license number 183 and Maury Regional Hospital SNU's 20 bed nursing home, license number 181. No new beds are being requested as part of this application. The proposed center will be Medicare certified. The center site will be located on approximately 11 acres at 5004 Trotwood Ave in Columbia, Maury County. The project costs for the nursing home are estimated to be $18,161,672.

The anticipated date of filing the application is: July 15, 2013

The contact person for this project is Bruce K. Duncan, Assistant Vice President who may be reached at: National HealthCare Corporation, 100 Vine Street, 12th Floor, Murfreesboro, Tennessee 37130, 615/ 890-2020

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
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
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

STATE OF TENNESSEE

2013 JUL 31 PM 2 08

COUNTY OF MAURY

PROOF OF PUBLICATION

Before me, Vickie L Woody, of the county and state aforesaid,

Personally appeared Mark Palmer with whom I am personally

Acquainted and who upon oath acknowledged herself to be the

Bookkeeper of ***THE DAILY HERALD,*** a newspaper published in the

City of Columbia, in said county and state, who, on oath, deposes

And says that the publication of which the annexed slip is a true

Copy, was published in said newspaper as follows:

DATE	SIZE
JULY 10, 2013	18.00"

PUBLISHER

Subscribed and sworn to before me, this 31st
day of July, 2013

NOTARY PUBLIC

MY COMMISSION EXPIRES:
6/25/2017

VICKIE L. WOODY
STATE OF TENNESSEE