ORIGINAL
-Application
Good Samaritan Society

CN1407-031

GOOD SAMARITAN SOCIETY – FAIRFIELD GLADE

CERTIFICATE OF NEED APPLICATION

REQUEST FOR ADDITION OF THIRTY (30) NURSING HOME BEDS

JULY 2014

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

INSTRUCTIONS FOR FILING AN APPLICATION FOR A CERTIFICATE OF NEED

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

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

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

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

COMMUNICATIONS: All documents for filing an application for Certificate of Need with the Health Services and Development Agency must be received during normal business hours (8:00a.m. - 4:30p.m. Central Time) at the Agency office, located at the Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243. For the purpose of filing Letters of Intent, application forms, and responses to supplemental

information, the filing date is the actual date of receipt in the Agency office. These documents, as well as other required documents must be received as original, signed documents in the Agency office. Fax and e-mail transmissions **will not** be considered to be properly filed documentation. In the event that the last appropriate filing date falls on a Saturday, Sunday, or legal holiday, such filing should occur on the preceding business day. All documents are to be filed with the Agency in ***single-sided and in triplicate***.

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

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

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

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

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

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

publication for the purpose of determining simultaneous review deadlines and filing the application.

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

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

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

   (A) Similarity of primary service area;

   (B) Similarity of location;

   (C) Similarity of facilities; and

   (D) Similarity of service to be provided.

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

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

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

Applications should have all pages numbered.

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

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

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

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

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

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

2. If the application is incomplete, requests by Agency staff for supplemental information must be completed by the applicant within sixty (60) days of the written request. Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days which is allowed by the statute. If the requested information is submitted within sixty (60) days of the request, but not by the date specified in the staff's letter, the application is not void, but will enter the ***next*** review cycle. If an application is not deemed complete within sixty (60) days after the written notification is given by the Agency staff that the application is deemed incomplete, the application shall be deemed void. If the applicant decides to re-

submit the application, the applicant shall comply with all procedures as set out by this part and a new filing fee shall accompany the refiled application.

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

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

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

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

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

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

* **TIMETABLE FOR CERTIFICATE OF NEED EXPIRATION**: The Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall **expire**; *however*, the Agency may extend a Certificate of Need for a reasonable period upon application and good cause shown, accompanied by a non-refundable filing fee, as prescribed by Rules. An extension cannot be issued to any applicant unless substantial progress has been demonstrated. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

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

* **For information concerning the Joint Annual Reports of Hospitals, Nursing Homes, Home Care Organizations, or Ambulatory Surgical Treatment Centers, call the Tennessee Department of Health, Office of Health Statistics and Research at 615/741-1954**

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

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

SECTION A: APPLICANT PROFILE

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

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

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

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

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

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

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

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1. Name of Facility, Agency, or Institution

Good Samaritan Society – Fairfield Glade
Name

100 Samaritan Way — Cumberland
Street or Route — County

Crossville — TN — 38558
City — State — Zip Code

2. Contact Person Available for Responses to Questions

Michael D. Brent — Attorney
Name — Title

Bradley Arant Boult Cummings LLP — mbrent@babc.com
Company Name — Email Address

1600 Division Street, Suite 700 — Nashville — TN — 37203
Street or Route — City — State — Zip Code

Attorney — 615-252-2361 — 615-252-6361
Association with Owner — Phone Number — Fax Number

3. Owner of the Facility, Agency or Institution

The Evangelical Lutheran Good Samaritan Society — (605) 362-3100
Name — Phone Number

4800 West 57th Street — Minnehaha
Street or Route — County

Sioux Falls — SD — 57108
City — State — Zip Code

4. Type of Ownership of Control (Check One)

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

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

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

N/A
Name

Street or Route

County

City

State

Zip Code

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

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

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

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

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

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

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

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

9. *Bed Complement Data*

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

	Current Beds Licensed	*CON	*Staffed Beds*	*Beds Proposed*	*TOTAL Beds at Completion*
A. Medical					
B. Surgical					
C. Long-Term Care Hospital					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolescent Psychiatric					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid Certified)					
M. Nursing Facility Level 1 (Medicaid only)					
N. Nursing Facility Level 2 (Medicare only)					
O. Nursing Facility Level 2	30			30	60
P. ICF/MR					
Q. Adult Chemical Dependency (Detox)					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

*CON-Beds approved but not yet in service

10. Medicare Provider Number 445506

Certification Type Skilled Nursing Facility

11. Medicaid Provider Number 445506, 7440813

Certification Type Nursing Facility

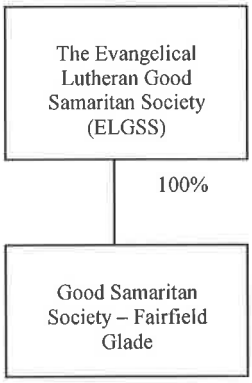
12. If this is a new facility, will certification be sought for Medicare and/or Medicaid? N/A

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

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

Response to Section A, Item 3: Please See *Attachment A.3*.

Response to Section A, Item 4: The Evangelical Lutheran Good Samaritan Society ("ELGSS") is a South Dakota non-profit corporation whose mission is to share God's love in word and deed by providing shelter and supportive services to older persons and others in need, believing that "In Christ's Love, Everyone is Someone." ELGSS is the sole owner and manager of Good Samaritan Society – Fairfield Glade (the "Applicant"). The ownership structure is as follows:



ELGSS is a non-profit corporation and there are no individuals who have any ownership interest in the corporation. The only Tennessee healthcare facility in which ELGSS has ownership is Good Samaritan Society – Fairfield Glade.

Response to Section A, Item 5: ELGSS operates senior housing communities and health care facilities in more than 240 locations around the county, including the following states: WA, OR, ID, MT, ND, SD, NE, CO, KS, AZ, NM, TX, MN, IA, AR, WI, IN, KY, OH, WV, FI, and TN. In the ELGSS communities, services offered range from senior living and assisted living to skilled nursing with rehabilitation and long-term care to home care. ELGSS has been fulfilling its mission of care giving since approximately 1922. Many of ELGSS's communities provide a continuum of care concept and offer a full range of services from senior living to skilled nursing acre so that individual community members can age in a place that they consider home, with and within their existing communities, friends and churches.

ELGSS is the sole owner and manager of Good Samaritan Society – Fairfield Glade.

Response to Section A, Item 6: Please see *Attachment A.6*.

Response to Section A, Item 13: The Applicant currently has contracts with the following Managed Care Organizations:

- AmeriChoice

- AmeriGroup Community Care
- Blue Cross/Blue Shield of Tennessee
- Humana
- TennCare Select
- United Healthcare

In addition, the Applicant is currently certified to provide Medicare and Medicaid (i.e., TennCare) services.

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

SECTION B: PROJECT DESCRIPTION

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

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

RESPONSE:

Introduction and Background

ELGSS is a North Dakota non-profit corporation with a mission of providing supportive services to older persons and others in need, operating in that mission since approximately 1922. ELGSS operates senior housing communities and health care facilities in over 20 states, including the Applicant, Good Samaritan Society – Fairfield Glade, in Tennessee. The Applicant's service area is Cumberland County, Tennessee. ELGSS will continue to own and be the sole manager of the Applicant.

The Applicant is a Continuing Care Retirement Community ("CCRC") and its campus setting provides care ranging from independent living to assisted care living to skilled nursing. As part of the Applicant's CCRC, the skilled nursing home houses 30 dually-certified beds. This application seeks to add an additional 30 Medicare-certified beds to the Applicant's existing 30-bed facility for a total 60-bed facility if approved.

The project involves new construction to add a small northern wing and a larger southern wing to the existing skilled nursing facility wing of the CCRC. The smaller northern wing will connect two previously unconnected portions of the skilled nursing wing on the first floor level only and will house 10 of the 30 proposed private beds, as well as patient lounge and living areas and a nursing station. The larger southern wing will add a rehabilitation area on the ground level of the existing skilled nursing wing. The first floor buildout of the southern

wing will house the remaining 20 of the 30 proposed private beds, along with a consultation room, lounge, patient living area, kitchen, dining room, family quiet area, and library. The finished new construction will consist of 27,306 square feet. The cost per square foot for total space is approximately $209.34 based on total project cost, or $149.86 based on new construction costs only.

Need for Additional 30 Medicare-Certified Beds

A skilled nursing facility is crucial to the success of the CCRC model. This comprehensive continuum of services will allow individuals to "age in place" within the community that they have made the choice to call home. The comprehensive development concept avoids dislocation of that individual from their friends, spouse, or church community when their health needs require additional services, or care in a residential health care facility. With the addition of 30 beds to the existing skilled nursing facility, the Applicant can ensure sufficient capacity to avoid such dislocation of individuals from the community.

The Guidelines for Growth show that Cumberland County is under-bedded for nursing home beds and indicate a net current need for 297 additional beds in Cumberland County. Moreover, the Applicant has turned away 146 prospective patients since August 2013 as a result of bed unavailability. There are no healthcare facilities or senior housing communities with supportive services in Fairfield Glade. All of the available medical and long-term care services are located elsewhere in Cumberland County, mainly Crossville, which is 10-15 miles away. While Uplands Village also serves Cumberland County residents at its CCRC, it is located approximately 24 miles from the Applicant.

Project Cost, Funding and Feasibility

The total estimated project cost is $6,520,495.50, with construction costs totaling $4,092,145, or 62.8% of total cost. The construction cost is $149.86 per square foot. As discussed below, the new construction cost compares favorably with statewide nursing home construction projects from 2010 to 2012. ELGSS will finance the project from cash reserves as shown by a letter from ELGSS's Chief Financial Officer that is included with this application.

This project is economically feasible and will produce positive operating revenue by Year 2 of the project.

Staffing

The Applicant will add both clinical and administrative staff if the project is approved, not only to the expanded skilled nursing home, but also for the other components of the CCRC, including staff for an expanded assisted living unit. The Applicant does not anticipate any difficulties in staffing the expanded skilled nursing home and will pay wages to additional staff that are in-line with state medians for clinical staff.

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 square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

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

RESPONSE: The project involves new construction to add a small northern wing and a larger southern wing to the existing skilled nursing facility wing of the CCRC. The smaller northern wing will connect two previously unconnected portions of the skilled nursing wing on the first floor level only and will house 10 of the 30 proposed private beds, as well as patient lounge and living areas and a nursing station. The larger southern wing will add a rehabilitation area on the ground level of the existing skilled nursing wing. The first floor buildout of the southern wing will house the remaining 20 of the 30 proposed private beds, along with a consultation room, lounge, patient living area, kitchen, dining room, family quiet area, and library. The finished new construction will consist of 27,306 square feet. The cost per square foot for total space is approximately $209.34 based on total project cost, or $149.86 based on new construction costs only.

The skilled nursing wing is part of the overall senior housing and active adult community, and serves a key role in allowing the Applicant to offer a complete array of supportive and long-term care services to individuals in the community. This comprehensive continuum of services will allow individuals to "age in place" within the community that they have made the choice to call home. The comprehensive development concept avoids

dislocation of that individual from their friends, spouse, or church community when their health needs require additional services, or care in a residential health care facility. With the addition of 30 beds to the existing skilled nursing facility, the Applicant can ensure sufficient capacity to avoid such dislocation of individuals from the 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.

RESPONSE: The Applicant intends to add thirty (30) Medicare skilled nursing beds as a result of the proposed project. The additional nursing home beds are required to ensure the Applicant's ability to continue to meet the needs of Fairfield Glade residents with a sufficient bed supply as the population continues to grow and age. If the project is approved, the additional 30 beds will be Medicare-certified beds.

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
Community Room										
Outpatient Services		721				4,930				
Administration		2,604				959				
Circulation		3,024				7,215				
Mech/Elec/Data		231				294				
Patient Rooms		7,740				7,740				
Activity Spaces		2,490				4,903				
Clinical Support		5,144				1,265				
Circulation										
Mech/Elec/Data										
				TOTALS						
B. Unit/Depart. GSF Sub-Total										
C. Mechanical/ Electrical GSF										
D. Circulation /Structure GSF										
E. Total GSF		21,954				27,306			**$209.34**	**$5,716,107**

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

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

RESPONSE: The Applicant will continue to provide skilled nursing home care in its expanded facility, assuming the CON is granted, primarily to serve the residents of the Fairfield Glade Community in Cumberland County, Tennessee. The beds, which will be certified for participation in the Medicare program, will allow the facility to address an existing demand for increased access to services in Cumberland County. As a CCRC, the Applicant's ability to ensure access to skilled nursing home care to those residents requiring it is vital. The Guidelines for Growth show that Cumberland County has insufficient bed availability. The current nursing bed need in Cumberland County is 668. Only 371 nursing beds are currently licensed, which results in a net bed need of 297. The Applicant's application for 30 additional beds is supported by both the current and projected need for additional nursing beds in the service area. Moreover, the Applicant consistently experiences patient deflections as a result of the increasing need for beds. Below is a chart that reflects the Applicant's records of patient deflection acitivity since August 2013:

Deflection Activity (August 2013 to June 2014)

Month	Year	Total Referrals	Total Denials	Denials Due to Bed Unavailability
August	2013	34	2	2
Sept	2013	27	18	9
Oct	2013	44	30	23
Nov	2013	32	25	23
Dec	2013	10	0	0
Jan	2014	35	24	13
Feb	2014	31	23	16
March	2014	43	27	11
April	2014	34	22	21
May	2014	33	23	15
June	2014	34	28	13
TOTALS:		**357**	**222**	**146**

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

RESPONSE: Not applicable.

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

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

   a. Describe the new equipment, including:

      1. Total cost; (As defined by Agency Rule).
      2. Expected useful life;
      3. List of clinical applications to be provided; and
      4. Documentation of FDA approval.

   b. Provide current and proposed schedules of operations.

2. For mobile major medical equipment:

   a. List all sites that will be served;

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

c. Provide the lease or contract cost.

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

e. List the owner for the equipment.

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

RESPONSE: Not applicable. The project does not involve the acquisition of any major medical equipment as defined by HSDA rules.

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

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

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

RESPONSE: Please see *Attachment B.III.(A)*.

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

RESPONSE: The existing facility is located an approximate one hour drive from Knoxville and an approximate two hour drive from Nashville. The facility is conveniently located with access to major roads. The site is located approximately six miles from Interstate 40 and is easily accessible by traveling northeast on state highway 101 and then traveling north on Catoosa Boulevard.

The facility's location is very accessible to its service population. The facility is approximately 11 miles from Cumberland Medical Center, which is licensed for 189 acute care beds. The facility also accommodates patients from Fairfield Glades and Cumberland County who receive acute care services at tertiary hospitals, including Cumberland Medical Center, and wish to be close to home for rehabilitation. The facility's location makes this type of care very convenient for these individuals. The ability

to have nursing services closer to home has many benefits, including the psychological benefit of being near family and friends, which often results in better therapeutic results.

There are no healthcare facilities or senior housing communities with supportive services in Fairfield Glade. All of the available medical and long term care services are located elsewhere in Cumberland County, mainly in Crossville, which is 10 to 15 miles away. There are also no other dedicated continuum of care senior communities within Fairfield Glade. The only other CCRC located in Cumberland County, Uplands Village, is located approximately 24 miles or 37 minutes' drive from the Applicant in Pleasant Hill, Tennessee.

There are two main sources of residents of Good Samaritan Fairfield Glade. The first group is individuals living within Fairfield Glade who age in place and whose health needs progress to the point of needing skilled nursing facility care. The second group includes older parents or other family members of the Fairfield Glade residents who want to be closer to their ailing and/or aging parents to provide more assistance to them, and who want to bring them to the Fairfield Glade community for that purpose.

With regard to employees, Cumberland County is largely a rural county and no fixed schedule public transportation system operates within the county. According to the U.S. Census Bureau, ninety-six percent (96%) of the workers in the county drive to work so that employees, as well as patients and their families, would be able to reach the facility. (Source: http://www.city-data.com/county/Cumberland_County-TN.html).

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

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

RESPONSE: Please see *Attachment B.IV*.

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

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

RESPONSE: Not applicable.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

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

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

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

   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.

1. Guidelines for Growth Criteria - Need 1: *According to TCA 68-11-108, 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, plus
.0600 x pop. 75-84, plus
.1500 x pop. 85, plus

RESPONSE: According to the Tennessee Population Projections published by the Division of Health Statistics of the Tennessee Department of Health and the codified bed need formula, Cumberland County currently has and will continue to have a significant bed need. In 2014, the bed need is 668. In 2015 and 2016, the bed need is projected to be 685 and 700 respectively. Please see the attached table at *Exhibit Section C – Need – 1. A* at the end of the application. This need is projected to grow significantly in Cumberland County (by approximately 16 beds per year) as that population ages.

The Division of Health Planning has proposed new criteria and standards for nursing home services, and, though they have not yet been approved, the bed need resulting from the proposed calculation does not differ significantly from the current calculation.

**County bed need = .001 x pop. 65 and under, plus*
.015 x pop. 65 – 74, plus
.045 x pop. 75-84, plus
.165 x pop. 85, plus

**Proposed county bed need formula*

Using the Tennessee Population Projections, the proposed bed need formula indicates a bed need of 661 in 2014, while the years 2015 and 2016 have projected bed needs of 678 and 691, respectively. Additional nursing beds are required to ensure that Cumberland County and Fairfield Glade senior citizens

have continued access to skilled nursing facilities that are provided in an efficient manner.

2. Guidelines for Growth Criteria - Need 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.*

RESPONSE:

According to the Tennessee Population Projections published by the Division of Health Statistics of the Tennessee Department of Health and the codified bed need formula, Cumberland County has a bed need projected to be 685 and 700 in 2015 and 2016, respectively. The proposed bed need calculation would result in a bed need of 678 and 291 for the same years.

Under the proposed new nursing home standards, the need for nursing home beds shall be projected three years into the future from the current year. In 2017, the bed need calculation under the proposed new bed need formula is 700.

3. Guidelines for Growth Criteria - Need 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.*

RESPONSE:

According to the Tennessee Department of Health's health facility licensure search, there are currently 4 licensed nursing homes with 371 beds in Cumberland County. The current bed need formula indicates a net need for 314 beds in 2015 and 329 beds in 2016 while the proposed bed need formula indicates a 290 net nursing home bed need in 2016.

4. Guidelines for Growth Criteria - Need 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.*

RESPONSE: The facility serves a distinct population which is primarily the current and future residents of the continuing care community and the surrounding Fairfield Glade retirement community in Cumberland County. The continuing care community and the Fairfield Glade retirement community immediately surround the nursing facility so it is well within 30 minutes travel time for the majority of the population of its service area and thus will be a source of quality health care to the community's senior population.

5. Guidelines for Growth Criteria - Need 5: *The Health Facilities Commission 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

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

RESPONSE: Criteria 5a and 5b are not applicable. The application does not propose new nursing home beds "in excess of the need standard" for Cumberland county. It proposes instead to add needed beds.

6. Guidelines for Growth Criteria – Occupancy & Size 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.*

RESPONSE: 2013 was the second full calendar year in which the facility was in operation and the 2013 occupancy rate is 94.3%, which exceeds the 90% occupancy rate requirements. The occupancy rates for 2013 and through May 2014 are 94.3% and 95.0%, respectively. Since commencing operations in the summer of 2011, the Applicant has steadily increased its occupancy rate. The most significant occupancy rate increase is the 77% increase from the first year's occupancy rate of 4% to the second year's occupancy rate of 81.6%.

7. Guidelines for Growth Criteria – Occupancy & Size 2: There shall be no additional nursing home beds approved for 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 noncomplying with quality assurance regulations shall be considered in determining the service area's average occupancy rate.

RESPONSE:

Three facilities in the service area of Cumberland County have more than fifty (50) beds and their average annual occupancy rates are listed below according to the 2010 – 2012 Joint Annual Reports of Nursing Homes. While all facilities in the service area do not have average annual occupancy rates of 95%, most of the facilities in the service area, including Good Samaritan Fairfield Glade, show a significant upward trend in their occupancy rates. This indication of increasing demand and the projected bed need of 700 beds in 2016 support approval of this project so that need does not outpace the facilities' capacity and the quality of the health care provided can be maintained.

Nursing Facility	No. of Beds	Average Annual Occupancy Rate (2010–2012)
Wharton Nursing Home	62	96.68%
Wyndridge Health and Rehabilitation Center	157	87.33%
Country Place Health Care Center	122	69.36%

8. Guidelines for Growth Criteria – Occupancy & Size 3: *A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.*

RESPONSE:

The Applicant's average annual occupancy rate for 2013 was 94.3% and is in substantial compliance with this criterion. In addition, from January through May of 2014, the Applicant has maintained an average occupancy rate of 95.0% as required by the current nursing home standards.

9. Guidelines for Growth Criteria – Occupancy & Size 4: *A free-standing nursing home shall have a capacity of at least 30 beds in order to be approved. The Health Facilities Commission 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.*

RESPONSE: Not applicable. The applicant currently operates a 30-bed facility and is proposing to increase its capacity by an additional 30 beds.

The proposed project will further the 5 Principles for Achieving Better Health as set forth in the State Health Plan.

1. The purpose of the State Health Plan is to improve the health of Tennesseans.

RESPONSE: While this principle focuses mainly on the goals and strategies that support health policies and programs at the individual, community and state levels that will help improve the health status of Tennesseans, this project is consistent in that it supports a continuum of care model where patients will be able to receive intensive skilled nursing care and rehabilitative services within the community in which they live. The Applicant's campus design provides the most

effective care in a person-centered environment, that is also the least-restrictive and least-costly option available, where the individual can live the healthiest life possible.

The project will further the Applicant's ability to provide state of the art long term care services. In addition, the Applicant reports extensive quality measures as part of its involvement in the Medicare program. The Applicant has an ongoing quality improvement program to monitor and improve patient outcomes. These outcomes are regularly reported as part of public reporting requirements for all nursing homes.

2. Every citizen should have reasonable access to health care.

RESPONSE: The Applicant's healthcare model targets patients that are Medicare qualified beneficiaries seeking skilled nursing and rehabilitation services and provides a continuum of care for residents of the CCRC. The majority of all patients placed in nursing homes from the acute care setting are Medicare beneficiaries. Since Medicare is a federal insurance program covering individuals age 65 and older, as well as disabled individuals below this threshold age, access to long term care Medicare beds is a function of bed availability in the market. As stated previously, the Applicant continuously experiences patient deflections due to the unavailability of beds. The project will provide greater access to health care for Medicare beneficiaries and reduce the Applicant's deflection activity.

3. The State's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the State's health care system.

RESPONSE: The Applicant's project speaks to the very heart of this principle at several levels. By assuring that the appropriate level of care and health care beds are available, when needed, the state's health care system will be able to keep cost to their lowest level possible by making sure patients are able to utilize services at the lowest level of care possible (skilled nursing versus an acute care setting).

The Applicant provides transparent cost information to all prospective and current residents and promotes a competitive environment for the purchase of long term care services. As a CCRC, it provides the community with choices of different models to meet its members' long term care needs.

4. Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.

RESPONSE: The Applicant's facility is a long term care provider that is surveyed both at the State and Federal levels. Through various sources, including the

Medicare.gov website and the Nursing Home Compare data sets, consumers can now compare and research long term care providers, home care providers and acute care providers. The Applicant compares favorably both at the state and national level on these measurements. The Applicant is dedicated to providing quality care to residents of its service area.

5. The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.

RESPONSE: Ultimately, the construction of the expanded skilled nursing facility will allow the existing CCRC campus to expand and develop its assisted living and other components. That new expansion will result in a net increase in health care employment opportunities in the community. Moreover, the Facility will pay wages and offer benefits that are in-line with the prevailing rates of other employment opportunities in the community.

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

RESPONSE: Not applicable.

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

RESPONSE: The Applicant, even as early as its original construction, anticipated the need and desire to expand and increase the size of its community following stabilized occupancy after the initial facility was complete. The Applicant opened its facility in the Fall of 2011 and due to the tremendous response from the community in need of its services and would like to move forward with an expansion of the facility to include 30 new beds. The Applicant would like to add 54 apartments and 26 assisted living units to the existing 42 apartments and 24 assisted living units that are already in existence on the campus. The addition of 30 Medicare skilled nursing beds is vital to the Applicant's planned expansion of the other components of the CCRC.

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

RESPONSE: Please see *Attachment C. Need 3*.

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

RESPONSE: *Cumberland County*. The population in the proposed service area, Cumberland County, and surrounding Putnam County is growing exponentially and is projected to continue to grow over the next five to seven years:

County	2009 Population	2014 Population	2020 Population
Cumberland	54,164	57,815	61,933
Putnam	70,390	77,024	85,380
Total	**124,554**	**134,839**	**147,313**

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

Moreover, the population of Cumberland County and its surrounding counties is experiencing a large increase in its population that is age 65 and older, which indicates further need for the services that the Applicant provides. The following chart illustrates the demographics of the proposed service area and surrounding counties with respect to the aging population therein:

Demographics of the Service Area and Surrounding Counties

	65+					Total Population		
County	**2008**	**2014**	**%65+ 2014**	**2018**	**%65+ 2018**	**2008**	**2014**	**2018**
Cumberland	12,882	11,154	19.29%	15,630	25.92%	53,529	57,815	60,292
Fentress	2,773	3,566	19.38%	3,870	19.36%	17,698	18,404	19,987
Morgan	2,787	3,436	15.73%	3,796	17.25%	20,382	21,848	22,004
Roane	9,193	11,701	21.67%	12,508	22.97%	53,738	54,006	54,457
Rhea	4,560	5,982	17.91%	6,725	19.33%	30,804	33,392	34,790
Bledsoe	2,554	2,221	17.57%	2,525	20.04%	13,212	12,641	12,599
Van Buren	804	1,118	20.51%	1,259	22.99%	5,469	5,450	5,474
White	4,012	5,051	18.80%	5,375	19.21%	24,815	26,871	27,974
Putnam	10,038	11,691	15.18%	12,358	14.96%	69,660	77,024	82,623
Overton	3,475	4,279	19.03%	4,554	19.83%	20,955	22,489	22,967
Total	**53,078**	**60,199**	**18.51%**	**68,600**	**20.19%**	**310,262**	**329,940**	**343,167**

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

The county has a very low minority population, with only approximately 2.5% of the population being of African American, Asian, Native American, or Hispanic/Latino ethnicity.

From 2008 to 2012, an estimated 16.4% of the population of Cumberland County lived below the poverty level, and the median household income for the same period of time was $37,963, with an average of 2.37 persons per household.

Fairfield Glade Community. Fairfield Glade, Tennessee is an unincorporated community on the Cumberland Plateau just off I-40 near the city of Crossville, Tennessee, about half way between Nashville and Knoxville. The community is a planned retirement/golf resort much like another community, Hot Springs Village, Arkansas, where ELGSS has also developed a senior living and active adult community. The main influx of senior residents to Fairfield Glade is from the upper Midwest states of Michigan, Indiana and Ohio.

The community is made up of mostly seniors, age 65 plus and younger empty nesters 55-65. The median age of this area is 68.2 years and the median household is made up of 1.9 people. The residents are well educated, with many older professionals relocating to this area. The household median income in this community is estimated to be $42,800.

Fairfield Glade, itself, is a small, contained community located on the Cumberland Plateau, and a census-designated place (CDP) in Cumberland County. As of the 2010 census, Fairfield Glade's population is estimated to be 6,989, with a growth rate of 42.75% since 2000. The senior population age 65 and older was estimated to be 4,374 or 62.58% of the total population as of the 2010 census. Fairfield Glade experienced a growth rate of 64.62% of individuals age 65 and older from 2000 to 2010. As a dedicated "retirement/active adult community," Fairfield Glade residents have begun to realize that they presently have a need for more health care services that will only continue to increase in the future.

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

RESPONSE: The Cumberland County and Fairfield Glade service area continues to have a significant need for quality long-term care and other health care services. Although the Applicant's existing 30-bed facility helps to meet the needs of Cumberland County and Fairfield Glade, with the continuous population growth and the increasing need for nursing home services, the Applicant's existing bed capacity is not sufficient to meet existing and future need. As a dedicated senior community with nearly two-thirds of the population over 65, the proposed project will support the need that has been identified. As noted in the question above relative to the demographics of the county, Cumberland County is a rural and moderately underserved county where many residents do not have access to private health insurance and rely on TennCare for their medical benefits. Though the Applicant's request is for beds that would be Medicare

certified only, ELGSS has a long history of providing services to underserved and needy populations and currently has 30 dually certified beds in the facility. In light of increasing demand, the requested additional 30 Medicare-certified beds would ensure continued access to nursing home beds for Medicaid patients in the Applicant's existing 30 dually-certified beds.

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

RESPONSE: There are currently 4 other nursing homes in Cumberland County. Below is a chart that includes the occupancy rates for each of the 4 nursing homes located in Cumberland County:

Average Daily Census for Nearby Nursing Homes

Facility	2011	2012	2013	2014
Cumberland County				
Country Place Health Care Center	69.9%	73.2%	**	**
Good Samaritan Society-Fairfield Glade	4.0%	81.6%	94.3%	95.0%*
Wharton Nursing Home	98.28%	93.96%	95.1%	**
WyndRidge Health and Rehabilitation Center	87.2%	85.1%	**	**

Sources: 2011 and 2012 Tennessee Joint Annual Reports; Facilities' Internal Records
**Through May 2014.*
***Information not currently available.*

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

RESPONSE: The following chart reflect's the Applicant's average daily census by payor for the past three years:

Applicant's Average Daily Census by Payor (2011-Present)

Payor	2011	2012	2013	2014*
Private Pay	0.6	10.9	13.5	16.3
Medicare	0.6	12.2	12.8	10.3
Managed Care	0	1.3	1.8	1.8
Medicaid	0	0	0	0
Hospice-Private	0	0	0.1	0.1
Total Patients:	**1.2**	**24.4**	**28.2**	**28.5**

Source: Applicant's internal records
**Through May 31, 2014*

The following chart contains the Applicant's projected annual utilization for the three years following completion of the project (2016 through 2018):

Applicant's Projected Average Daily Census by Payor for 60 Bed Facility (2016-2017)

Payor	2016	2017	2018
Private Pay	17.3	18.4	19.6
Medicare	17.3	18.4	19.6
Managed Care	5.3	5.6	6
Medicaid	5.3	5.6	6
Total Patients:	**45.2**	**48**	**51.2**

The projected utilization statistics above are based upon the Applicant's experience with and statistical data for the existing 30-bed facility.

ECONOMIC FEASIBILITY

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

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

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

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

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

RESPONSE: Please see Project Costs Chart and *Attachment Section C: Economic Feasibility – 1* for documentation from an architect supporting the estimated construction costs.

PROJECT COSTS CHART

A.	Construction and equipment acquired by purchase		
	1.	Architectural and Engineering Fees	$255,500
	2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$50,000
	3.	Acquisition of Site	
	4.	Preparation of Site	$503,462
	5.	Construction Costs	$4,092,145
	6.	Contingency Fund	$438,000
	7.	Fixed Equipment (Not included in Construction Contract)	$257,000
	8.	Moveable Equipment (List all equipment over $56,000)	
	9.	Other (Specify) Sewer and Water Access Fees	$120,000
B.	Acquisition by gift, donation, or lease: Not Applicable.		
	1.	Facility (inclusive of building and land)	
	2.	Building only	
	3.	Land only	$235,000
	4.	Equipment (Specify)	
	5.	Other (Specify)	
C.	Financing Costs and Fees: Not Applicable.		
	1.	Interim Financing	$54,700
	2.	Underwriting Costs	$73,000
	3.	Reserve of One Year's Debt Service	$312,050
	4.	Other (specify) Lease Up and Pre-Opening	$115,000
D.	Estimated Project Cost (A+B+C+)		$6,505,857
E.	CON Filing Fee		$14,638.50
F.	Total Estimated Project Cost (D+E)		$6,520,495.50
		TOTAL	**$6,520,495.50**

2. Identify the funding sources for this project.

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

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

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

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

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

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

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

   RESPONSE: The source of funding for the proposed project will be cash reserves. Please see *Attachment Section C: Economic Feasibility – 2* for documentation from the Chief Financial Officer.

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

   RESPONSE: The total estimated project cost is $6,520,495.50. Construction costs are $4,092,145, or 62.8% of total cost. The construction cost is $149.86 per square foot. As reflected in the table below, the new construction cost is well below the 1st quartile of $164.57 per square foot for statewide nursing home construction projects from 2010 to 2012.

Statewide Nursing Home Construction Cost Per Square Foot
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.	$166.57/sq. ft.
3rd Quartile	$55.00/sq. ft.	$181.72/sq. ft.	$167.61/sq. ft.

Source: HSDA Applicant's Toolbox

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

   RESPONSE: Please see *Attachment C. Economic Feasibility – 4*. Historical and Projected Data Charts.

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

   RESPONSE: The project's average gross charge, average deduction from operating revenue, and average net charge are as follows:

   Average Gross Charge: $229.52
   Average Deduction from Operating Revenue: $197.04
   Average Net Charge: $426.56

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

   RESPONSE: Below is a chart that reflects the current and proposed charge schedules for the project.

Applicant's Current and Proposed Charge Schedules

Payor	Current	2015	Year 1 - 2016	Year 2 - 2017
Private Pay	$218-$225	$222.36-$229.50	$226.81-$234.09	$231.34-$238.77
Medicaid	$205	$209.10	$213.28	$217.55
Medicare	$407	$415.14	$423.44	$431.91

The proposed rates reflect increases of 2% per year based on current rates.

The Applicant does not anticipate any changes to current charges as a result of the additional 30 Medicare-certified beds.

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

RESPONSE: Below is a chart of the charges of similar facilities in Cumberland County:

Applicant's Proposed Charges as Compared to Existing Facilities in Cumberland County

Facility	Medicare	Medicaid	Private Room	Semi-Private Room
Cumberland County Facilities				
Applicant	$407	$205	$218-$225	N/A
Life Care of Crossville	$443	$187	$210	$189
Wharton Nursing Home	$405	$210	$210	$195
Wyndridge	$243	$243	$218	$188

Sources: 2012 Joint Annual Reports; Applicant's records and correspondence with local facilities

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

RESPONSE: The Applicant is projecting an average daily census of 22.5 patients or 8,213 patient days in Year 1, for an average annual occupancy rate of 75%. The Applicant projects an average daily census of 24 patients or 8,760 patient days in Year 2, for an average annual occupancy rate of 80%. The

projected utilization is sufficient to render the project financially feasible as discussed below.

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

   RESPONSE: This project is economically feasible, and will produce positive operating revenue by Year Two. Although the Projected Data Chart for the entire 60-bed facility reflects a Net Operating Loss for Year One, the loss is only a "paper loss" and does not realistically reflect the economic feasibility of the project because of the amount of depreciation and interest. In addition, the Projected Data Chart for the 30-bed project only lists a Net Operating Income beginning in Year Two.

   In addition, ELGSS will provide funding as necessary to cover any operational losses. As noted previously, ELGSS's financial statements for 2013 and 2012 are included with this application. Considering the available capital and viewed in light of accepted cash flow analysis, this project is economically feasible and will perform well financially.

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

   RESPONSE: The Applicant is seeking the addition of 30 Medicare-certified beds. Although the Applicant is a non-profit corporation with a charitable mission, the CCRC model is not intended to serve the medically indigent. The Applicant anticipates that Year One revenues will consist of approximately 38% Medicare and 38% private pay.

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

    RESPONSE: Please see *Attachment C: Economic Feasibility – 10*.

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

    i. 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.

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

RESPONSE: The applicant has carefully considered its request to add 30 beds to its current facility pursuant to this Certificate of Need application, and an alternative does not exist. If the applicant foregoes the expansion and the need for its services continues to increase, the community, providers and consumers will suffer undue hardship. The CCRC model is unique and fills an important niche in the senior care consortium. It affords seniors the opportunity to reside in one community for the remainder of their lives as their age and medical needs advance, and a skilled nursing facility is a crucial component if the continuum of care.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

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

   RESPONSE: The Applicant has a transfer agreement in place with Cumberland Medical Center and agreements for health services with the following providers: Middle Tennessee Pharmacy Services, Hospice of Cumberland County, Caris Hospice, Covenant Health, Buckeye Home Medical Equipment, Dr. Elizabeth Petty (Medical Director), Mario Dickens, DPM, and Select Rehabilitation.

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

   RESPONSE: The project will have a positive effect on the health care system and fills a need for a care alternative and a continuum of care for seniors. As a CCRC, Good Samaritan – Fairfield Glade gives seniors the opportunity to reside in one community for the remainder of their lives as their age and medical needs advance, and the skilled nursing facility is a crucial component of the community.

   Currently, the need for nursing home beds exceeds the available supply in Cumberland County. The Applicant has attached several letters in support of the project and the facility.

   As stated previously, there is only one other CCRC facility in Cumberland County (Uplands Village), which is located more than 30 minutes away (approximately 24 miles) in Pleasant Hill, Tennessee. In addition, the main sources of individuals for the facility will be internally generated from within the Fairfield Glade community, both existing residents and their families, and future newcomers to the area. Thus, the internal generation of patients will limit its impact on existing providers.

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

   RESPONSE: The following chart lists the Applicant's current staffing for the existing 30-bed facility and the projected staffing for the project:

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Applicant's Current and Anticipated Staffing Information

Department	Description	Existing 30-Beds Hours/Week	Added 30-Beds Hours/Week	Total 60-Beds Hours/Week	Current Pay/Hour (1)	Anticipated Pay/Hour (2)
Administration	Administrator	19	13	32	$ 36.05	$ 38.25
	HR Director	26	4	30	$ 19.50	$ 20.69
	Administrative Secretary	10	20	30	$ 11.99	$ 12.72
	Office Manager	14	11	25	$ 16.82	$ 17.84
	Staff Development	20	16	36	$ 19.99	$ 21.21
	Chaplain (Volunteers)	0	0	0		$ -
Marketing	Marketing Director	1	4	5	$ 23.07	$ 24.47
	Marketing Coordinator	4	2	6	$ 27.27	$ 28.93
Nursing	Staff Scheduler			20		$ -
	Director of Nursing	40	0	40	$ 31.25	$ 33.15
	MDS Coordinator	43	37	80	$ 27.60	$ 29.28
	Charge Nurse LPN	309	38	347	$ 18.47	$ 19.59
	Charge Nurse RN	113	237	350	$ 26.13	$ 27.72
	Certified Nursing Assistant	467	493	960	$ 10.06	$ 10.67
	Restorative Nursing Aide	71	0	71	$ 10.33	$ 10.96
	Driver	20	10	30	$ 9.50	$ 10.08
Health Information	Director of HIM	40	0	40	$ 17.71	$ 18.79
	Unit Health Information	0	0	20	$ 12.85	$ 13.63
Activities	Activity Director	37	23	60	$ 12.84	$ 13.62
Social Services	Director of Social Services	40	0	40	$ 16.82	$ 17.84
	Admissions Coordinator	56	4	60	$ 22.21	$ 23.56
Laundry	Laundry Asst / Trans. Duty	50	30	80	$ 10.06	$ 10.67
Housekeeping	Housekeeping Assistant	30	30	60	$ 9.66	$ 10.25
Dietary	Director of Dietary	19	0	19	$ 23.76	$ 25.21
	Dietary Supervisor	12	28	40	$ 14.45	$ 15.33
	Dietician	7	5	12	$ 50.00	$ 53.05
	Dietary Assistant	135	0	135	$ 9.31	$ 9.88
	Dishwasher	11	9	20	$ 8.65	$ 9.18
Operations/Maintenance	Director of Environmental	7	1	8	$ 22.97	$ 24.37
	Environmental Assistant	2	0	2	$ 9.01	$ 9.56
	Maintenance Tech	14	10	24	$ 13.01	$ 13.80
Resource Development	Resource Devel. Staff	2	2	4	$ 24.03	$ 25.49

(1) Current Pay/Hour From May Labor Analysis - Ending 5/31/14
(2) Anticipated Pay/Hour Determined by Adding a 3% Pay Increase for 2015 and 2106 (with 2016 as the First Year)

According to the May 2013 State Occupational Employment and Wage Statistics for Tennessee published by the U.S. Bureau of Labor Statistics, the median hourly wage for RNs is $26.96, for LPNs is $17.22, and for CNAs is $10.83. As such, the Applicant's current and proposed wages are in-line with the state-wide averages for such positions in Tennessee.

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

   RESPONSE: The Applicant pays wages and offers benefits that are in-line with the prevailing rates of other employment opportunities in the community. The Facility also benefits from local schools such as the Tennessee Technology Center of Crossville's Practical Nursing Program and Roane State Community College's Nursing Program. The Applicant currently has staff required by the proposal, including adequate professional staff as per the Department of Health, and does not anticipate difficulty filling positions needed for the project.

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

   RESPONSE: The Applicant has reviewed and understands the aforementioned requirements.

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

   RESPONSE: The Applicant has entered into an Affiliation Agreement with Tennessee Technological University for the training of nursing, allied health, health information technology and EMT students. In addition, the Applicant has an Affiliation Agreement with the Tennessee Technology Center at Crossville to train and provide experience for students in the practical nursing program.

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

   RESPONSE: The Applicant is familiar with all licensure requirements of the Tennessee regulatory agencies and relevant Medicare requirements.

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

RESPONSE: Good Samaritan Fairfield Glade is licensed by the Tennessee Department of Health as a nursing home, and it is certified for Medicare and Medicaid participation. Its license and provider numbers are as follows:

State License Number:	389
Medicare Certification:	44-5506
Medicaid Certification:	44-5506, 7440813

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

RESPONSE: Good Samaritan Fairfield Glade is currently in good standing with all licensing, certifying and accrediting agencies. Please see *Attachment C: Contribution to the Orderly Development of Health Care – 7(c)*.

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

RESPONSE: The Applicant has not been cited for any deficiencies.

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

RESPONSE: Not applicable.

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

RESPONSE: Not applicable.

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

RESPONSE: If the proposal is approved, the Applicant will be happy to 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.

PROOF OF PUBLICATION

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

DEVELOPMENT SCHEDULE

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

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

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

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

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c): October 22, 2014. 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	1	October 2014
2. Construction documents approved by the Tennessee Department of Health	91	January 2015
3. Construction contract signed	92	January 2015
4. Building permit secured	93	January 2015
5. Site preparation completed	138	March 2015
6. Building construction commenced	139	March 2015
7. Construction 40% complete	251	July 2015
8. Construction 80% complete	409	December 2015
9. Construction 100% complete (approved for occupancy	487	February 2016
10. *Issuance of license	508	March 2016
11. *Initiation of service	509	March 2016
12. Final Architectural Certification of Payment	525	April 2016
13. Final Project Report Form (HF0055)	539	April 2016

*** 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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AFFIDAVIT

STATE OF South Dakota

COUNTY OF Minnehaha

Raye Nae Nylander, 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.

SIGNATURE/TITLE

Sworn to and subscribed before me this 14th day of July (Month), 2014 (Year) a Notary Public in and for the County/State of Minnehaha Co. South Dakota.

NOTARY PUBLIC

My commission expires June 15 (Month/Day), 2015 (Year).

JANE MUTH VEQUIST
NOTARY PUBLIC
SOUTH DAKOTA
SEAL

EXHIBITS

Please see attached.

Attachment A.3

Corporate Charter and Certificate of Existence

State of North Dakota

SECRETARY OF STATE

CERTIFICATE OF GOOD STANDING

OF

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY , a North Dakota nonprofit corporation, was incorporated in this office on September 29, 1922, and according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing North Dakota nonprofit corporations.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY

Issued: July 10, 2014

Alvin A. Jaeger
Secretary of State

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

BRADLEY ARANT BOULT CUMMINGS LLP
1600 DIVISION STREET SUITE 700
NASHVILLE, TN 37203

July 9, 2014

Request Type: Certificate of Existence/Authorization
Request #: 0133079

Issuance Date: 07/09/2014
Copies Requested: 1

Document Receipt

Receipt # : 1572538 — Filing Fee: $22.25

Payment-Credit Card - State Payment Center - CC #: 157154915 — $22.25

Regarding: **THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY**

Filing Type:	Corporation Non-Profit - Foreign	Control # :	558660
Formation/Qualification Date:	09/14/2007	Date Formed:	09/29/1922
Status:	Active	Formation Locale:	NORTH DAKOTA
Duration Term:	Perpetual	Inactive Date:	

CERTIFICATE OF AUTHORIZATION

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

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY

* a Corporation formed in the jurisdiction set forth above, is authorized to transact business in this State;

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

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

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

* has not filed an Application for Certificate of Withdrawal.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 007874938

THE EVANGELICAL LUTHERAN
Good Samaritan Society®
In Christ's Love, Everyone Is Someone.

4800 West 57th Street
P.O. Box 5038
Sioux Falls, SD 57117-5038

Phone: 605-362-3100
Fax: 605-362-3309
www.good-sam.com

CERTIFICATION
ARTICLES OF INCORPORATION

I HEREBY CERTIFY, that I am the Secretary of The Evangelical Lutheran Good Samaritan Society, a nonprofit corporation of the State of North Dakota.

I FURTHER CERTIFY, that the enclosed Restated Articles of Incorporation, dated February 6, 1997, have not been rescinded, revoked, or modified.

IN WITNESS WHEREOF, I have affixed the seal of the corporation and my signature.

DATED this 1st day of July, 2014.

Sylvia Gause

Sylvia Gause, Secretary

Corporate Seal

Restated
Articles of Incorporation
of
The Evangelical Lutheran Good Samaritan Society

STATE OF NORTH DAKOTA)
) SS.
COUNTY OF)

KNOW ALL PERSONS BY THESE PRESENTS: That we the undersigned, and others, have associated ourselves together for the purpose of planning and organizing a religious corporation under the laws of the State of North Dakota, and to that end have adopted the following restated articles of incorporation:

Article I
Name

The name of this corporation shall be THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY (the "SOCIETY"). The principal office is 4800 West 57th Street, Sioux Falls, South Dakota 57106. The registered office is 314 East Thayer Avenue, c/o C T Corporation System, Bismarck, North Dakota 58501.

Article II
Term of Existence

The term of existence of the Society shall be perpetual.

Article III
Purposes

The purposes of the Society are:

A. To share God's love in word and deed, believing that in Christ's love, everyone is someone.

B. To provide shelter and supportive services to older persons and others in need.

C. To engage in work of a charitable and religious nature by participation in any charitable or religious activity designed and carried on to promote the general health of the community.

Article IV
Powers

The Society shall have the following powers:

A. To own, operate and manage charitable and religious Christian institutions, including nursing homes, hospitals, schools and communities for elderly people and others in need.

B. To aid in the organization of other corporations organized for the purpose of owning, operating or managing charitable and religious Christian institutions, including nursing homes, hospitals, schools and communities for elderly people and others in need, and the power and authority to aid in the financing of such corporations in any manner including the guaranteeing of obligations of such corporations, and the power and authority to lease, give, loan or otherwise dispose of, with or without consideration, its assets or properties to any such corporation or to any other person, firm or corporation in furtherance of any benevolent work.

C. To do all things permitted by Chapter 10-24 of the North Dakota Non-Profit Corporation Act, including the power to do all things necessary or incidental to the management, ownership and operation of the facilities it owns, manages and operates to carry out its corporate purposes.

D. To adopt or amend its Bylaws by action of the Board of Directors at any regular or special meeting so long as the Bylaws adopted or amended by the Board of Directors are not inconsistent with the provisions of these Articles or of any regulatory agreement between the corporation and the Federal Housing Commissioner.

E. To provide housing, facilities and services for various eligible groups under all sections of The National Housing Act, as amended, including but not limited to Sections 232 and 236, and to perform all acts reasonably necessary to accomplish the purposes of the Society, including the execution of a Regulatory Agreement with the Federal Housing Commissioner and such other instruments and undertakings necessary to enable the Society to secure the benefits of financing under the provisions of The National Housing Act. Any regulatory agreements and other instruments and undertakings with the Federal Housing Commissioner shall remain binding upon the Society, its successors and assigns, as long as a mortgage on the Society's property is insured or held by The Federal Housing Commissioner.

F. To convey any or all of its property to the Secretary of Housing and Urban Development or the Secretary's nominee.

Article V
Members

The Society shall have the following classes of members:

1. voting members
2. nonvoting members

Each voting member shall have one vote. Every member of either class shall be an active member of a Christian church and have a personal commitment to the mission of the Society. Any additional eligibility and qualifications for membership shall be as provided in the Bylaws.

Article VI
Board of Directors

The affairs of the Society shall be administered by a Board of Directors of no less than 15 nor more than 25 members, and no less than six nor more than ten of whom shall be Facility Administrators. The number and qualifications of Directors shall be as provided in the Bylaws. If the number of Board members is increased, the ratio of Facility Administrator Board members to nonemployee Board members shall remain substantially the same (e.g., six Facility Administrator Board members, nine nonemployee Board members and the President). Directors shall be elected by the voting members of the Society except for vacancies filled by the Board.

Article VII
Nonprofit Status of Corporation

A. The Society is organized solely for nonprofit purposes and is not organized nor shall it operate for pecuniary gain or profit and does not contemplate the distribution of gains, profits or dividends to the members thereof. The property, assets, profits and net income of the Society are irrevocably dedicated to charitable and religious purposes and no part of the profits or net income of the Society shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private shareholder or individual.

B. No substantial part of the activities of the Society shall consist of carrying on propaganda, or otherwise attempting to influence legislation; nor shall it in any manner or to any extent participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office; nor shall it engage in any activities that are unlawful under the laws of the United States of America, or the State of any other jurisdiction where such activities are carried on; nor shall it engage in any lobby activities defined at the time as "prohibited" under the Internal Revenue Code.

Article VIII
Dissolution

A. In the event of the dissolution of the Society as a corporate entity and the termination of the Society's delivery of services pursuant to its Mission Statement, all net assets will be distributed pursuant to law and covenants, contracts and agreements then in effect, if any, and this Article. All other assets than those bound by covenants, contracts and agreements shall be distributed to nonprofit social ministry organizations which qualify as such under U.S. Internal Revenue Code 501(c) (3) and as designated by the Evangelical Lutheran Church in America and the Lutheran Church-Missouri Synod or their successors, and subject, if necessary, to approval of a Court of proper jurisdiction.

B. In the event the Society owns property, assets or monies in the State of California that upon dissolution are to be distributed to nonprofit social ministry organizations in California, then said nonprofit social ministry organizations shall have established their tax-exempt status under Section 214 of the Revenue and Taxation Code of the State of California and shall have established their tax-exempt status under Section 23701(b) of the Revenue and Taxation Code of the State of California. In either case, in the distribution of California assets, preference shall be given to a local nonprofit, social ministry organization, fund, foundation or corporation that meets the foregoing requirements.

Article IX
Amendments

A. These Articles of Incorporation may be amended by the members as provided by law.

B. Anything herein to the contrary notwithstanding, as long as an FHA insured mortgage upon the property of the Society remains insured, re-insured or held by the Commissioner of The Federal Housing Administration, the terms and conditions contained in the note, mortgage and regulatory agreement entered into between the corporation and The Federal Housing Administration shall be controlling, and the Articles of Incorporation may not be revoked, amended or revised in any respect without the prior written consent of The Federal Housing Administration.

Dated this 6th day of February, 1997.

Attachment A.6

Deed to Land

BK/PG: 1300/922-927
08411998

6 PGS : AL - DEED	
ADRIA BATCH: 18754	
08/27/2008 - 12:30:18 PM	
VALUE	25498.00
MORTGAGE TAX	0.00
TRANSFER TAX	94.34
RECORDING FEE	30.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	127.34

STATE OF TENNESSEE, CUMBERLAND COUNTY
JUDY GRAHAM SWALLOWS
REGISTER OF DEEDS

This instrument prepared by,
and after recording return to:

Julie Kisha
Legal Department
Wyndham Vacation Ownership, Inc.
8427 SouthPark Circle
Orlando, Florida 32819

DEED

STATE OF TENNESSEE)
) ss.
COUNTY OF CUMBERLAND)

THIS DEED is made as of ~~June~~ July 31st, 2008, by and between WYNDHAM VACATION RESORTS, INC., a Delaware corporation (formerly known as Fairfield Resorts, Inc. and Fairfield Communities, Inc.) ("Grantor"), whose address is 8427 SouthPark Circle, Orlando, Florida 32819, and THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY, a North Dakota non-profit corporation {"Grantee"), whose address is 4800 West 57th Street, Sioux Falls, South Dakota 57108.

WITNESSETH

That Grantor, in consideration of Ten Dollars ($10.00) and other good and valuable consideration to it paid by Grantee, the receipt of which is hereby acknowledged, has bargained and sold, and by these presents does grant, bargain, sell and convey, subject to the restrictions, easements and other conditions hereinafter contained, unto the aforesaid Grantee, its heirs, devisees, successors and assigns, the following described property located in the County of Cumberland, Tennessee (the "Property"):

See Exhibit A attached hereto and made a part hereof.

P.U. Wyndham 1 of 2

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

This conveyance is subject to and by accepting this Deed, Grantee does hereby agree to assume the following:

1. The reservation of all oil, gas and other minerals under the subject property, which are hereby reserved by and to Wyndham Vacation Resorts, Inc.;
2. Taxes for the current year and subsequent years;
3. Conditions, restrictions, limitations, existing easements, and other matters of record affecting the Property;

4. Declarations affecting the Property and all amendments and supplements thereto, including the Amended and Restated Declaration of Covenants and Restrictions for Fairfield Glade, dated November 5, 1997, of record at Book 1006, page 1986 et seq., Register's Office, Cumberland County, Tennessee, and all amendments and supplements thereto;
5. Matters that may be shown by an accurate survey of the Property; and
6. Any liens created by Grantee's failure to pay fees, dues or assessments.

Provided, however, reference hereto shall not re-impose the same.

The Grantee covenants and agrees that, by acceptance of this Deed, neither Grantee nor any of Grantee's successors and assigns (other than Grantor if it subsequently obtains title to all or a portion of the Property) shall, during the period from the date of this Deed until December 31, 2048, (a) use all or any part of the Property, or allow all or any part of the Property to be used, for any activity other than a continuum of care retirement community (as defined herein) or (b) subdivide the Property, except with the prior written consent of the President of the Grantor or the Grantor's successor or assign. For purposes of this Deed, the phrase "continuum of care retirement community" means a building, establishment or complex that provides the following care and services: nursing home care (alzheimer's care, hospice care, skilled nursing, subacute care, inpatient therapy services); assisted care living; senior housing apartments and cottages (operated as an age 55 community in accordance with the Housing for Older Persons Act); home-and-community based services (adult day care, home health care, respite care, home monitoring devices, telehealth services, outpatient therapy services, and other ancillary programs such as wellness programs); and room, board, or non-medical living assistance services appropriate to the residents' respective needs (including medical services as prescribed by each resident's treating physician). The foregoing covenant and agreement shall run with the land and bind the Grantee's successors and assigns. Grantor at any time for any or no reason may, but shall not be obligated to, terminate such covenant and agreement by written instrument.

The Grantee further covenants and agrees that, by acceptance of this Deed, either the Grantee or Grantee's successors and assigns shall improve and commence use of the Property (defined as substantial completion of a senior housing apartment or cottage or of a building that will be used to provide any of the activities noted above) prior to December 31, 2012, failing which (i) the Property (and any improvements thereon) shall, without consideration to the Grantee or the then owner of the Property or any other person, revert to the Grantor, unless the President of the Grantor shall within thirty (30) days after such date waive in writing its right to reversion of the Property, and (ii) the Grantee and the then owner of the Property and any other person with an interest in the Property shall execute such documents as the Grantor deems necessary to effect the reversion of the Property to the Grantor. Any such re-conveyance to the Grantor shall be subject only to the same encumbrances that existed when the Property was conveyed to the Grantee. The foregoing covenant and agreement shall run with the land and bind the Grantee's successors and assigns. Grantor at any time for any or no reason may, but shall not be obligated to, terminate such covenant and agreement by written instrument.

TO HAVE AND TO HOLD unto Grantee and Grantee's heirs, executors, administrators, successors and assigns forever; subject, however, to the restrictions, easements and other conditions hereinabove contained.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed in its corporate name by its duly authorized officer, to be effective on the day and year first above written.

WYNDHAM VACATION RESORTS, INC.,
a Delaware corporation

By: _____
Name: Brian D. Keller
Title: Sr. Vice President

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY,
a North Dakota non-profit corporation

By: _____
Name: Kaye Nae Mylander
Title: Treasurer

[Remainder of this page intentionally left blank]

SEAN PUGH SURVEYING
Registered Land Surveyor # 2341
P.O. Box 3185, Crossville, Tn. 38557
5218 Banner Roslin Road, Jamestown, Tn. 38556
Office/Fax: 931-863-5658
Cell: 931-248-2795

CERTIFIED LAND DESCRIPTION

The following described tract of land is located in the SECOND CIVIL DISTRICT of Cumberland County, Tennessee. Said tract of land being a portion of Parcel number 15.00 on Tax Map number 66 located in the Tax Assessor's Office of said state and county.

BEGINNING on a newly placed ½" rebar, said point being the Northwest corner of this described tract; thence N 74°18'03" E 327.62 feet to a newly placed ½" rebar; thence N 55°22'13" E 245.56 feet to a newly placed ½" rebar; thence S 65°16'13" E 53.99 feet to a newly placed ½" rebar; thence N 26°16'35" E 68.55 feet to a newly placed ½" rebar located in the Southern right-of-way of a gravel roadway leading to water tank; thence proceeding with said road right-of-way and a curve turning to the left with an arc length of 100.49 feet, with a radius of 293.20 feet, with a chord bearing of S 61°26'23" E, with a chord length of 100.00 feet, to a newly placed ½" rebar; thence leaving said road right-of-way S 26°13'41" W 61.86 feet to a newly placed ½" rebar; thence S 65°16'13" E 53.99 feet to a newly placed ½" rebar; thence S 19°51'57" E 541.38 feet to a newly placed ½" rebar; thence N 70°33'17" E 52.59 feet to a newly placed ½" rebar located in the Western right-of-way of Catoosa Boulevard; thence proceeding with said road right-of-way S 21°30'19" E 100.06 feet to a newly placed ½" rebar; thence leaving said road right-of-way S 70°33'17" W 52.16 feet to a newly placed ½" rebar; thence S 21°44'58" E 325.00 feet to a newly placed ½" rebar, said point being the Southeast corner of this described tract; thence S 68°40'24" W 960.12 feet to a newly placed ½" rebar, said point being the Southwest corner of this described tract; thence N 21°42'36" W 717.99 feet to a newly placed ½" rebar; thence N 14°08'38" E 458.83 feet to the point of BEGINNING. Containing 23.02 acres more or less as per survey by Sean Pugh, Tennessee Registered Land Surveyor # 2341, located at 5218 Banner Roslin Road, Jamestown, Tennessee 38556, phone # 1-931-248-2795, dated February 20, 2007. Being Survey Job Number (SPS07066). The North Meridian was oriented to the platted bearing of the Western line of North Ridge Subdivision, Block# 2, Plat Book: 10, Page: 675, (S 21°30'19" E).

I hereby certify that this description was prepared by me on February 20, 2007.

SEAN PUGH, R.L.S. #: 2341
Tennessee Registration

SEAN PUGH REGISTERED LAND SURVEYOR TENNESSEE NO. 2341

EXHIBIT A

State of South Dakota)
) ss.
County of Minnehaha)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared Raye Nae Nylander, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged herself ~~himself~~ ~~to~~ it be Treasurer of THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY, a corporation, and that she, as such officer, being authorized to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by herself ~~himself~~ ~~as~~ it such officer.

WITNESS my hand and seal of office this the 25th day of ~~May~~ June 2008.

JAN HULS
NOTARY PUBLIC
SOUTH DAKOTA
SEAL SEAL

Jan Huls
NOTARY PUBLIC

My commission expires: 1-28-2011

The name and address of the new property owner is:

Evangelical Lutheran Good
Samaritan Society
4800 West 57th Street,
Sioux Falls, South Dakota 57108
Att: Jan Huls

The name and address of the person or entity responsible for the payment of real property taxes is:

Evangelical Lutheran Good
Samaritan Society
4800 West 57th Street,
Sioux Falls, South Dakota 57108
Att: Jan Huls

State of Florida)
) ss.
County of Orange)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared Brian D. Keller, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Sr. Vice President of WYNDHAM VACATION RESORTS, INC., a corporation, and that he as such officer, being authorized to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and seal of office this the 31st day of June, 2008.

Julie Kisha
NOTARY PUBLIC

My commission expires: 7/1/11

NOTARY PUBLIC STATE OF FLORIDA
JULIE KISHA
MY COMMISSION # DD 687016
EXPIRES: July 1, 2011
Bonded Thru Budget Notary Services

STATE OF TENNESSEE, CUMBERLAND COUNTY
I, or we, hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater is $ 25,498.00, which amount is equal to or greater than the amount which property transferred would command at a fair voluntary sale.
Amt. Tax Paid $ 94.34

Subscribed and sworn to before me this the 27 day of August, 2008

Affiant

Regina Hodge
NR

STATE OF TENNESSEE
COUNTY OF CUMBERLAND

CERTIFICATION # 00000187

I, Judy Graham Swallows, Register of Deeds, hereby certify this is a true and perfect copy of Book Number 1300, page(s) 922, recorded in this office as a DEED from WYNDHAM VACATION RESORTS INCORPORATED * to EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY.

Witness the Official Signature and Seal this 27th day of August 2008.

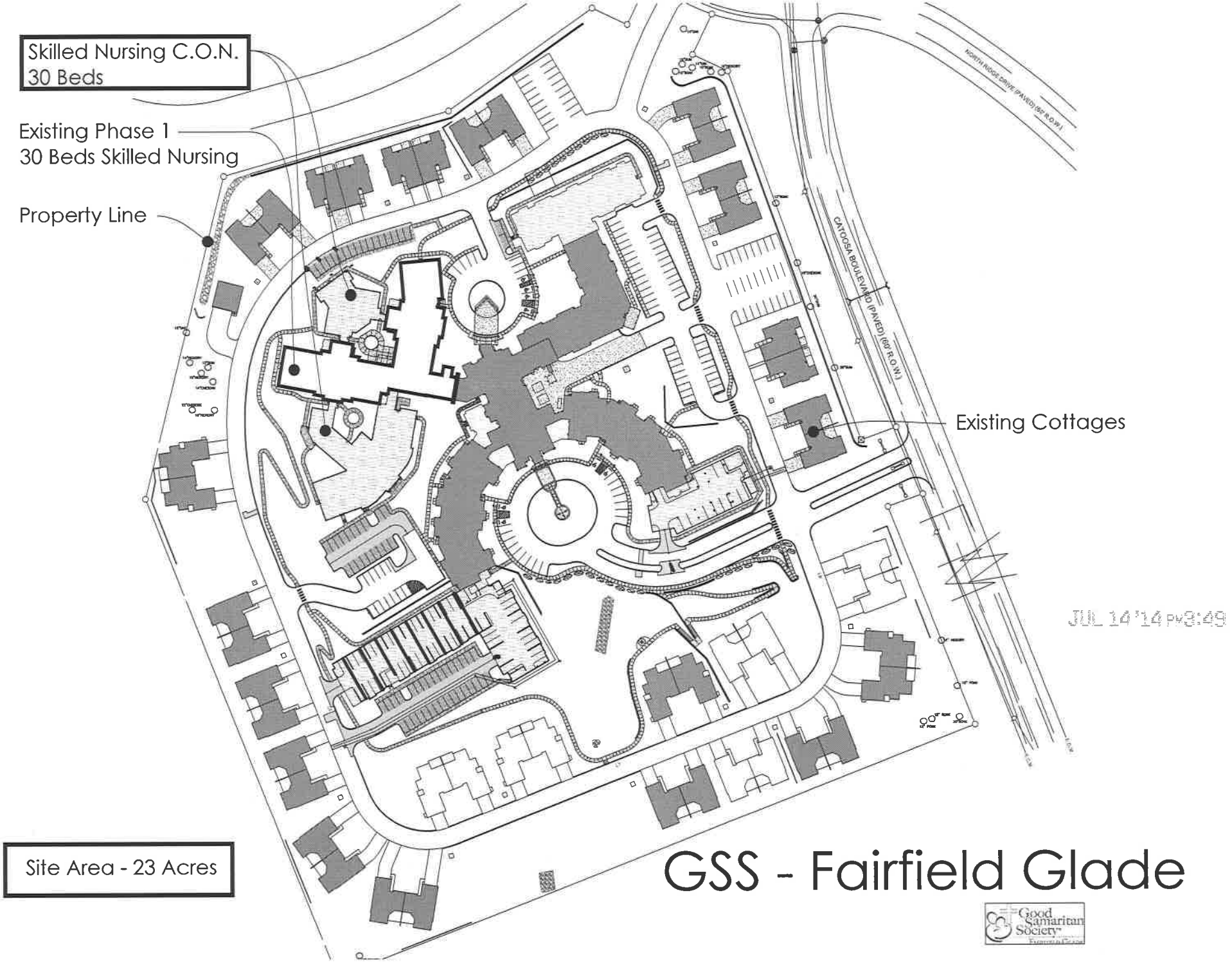
Judy Graham Swallows, Register

Regina Hodges

Deputy Register

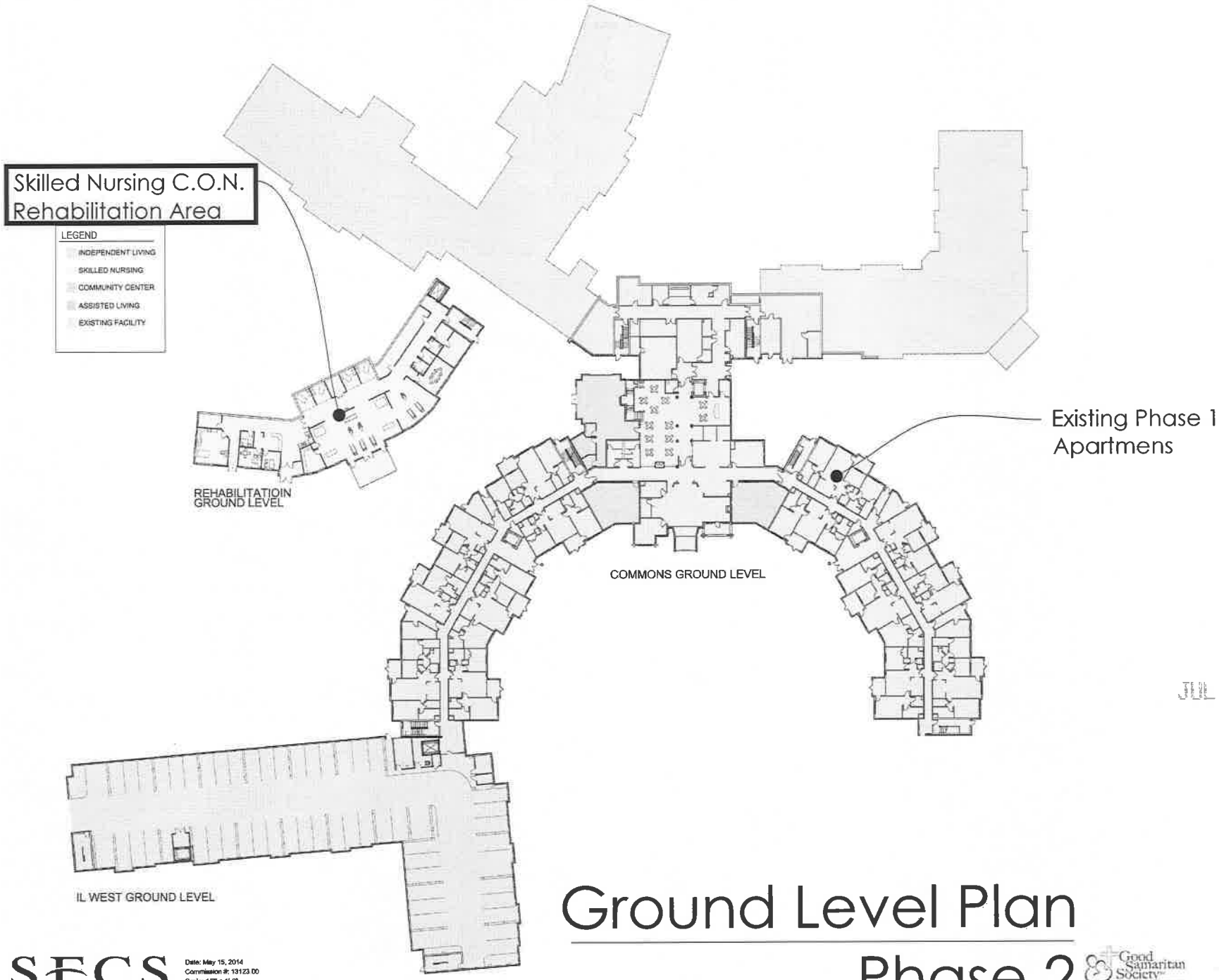
Attachment B.III.A.

Plot Plan


Skilled Nursing C.O.N.
30 Beds
Existing Phase 1
30 Beds Skilled Nursing
Property Line
Existing Cottages
CATOOSA BOULEVARD (PAVED) (60' R.O.W.)
NORTH RIDGE DRIVE (PAVED) (60' R.O.W.)
JUL 14 '14 PM 3:49
Site Area - 23 Acres
GSS - Fairfield Glade
Good Samaritan Society

Attachment B.IV.

Floor Plans



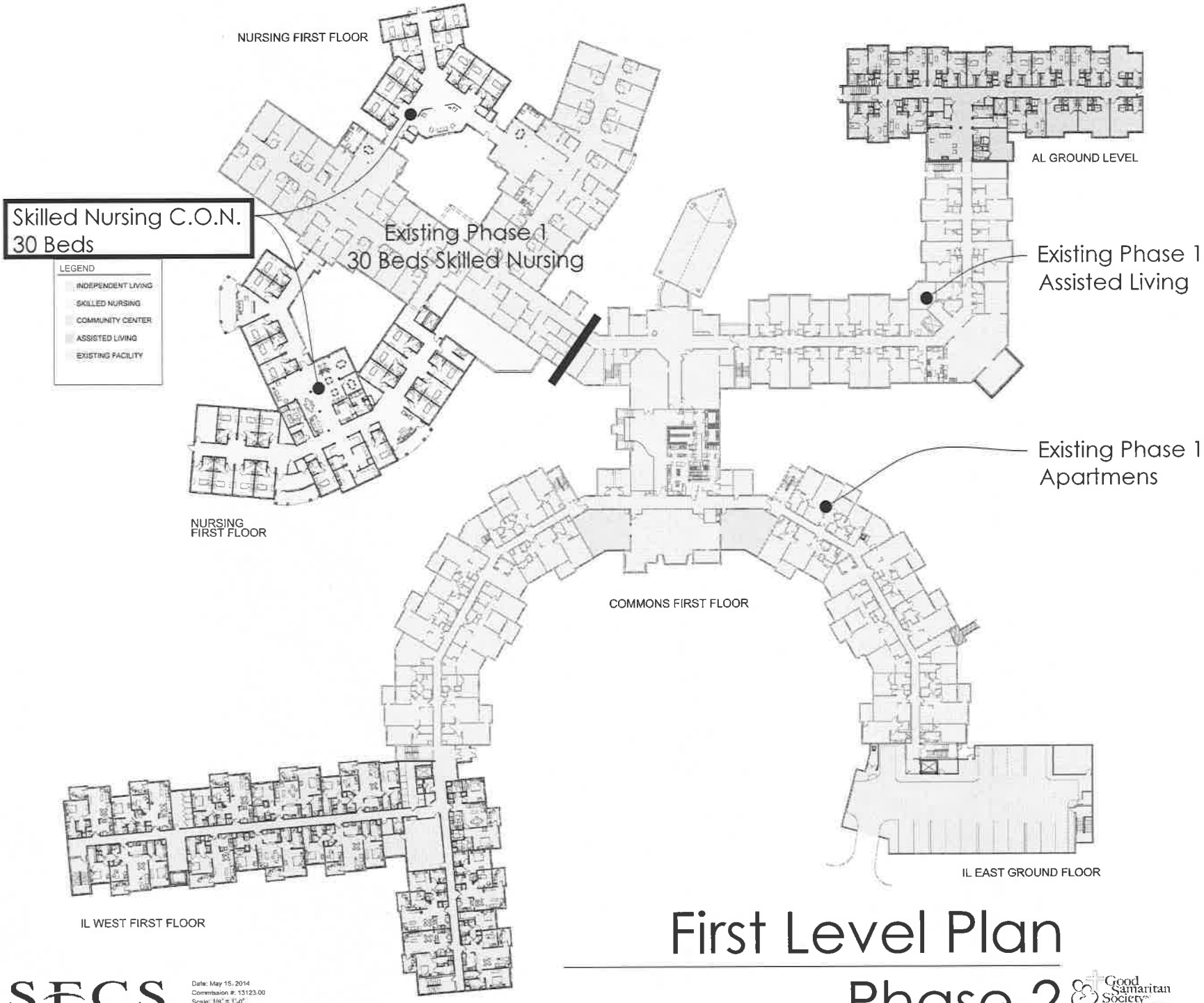
JUL 14 '14 PM3:49

Ground Level Plan
Phase 2

SFCS

Date: May 15, 2014
Commission #: 13123.00
Scale: 1/8" = 1'-0"

Good Samaritan Society



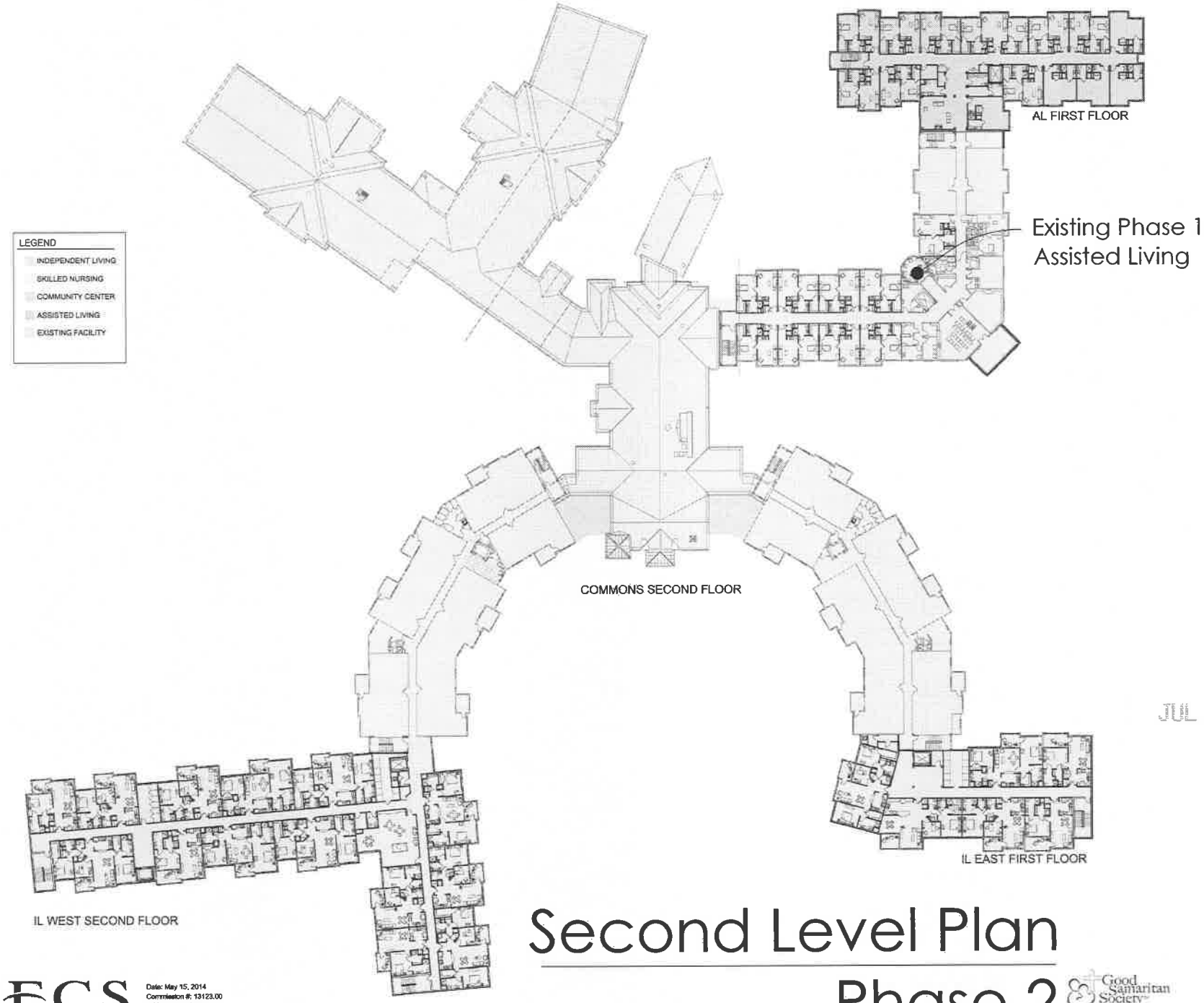
First Level Plan

Phase 2

SFCS

Date: May 15, 2014
Commission #: 13123.00
Scale: 1/8" = 1'-0"

Good Samaritan Society



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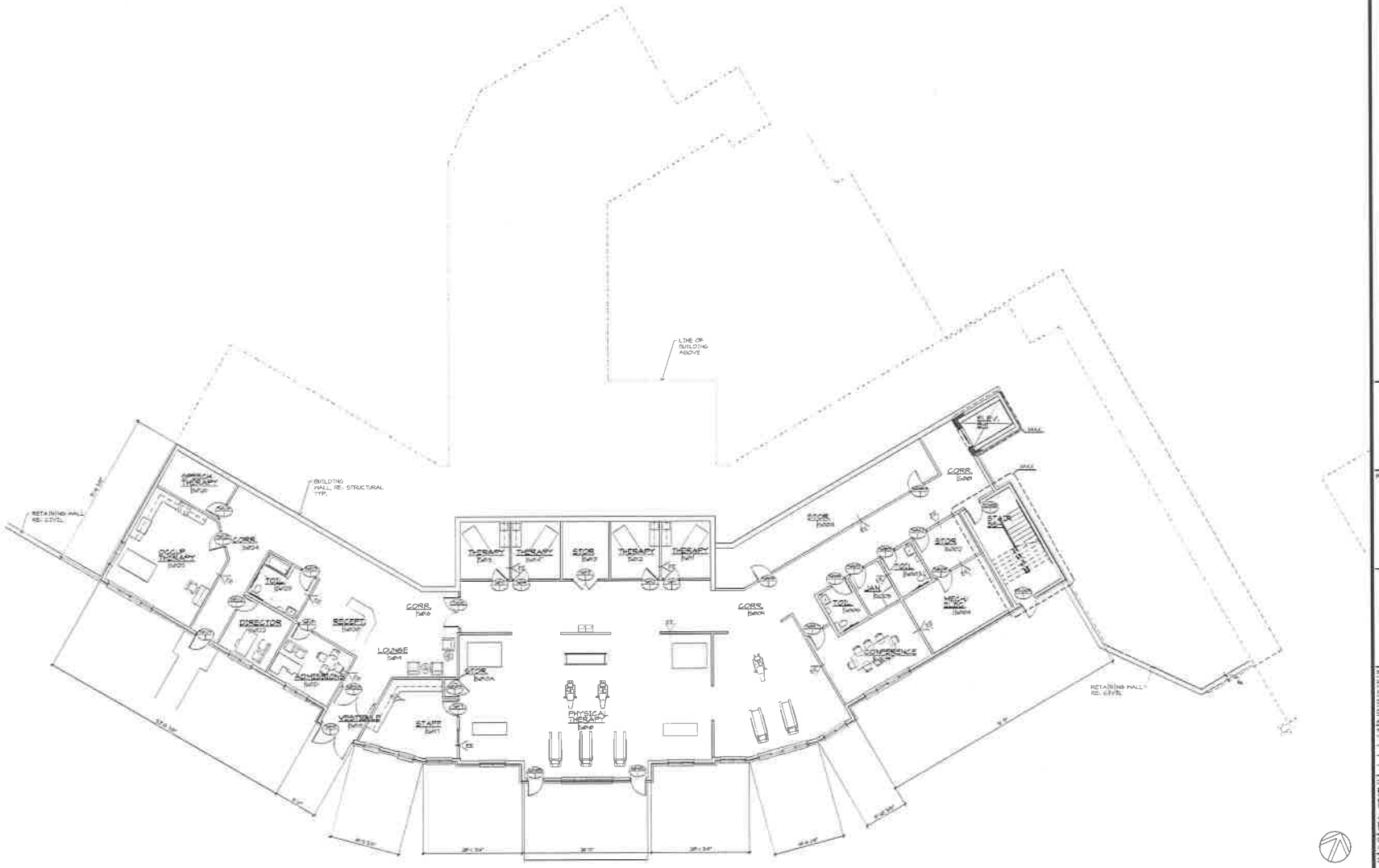
Second Level Plan
Phase 2

SFCS

Date: May 15, 2014
Commission #: 13123.00
Scale: 1/8" = 1'-0"

Good Samaritan Society



REHAB/SKILLED NURSING SOUTH ADDITION - GROUND FLOOR

1/8" = 1'-0"

KEYPLAN

GENERAL NOTES

DESIGN DEVELOPMENT

NOT FOR CONSTRUCTION

PROJECT TITLE

Good Samaritan Society™ Fairfield Glade

SFCS Architecture Engineering Planning Interiors

SFCS Inc. • 305 South Jefferson Street
Roanoke, Virginia 24011-2003
540.344.6864 • Fax 540.343.6925
www.sfcs.com

PROJECT DESIGNER	
PROJECT ARCHITECT	
PROJECT ENGINEER	
DRAWN BY	
CHECKED BY	
APPROVED BY	

NO.	REVISION DESCRIPTION	DATE

DRAWING TITLE

REHAB/SKILLED NURSING SOUTH ADDITION GROUND FLOOR PLAN

COMM. NO.	DATE
DRAWING A1.12	SHEET ___ OF ___

MENU

DESIGN DESIGN
PLOT SCALE
ALIGNMENT
PLOT DATE
DATE
DRAWING
DESIGN NO.
BASE DWG

REHAB/SKILLED NURSING SOUTH ADDITION FIRST FLOOR

1/8" = 1'-0"

KEYPLAN

GENERAL NOTES

DEMOLITION NOTES

1. REMOVE EXISTING CONSTRUCTION TO ACCEPT NEW BUILDING TIE-IN AS REQUIRED. REFER TO NEW WORK PLAN TO COORDINATE LIMITS OF EXISTING CONSTRUCTION TO BE REMOVED TO ACCEPT NEW WORK REPAIR EXISTING SURROUNDING CONSTRUCTION TO MATCH ADJACENT MATERIALS AND FINISHES.

DESIGN DEVELOPMENT

NOT FOR CONSTRUCTION

PROJECT TITLE

Good Samaritan Society™ Fairfield Glade

SFCS Architecture Engineering Planning Interiors

SFCS Inc. • 305 South Jefferson Street
Roanoke, Virginia 24011-2003
540.344.6664 • Fax 540.343.6925
www.sfcs.com

PROJECT DESIGNER	DWG/SAA
PROJECT ARCHITECT	JPC
PROJECT ENGINEER	
DRAWN BY	
CHECKED BY	
APPROVED BY	

NO.	REVISION DESCRIPTION	DATE

DRAWING TITLE

REHAB/SKILL NURSING SOUTH ADDTION FIRST FLOOR PLAN

COMM. NO. 13123.000

DATE

DRAWING A1.13

SHEET ___ OF ___

MENU

DOCS VERSION

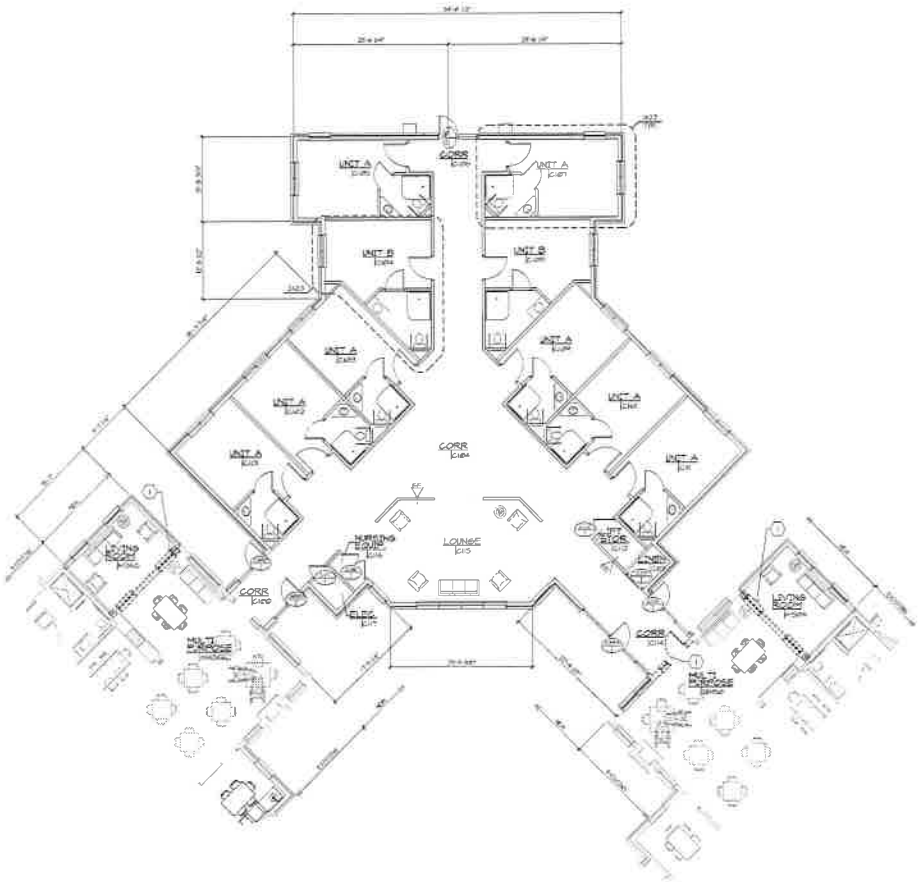
PLOT SCALE ACAD2002

PLOT DATE

DWG. DATE

COMM. NO.

DRAWING NO. Serial Sheet



KEYPLAN

GENERAL NOTES

DEMOLITION NOTES

1. REMOVE EXISTING CONSTRUCTION TO ACCEPT NEW BUILDING TIE-IN AS REQUIRED. REFER TO NEW WORK PLAN TO COORDINATE LIMITS OF EXISTING CONSTRUCTION TO BE REMOVED TO ACCEPT NEW WORK. REPAIR EXISTING SURROUNDING CONSTRUCTION TO MATCH ADJACENT MATERIALS AND FINISHES.

DESIGN DEVELOPMENT

NOT FOR CONSTRUCTION

JUL 14 '14 PM 8:09

PROJECT TITLE

Good Samaritan Society™ Fairfield Glade

SFCS Architecture Engineering Planning Interiors

SFCS Inc. • 305 South Jefferson Street
Roanoke, Virginia 24011.2003
540.344.6664 • Fax 540.343.8925
www.sfcs.com

PROJECT DESIGNER	CHK/SAH
PROJECT ARCHITECT	JPC
PROJECT ENGINEER	
DRAWN BY	
CHECKED BY	
APPROVED BY	

NO.	REVISION DESCRIPTION	DATE

DRAWING TITLE

SKILLED NURSING NORTH CONNECTOR GROUND FLOOR PLAN

COMM. NO. 13125.00	DATE
DRAWING A1.16	SHEET ___ OF ___

MENU

SKILLED NURSING NORTH CONNECTOR ADDITION GROUND FLOOR

Section C: General Criteria for Certificate of Need – Need.1.A

Bed Need Calculation

TCA § 68-11-108 Need Calculation

Cumberland County Age-Formula/Year	2014 Pop.	2014 Need	2015 Pop.	2015 Need	2016 Pop.	2016 Need	2017 Pop.	2017 Need	2018 Pop.	2018 Need	2019 Pop	2019 Need	2020 Pop.	2020 Need
0-64 (x .0005)	41,977	21	42,445	21.2	43,061	21.5	43,823	21.9	44,662	22.3	45,621	22.8	46,627	23.3
65-74 (x .0120)	9,133	109.6	8,996	108	8,771	105.3	8,478	101.7	8,106	97.3	7,727	92.7	7,471	89.7
75-84 (x .0600)	5,203	312.2	5,313	318.8	5,436	326.2	5,590	335.4	5,793	347.6	5,962	357.7	6,008	360.5
85+ (x .1500)	1,502	225.3	1,586	237.9	1,645	246.8	1,682	252.3	1,731	259.7	1,767	265.1	1,827	274.1
TOTAL NEED		**668.1**		**684.9**		**699.8**		**711.3**		**726.9**		**738.3**		**747.6**
Existing Cumberland														
Country Place Health Care Center		122		122		122		122		122		122		122
Wharton Nursing Home		62		62		62		62		62		62		62
WyndRidge Health and Rehabilitation Center		157		157		157		157		157		157		157
Good Samaritan Fairfield Glades		30		30		30		30		30		30		30
Total Existing Beds		371		371		371		371		371		371		371
BED NEED		**297.1**		**313.9**		**328.8**		**340.3**		**355.9**		**367.3**		**376.6**
Net Bed Need Change				16.8		14.9		11.5		15.6		11.4		9.3

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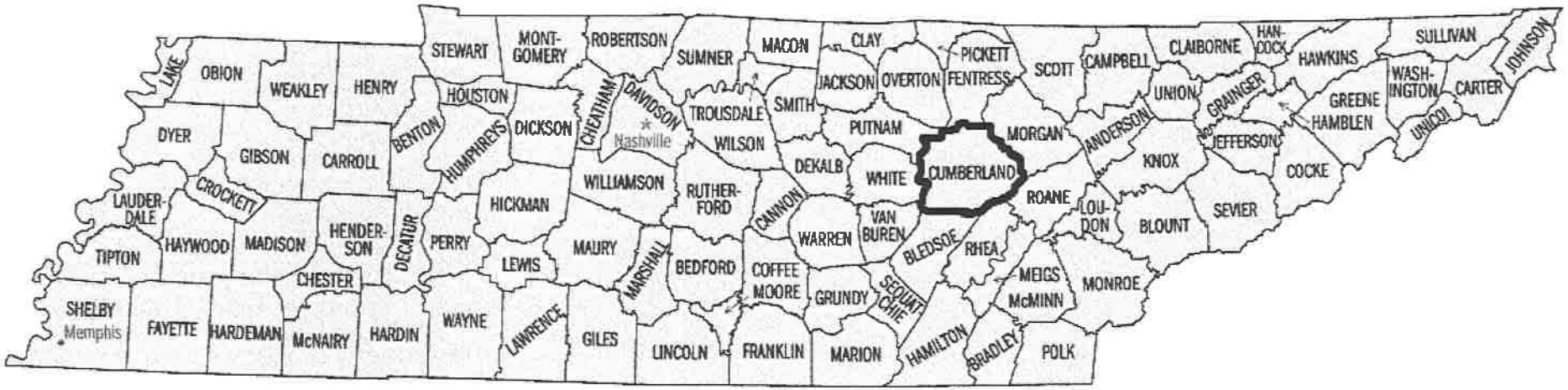
Section C: General Criteria for Certificate of Need – Need.3

Service Area Map



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Section C: Economic Feasibility - 1

Letter Supporting Estimated Construction Costs

SFCS

June 26, 2014

Health Services and Development Agency
Andrew Jackson Building
500 Deadrick Street/ Suite 850
Nashville, TN 37243

Re: Certificate of Need Application
The Evangelical Lutheran Good Samaritan Society
30 Skilled Beds
Fairfield Glade, TN

To Whom It May Concern:

I represent SFCS Inc. and architectural and engineering firm with offices in Roanoke, VA, Charlotte, NC, and Philadelphia, PA. Our firm has been retained by The Evangelical Lutheran Good Samaritan Society to provide planning, design and contract administration services for the expansion of their retirement community in Fairfield Glade, TN.

The preliminary design and estimate have been complete. The $4.1 million construction cost for the construction of the additional 30 skilled beds and rehabilitation/therapy space seems reasonable based on our experience.

Sincerely,

Geoff Haskell, AIA

GAH:lfc

Architecture
Engineering
Planning
Interiors

SFCS Inc.
1927 South Tryon Street
Suite 207
Charlotte, NC 28203

T: 704.372.7327
F: 704.372.7369
www.sfcs.com

Roanoke
Charlotte
Philadelphia

Section C: Economic Feasibility - 2

Documentation from Chief Financial Officer

THE EVANGELICAL LUTHERAN
Good Samaritan Society®
In Christ's Love, Everyone Is Someone.

4800 W 57th St
PO Box 5038
Sioux Falls SD 57117-5038

Phone: 605-362-3100
Fax: 605-362-3309
www.good-sam.com

July 11, 2014

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
600 Deadrick St, Suite 850
Nashville, TN 37243

Dear Melanie:

This letter is to inform you that the funds needed to construct 30 additional skilled nursing beds at Good Samaritan Society – Fairfield Glade, TN, will be available to the Society.

The cost of this project will be paid for from the combination of new financing through tax-exempt bonds and excess Society cash reserves. Furthermore, the Society's 2013 audited financial statements are included in this application for your reference.

If you have any questions or are in need of additional information please contact Greg Amble, Director of Development at gamble@good-sam.com or 605-362-3108.

Sincerely,

Raye Nae Nylander
Executive Vice President, CFO and Treasurer

Enclosures

Section C: Economic Feasibility - 4

Historical and Projected Data Chart

HISTORICAL DATA CHART

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

	Year 2011	Year 2012	Year 2013
A. Utilization Data (Specify unit of measure) Total resident days	434	8,922	10,304
B. Revenue from Services to Patients			
1. Inpatient Services	$ 163,715	$ 4,321,708	$ 5,408,389
2. Outpatient Services	$34,805	$99,145	$475,384
3. Emergency Services			
4. Other Operating Revenue (Specify) Admin, Pet Fee, Building Rent	$5,903	$12,131	$7,453
Gross Operating Revenue	$ 204,423	$ 4,432,984	$ 5,891,226
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	$ 66,409	$ 1,695,557	$ 2,339,042
2. Provision for Charity Care			
3. Provisions for Bad Debt	$0	$1,000	$66,166
Total Deductions	$ 66,409	$ 1,696,557	$ 2,405,208
NET OPERATING REVENUE	$ 138,014	$ 2,736,427	$ 3,486,018
D. Operating Expenses			
1. Salaries and Wages	$ 513,456	$ 1,430,115	$ 1,434,213
2. Physician's Salaries and Wages			
3. Supplies	$412,241	$1,553,749	$1,731,117
4. Taxes	$324	$324	$0
5. Depreciation	$65,659	$270,390	$277,613
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates	$1,135	$128,525	$255,637
b. Fees to Non-Affiliates			
9. Other Expenses (Specify) _____			
Total Operating Expenses	$ 992,815	$ 3,383,103	$ 3,698,580
E. Other Revenue (Expenses) – Net (Specify) Resource Dev. and Gift Revenue	$ 0	$ 19,344	$ 43,616
NET OPERATING INCOME (LOSS)	$ (854,801)	$ (627,332)	$ (168,946)
F. Capital Expenditures			
1. Retirement of Principal	$	$	$
2. Interest	$0	$126,970	$127,935
Total Capital Expenditures	$ 0	$ 126,970	$ 127,935
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	$	$ (754,302)	$ (296,881)

*Total 60-bed facility projections

PROJECTED DATA CHART

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

		Year 2016	Year 2017
A.	Utilization Data (Specify unit of measure) Average residents per day	45	48
B.	Revenue from Services to Patients		
1.	Inpatient Services	$ 5,465,494	$ 5,946,458
2.	Outpatient Services	$330,000	$336,600
3.	Emergency Services		
4.	Other Operating Revenue (Specify)		
	Gross Operating Revenue	$ 5,795,494	$ 6,283,058
C.	Deductions from Gross Operating Revenue *Within the above calculation of inpatient services.		
1.	Contractual Adjustments	$	$
2.	Provision for Charity Care		
3.	Provisions for Bad Debt		
	Total Deductions	$ 0	$ 0
NET OPERATING REVENUE		$ 2,795,494	$ 6,283,058
D.	Operating Expenses		
1.	Salaries and Wages	$ 2,680,805	$ 2,734,421
2.	Physician's Salaries and Wages		
3.	Supplies	$2,405,010	$2,606,663
4.	Taxes		
5.	Depreciation	$439,697	$439,697
6.	Rent		
7.	Interest, other than Capital		
8.	Management Fees:		
	a. Fees to Affiliates	$441,274	$441,274
	b. Fees to Non-Affiliates		
9.	Other Expenses (Specify)		
	Total Operating Expenses	$ 5,966,786	$ 6,222,055
E.	Other Revenue (Expenses) -- Net (Specify)	$	$
NET OPERATING INCOME (LOSS)		$ (171,292)	$ 61,003
F.	Capital Expenditures		
1.	Retirement of Principal	$	$
2.	Interest	$371,731	$364,971
	Total Capital Expenditures	$ 371,731	$ 364,971
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ (543,023)	$ (303,968)

*30 Bed Project Only

PROJECTED DATA CHART

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

		Year 2016	Year 2017
A. Utilization Data (Specify unit of measure)	Average residents per day	22.5	24
B. Revenue from Services to Patients			
1. Inpatient Services		$ 2,740,295	$ 2,981,441
2. Outpatient Services		$200,000	$204,000
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		$ 2,940,295	$ 3,185,441
C. Deductions from Gross Operating Revenue	*Within the above calculation of inpatient services.		
1. Contractual Adjustments		$	$
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		$	$
NET OPERATING REVENUE		$ 2,940,295	$ 3,185,441
D. Operating Expenses			
1. Salaries and Wages		$ 1,400,000	$ 1,428,000
2. Physician's Salaries and Wages			
3. Supplies		$947,198	$1,012,432
4. Taxes			
5. Depreciation		$164,090	$164,090
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$334,000	$334,000
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		$ 2,845,288	$ 2,938,522
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		$ 95,007	$ 246,919
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$245,372	$242,112
Total Capital Expenditures		$ 245,372	$ 242,112
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ (150,365)	$ 4,807

Section C: Economic Feasibility – 10

Applicant's Balance Sheet and Income Statement

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Evangelical Lutheran Good Samaritan Society
and Affiliates
Sioux Falls, South Dakota

We have audited the accompanying consolidated financial statements of The Evangelical Lutheran Good Samaritan Society and Affiliates (the Society) (a North Dakota corporation) and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
The Evangelical Lutheran Good Samaritan Society
and Affiliates

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Society and its subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 25, 2014

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2013 AND 2012
(DOLLAR AMOUNTS IN THOUSANDS)

ASSETS	2013	2012
CURRENT ASSETS		
Cash and Cash Equivalents	$ 23,529	$ 17,629
Investments	379,063	280,492
Accounts Receivable, Net	84,538	87,278
Notes and Other Current Receivables	2,084	1,539
Current Portion of Assets Limited as to Use	57,403	-
Inventory	5,788	6,248
Prepaid Expenses	2,226	2,380
Securities Lending - Collateral Held for Loaned Securities	46,287	22,962
Total Current Assets	600,918	418,528
ASSETS LIMITED AS TO USE		
Investments	62,698	212,874
Securities Lending - Investments Loaned to Broker	45,663	23,386
Total Assets Limited as to Use, Less Current Portion	108,361	236,260
PROPERTY AND EQUIPMENT		
Land and Land Improvements	157,741	153,954
Buildings and Improvements	1,421,726	1,355,143
Furniture and Equipment	256,228	263,966
Vehicles	17,902	17,089
Total	1,853,597	1,790,152
Less: Accumulated Depreciation	(960,132)	(933,774)
Subtotal	893,465	856,378
Construction and Development	81,758	95,827
Total Property and Equipment	975,223	952,205
OTHER ASSETS		
Investments	32,421	29,976
Notes Receivable and Other Assets	18,709	14,661
Unamortized Financing Fees	4,851	4,579
Total Other Assets	55,981	49,216
Total Assets	$ 1,740,483	$ 1,656,209

See accompanying Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS	2013	2012
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 69,109	$ 18,145
Resident Funds and Prepaid Rents	9,953	8,173
Accounts Payable	29,973	27,359
Accrued Expenses:		
Salaries and Wages	16,307	13,811
Vacation	27,018	26,900
Employee Benefits and Payroll Taxes	10,093	10,117
Insurance	37,075	35,094
Interest	2,712	1,976
Current Portion of Housing Entry Fees	8,687	8,687
Securities Lending - Payable Under Investment Loan Agreement	46,835	23,993
Other Current Liabilities	8,268	7,322
Total Current Liabilities	266,030	181,577
LONG-TERM DEBT, Less Current Maturities	572,424	591,447
OTHER LIABILITIES		
Non-Refundable Housing Entry Fees	17,621	16,914
Refundable Housing Entry Fees	80,993	75,761
Annuities and Other Liabilities	9,342	10,173
Total Other Liabilities	107,956	102,848
Total Liabilities	946,410	875,872
NET ASSETS		
Unrestricted:		
Unrestricted	703,662	701,048
Non-Controlling Interest	11,535	6,435
Total Unrestricted	715,197	707,483
Temporarily Restricted	60,165	55,474
Permanently Restricted	18,711	17,380
Total Net Assets	794,073	780,337
Total Liabilities and Net Assets	$ 1,740,483	$ 1,656,209

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(DOLLAR AMOUNTS IN THOUSANDS)

	2013	2012
OPERATING REVENUE		
Housing and Services	$ 932,812	$ 917,122
Resource Development	4,785	4,986
Net Assets Released from Restrictions for Operating Purposes	5,108	5,793
Other Revenue	29,938	26,106
Total Operating Revenue	972,643	954,007
OPERATING EXPENSE		
Housing and Services	663,619	658,946
Administrative	158,886	141,630
Employee Health Benefits	41,750	38,066
Resource Development	3,973	3,804
General Insurance	23,116	20,040
Interest	21,765	22,085
Depreciation	68,503	65,857
Total Operating Expense	981,612	950,428
OPERATING INCOME (LOSS)	(8,969)	3,579
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT		
Interest Income	7,365	7,489
Realized Gain on Investments	13,149	7,777
Unrealized Gain on Investments	7,889	16,105
Loss on Disposal and Impairment of Property	(15,475)	(8,400)
Loss on Extinguishment of Debt	(3,249)	(3,230)
Total Nonoperating Gains and Other Support	9,679	19,741
EXCESS OF REVENUE OVER EXPENSE	710	23,320
Net Assets Released from Restrictions for Capital Purposes	5,535	7,078
Change in Non-Controlling Interest	6,188	5,650
CHANGE IN UNRESTRICTED NET ASSETS BEFORE DISCONTINUED OPERATIONS	12,433	36,048
LOSS ON DISCONTINUED OPERATIONS	(4,719)	(3,429)
CHANGE IN UNRESTRICTED NET ASSETS	$ 7,714	$ 32,619

See accompanying Notes to Consolidated Financial Statements.

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(DOLLAR AMOUNTS IN THOUSANDS)

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Excess of Revenue over Expense	$ 710	$ -	$ -	$ 710
Net Assets Released from Restrictions for Capital Purposes	5,535	-	-	5,535
Net Assets Released from Restrictions	-	(10,643)	-	(10,643)
Restricted Contributions	-	15,399	1,108	16,507
Change in Non-Controlling Interest	6,188	-	-	6,188
Increase in Beneficial Interest in Perpetual Trust	-	-	223	223
Change in Net Assets before Discontinued Operations	12,433	4,756	1,331	18,520
Loss from Discontinued Operations	(4,719)	(65)	-	(4,784)
Change in Net Assets	7,714	4,691	1,331	13,736
Net Assets - Beginning	707,483	55,474	17,380	780,337
Net Assets - Ending	$ 715,197	$ 60,165	$ 18,711	$ 794,073

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Excess of Revenue over Expense	$ 23,320	$ -	$ -	$ 23,320
Net Assets Released from Restrictions for Capital Purposes	7,078	-	-	7,078
Net Assets Released from Restrictions	-	(12,871)	-	(12,871)
Restricted Contributions	-	13,295	618	13,913
Change in Non-Controlling Interest	5,650	-	-	5,650
Increase in Beneficial Interest in Perpetual Trust	-	-	192	192
Change in Net Assets before Discontinued Operations	36,048	424	810	37,282
Loss from Discontinued Operations	(3,429)	(97)	-	(3,526)
Change in Net Assets	32,619	327	810	33,756
Net Assets - Beginning	674,864	55,147	16,570	746,581
Net Assets - Ending	$ 707,483	$ 55,474	$ 17,380	$ 780,337

See accompanying Notes to Consolidated Financial Statements.

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(DOLLAR AMOUNTS IN THOUSANDS)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 13,736	$ 33,756
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Reconciling Items Included in Discontinued Operations	3,229	2,196
Depreciation	68,503	65,857
Amortization	(19)	308
Provision for Bad Debts	799	(2,232)
Housing Entry Fees and Annuities Revenue	(3,491)	(3,564)
Realized and Unrealized Gain on Investments	(21,038)	(23,882)
Change in Beneficial Interest in Perpetual Trusts	(223)	(192)
Loss on Disposal and Impairment of Property	15,475	8,400
Loss on Refinancing of Debt	3,249	3,230
Change in Non-Controlling Interest	(6,188)	(5,650)
Reclassification of Restricted Contributions	(12,404)	(9,490)
Change in Assets:		
Accounts Receivable	(2,341)	(12,776)
Other Current Assets	375	(13)
Change in Liabilities:		
Resident Funds, Prepaid Rents and Accounts Payable	(2,483)	(288)
Accrued Expenses and Other Current Liabilities	7,921	1,265
Net Cash Provided by Operating Activities	65,099	56,925
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investments	(9,055)	(17,393)
Change in Notes Receivable and Other Assets	(1,828)	1,010
Business Acquisitions	(3,651)	-
Property Additions	(101,132)	(77,617)
Proceeds from Sale of Property	1,099	48
Net Cash Used by Investing Activities	(114,567)	(93,952)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Annuities Issued and Housing Entry Fees	18,577	20,390
Refund of Housing Entry Fees	(9,938)	(9,058)
Payment of Financing Fees	(1,163)	(39)
Proceeds from Long-Term Debt Borrowings	47,141	32,364
Repayment of Long-Term Debt	(17,164)	(21,640)
Proceeds from Contributions	17,915	13,755
Net Cash Provided by Financing Activities	55,368	35,772
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,900	(1,255)
Cash and Cash Equivalents - Beginning of Year	17,629	18,884
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 23,529	$ 17,629

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION

Organization and Principles of Consolidation

The financial statements include the consolidated accounts of The Evangelical Lutheran Good Samaritan Society, a North Dakota non-profit corporation; its wholly owned Cayman Islands captive insurance company, Good Samaritan Society Insurance, Ltd; its controlled foundation, The Evangelical Lutheran Good Samaritan Foundation, a Minnesota non-profit corporation; its controlled affordable housing entities, South Dakota non-profit corporations and tax credit limited partnerships; and Good Samaritan Holdings, LLC, its controlled residential facilities (collectively, the Society). All material intercompany balances, transactions, and earnings have been eliminated.

The Society operates communities throughout the United States. Housing and services for seniors are provided at Society communities through a continuum of care including skilled and rehab services, senior housing with services, and home and community based services.

As of December 31, 2013, the Society owned or leased 177 continuum of care communities, 34 home care, hospice and private duty agencies; and controlled 29 operating affordable housing and senior housing with services projects, in 24 states.

As of December 31, 2012, the Society owned or leased 182 continuum of care communities, 31 home care, hospice and private duty agencies; and controlled 28 operating affordable housing and senior housing with services projects, in 24 states.

The Society funds some of its insurance deductible and self-insurance obligations through Good Samaritan Society Insurance, Ltd (GSSI). The contracts between GSSI and the Society are deposit contracts in which GSSI agrees to reimburse or indemnify the Society for certain deductible and self-insurance obligations related to its operations. The contracts are not considered insurance for U.S. accounting, tax, or regulatory purposes.

As of December 31, 2013 and 2012, the Society managed 10 facilities, owned by others and was also an equity member in two and three joint venture relationships, respectively, which it does not control. The consolidated financial statements do not include the accounts of the managed facilities or the joint ventures, which the Society does not control (Note 8).

NOTE 1 ORGANIZATION (CONTINUED)

Corporate Governance and Compensation

The Society's Board of Directors has adopted a Policy Governance Program to guide and direct Board activities relating to organizational performance.

The Society's employee compensation plan includes all positions within the Society's National Campus and field Administrators/Executive Directors and Executive Managers. The compensation plan is reviewed, re-calibrated and updated every five years through the use of an external consultant, which last occurred in 2011. During this review the compensation plan is evaluated, updated and re-calibrated to be 100% competitive at the 50th percentile of the national labor market. This is completed through the use of the external consultant and market data from a recognized national data base resource.

Obligated Group

The Evangelical Lutheran Good Samaritan Society and The Evangelical Lutheran Good Samaritan Foundation are the members of the Obligated Group under a Master Trust Indenture which secures a major portion of the Society's debt. Each member of the Obligated Group is required to secure the related debt by a pledge of gross revenues and a security interest in any fund or account in which gross revenues are deposited subsequent to a default. In addition, each member of the Obligated Group is jointly and severally liable for all debt under the indenture.

Non-Controlling Interest

The non-controlling interest at December 31, 2013 and 2012 includes other partners' interests related to the ventures of four tax credit limited partnerships. The tax credit limited partnerships are consolidated in these financial statements for the years ended December 31, 2013 and 2012. The net assets attributed to the non-controlling partner are reported as non-controlling interest within unrestricted net assets on the consolidated balance sheets.

Tax Exempt Status

The Society's U.S. domiciled entities are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code or are pass-through entities not subject to tax. Good Samaritan Society Insurance, Ltd. is an exempted company under the Companies Law of the Cayman Islands.

The Society follows the accounting standard for contingencies in evaluating the accounting for uncertainty in income taxes recognized in an entity's financial statements. This standard prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized.

NOTE 1 ORGANIZATION (CONTINUED)

Tax Exempt Status (Continued)

The Society's income tax returns are subject to review and examination by federal, state, and local authorities. The Society is not aware of any activities that would jeopardize its tax-exempt status. The tax returns for the years 2010 to 2012 are open to examination by federal, local, and state authorities.

Social Accountability

The Society provides charitable services and housing for residents who are not able to pay the full rates associated with the services they receive from the Society. In addition, the Society contributes to the communities it serves in a variety of ways. These include, but are not limited to: providing free meals; conducting health fairs for seniors; volunteering employees' time to deliver meals; furnishing meeting spaces to local churches, support groups, and service societies; and providing free transportation for seniors living in the communities served by the Society.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Contributions received are recorded as an increase in unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Society and changes therein are classified and reported as follows:

Unrestricted – Those resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board of directors has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Society or passage of time. The Society has elected to present temporarily restricted contributions that are fulfilled in the same period within the unrestricted net assets class.

Permanently Restricted – Those resources subject to a donor imposed restriction that they be maintained permanently by the Society.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Unconditional promises to give cash and other assets are accrued at estimated fair market value at the date each promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, net assets are released and reported as an increase in unrestricted net assets. Income earned on temporary or permanently restricted support, including capital appreciation is recognized in the period earned.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Society considers all cash and short-term investments with an original maturity of three months or less to be cash and cash equivalents. The carrying amount of cash equivalents is a reasonable estimate of fair value.

The Society's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and temporary cash investments. The Society believes it places its cash and cash equivalents and temporary cash investments with high quality credit institutions. At times such investments may be in excess of the FDIC insurance limit.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the excess of revenue over expense unless the income or loss is restricted by donor. The cost of securities sold is based on the specific identification method.

The Society has investments in a variety of investment funds. The Society's investment policy limits investing to investment grade securities. The investment portfolio is governed by a policy that is reviewed quarterly by the board of directors. In general, investments are exposed to various risks such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that change in the values of the investments will occur in the near term and that such changes could materially affect account balances and the consolidated statements of operations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Securities Lending

The Society participates in securities lending transactions through a program managed by its custodial bank. A portion of its investments are loaned to selected established brokerage firms in return for cash which the Society uses to purchase other investments. These investments are collateral for the original investments loaned. Under terms of its securities lending agreement, the program requires brokers who borrow securities from the Society to provide collateral of a value of at least equal to 102% of the then fair value of the loaned securities. Valuations of the collateral pools are provided to the Society by the custodial bank. At December 31, 2013 and 2012, the excess of the obligation to return the collateral investments over the fair market value of the collateral received of $548 and $1,031, respectively, have been recorded as an unrealized loss on investments on the consolidated statements of operations.

Accounts Receivable

The Society uses the allowance method to account for uncollectible accounts. The allowance is based on management's estimate of potential bad debts as well as historical collection history. When the Society has exhausted all collection efforts and accounts are deemed uncollectible, they are written off against the allowance for doubtful accounts. Accounts receivable are net of an allowance for doubtful accounts of approximately $6,916 and $6,151 as of December 31, 2013 and 2012, respectively.

Inventory

Inventory consists principally of food, unused linens, office supplies, and housekeeping supplies. Inventories are valued at cost determined by the first-in, first-out (FIFO) method.

Assets Limited as to Use

Assets limited as to use include assets designated by the Society (over which it retains control and may, at its discretion, subsequently use for other purposes) for funded depreciation and debt retirement funds, insurance fund reserves, development funds, endowment and annuity funds, assets held by trustees under bond and mortgage indenture agreements, and assets held under HUD regulatory agreements and other affordable housing agency agreements.

Interest earned on assets held by trustees under bond and mortgage indenture agreements is included in interest expense on the consolidated statements of operations.

Property and Equipment

Property and equipment with an original cost at or above five hundred dollars is recorded at cost for purchased assets or fair market value at date of receipt for donated assets. Depreciation of property is provided on the straight-line basis. Depreciation rates are based on the estimated useful lives of the assets and/or the rates allowed by the Medicare and Medicaid regulations applicable to each state.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

The lives used are as follows:

Property	Useful Lives
Land Improvements	10 - 30 Years
Buildings	5 - 40 Years
Furniture and Equipment	3 - 20 Years
Vehicles	2 - 6 Years

Maintenance, repairs, and replacements which do not improve the assets or extend the assets' lives are expensed as incurred. Costs of additions and improvements are added to the land, land improvements, buildings, and furniture and equipment accounts.

Construction and development costs have been deferred until the projects have been completed. When the projects are completed, these costs will be capitalized and depreciated over the life of the projects. If the projects are cancelled, the construction and development costs are expensed during that period.

The Society reviews its property and equipment periodically to determine potential impairment. If determined that the carrying value exceeds the fair market value, an impairment loss is recognized.

Interest Capitalization

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets, and depreciated over the estimated useful lives by the straight-line method of depreciation.

Notes Receivable and Other Assets

Included in notes receivable and other assets are notes receivable, investments in perpetual trusts and investments in unconsolidated joint ventures.

The notes receivable are evaluated for collectibility on a periodic basis, and an allowance for doubtful accounts is established based upon management's estimate of potential bad debts.

The investment in perpetual trust is recorded at market value, and includes the Society's portion of beneficial interest in the perpetual trusts.

The Society reports its investments in unconsolidated joint ventures on the equity method of accounting which approximates the Society's equity in the underlying book value of the unconsolidated joint ventures.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unamortized Financing Fees

Costs incurred in connection with the issuance of long-term debt are capitalized and amortized over the historical outstanding term of the related indebtedness. Total finance fees were $9,075 and $7,932 for the years ended December 31, 2013 and 2012, respectively. Accumulated amortization at December 31, 2013 and 2012 was $4,224 and $3,353, respectively. Amortization expense for the years ended December 31, 2013 and 2012 was $892 and $874, respectively. During the year ended December 31, 2012, approximately $1,489 in unamortized financing fees were written off. The costs that were not fully amortized of approximately $631 were recorded in the consolidated statements of operations as part of the loss on extinguishment of debt for the year ended December 31, 2012.

Housing Entry Fees

The Society has housing entry fees for admittance into housing units at various locations. These contracts for housing entry fees vary by location, and typically have varying refundable portions up to 100% of these entry fees. The refundable portions of the housing entry fees are refundable based upon time restrictions and vacancy of the housing unit. The nonrefundable portion of the housing entry fees are recorded as deferred revenue and amortized into income over the life expectancy of the resident and fully recognized when the resident vacates its unit. The Society records a current portion of housing entrance fees that is expected to be refunded in the next year.

Charitable Gift Annuities Payable

The Society has established a gift annuity program whereby donors may contribute assets to the Society in exchange for the right to receive a fixed dollar annual return during their lifetime, averaging approximately 7.73% and 8.46% for 2013 and 2012, respectively. The difference between the amount provided for the gift annuity and the present value of the liability for future payments is recognized as a contribution at the date of the gift as specified by the donor. The Society uses published mortality rate tables adopted by the Social Security Administration.

The annuity liability is revalued annually based upon computed present values. Upon the death of a beneficiary, the related annuity is terminated and no further obligation exists to the deceased beneficiary's estate. The Society records the annuity liability at the present value of future payments using a discount rate of 5%. Total charitable gift annuities payable as of December 31, 2013 and 2012 were $3,231 and $4,480, respectively, and included in annuities and other liabilities in the consolidated balance sheets.

Asset Retirement Obligations

Asset retirement obligations represent obligations to dispose of assets that are legally required to be removed at a future date. They are recorded at the net present value using a risk-free interest rate and inflationary rate, and are included in annuities and other liabilities in the consolidated balance sheets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Conditional Asset Retirement Obligations

The Society follows the *Accounting for Conditional Asset Retirement Obligations* accounting standard, which clarified when an entity is required to recognize a liability for a conditional asset retirement obligation. Management has considered this accounting standard, specifically as it related to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. The asset retirement obligation was $5,591 and $5,172 at December 31, 2013 and 2012, respectively, and is included in annuities and other liabilities on the consolidated balance sheets.

Housing and Services and Third Party Reimbursement Agreements

Housing and services revenue includes rent, room charges and ancillary services to residents of the skilled and rehab service facilities, senior housing with service facilities, and home and community based services and is recorded at established billing rates net of contractual adjustments resulting from agreements with third-party payers, if applicable.

The services provided through third-party payers are primarily paid through the Medicaid and Medicare programs. The Medicaid programs are covered through the state departments of health and rates charged are in accordance with the rules established in those states. The Medicare program is administered by the United States Centers for Medicare and Medicaid Services (CMS). The Medicare program pays on a prospective payment system, a per diem price based system.

The approximate percentage of housing and services revenue provided from Medicaid and Medicare reimbursement programs for the years ended December 31, 2013 and 2012 was:

	2013	2012
Medicaid and Medicaid Managed Care	37.1 %	38.7 %
Medicare and Medicare Managed Care	23.6	23.0
Total	60.7 %	61.7 %

Revenue under third-party payer agreements is subject to audit and, in certain instances, retroactive adjustments. Provisions for estimated third-party payer settlements are provided in the period the related services are rendered. Differences between the estimated and final settlements are reported in operations in the year of settlement.

The approximate percentage of housing and services revenue by product line for the years ended December 31, 2013 and 2012 was:

	2013	2012
Rehabilitation/Skilled Nursing	79.7 %	80.5 %
Senior Housing with Services	16.8	16.3
Home and Community Based Services	3.5	3.2
Total	100.0 %	100.0 %

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Housing and Services and Third Party Reimbursement Agreements (Continued)

Skilled and rehab service facilities licensed for participation in the Medicare and Medicaid programs are subject to annual licensure renewal. If it is determined that a facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the Society.

Donated Services

Substantial amounts of services are donated by individuals to the Society each year. The income and expenses attributable to donated services are not reflected in the consolidated statements of operations. These services enhance the quality of care furnished to Society residents but do not represent services that would require additional Society staffing if the services were not provided on a volunteer basis.

Excess of Revenue over Expense

The consolidated statements of operations include a line entitled "excess of revenue over expense" which is the performance indicator for the Society. Changes in unrestricted net assets which are excluded from the performance indicator, consistent with industry practice, include grant proceeds for capital purposes, assets released from restriction for capital purposes, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), permanent transfers of assets to and from affiliates for other than goods or services, and loss on discontinued operations.

Disclosure of Cash Flow Information

Noncash investing and financing activities are as follows:

	2013	2012
Noncash Property Gifts	$ 1,087	$ 191
Bond Escrow Funds for Advance Refunding:		
Used to Pay Off Long-Term Debt	3,249	3,236
Refinancing of Long-Term Debt	38,300	80,318
Construction in Progress Included in Accounts Payable	2,128	2,842
Cash Payment for Interest	25,024	24,024

Restrictions on Assets of Affordable Housing Entities

The affordable housing entities' operations are subject to the administrative directives, rules, and regulations of certain regulatory agencies, primarily the U.S. Department of Housing and Urban Development (HUD). Accordingly, the availability of these corporations' net assets is severely limited. No distributions can be paid out of the corporations and the assets cannot be diverted to another use.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Society follows the *Fair Value Measurements* accounting standard. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Society has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Additionally, from time to time, the Society may be required to record at fair value other assets on a nonrecurring basis in accordance with GAAP. These adjustments to fair value usually result from the application of the lower-of-cost-or-market accounting or write down of individual assets. Nonfinancial assets measured at fair value on a nonrecurring basis would include nonfinancial assets and nonfinancial liabilities measured at fair value in the second step of a goodwill impairment test, other real estate owned, and other intangible assets measured at fair value for impairment assessment.

The Society also has the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Society has not elected to measure any existing financial instruments at fair value, however, may elect to measure newly acquired financial instruments at fair value in the future.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification

Amounts in the consolidated balance sheet as of December 31, 2012 and the related consolidated statement of operations, changes in net assets and cash flows for the year then ended have been reclassified to conform to the 2013 classification.

Subsequent Events

In preparing these consolidated financial statements, the Society has considered events and transactions that have occurred through April 25, 2014, the date the consolidated financial statements were issued.

NOTE 3 INVESTMENTS

The fair value of investments is based upon quoted market prices for those or similar investments. Investment portfolios consisted of the following at December 31, 2013 and 2012:

	2013		
	Obligated Group	Other	Total
Equities	$ 153,545	$ 3,847	$ 157,392
U.S. Government Securities	134,821	17,363	152,184
Corporate Debt Securities	111,440	17,551	128,990
Commercial Paper	25,450	-	25,450
Money Market Funds	106,578	6,655	113,232
Total	$ 531,833	$ 45,415	$ 577,248
Balance Sheet Classifications:			
Current Assets	$ 347,225	$ 31,838	$ 379,063
Assets Limited as to Use (Note 6)	152,187	13,577	165,764
Other Assets	32,421	-	32,421
Total	$ 531,833	$ 45,415	$ 577,248

NOTE 3 INVESTMENTS (CONTINUED)

	2012		
	Obligated Group	Other	Total
Equities	$ 143,478	$ 4,332	$ 147,810
U.S. Government Securities	125,425	21,741	147,166
Corporate Debt Securities	88,017	15,059	103,076
Commercial Paper	64,455	-	64,455
Money Market Funds	79,247	4,974	84,221
Total	$ 500,622	$ 46,106	$ 546,728
Balance Sheet Classifications:			
Current Assets	$ 241,567	$ 38,925	$ 280,492
Assets Limited as to Use (Note 6)	229,079	7,181	236,260
Other Assets	29,976	-	29,976
Total	$ 500,622	$ 46,106	$ 546,728

Total unrealized gains on investments held at December 31, 2013 and 2012 were $32,608 and $15,855, respectively.

NOTE 4 FAIR VALUE MEASUREMENTS

The Society uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Society measures fair value refer to Note 2 – Summary of Significant Accounting Policies. The following tables present the fair value hierarchy for the balances of the assets and liabilities of the Society measured at fair value on a recurring basis as of December 31, 2013 and 2012:

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

Assets:	December 31, 2013	Level 1	Level 2	Level 3
Investments				
Equities	$ 157,392	$ 157,392	$ -	$ -
U.S. Government Securities	152,184	152,184	-	-
Corporate Debt Securities	128,990	-	128,990	-
Commercial Paper	25,450	-	25,450	-
Securities Lending Collateral	46,287	-	46,287	-
Perpetual Trust	4,503	-	-	4,503
Total	$ 514,806	$ 309,576	$ 200,727	$ 4,503

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and Liabilities Recorded at Fair Value on a Recurring Basis (Continued)

Assets:	December 31, 2012	Level 1	Level 2	Level 3
Investments				
Equities	$ 147,810	$ 147,810	$ -	$ -
U.S. Government Securities	147,166	147,166	-	-
Corporate Debt Securities	103,076	-	103,076	-
Commercial Paper	64,455	-	64,455	-
Securities Lending Collateral	22,962	-	22,962	-
Perpetual Trust	4,280	-	-	4,280
Total	$ 489,749	$ 294,976	$ 190,493	$ 4,280

The following tables provide a summary of changes to fair value of the Society's Level 3 financial assets and liabilities for the years ended December 31, 2013 and 2012.

	Perpetual Trust
Beginning Balance - January 1, 2013	$ 4,280
Total Gains or Losses (Realized or Unrealized) for the Year Included in:	
Interest and Dividend Income	91
Unrealized Gains	61
Purchases, Sales, Issuances and Settlements, Net	71
Ending Balance - December 31, 2013	$ 4,503

	Perpetual Trust
Beginning Balance - January 1, 2012	$ 4,088
Total Gains or Losses (Realized or Unrealized) for the Year Included in:	
Interest and Dividend Income	97
Unrealized Gains	117
Purchases, Sales, Issuances and Settlements, Net	(22)
Ending Balance - December 31, 2012	$ 4,280

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and Liabilities Recorded at Fair Value on a Recurring Basis (Continued)

Gains and losses related to the Society's Level 3 financial assets and liabilities included in change in net assets are recorded on the consolidated statements of changes in net assets as increase in beneficial interest in perpetual trust for the years ended December 31, 2013 and 2012:

Trading securities, securities lending collateral, and bond indenture funds (securities) are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Securities valued using Level 2 inputs include private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

Securities valued using Level 3 include a Perpetual Trust which is valued on the fair value of the assets of the trust. The significant unobservable input used in the fair value measurement of the Society's beneficial interest in perpetual trust is their allocated portion of the underlying trust assets. Significant changes in this input could result in a significant change to the fair value measurement.

The following tables present the fair value hierarchy for the balances of the assets of the Society measured at fair value on a non-recurring basis as of December 31, 2013 and 2012:

Assets and Liabilities Recorded at Fair Value on a Non-Recurring Basis

Assets	December 31, 2013	Level 1	Level 2	Level 3
Property and Equipment	$ 44,840	$ -	$ -	$ 44,840

Assets	December 31, 2012	Level 1	Level 2	Level 3
Property and Equipment	$ 38,530	$ -	$ -	$ 38,530

In accordance with the provisions of the Impairment or Disposal of Long-Lived Assets accounting standard, long-lived assets held and used with carrying values of $56,890 and $47,530 were written down to their fair value of $44,840 and $38,530 at December 31, 2013 and 2012, respectively, resulting in impairment charges of $12,050 and $9,000, being included in operations for the years ended December 31, 2013 and 2012, respectively.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and Liabilities Recorded at Fair Value on a Non-Recurring Basis (Continued)

The Society considers the need for impairment on its facilities annually. Potentially impaired facilities are identified by those with negative cash flow from operations. Facilities identified with negative cash flow from operations are then reviewed further by management to determine if the negative cash flows can be improved. If management determines the operations cannot be improved and impairment is necessary the amount of impairment to be recorded is determined. Using the facilities income available for debt service divided by an industry average capitalization rate, the estimated fair market value of the facility is determined which is then compared to the net book value. The difference between the estimated fair market value and the net book value is based on a number of different factors to determine the estimated impairment.

Fair Market Value of Financial Instruments

The accounting standard *Disclosures about Fair Value of Financial Instruments*, requires the disclosure of the estimated fair value of financial instruments including those financial instruments for which the Society did not elect the fair value option. The fair values of such instruments have been derived, in part, by management's assumptions, the estimated amount and timing of future cash flows, and estimated discount rates. Different assumptions could significantly affect these estimated fair values. Accordingly, the net realizable value could be materially different from the estimates presented below. In addition, the estimates are only indicative of the value of individual financial instruments and should not be considered an indication of the fair value of the Society.

The following disclosures represent financial instruments in which the ending balances at December 31, 2013 and 2012, are not carried at fair value in their entirety on the consolidated balance sheet.

	December 31, 2013		December 31, 2012	
	Cost	Fair Value	Cost	Fair Value
Long-Term Debt	$ 636,406	$ 629,901	$ 602,204	$ 610,006

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value:

Long-Term Debt

The fair value of long-term debt is calculated based on the estimated trade values as of December 31, 2013 and 2012. The value is estimated using the rates currently offered for like debt instruments with similar remaining maturities. Based upon these inputs, the fair market value of long-term debt would be classified as a level three liability.

All Other

The carrying value is a reasonable estimate of the fair value for all other financial instruments due to the short-term nature of those financial instruments.

NOTE 5 PROPERTY AND EQUIPMENT

The Society has evaluated the recoverability of its investment in property at various facilities experiencing losses and, accordingly, has reduced the carrying value of certain facilities' property to estimated fair market value. Reductions in the carrying value of property of $12,050 and $9,000 were recorded during 2013 and 2012, respectively, and are included in loss on disposal and impairment of property in the accompanying consolidated statements of operations.

Construction and development in progress at December 31, 2013 and 2012 of $81,758 and $95,827, respectively, consists of numerous projects throughout the Society including the construction and renovation of a number of facilities. The total estimated cost to complete these projects at December 31, 2013 is approximately $56,925 and is expected to be funded through a combination of long-term debt borrowings, investments, contributions, and housing entrance fee receipts.

Interest costs of $1,482 and $1,115 have been capitalized into property costs for the years ended December 31, 2013 and 2012, respectively.

NOTE 6 ASSETS LIMITED AS TO USE

Assets limited as to use are recorded at fair value and invested in the following at December 31, 2013 and 2012:

Obligated Group	2013	2012
Bond Reserve Funds - Provide a reserve for payment of principal and interest on the bonds in the event the Society's bond funds are insufficient to meet debt service requirements.	$ 40,184	$ 33,904
Bond Funds - Established for the Society to deposit monthly amounts necessary to pay principal and interest on the bonds.	585	426
Project Funds - Established for the Society to fund various projects financed by bond issuances.	9,623	5,257
Escrow Accounts - Escrow accounts have been established from the proceeds of bond issuances for the advance refunding of indebtedness of the Society.	57,403	60,653
Funds Held Under Affordable Housing Regulatory Agreements - Various escrow and reserve funds have been established under the regulatory agreements with HUD and other affordable housing agencies. The funds accumulate in accordance with the agreements for payment of real estate taxes, insurance and building and equipment repairs and replacements.	269	286
Workers' Compensation Reserve - Funds required to be designated for workers' compensation by an insurance carrier and by the State of Minnesota.	606	1,079
Total Restricted Investments	108,670	101,605

NOTE 6 ASSETS LIMITED AS TO USE (CONTINUED)

Obligated Group	2013	2012
Management Designated - Endowment and Annuity - Funds have been established for endowments and annuities received by the Society.	32,172	25,034
Management Designated - Funded Depreciation, Debt Retirement, Insurance Reserves, and Development - Funds established by the Society for the replacement of equipment, retirement of debt, to fund future insurance costs, and to fund future advancement of the Society.	11,345	102,440
Total Management Designated	43,517	127,474
Total Obligated Group	152,187	229,079
Other		
Funds Held Under Affordable Housing Regulatory Agreements	6,363	4,776
Workers' Compensation Reserve	292	197
Management Designated Funded Depreciation and Debt Retirement Funds	6,922	2,208
Total Other	13,577	7,181
Total Assets Limited as to Use	165,764	236,260
Less: Current Portion	57,403	-
Noncurrent Portion of Assets Limited as to Use	$ 108,361	$ 236,260

During 2013, consolidated cash management was implemented for Society-owned centers. As a result there was some realignment of cash to match the specific obligations for the management designated accounts such as funded depreciation, debt retirement, and other funded accounts. Each of these accounts were adjusted to better match the true obligation on a location by location basis. As a result the Debt Retirement funding was right sized which resulted in approximately $4,000 being transferred to current assets at December 31, 2013. A decision was made to not fund Depreciation, except for the North Dakota centers, due to cost report requirements; this decision resulted in approximately $71,000 being transferred to current assets for the year ended December 31, 2013. In addition, the obligations were met for the Insurance Reserve and Development funds which resulted in approximately $16,000 being transferred to current assets during the year ended December 31, 2013.

NOTE 7 DISCONTINUED OPERATIONS

The Society has identified several of its facilities that meet the criteria of discontinued operations at December 31, 2013 and 2012. In accordance with the accounting standard *Accounting For the Impairment or Disposal of Long-Lived Assets*, the operating activity for these facilities are presented as discontinued operations in the consolidated statements of operations.

The amounts included in discontinued operations at December 31, 2013 and 2012 consist of:

	2013		
	Obligated Group	Other	Total
Total Operating Revenues	$ 7,414	$ -	$ 7,414
Total Operating Expenses	(9,768)	-	(9,768)
Interest Income	23	-	23
Realized Gain on Investments	66	-	66
Unrealized Gain on Investments	56	-	56
Assets released from Restrictions for Capital Purposes	53	-	53
Loss from Operations of Discontinued Divisions	(2,156)	-	(2,156)
Loss on Disposal of Property	(2,563)	-	(2,563)
Loss from Discontinued Operations	$ (4,719)	$ -	$ (4,719)

	2012		
	Obligated Group	Other	Total
Total Operating Revenues	$ 14,887	$ -	$ 14,887
Total Operating Expenses	(17,383)	-	(17,383)
Interest Income	27	-	27
Realized Gain on Investments	33	-	33
Unrealized Loss on Investments	63	-	63
Other Loss	(6)	-	(6)
Assets released from Restrictions for Capital Purposes	84	-	84
Loss from Operations of Discontinued Divisions	(2,295)	-	(2,295)
Loss on Disposal of Property	(1,134)	-	(1,134)
Loss from Discontinued Operations	$ (3,429)	$ -	$ (3,429)

Loss from Discontinued Operations shown as temporarily restricted in the consolidated statements of changes in net assets reflect contributions received or net assets released from restrictions related to the facilities which are considered discontinued. The Society continues to evaluate facilities related to the potential for sales or closures.

NOTE 8 INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

The Society is a 50% equity member in two and three unconsolidated joint ventures providing services to the elderly as of December 31, 2013 and 2012, respectively. The Society's investment in these joint ventures is accounted for under the equity method of accounting. The joint ventures' financial statements are not included in the accompanying consolidated financial statements, as the Society does not have control over financial decisions. The investment in these unconsolidated joint ventures, as well as amounts due from the unconsolidated joint ventures is included in notes receivable and other assets and is as follows:

	2013	2012
Investment in Unconsolidated Joint Ventures	$ 6,475	$ 6,792
Notes Receivable from Unconsolidated Joint Ventures	3,428	3,587

NOTE 9 LONG-TERM DEBT

Long-term debt at December 31, 2013 and 2012 consists of the following:

Description		2013	2012
Obligated Group Secured Debt:			
Mortgages and Other Secured Notes and Bonds	(1)	$ 1,980	$ 2,224
Pledged Revenue Notes and Bonds	(2)	544,343	503,776
Demand and Mandatory Tender Bonds	(3)	69,400	74,730
Total Obligated Group Secured Debt		615,723	580,730
Obligated Group Unsecured Notes and Bonds	(4)	712	1,245
Total Obligated Group Debt		616,435	581,975
Other Secured Debt	(5)	19,971	20,229
Total Debt		636,406	602,204
Current Maturities		(69,109)	(18,145)
Premium on Bonds Payable		5,127	7,388
Total Long-Term Debt		$ 572,424	$ 591,447

(1) For the years ended December 31, 2013 and 2012, mortgages and other secured notes totaling $1,980 and $2,224, respectively, bear interest varying from 2.0% - 9.0%, mature from 2014 through 2032 and require monthly principal and interest payments. Mortgage notes are secured by mortgages on Society property.

NOTE 9 LONG-TERM DEBT (CONTINUED)

(2) As of December 31, 2013 and 2012, pledged revenue notes and bonds totaling $515,405 and $458,740, respectively, bear interest varying from 2.35% - 6.125%, mature from 2034 through 2043, and require annual principal and semi-annual interest payments. Pledged notes aggregating $28,938 and $45,036 at December 31, 2013 and 2012, respectively, are subject to variable (floating) interest rates and mature from 2015 through 2016. Variable interest rate indebtedness, as described above, bears interest determined by various indices such as LIBOR and U.S. Treasury bill rates plus certain margins. Included in pledged bonds is a construction line of credit through US Bank. This line of credit has a maximum borrowing limit of $85,000 and matures in January 2015. The line of credit will be reduced to $40,000 on the earlier of January 15, 2015 or when a new bond closing occurs to replace the existing line of credit.

In May 2012, the Society refinanced a number of long-term debt issuances with the Series 2012 revenue bonds in the amount of $169,955. As a result of the refinancing, approximately $2,605 was recognized as part of the loss on extinguishment of debt recorded in the consolidated statement of operations. Pledged bonds include $55,775 of defeased bond issues at December 31, 2013 and 2012. The defeased bond issuance will be redeemed in June 2014. Escrow funds totaling $57,403 and $60,653 for the payment of principal and interest on the defeased bonds are included in assets limited as to use as of December 31, 2013 and 2012, respectively (see Note 6). Pledged revenue notes and bonds are secured by a pledge of gross revenues and a security interest in any fund or account in which gross revenues are deposited subsequent to a default.

(3) The Society has variable rate demand revenue bonds totaling $44,200 and $49,530 as of December 31, 2013 and 2012, respectively. By definition, a variable rate demand bond is a long-term tax-exempt bond the interest of which is indexed to a current short-term market rate and rate resets. The bonds are set to be retired in lump sum payments from 2014 through 2039. These bonds are secured by irrevocable letters of credit for the face amount of the bonds. The Society has a liability to repay the amount drawn on the letters of credit upon repayment terms in the reimbursement agreement. The repayment terms from draws against irrevocable letters of credit require repayment to be made in eight equal installments commencing on the first quarterly date occurring on or after the 367th day following a draw.

The Society may remarket bonds purchased under this demand provision. Additionally, the Society has the option to convert these bonds into fixed rate, long-term bonds at various times. These letters of credit are currently scheduled to expire from 2015 through 2018. Upon expiration, the Society intends to enter into new letters of credit at those dates.

Revenue bonds totaling $25,200 at December 31, 2013 and 2012, bear a fixed rate of 5.00% until December 1, 2014, at which time the bonds will be subject to mandatory tender. Thereafter, the bonds may be remarketed using an interest rate period elected by the Society. The bonds will be subject to mandatory tender at the end of each interest rate period. These bonds are secured by a pledge of future revenues.

NOTE 9 LONG-TERM DEBT (CONTINUED)

(4) Included in the Obligated Group unsecured notes and bonds at December 31, 2013 and 2012 is a 0.0% contingent note payable of $-0- and $445, respectively, that is payable upon contingent terms in the agreement, and 2.0% to 5.7% unsecured notes payable and special assessments of $712 and $800 at December 31, 2013 and 2012, respectively, that mature from 2014 through 2039, and generally require monthly principal and interest payments.

(5) At December 31, 2013 and 2012, other secured debt consists of mortgages financed or insured by the U.S. Department of Housing and Urban Development of $19,971 and $20,229, respectively, with interest rates ranging from 7.625% to 9.25% that mature from 2021 to 2031.

Under the terms of the various financing agreements, the Society has agreed to certain debt covenant restrictions. The Society is required to meet certain financial and operating covenants including the achievement of certain minimum income levels to satisfy debt service, and days cash on hand level.

Interest expense is presented net of interest income earned on bond reserve funds of $518 in 2013 and $513 in 2012. The average interest rate on the Society's debt based on an annualized average debt balance was approximately 3.6% and 4.2% for 2013 and 2012, respectively.

The long-term debt principal repayment summary is shown below.

Year	Obligated Group Debt	Other Secured Debt	Total Debt
2014	$ 66,761	$ 2,348	$ 69,109
2015	50,947	729	51,676
2016	34,075	781	34,856
2017	8,031	839	8,870
2018	8,382	902	9,284
Thereafter	448,239	14,372	462,611
Total	$ 616,435	$ 19,971	$ 636,406

Required principal payments of $69,109 in 2014 above include $55,775 of defeased bond issuances. Required principal payments of $51,676 in 2015 above include $19,702 in draws upon the Society's line of credit to finance construction projects in progress. The Society intends to refinance the line of credit with permanent financing prior to payment being required. The defeased bond issuances will be paid with funds held in escrow at December 31, 2013.

NOTE 10 CLASSIFICATION OF NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2013 and 2012:

	2013	2012
Obligated Group		
Capital Projects and Renovations	$ 15,744	$ 10,806
Resident Care and Other Services	6,642	7,565
Total Obligated Group	22,386	18,371
Other		
Capital Advance Notes	37,329	36,221
Grant Proceeds	450	882
Total Other	37,779	37,103
Total Temporarily Restricted Net Assets	$ 60,165	$ 55,474

Permanently restricted net assets are available for the following purposes at December 31, 2013 and 2012:

	2013	2012
Endowments	$ 14,207	$ 13,100
Perpetual Trust	4,503	4,280
Total Permanently Restricted Net Assets	$ 18,711	$ 17,380

Endowments

The Society's endowments consist of numerous individual funds established for a variety of purposes. Its endowment includes both donor restricted endowment funds and funds designated by the board of directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Perpetual Trusts

Notes receivable and other assets include the Society's beneficial interest in perpetual trusts of $4,503 and $4,280 as of December 31, 2013 and 2012, respectively. Donors have established these perpetual trusts, for which the Society is not the trustee, naming the Society as a beneficiary. The current market value of the original trusts are shown as permanently restricted as they are not available for distribution. Investment income earned on the trust funds is recorded as temporarily restricted for capital improvements.

NOTE 10 CLASSIFICATION OF NET ASSETS (CONTINUED)

Interpretation of Relevant Law

The Society has complied with the State Prudent Management of Institutional Funds Act (the Act). The Society has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Society classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed in the Act.

In accordance with the Act, the Society considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Society and the donor- restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Society
- The investment policy of the Society

The following table shows the changes in endowment net assets for the year ended December 31, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	$ 2,217	$ 2,725	$ 13,100	$ 18,042
Investment Return:				
Investment Income	37	135	-	172
Net Appreciation (Realized and Unrealized)	210	677	-	887
Contributions	-	-	1,107	1,107
Transfer from Other Funds	51	-	-	51
Net Assets Appropriated for Expenditure	(132)	124	-	(8)
Endowment Net Assets, End of Year	$ 2,383	$ 3,661	$ 14,207	$ 20,251

NOTE 10 CLASSIFICATION OF NET ASSETS (CONTINUED)

Interpretation of Relevant Law (Continued)

The following table shows the changes in endowment net assets for the year ended December 31, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	$ 2,196	$ 1,738	$ 12,483	$ 16,417
Investment Return:				
Investment Income	17	89	-	106
Net Depreciation (Realized and Unrealized)	295	629	-	924
Contributions	-	-	611	611
Net Assets Appropriated for Expenditure	(291)	269	-	(22)
Endowment Net Assets, End of Year	$ 2,217	$ 2,725	$ 13,100	$ 18,036

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Society to retain as a fund of perpetual duration. There were no deficiencies of this nature that are reported in unrestricted net assets as of December 31, 2013 and 2012.

Return Objectives and Risk Parameters

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standard to minimize the risk of large losses.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation that meets the Society's long-term rate-of-return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

NOTE 10 CLASSIFICATION OF NET ASSETS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Society's spending policy provides that no distributions are to be made during any year in which the fair market value of the investments is below the amount originally restricted. If the fair market value of the investments is not below the amount originally restricted, the Society's spending policy is to appropriate for distribution each year 4% to 6% of its endowment fund's twelve quarter weighted average fair value on December 31st of the fiscal year prior to the year in which the distribution is planned. In establishing this policy, the Society considered the long-term expected return on its endowment.

NOTE 11 RETIREMENT PLANS

The Society provides a non-contributory pension plan covering all eligible employees. The plan is administered by the Portico Benefit Services, and provides that the Society shall contribute 3.25% of each eligible employee's salary/wage to the plan. The eligible provisions for the plan require three years of employment, 1,000 hours of service each year and employment on December 31 of each calendar year unless the employee retired during the year.

The Society also provides a non-contributory pension plan covering administrators, executive directors, executive managers and other executive-level/key personnel. The plan is administered by Portico Benefit Services and provides that the Society shall contribute 3.75% of the covered employee's salary or wages, named earlier in this paragraph, to the plan.

A 457(b) plan was created during the year ending December 31, 2007 (the Plan). Section 457(b) of the Internal Revenue Code allows certain tax-exempt employers, including those participating in the ELCA Master Institutional Retirement Plan or ELCA Retirement Plan for the ELCA (ELCA 403(b) retirement plans) to sponsor non-qualified deferred compensation plans. The highly compensated employees (as defined by the IRS) participate in this plan and are a part of the Plan.

The Society contributed approximately $8,871 and $8,879 to these plans during the years ended December 31, 2013 and 2012, respectively.

No prior service costs or unfunded vested benefits exist under these plans. The Society's policy is to fund pension costs as accrued.

NOTE 12 FUNCTIONAL EXPENSES

Functional classification of expenses for the years ended December 31, 2013 and 2012 consisted of the following:

	2013	2012
Program	$ 797,982	$ 786,407
Management and General	179,021	159,644
Fundraising	4,609	4,377
Total Expenses	$ 981,612	$ 950,428

NOTE 13 COMMITMENTS AND CONTINGENCIES

Guarantees

The Society guaranteed certain debt obligations of an unconsolidated joint venture totaling $1,593 as of December 31, 2012. During the year ended December 31, 2013 the joint venture was sold.

Insurance

The Society self-funds employee health benefits at a majority of its facilities. The Society contracts separately to insure for excessive or unexpected claims through a stop-loss insurance policy that pays claims in excess of $1,000 per person per year. Claims in excess of these amounts will be funded by the insurance carrier. Property insurance coverage is purchased from third-party insurance carriers on a guaranteed cost basis with a deductible of $100 per claim. The property insurance deductible was increased to $500 per claim for wind and hail damage and decreased to $10 per claim for affordable housing property insurance beginning in 2012. The Society funds insurance deductibles and self-insurance retentions from claims related to employee injuries through its wholly owned captive insurance subsidiary, Good Samaritan Society Insurance, Ltd. The deductibles and self insured retentions for employee injuries is $500 per claim. Purchased excess insurance policies pay claims in excess of the deductibles and retentions. The Society also funds its auto liability deductible and general liability and professional liability self-insured retentions through Good Samaritan Society Insurance, Ltd. Purchased umbrella liability insurance policies in the aggregate amount of $35,000 provides coverage for claims in excess of $1,000 for auto and general liability and $3,000 for professional liability. The umbrella liability policy limit was increased from $25,000 beginning in 2012.

For the years ended December 31, 2013 and 2012, the Society incurred insurance expenses as follows:

	2013	2012
Employee Health Benefits	$ 41,750	$ 38,066
Workers' Compensation	11,158	11,624
General Insurance	23,116	20,040
Total	$ 76,024	$ 69,730

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Insurance (Continued)

The Society's provision for outstanding losses, although supported by actuarial projections and other data, is ultimately based on management's expectations of future events. It is possible that these estimates could change as more detailed information concerning the losses is received and the effect of such changes could be material to the financial statements.

The Society has established reserves for these self-insured policies for claims incurred but not reported based on historical claims experience, and actuarial calculations. These reserves at December 31, 2013 and 2012 were as follows:

	2013	2012
Employee Health Benefits	$ 5,055	$ 4,708
Workers' Compensation	25,315	23,959
General Insurance	6,705	6,427
Total	$ 37,075	$ 35,094

Capital Advance Notes

Capital advance notes from the U.S. Department of Housing and Urban Development and certain other forgivable notes aggregate $37,329 and $36,221 as of December 31, 2013 and 2012, respectively. The notes bear no interest and repayment is not required as long as the applicable affordable housing projects remain available for very low-income elderly persons for a stated period (principally 40 years). These notes have been accounted for as temporarily restricted contributions.

Health Care

The health care industry is subject to numerous laws and regulations by federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management is not aware of any violations of these laws and regulations that would have a material effect on the Society.

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

General and Professional Liability

General and professional liability claims have been asserted against the Society by certain claimants. The claims are in various stages of processing and some may ultimately be brought to trial. In the opinion of management, the outcome of these actions will not have a material effect on the financial position or the results of operations of the Society. Incidents occurring through December 31, 2013 may result in the assertion of additional claims. Other claims may be asserted arising from services provided to residents in the past. Management believes that these claims, if asserted, would be settled at amounts which would not result in additional losses to the Society.

Technology Commitment

The Society entered into an agreement with an organization, whose board includes an officer of the Society, to lease technology over the next two years estimated to cost approximately $8,235.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
The Evangelical Lutheran Good Samaritan Society
and Affiliates
Sioux Falls, South Dakota

We have audited the consolidated financial statements of The Evangelical Lutheran Good Samaritan Society and Affiliates as of and for the years ended December 31, 2013 and 2012, and our report thereon dated April 25, 2014, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The 2013 and 2012 financial statements of Good Samaritan Society Insurance, Ltd. LLC were audited by other auditors whose reports thereon were unmodified. The Affordable Housing Entities consist of numerous entities and divisions. In 2013, 99.59% of those total assets and 94.19% of total revenues were audited by other auditors whose reports were unmodified. In 2012, 97.65% of those total assets and 92.96% of total revenues were audited by other auditors whose reports were unmodified.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 25, 2014

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATED DEPARTMENTAL SUMMARY OF OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2013 AND 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	2013				
	Salaries and Wages	Payroll Taxes and Employee Benefits	Cost of Food and Supplies	Maintenance and Repairs	Insurance
Housing and Services:					
Resident Services	$ 258,904	$ 24,378	$ 31,053	$ 214	$ -
Rehabilitation	2,218	212	936	10	-
Social Services and Activities	21,370	2,050	935	12	-
Laundry	7,403	744	1,933	151	-
Housekeeping	14,709	1,465	3,246	38	-
Dietary	43,297	4,168	41,437	414	-
Other Services	26,777	2,468	960	1	-
Operations and Maintenance	17,206	1,569	3,273	13,497	-
Property and Other	-	-	-	-	-
Administrative	84,159	11,071	4,487	4,333	-
Employee Health Benefits	-	41,750	-	-	-
Resource Development	2,911	301	55	-	-
General Insurance	-	-	-	-	23,116
Interest	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Year Ended December 31, 2013	$ 478,954	$ 90,176	$ 88,315	$ 18,670	$ 23,116
Total Year Ended December 31, 2012	$ 474,464	$ 85,855	$ 90,021	$ 17,330	$ 20,040

					2012
Utilities and Telephone	Contract Services	Other Expenses	Interest and Depreciation	Total	Total
$ -	$ 7,118	$ 23,666	$ -	$ 345,333	$ 347,253
-	50,237	146	-	53,759	50,934
-	349	1,487	-	26,203	26,194
-	643	13	-	10,887	11,251
-	300	35	-	19,793	20,450
-	5,201	(11)	-	94,506	94,277
-	979	1,889	-	33,074	31,358
29,023	1,979	9,517	-	76,064	73,864
-	-	4,000	-	4,000	3,365
3,784	7,176	43,876	-	158,886	141,630
-	-	-	-	41,750	38,066
6	228	472	-	3,973	3,804
-	-	-	-	23,116	20,040
-	-	-	21,765	21,765	22,085
-	-	-	68,503	68,503	65,857
$ 32,813	$ 74,210	$ 85,090	$ 90,268	$ 981,612	$ 950,428
$ 30,831	$ 69,545	$ 74,395	$ 87,947		$ 950,428

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATED SUMMARY OF RESOURCE DEVELOPMENT ACTIVITY
YEARS ENDED DECEMBER 31, 2013 AND 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	2013	2012
RESOURCE DEVELOPMENT REVENUE		
Unrestricted Gifts	$ 4,785	$ 4,986
Temporarily Restricted Gifts for Charity Care and Operating Expenses	4,103	4,582
Temporarily Restricted Gifts for Property Replacement and Expansion	11,296	8,713
Permanently Restricted Gifts:		
Beneficial Interest in Perpetual Trusts	223	192
Other	1,108	618
Total Resource Development Revenue	21,515	19,091
RESOURCE DEVELOPMENT EXPENSE	3,973	3,804
EXCESS OF RESOURCE DEVELOPMENT REVENUES OVER EXPENSES	$ 17,542	$ 15,287
ADDITIONAL INFORMATION		
Noncash Property Gifts included in Resource Development Revenue	$ 1,087	$ 191
Annuities Issued:		
Liabilities Recognized	$ 92	$ 167
Gift Income included in Unrestricted Gifts	48	34
Gift Income included in Temporarily Restricted Gifts	20	50
Gift Income included in Permanently Restricted Gifts	30	101
Total Assets Received in Exchange for Annuities Issued	$ 190	$ 352

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

ASSETS	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
CURRENT ASSETS			
Cash and Cash Equivalents	$ 18,582	$ 3,932	$ 1,015
Investments	347,225	31,838	-
Accounts Receivable, Net	84,286	206	62
Notes and Other Current Receivables	1,836	248	-
Current Portion of Assets Limited as to Use	57,403	-	-
Inventory	5,788	-	-
Prepaid Expenses	2,115	10	101
Securities Lending - Collateral Held for Loaned Securities	39,262	7,025	-
Total Current Assets	556,497	43,259	1,178
ASSETS LIMITED AS TO USE			
Investments	56,043	292	6,363
Securities Lending - Investments Loaned to Broker	38,741	6,922	-
Total Assets Limited as to Use, Less Current Portion	94,784	7,214	6,363
PROPERTY AND EQUIPMENT			
Land and Land Improvements	151,534	-	6,207
Buildings and Improvements	1,350,600	-	72,728
Furniture and Equipment	253,341	-	2,887
Vehicles	17,862	-	40
Total	1,773,337	-	81,862
Less: Accumulated Depreciation	(934,241)	-	(25,891)
Subtotal	839,096	-	55,971
Construction and Development	81,758	-	-
Total Property and Equipment	920,854	-	55,971
OTHER ASSETS			
Investments	32,421	-	-
Notes Receivable and Other Assets	38,099	-	186
Unamortized Finance Fees	4,199	-	652
Total Other Assets	74,719	-	838
Total Assets	$ 1,646,854	$ 50,473	$ 64,350

Consolidating Elimination Entries	Consolidated Total
$ -	$ 23,529
-	379,063
(16)	84,538
-	2,084
-	57,403
-	5,788
-	2,226
-	46,287
(16)	600,918
-	62,698
-	45,663
-	108,361
-	157,741
(1,602)	1,421,726
-	256,228
-	17,902
(1,602)	1,853,597
-	(960,132)
(1,602)	893,465
-	81,758
(1,602)	975,223
-	32,421
(19,576)	18,709
-	4,851
(19,576)	55,981
$ (21,194)	$ 1,740,483

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

LIABILITIES AND NET ASSETS	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
CURRENT LIABILITIES			
Current Maturities of Long-Term Debt	$ 66,761	$ -	$ 2,348
Resident Funds and Prepaid Rents	9,953	-	-
Accounts Payable	27,924	1,236	3,908
Accrued Expenses:			
Salaries and Wages	16,209	-	98
Vacation	27,018	-	-
Employee Benefits and Payroll Taxes	10,093	-	-
Insurance	8,716	28,359	-
Interest	2,818	-	93
Current Portion of Housing Entry Fees	8,687	-	-
Securities Lending - Payable Under Investment Loan Agreement	39,741	7,094	-
Other Current Liabilities	7,602	-	2,829
Total Current Liabilities	225,522	36,689	9,276
LONG-TERM DEBT, Less Current Maturities	554,801	-	17,972
OTHER LIABILITIES			
Non-Refundable Housing Entry Fees	17,621	-	-
Refundable Housing Entry Fees	80,993	-	-
Annuities and Other Liabilities	8,822	-	520
Total Other Liabilities	107,436	-	520
Total Liabilities	887,759	36,689	27,768
NET ASSETS			
Unrestricted:			
Unrestricted	717,998	13,784	(12,732)
Non-Controlling Interest	-	-	11,535
Total Unrestricted	717,998	13,784	(1,197)
Temporarily Restricted	22,386	-	37,779
Permanently Restricted	18,711	-	-
Total Net Assets	759,095	13,784	36,582
Total Liabilities and Net Assets	$ 1,646,854	$ 50,473	$ 64,350

Consolidating Elimination Entries	Consolidated Total
$ -	$ 69,109
-	9,953
(3,095)	29,973
-	16,307
-	27,018
-	10,093
-	37,075
(199)	2,712
-	8,687
-	46,835
(2,163)	8,268
(5,457)	266,030
(349)	572,424
-	17,621
-	80,993
-	9,342
-	107,956
(5,806)	946,410
(15,388)	703,662
-	11,535
(15,388)	715,197
-	60,165
-	18,711
(15,388)	794,073
$ (21,194)	$ 1,740,483

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
OPERATING REVENUE			
Housing and Services	$ 923,969	$ -	$ 8,843
Resource Development	4,785	-	-
Net Assets Released from Restrictions for Operating Purposes	5,108	-	-
Underwriting Income	-	12,534	-
Other Revenue	30,314	-	987
Total Operating Revenue	964,176	12,534	9,830
OPERATING EXPENSE			
Housing and Services	660,465	-	3,154
Administrative	156,552	-	3,253
Employee Health Benefits	41,505	-	245
Resource Development	3,973	-	-
General Insurance	22,616	16,457	500
Interest	20,403	-	1,362
Depreciation	66,179	-	2,324
Total Operating Expense	971,693	16,457	10,838
OPERATING LOSS	(7,517)	(3,923)	(1,008)
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT			
Interest Income	7,361	1,094	4
Realized Gain on Investments	13,149	1,106	-
Unrealized Gain (Loss) on Investments	7,889	(1,677)	-
Loss on Disposal and Impairment of Property	(15,465)	-	(10)
Loss on Extinguishment of Debt	(3,249)	-	-
Total Nonoperating Gains (Losses) and Other Support	9,685	523	(6)
EXCESS (DEFICIT) OF REVENUE OVER EXPENSE	2,168	(3,400)	(1,014)
Assets Released from Restrictions for Capital Purposes	5,535	-	-
Change in Non-Controlling Interest	-	-	6,188
CHANGE IN UNRESTRICTED NET ASSETS BEFORE DISCONTINUED OPERATIONS	7,703	(3,400)	5,174
LOSS FROM DISCONTINUED OPERATIONS	(4,719)	-	-
CHANGE IN UNRESTRICTED NET ASSETS	$ 2,984	$ (3,400)	$ 5,174

Consolidating Elimination Entries	Consolidated Total
$ -	$ 932,812
-	4,785
-	5,108
(12,534)	-
(1,363)	29,938
(13,897)	972,643
-	663,619
(919)	158,886
-	41,750
-	3,973
(16,457)	23,116
-	21,765
-	68,503
(17,376)	981,612
3,479	(8,969)
(1,094)	7,365
(1,106)	13,149
1,677	7,889
-	(15,475)
-	(3,249)
(523)	9,679
2,956	710
-	5,535
-	6,188
2,956	12,433
-	(4,719)
$ 2,956	$ 7,714

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
UNRESTRICTED NET ASSETS			
Excess (Deficit) of Revenues over Expenses	$ 2,168	$ (3,400)	$ (1,014)
Assets Released from Restrictions for Capital Purposes	5,535	-	-
Change in Non-Controlling Interest	-	-	6,188
Change in Unrestricted Net Assets Before Discontinued Operations	7,703	(3,400)	5,174
Loss from Discontinued Operations	(4,719)	-	-
Change in Unrestricted Net Assets	2,984	(3,400)	5,174
TEMPORARILY RESTRICTED NET ASSETS			
Contributions for Charity Care and Operating Expenses	4,103	-	-
Contributions for Capital Purposes	10,620	-	676
Net Assets Released from Restrictions	(10,643)	-	-
Change in Temporarily Restricted Net Assets Before Discontinued Operations	4,080	-	676
Loss from Discontinued Operations	(65)	-	-
Change in Temporarily Restricted Net Assets	4,015	-	676
PERMANENTLY RESTRICTED NET ASSETS			
Contributions for Endowment Funds and Trusts	1,108	-	-
Increase in Beneficial Interest in Perpetual Trust	223	-	-
Change in Permanently Restricted Net Assets	1,331	-	-
CHANGE IN NET ASSETS	8,330	(3,400)	5,850
Net Assets - Beginning of Year	750,765	17,184	30,732
NET ASSETS - END OF YEAR	$ 759,095	$ 13,784	$ 36,582

Consolidating Elimination Entries	Consolidated Total
$ 2,956	$ 710
-	5,535
-	6,188
2,956	12,433
-	(4,719)
2,956	7,714
-	4,103
-	11,296
-	(10,643)
-	4,756
-	(65)
-	4,691
-	1,108
-	223
-	1,331
2,956	13,736
(18,344)	780,337
$ (15,388)	$ 794,073

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Net Assets	$ 8,330	$ (3,400)	$ 5,850
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:			
Reconciling Items Included in Discontinued Operations	3,229	-	-
Depreciation	66,179	-	2,324
Amortization	(188)	125	44
Provision for Bad Debts	752	-	47
Housing Entry Fees and Annuities Revenue	(3,491)	-	-
Realized and Unrealized (Gain) Loss on Investments	(21,038)	571	-
Change in Beneficial Interest in Perpetual Trusts	(223)	-	-
Loss on Disposal and Impairment of Property	15,465	-	10
Loss on Refinancing of Debt	3,249	-	-
Change in Non-Controlling Interest	-	-	(6,188)
Reclassification of Restricted Contributions	(11,728)	-	(676)
(Increase) Decrease in Assets:			
Accounts Receivable	1,903	(20)	30
Other Current Assets	668	(119)	(174)
Increase (Decrease) in Liabilities:			
Resident Funds, Prepaid Rents and Accounts Payable	(3,036)	451	102
Accrued Expenses and Other Current Liabilities	6,468	1,635	(182)
Net Cash Provided (Used) by Operating Activities	66,538	(757)	1,187
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in Investments	(10,534)	1,621	(142)
Change in Notes Receivable and Other Assets	6,141	-	(1,297)
Business Acquisitions	(3,651)	-	-
Property Additions	(103,529)	-	(6,449)
Proceeds from Sale of Property	1,081	-	18
Net Cash Provided (Used) by Investing Activities	(110,492)	1,621	(7,870)

Consolidating Elimination Entries	Consolidated Total
$ 2,956	$ 13,736
-	3,229
-	68,503
-	(19)
-	799
-	(3,491)
(571)	(21,038)
-	(223)
-	15,475
-	3,249
-	(6,188)
-	(12,404)
(4,254)	(2,341)
-	375
-	(2,483)
-	7,921
(1,869)	65,099
-	(9,055)
(6,672)	(1,828)
-	(3,651)
8,846	(101,132)
-	1,099
2,174	(114,567)

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Annuities Issued and Housing Entry Fees	18,577	-	-
Refund of Housing Entry Fees	(9,938)	-	-
Payment of Financing Fees	(1,036)	-	(127)
Proceeds from Long-Term Debt Borrowings	47,141	-	6,619
Repayment of Long-Term Debt	(17,164)	-	(2,060)
Proceeds from Contributions	11,728	-	6,187
Change in Intercompany Payable	-	-	(4,254)
Net Cash Provided by Financing Activities	49,308	-	6,365
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,354	864	(318)
Cash and Cash Equivalents - Beginning of Year	13,228	3,068	1,333
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 18,582	$ 3,932	$ 1,015

Consolidating Elimination Entries	Consolidated Total
-	18,577
-	(9,938)
-	(1,163)
(6,619)	47,141
2,060	(17,164)
-	17,915
4,254	-
(305)	55,368
-	5,900
-	17,629
$ -	$ 23,529

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP BALANCE SHEET
DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

ASSETS	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
CURRENT ASSETS				
Cash and Cash Equivalents	$ 18,509	$ 73	$ -	$ 18,582
Investments	335,247	11,978	-	347,225
Accounts Receivable, Net	84,456	-	(170)	84,286
Notes and Other Current Receivables	1,836	-	-	1,836
Current Portion of Assets Limited as to Use	57,403	-	-	57,403
Inventory	5,788	-	-	5,788
Prepaid Expenses	2,115	-	-	2,115
Securities Lending - Collateral Held for Loaned Securities	39,262	-	-	39,262
Total Current Assets	544,616	12,051	(170)	556,497
ASSETS LIMITED AS TO USE				
Investments	32,750	23,293	-	56,043
Securities Lending - Investments Loaned to Broker	38,741	-	-	38,741
Total Assets Limited as to Use, Less Current Portion	71,491	23,293	-	94,784
PROPERTY AND EQUIPMENT				
Land and Land Improvements	151,534	-	-	151,534
Buildings and Improvements	1,350,600	-	-	1,350,600
Furniture and Equipment	253,340	1	-	253,341
Vehicles	17,862	-	-	17,862
Total	1,773,336	1	-	1,773,337
Less: Accumulated Depreciation	(934,241)	-	-	(934,241)
Subtotal	839,095	1	-	839,096
Construction and Development	81,758	-	-	81,758
Total Property and Equipment	920,853	1	-	920,854
OTHER ASSETS				
Investments	17,394	15,027	-	32,421
Notes Receivable and Other Assets	88,335	10	(50,246)	38,099
Unamortized Finance Fees	4,199	-	-	4,199
Total Other Assets	109,928	15,037	(50,246)	74,719
Total Assets	$ 1,646,888	$ 50,382	$ (50,416)	$ 1,646,854

LIABILITIES AND NET ASSETS	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
CURRENT LIABILITIES				
Current Maturities of Long-Term Debt	$ 66,761	$ -	$ -	$ 66,761
Resident Funds and Prepaid Rents	9,953	-	-	9,953
Accounts Payable	27,912	24	(12)	27,924
Accrued Expenses:				
Salaries and Wages	16,201	8	-	16,209
Vacation	27,018	-	-	27,018
Employee Benefits and Payroll Taxes	10,093	-	-	10,093
Insurance	8,716	-	-	8,716
Interest	2,976	-	(158)	2,818
Current Portion of Housing Entry Fees	8,687	-	-	8,687
Securities Lending - Payable Under Investment Loan Agreement	39,741	-	-	39,741
Other Current Liabilities	7,602	-	-	7,602
Total Current Liabilities	225,660	32	(170)	225,522
LONG-TERM DEBT, Less Current Maturities	554,801	-	-	554,801
OTHER LIABILITIES				
Non-Refundable Housing Entry Fees	17,621	-	-	17,621
Refundable Housing Entry Fees	80,993	-	-	80,993
Annuities and Other Liabilities	8,718	104	-	8,822
Total Other Liabilities	107,332	104	-	107,436
Total Liabilities	887,793	136	(170)	887,759
NET ASSETS				
Unrestricted	717,998	35,164	(35,164)	717,998
Temporarily Restricted	22,386	2,110	(2,110)	22,386
Permanently Restricted	18,711	12,972	(12,972)	18,711
Total Net Assets	759,095	50,246	(50,246)	759,095
Total Liabilities and Net Assets	$ 1,646,888	$ 50,382	$ (50,416)	$ 1,646,854

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
OPERATING REVENUE				
Housing and Services	$ 923,969	$ -	$ -	$ 923,969
Resource Development	4,785	-	-	4,785
Net Assets Released from Restrictions for Operating Purposes	5,108	-	-	5,108
Other Revenue	30,314	-	-	30,314
Total Operating Revenue	964,176	-	-	964,176
OPERATING EXPENSE				
Housing and Services	660,438	27	-	660,465
Administrative	156,198	354	-	156,552
Employee Health Benefits	41,505	-	-	41,505
Resource Development	2,856	1,117	-	3,973
General Insurance	22,616	-	-	22,616
Interest	20,403	-	-	20,403
Depreciation	66,179	-	-	66,179
Total Operating Expense	970,195	1,498	-	971,693
OPERATING LOSS	(6,019)	(1,498)	-	(7,517)
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT				
Interest Income	8,233	489	(1,361)	7,361
Realized Gain on Investments	11,995	1,154	-	13,149
Unrealized Gain on Investments	6,673	1,216	-	7,889
Loss on Disposal and Impairment of Property	(15,465)	-	-	(15,465)
Loss on Extinguishment of Debt	(3,249)	-	-	(3,249)
Total Nonoperating Gains and Other Support	8,187	2,859	(1,361)	9,685
EXCESS OF REVENUE OVER EXPENSE	2,168	1,361	(1,361)	2,168
Assets Released from Restrictions for Capital Purposes	5,535	-	-	5,535
Transfer to Foundation from Society	(26,279)	26,279	-	-
Increase in Interest in the Unrestricted Net Assets of the Foundation	26,279	-	(26,279)	-
CHANGE IN UNRESTRICTED NET ASSETS BEFORE DISCONTINUED OPERATIONS	7,703	27,640	(27,640)	7,703
LOSS FROM DISCONTINUED OPERATIONS	(4,719)	-	-	(4,719)
CHANGE IN UNRESTRICTED NET ASSETS	$ 2,984	$ 27,640	$ (27,640)	$ 2,984

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
UNRESTRICTED NET ASSETS				
Excess of Revenues over Expenses	$ 2,168	$ 1,361	$ (1,361)	$ 2,168
Net Assets Released from Restrictions for Capital Purposes	5,535	-	-	5,535
Transfer to Foundation from Society	(26,279)	26,279	-	-
Increase in Interest in the Unrestricted Net Assets of the Foundation	26,279	-	(26,279)	-
Change in Unrestricted Net Assets Before Discontinued Operations	7,703	27,640	(27,640)	7,703
Loss from Discontinued Operations	(4,719)	-	-	(4,719)
Change in Unrestricted Net Assets	2,984	27,640	(27,640)	2,984
TEMPORARILY RESTRICTED NET ASSETS				
Contributions for Charity Care and Operating Expenses	3,084	1,019	-	4,103
Contributions for Capital Purposes	10,620	-	-	10,620
Net Assets Released from Restrictions	(10,643)	-	-	(10,643)
Transfer to Foundation from Society	441	(441)	-	-
Increase in Interest in the Temporarily Restricted Net Assets of the Foundation	578	-	(578)	-
Change in Temporarily Restricted Net Assets Before Discontinued Operations	4,080	578	(578)	4,080
Loss from Discontinued Operations	(65)	-	-	(65)
Change in Temporarily Restricted Net Assets	4,015	578	(578)	4,015
PERMANENTLY RESTRICTED NET ASSETS				
Contributions for Endowment Funds and Trusts	1,005	103	-	1,108
Increase in Beneficial Interest in Perpetual Trust	223	-	-	223
Transfers to Foundation from Society	(387)	387	-	-
Increase in Interest in the Permanently Restricted Net Assets of the Foundation	490	-	(490)	-
Change in Permanently Restricted Net Assets	1,331	490	(490)	1,331
CHANGE IN NET ASSETS	8,330	28,708	(28,708)	8,330
Net Assets - Beginning of Year	750,765	21,538	(21,538)	750,765
NET ASSETS - END OF YEAR	$ 759,095	$ 50,246	$ (50,246)	$ 759,095

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entities	Obligated Group Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	$ 8,330	$ 28,708	$ (28,708)	$ 8,330
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:				
Reconciling Items Included in Discontinued Operations	3,229	-	-	3,229
Depreciation	66,179	-	-	66,179
Amortization	(188)	-	-	(188)
Provision for Bad Debts	752	-	-	752
Housing Entry Fees and Annuities Revenue	(3,498)	7	-	(3,491)
Realized and Unrealized Gain on Investments	(18,668)	(2,370)	-	(21,038)
Change in Beneficial Interest in Perpetual Trusts	(223)	-	-	(223)
Loss on Disposal and Impairment of Property	15,465	-	-	15,465
Loss on Refinancing of Debt	3,249	-	-	3,249
Reclassification of Restricted Contributions	(11,625)	(103)	-	(11,728)
Transfer to Foundation	24,683	(24,683)	-	-
(Increase) Decrease in Assets:				
Accounts Receivable	1,903	-	-	1,903
Other Current Assets	678	(10)	-	668
Increase (Decrease) in Liabilities:				
Resident Funds, Prepaid Rents and Accounts Payable	(3,036)	-	-	(3,036)
Accrued Expenses and Other Current Liabilities	6,516	(48)	-	6,468
Net Cash Provided by Operating Activities	93,745	1,501	(28,708)	66,538
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in Investments	(8,946)	(1,588)	-	(10,534)
Change in Notes Receivable and Other Assets	(22,567)	-	28,708	6,141
Business Acquisitions	(3,651)	-	-	(3,651)
Property Additions	(103,529)	-	-	(103,529)
Proceeds from Sale of Property	1,081	-	-	1,081
Net Cash Used by Investing Activities	(137,612)	(1,588)	28,708	(110,492)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Annuities Issued and Housing Entry Fees	18,577	-	-	18,577
Refund of Housing Entry Fees	(9,938)	-	-	(9,938)
Payment of Deferred Financing Fees	(1,036)	-	-	(1,036)
Proceeds from Issuance of Long-Term Debt	47,141	-	-	47,141
Repayment of Long-Term Debt	(17,164)	-	-	(17,164)
Proceeds from Contributions	11,625	103	-	11,728
Net Cash Provided by Financing Activities	49,205	103	-	49,308
INCREASE IN CASH AND CASH EQUIVALENTS	5,338	16	-	5,354
Cash and Cash Equivalents - Beginning of Year	13,171	57	-	13,228
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 18,509	$ 73	$ -	$ 18,582

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

ASSETS	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
CURRENT ASSETS			
Cash and Cash Equivalents	$ 13,228	$ 3,068	$ 1,333
Investments	241,567	38,925	-
Accounts Receivable, Net	86,977	187	138
Notes and Other Current Receivables	1,315	224	-
Inventory	6,248	-	-
Prepaid Expenses	2,333	10	37
Securities Lending - Collateral Held for Loaned Securities	20,823	2,139	-
Total Current Assets	372,491	44,553	1,508
ASSETS LIMITED AS TO USE			
Investments	207,901	197	4,776
Securities Lending - Investments Loaned to Broker	21,178	2,208	-
Total Assets Limited as to Use	229,079	2,405	4,776
PROPERTY AND EQUIPMENT			
Land and Land Improvements	148,351	-	5,603
Buildings and Improvements	1,287,158	-	69,143
Furniture and Equipment	261,309	-	2,657
Vehicles	17,049	-	40
Total	1,713,867	-	77,443
Less: Accumulated Depreciation	(907,349)	-	(26,425)
Subtotal	806,518	-	51,018
Construction and Development	94,689	-	1,138
Total Property and Equipment	901,207	-	52,156
OTHER ASSETS			
Investments	29,976	-	-
Notes Receivable and Other Assets	40,876	-	33
Unamortized Finance Fees	4,002	-	577
Total Other Assets	74,854	-	610
Total Assets	$ 1,577,631	$ 46,958	$ 59,050

Consolidating Elimination Entries	Consolidated Total
$ -	$ 17,629
-	280,492
(24)	87,278
-	1,539
-	6,248
-	2,380
-	22,962
(24)	418,528
-	212,874
-	23,386
-	236,260
-	153,954
(1,158)	1,355,143
-	263,966
-	17,089
(1,158)	1,790,152
-	(933,774)
(1,158)	856,378
-	95,827
(1,158)	952,205
-	29,976
(26,248)	14,661
-	4,579
(26,248)	49,216
$ (27,430)	$ 1,656,209

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

LIABILITIES AND NET ASSETS	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
CURRENT LIABILITIES			
Current Maturities of Long-Term Debt	$ 13,889	$ -	$ 4,256
Resident Funds and Prepaid Rents	8,173	-	-
Accounts Payable	28,883	785	4,609
Accrued Expenses:			
Salaries and Wages	13,712	-	99
Vacation	26,900	-	-
Employee Benefits and Payroll Taxes	10,117	-	-
Insurance	8,369	26,725	-
Interest	1,976	-	346
Current Portion of Housing Entry Fees	8,687	-	-
Securities Lending - Payable Under Investment Loan Agreement	21,729	2,264	-
Other Current Liabilities	6,669	-	2,102
Total Current Liabilities	149,104	29,774	11,412
LONG-TERM DEBT, Less Current Maturities	575,474	-	16,346
OTHER LIABILITIES			
Refundable Housing Entry Fees	16,914	-	-
Non-Refundable Housing Entry Fees	75,761	-	-
Annuities and Other Liabilities	9,613	-	560
Total Other Liabilities	102,288	-	560
Total Liabilities	826,866	29,774	28,318
NET ASSETS			
Unrestricted:			
Unrestricted	715,014	17,184	(12,806)
Non-Controlling Interest	-	-	6,435
Total Unrestricted	715,014	17,184	(6,371)
Temporarily Restricted	18,371	-	37,103
Permanently Restricted	17,380	-	-
Total Net Assets	750,765	17,184	30,732
Total Liabilities and Net Assets	$ 1,577,631	$ 46,958	$ 59,050

Consolidating Elimination Entries	Consolidated Total
$ -	$ 18,145
-	8,173
(6,918)	27,359
-	13,811
-	26,900
-	10,117
-	35,094
(346)	1,976
-	8,687
-	23,993
(1,449)	7,322
(8,713)	181,577
(373)	591,447
-	16,914
-	75,761
-	10,173
-	102,848
(9,086)	875,872
(18,344)	701,048
-	6,435
(18,344)	707,483
-	55,474
-	17,380
(18,344)	780,337
$ (27,430)	$ 1,656,209

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
OPERATING REVENUE			
Housing and Services	$ 908,430	$ -	$ 8,692
Resource Development	4,986	-	-
Net Assets Released from Restrictions for Operating Purposes	5,793	-	-
Underwriting Income	-	12,143	-
Other Revenue	27,275	-	522
Total Operating Revenue	946,484	12,143	9,214
OPERATING EXPENSE			
Housing and Services	655,924	-	3,022
Administrative	139,436	-	3,013
Employee Health Benefits	37,666	-	400
Resource Development	3,804	-	-
General Insurance	19,834	12,954	206
Interest	20,564	-	1,521
Depreciation	63,637	-	2,220
Total Operating Expense	940,865	12,954	10,382
OPERATING INCOME (LOSS)	5,619	(811)	(1,168)
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT			
Interest Income	7,484	1,296	5
Realized Gain on Investments	7,777	736	-
Unrealized Gain on Investments	16,105	633	-
Loss on Disposal and Impairment of Property	(8,400)	-	-
Loss on Extinguishment of Debt	(3,230)	-	-
Total Nonoperating Gains and Other Support	19,736	2,665	5
EXCESS (DEFICIT) OF REVENUE OVER EXPENSE	25,355	1,854	(1,163)
Assets Released from Restrictions for Capital Purposes	6,967	-	111
Change in Non-Controlling Interest	-	-	5,650
CHANGE IN UNRESTRICTED NET ASSETS BEFORE DISCONTINUED OPERATIONS	32,322	1,854	4,598
LOSS FROM DISCONTINUED OPERATIONS	(3,429)	-	-
CHANGE IN UNRESTRICTED NET ASSETS	$ 28,893	$ 1,854	$ 4,598

Consolidating Elimination Entries	Consolidated Total
$ -	$ 917,122
-	4,986
-	5,793
(12,143)	-
(1,691)	26,106
(13,834)	954,007
-	658,946
(819)	141,630
-	38,066
-	3,804
(12,954)	20,040
-	22,085
-	65,857
(13,773)	950,428
(61)	3,579
(1,296)	7,489
(736)	7,777
(633)	16,105
-	(8,400)
-	(3,230)
(2,665)	19,741
(2,726)	23,320
-	7,078
-	5,650
(2,726)	36,048
-	(3,429)
$ (2,726)	$ 32,619

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
UNRESTRICTED NET ASSETS			
Excess (Deficit) of Revenues over Expenses	$ 25,355	$ 1,854	$ (1,163)
Assets Released from Restrictions for Capital Purposes	6,967	-	111
Change in Non-Controlling Interest	-	-	5,650
Change in Unrestricted Net Assets Before Discontinued Operations	32,322	1,854	4,598
Loss from Discontinued Operations	(3,429)	-	-
Change in Unrestricted Net Assets	28,893	1,854	4,598
TEMPORARILY RESTRICTED NET ASSETS			
Contributions for Charity Care and Operating Expenses	4,582	-	-
Contributions for Capital Purposes	7,447	-	1,266
Net Assets Released from Restrictions	(12,760)	-	(111)
Change in Temporarily Restricted Net Assets Before Discontinued Operations	(731)	-	1,155
Loss from Discontinued Operations	(97)	-	-
Change in Temporarily Restricted Net Assets	(828)	-	1,155
PERMANENTLY RESTRICTED NET ASSETS			
Contributions for Endowment Funds and Trusts	618	-	-
Increase in Beneficial Interest in Perpetual Trust	192	-	-
Change in Permanently Restricted Net Assets	810	-	-
CHANGE IN NET ASSETS	28,875	1,854	5,753
Net Assets - Beginning of Year	721,890	15,330	24,979
NET ASSETS - END OF YEAR	$ 750,765	$ 17,184	$ 30,732

Consolidating Elimination Entries	Consolidated Total
$ (2,726)	$ 23,320
-	7,078
-	5,650
(2,726)	36,048
-	(3,429)
(2,726)	32,619
-	4,582
-	8,713
-	(12,871)
-	424
-	(97)
-	327
-	618
-	192
-	810
(2,726)	33,756
(15,618)	746,581
$ (18,344)	$ 780,337

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Net Assets	$ 28,875	$ 1,854	$ 5,753
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:			
Reconciling Items Included in Discontinued Operations	2,196	-	-
Depreciation	63,637	-	2,220
Amortization	173	93	42
Provision for Bad Debts	(2,255)	-	23
Noncash Member Distribution	-	-	-
Housing Entry Fees and Annuities Revenue	(3,564)	-	-
Realized and Unrealized Gain on Investments	(23,882)	(1,369)	-
Change in Beneficial Interest in Perpetual Trusts	(192)	-	-
Loss on Disposal and Impairment of Property	8,400	-	-
Loss on Refinancing of Debt	3,230	-	-
Change in Non-Controlling Interest	-	-	(5,650)
Reclassification of Restricted Contributions	(8,059)	-	(1,431)
(Increase) Decrease in Assets:			
Accounts Receivable	(8,903)	5	(83)
Other Current Assets	(224)	217	(6)
Increase (Decrease) in Liabilities:			
Resident Funds, Prepaid Rents and Accounts Payable	(1,181)	432	461
Accrued Expenses and Other Current Liabilities	2,547	(1,369)	87
Net Cash Provided (Used) by Operating Activities	60,798	(137)	1,416
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in Investments	(18,910)	1,541	(24)
Change in Notes Receivable and Other Assets	2,938	-	(284)
Property Additions	(77,273)	-	(4,426)
Proceeds from Sale of Property	48	-	-
Net Cash Provided (Used) by Investing Activities	(93,197)	1,541	(4,734)

Consolidating Elimination Entries	Consolidated Total
$ (2,726)	$ 33,756
-	2,196
-	65,857
-	308
-	(2,232)
-	-
-	(3,564)
1,369	(23,882)
-	(192)
-	8,400
-	3,230
-	(5,650)
-	(9,490)
(3,795)	(12,776)
-	(13)
-	(288)
-	1,265
(5,152)	56,925
-	(17,393)
(1,644)	1,010
4,082	(77,617)
-	48
2,438	(93,952)

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	Obligated Group Total	Good Samaritan Society Insurance, Ltd.	Affordable Housing Entities
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Annuities Issued and Housing Entry Fees	20,390	-	-
Refund of Housing Entry Fees	(9,058)	-	-
Payment of Financing Fees	-	-	(39)
Proceeds from Long-Term Debt Borrowings	32,364	-	1,647
Repayment of Long-Term Debt	(21,640)	-	(566)
Proceeds from Contributions	8,059	-	5,696
Change in Intercompany Payable	-	-	(3,795)
Net Cash Provided by Financing Activities	30,115	-	2,943
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,284)	1,404	(375)
Cash and Cash Equivalents - Beginning of Year	15,512	1,664	1,708
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 13,228	$ 3,068	$ 1,333

Consolidating Elimination Entries	Consolidated Total
-	20,390
-	(9,058)
-	(39)
(1,647)	32,364
566	(21,640)
-	13,755
3,795	-
2,714	35,772
-	(1,255)
-	18,884
$ -	$ 17,629

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP BALANCE SHEET
DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

ASSETS	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
CURRENT ASSETS				
Cash and Cash Equivalents	$ 13,171	$ 57	$ -	$ 13,228
Investments	237,605	3,962	-	241,567
Accounts Receivable, Net	87,111	-	(134)	86,977
Notes and Other Current Receivables	1,315	-	-	1,315
Inventory	6,248	-	-	6,248
Prepaid Expenses	2,333	-	-	2,333
Securities Lending - Collateral Held for Loaned Securities	20,823	-	-	20,823
Total Current Assets	368,606	4,019	(134)	372,491
ASSETS LIMITED AS TO USE				
Investments	204,231	3,670	-	207,901
Securities Lending - Investments Loaned to Broker	21,178	-	-	21,178
Total Assets Limited as to Use	225,409	3,670	-	229,079
PROPERTY AND EQUIPMENT				
Land and Land Improvements	148,351	-	-	148,351
Buildings and Improvements	1,287,158	-	-	1,287,158
Furniture and Equipment	261,308	1	-	261,309
Vehicles	17,049	-	-	17,049
Total	1,713,866	1	-	1,713,867
Less: Accumulated Depreciation	(907,349)	-	-	(907,349)
Subtotal	806,517	1	-	806,518
Construction and Development	94,689	-	-	94,689
Total Property and Equipment	901,206	1	-	901,207
OTHER ASSETS				
Investments	15,961	14,015	-	29,976
Notes Receivable and Other Assets	62,414	-	(21,538)	40,876
Unamortized Finance Fees	4,002	-	-	4,002
Total Other Assets	82,377	14,015	(21,538)	74,854
Total Assets	$ 1,577,598	$ 21,705	$ (21,672)	$ 1,577,631

LIABILITIES AND NET ASSETS	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
CURRENT LIABILITIES				
Current Maturities of Long-Term Debt	$ 13,889	$ -	$ -	$ 13,889
Resident Funds and Prepaid Rents	8,173	-	-	8,173
Accounts Payable	28,820	63	-	28,883
Accrued Expenses:				
Salaries and Wages	13,705	7	-	13,712
Vacation	26,900	-	-	26,900
Employee Benefits and Payroll Taxes	10,117	-	-	10,117
Insurance	8,369	-	-	8,369
Interest	2,110	-	(134)	1,976
Current Portion of Housing Entry Fees	8,687	-	-	8,687
Securities Lending - Payable Under Investment Loan Agreement	21,729	-	-	21,729
Other Current Liabilities	6,669	-	-	6,669
Total Current Liabilities	149,168	70	(134)	149,104
LONG-TERM DEBT, Less Current Maturities	575,474	-	-	575,474
OTHER LIABILITIES				
Refundable Housing Entry Fees	16,914	-	-	16,914
Non-Refundable Housing Entry Fees	75,761	-	-	75,761
Annuities and Other Liabilities	9,516	97	-	9,613
Total Other Liabilities	102,191	97	-	102,288
Total Liabilities	826,833	167	(134)	826,866
NET ASSETS				
Unrestricted	715,014	7,524	(7,524)	715,014
Temporarily Restricted	18,371	1,532	(1,532)	18,371
Permanently Restricted	17,380	12,482	(12,482)	17,380
Total Net Assets	750,765	21,538	(21,538)	750,765
Total Liabilities and Net Assets	$ 1,577,598	$ 21,705	$ (21,672)	$ 1,577,631

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
OPERATING REVENUE				
Housing and Services	$ 908,430	$ -	$ -	$ 908,430
Resource Development	4,986	-	-	4,986
Net Assets Released from Restrictions for Operating Purposes	5,793	-	-	5,793
Other Revenue	27,275	-	-	27,275
Total Operating Revenue	946,484	-	-	946,484
OPERATING EXPENSE				
Housing and Services	655,891	33	-	655,924
Administrative	139,069	367	-	139,436
Employee Health Benefits	37,666	-	-	37,666
Resource Development	2,754	1,050	-	3,804
General Insurance	19,834	-	-	19,834
Interest	20,564	-	-	20,564
Depreciation	63,637	-	-	63,637
Total Operating Expense	939,415	1,450	-	940,865
OPERATING INCOME (LOSS)	7,069	(1,450)	-	5,619
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT				
Interest Income	7,476	209	(201)	7,484
Realized Gain on Investments	7,291	486	-	7,777
Unrealized Gain on Investments	15,149	956	-	16,105
Loss on Disposal and Impairment of Property	(8,400)	-	-	(8,400)
Loss on Extinguishment of Debt	(3,230)	-	-	(3,230)
Total Nonoperating Gains and Other Support	18,286	1,651	(201)	19,736
EXCESS OF REVENUE OVER EXPENSE	25,355	201	(201)	25,355
Assets Released from Restrictions for Capital Items	6,967	-	-	6,967
Transfer to Foundation from Society	(915)	915	-	-
Increase in Interest in the Unrestricted Net Assets of the Foundation	915	-	(915)	-
CHANGE IN UNRESTRICTED NET ASSETS BEFORE DISCONTINUED OPERATIONS	32,322	1,116	(1,116)	32,322
LOSS FROM DISCONTINUED OPERATIONS	(3,429)	-	-	(3,429)
CHANGE IN UNRESTRICTED NET ASSETS	$ 28,893	$ 1,116	$ (1,116)	$ 28,893

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
UNRESTRICTED NET ASSETS				
Excess of Revenues over Expenses	$ 25,355	$ 201	$ (201)	$ 25,355
Net Assets Released from Restrictions for Capital Purposes	6,967	-	-	6,967
Transfer to Foundation from Society	(915)	915	-	-
Increase in Interest in the Unrestricted Net Assets of the Foundation	915	-	(915)	-
Change in Unrestricted Net Assets Before Discontinued Operations	32,322	1,116	(1,116)	32,322
Loss from Discontinued Operations	(3,429)	-	-	(3,429)
Change in Unrestricted Net Assets	28,893	1,116	(1,116)	28,893
TEMPORARILY RESTRICTED NET ASSETS				
Contributions for Charity Care and Operating Expenses	3,676	906	-	4,582
Contributions for Capital Purposes	7,447	-	-	7,447
Net Assets Released from Restrictions	(12,760)	-	-	(12,760)
Transfer to Society from Foundation	396	(396)	-	-
Increase in Interest in the Temporarily Restricted Net Assets of the Foundation	510	-	(510)	-
Change in Temporarily Restricted Net Assets Before Discontinued Operations	(731)	510	(510)	(731)
Loss from Discontinued Operations	(97)	-	-	(97)
Change in Temporarily Restricted Net Assets	(828)	510	(510)	(828)
PERMANENTLY RESTRICTED NET ASSETS				
Contributions for Endowment Funds and Trusts	466	152	-	618
Increase in Beneficial Interest in Perpetual Trust	192	-	-	192
Transfers to Foundation from Society	(453)	453	-	-
Increase in Interest in the Permanently Restricted Net Assets of the Foundation	605	-	(605)	-
Change in Permanently Restricted Net Assets	810	605	(605)	810
CHANGE IN NET ASSETS	28,875	2,231	(2,231)	28,875
Net Assets - Beginning of Year	721,890	19,307	(19,307)	721,890
NET ASSETS - END OF YEAR	$ 750,765	$ 21,538	$ (21,538)	$ 750,765

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	$ 28,875	$ 2,231	$ (2,231)	$ 28,875
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:				
Reconciling Items Included in Discontinued Operations	2,196	-	-	2,196
Depreciation	63,637	-	-	63,637
Amortization	173	-	-	173
Provision for Bad Debts	(2,255)	-	-	(2,255)
Housing Entry Fees and Annuities Revenue	(3,565)	1	-	(3,564)
Realized and Unrealized Gain on Investments	(22,440)	(1,442)	-	(23,882)
Change in Beneficial Interest in Perpetual Trusts	(192)	-	-	(192)
Loss on Disposal and Impairment of Property	8,400	-	-	8,400
Loss on Refinancing of Debt	3,230	-	-	3,230
Reclassification of Restricted Contributions	(7,907)	(152)	-	(8,059)
Transfer to Foundation	(858)	858	-	-
Increase in Assets:				
Accounts Receivable	(8,903)	-	-	(8,903)
Other Current Assets	(224)	-	-	(224)
Increase (Decrease) in Liabilities:				
Resident Funds, Prepaid Rents and Accounts Payable	(1,181)	-	-	(1,181)
Accrued Expenses and Other Current Liabilities	2,553	(6)	-	2,547
Net Cash Provided by Operating Activities	61,539	1,490	(2,231)	60,798
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in Investments	(17,298)	(1,612)	-	(18,910)
Change in Notes Receivable and Other Assets	707	-	2,231	2,938
Property Additions	(77,273)	-	-	(77,273)
Proceeds from Sale of Property	48	-	-	48
Net Cash Used by Investing Activities	(93,816)	(1,612)	2,231	(93,197)

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY AND AFFILIATES
CONSOLIDATING OBLIGATED GROUP STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2012
(DOLLAR AMOUNTS IN THOUSANDS)
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)

	The Evangelical Lutheran Good Samaritan Society	The Evangelical Lutheran Good Samaritan Foundation	Consolidating Elimination Entries	Obligated Group Total
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Annuities Issued and Housing Entry Fees	20,390	-	-	20,390
Refund of Housing Entry Fees	(9,058)	-	-	(9,058)
Proceeds from Issuance of Long-Term Debt	32,364	-	-	32,364
Repayment of Long-Term Debt	(21,640)	-	-	(21,640)
Proceeds from Contributions	7,907	152	-	8,059
Net Cash Provided by Financing Activities	29,963	152	-	30,115
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,314)	30	-	(2,284)
Cash and Cash Equivalents - Beginning of Year	15,485	27	-	15,512
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 13,171	$ 57	$ -	$ 13,228

Section C: Contribution to the Orderly Development of Healthcare – 7(c)

Applicant's Facility License

Board for Licensing Health Care Facilities

State of Tennessee

License No. 0000000389

No. Beds 0030

DEPARTMENT OF HEALTH

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

THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY *to conduct*

and maintain a Nursing Home GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE

Located at 100 SAMARITAN WAY, CROSSVILLE

County of CUMBERLAND *, Tennessee.*

This license shall expire JANUARY 11 *,* 2015 *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.*

JUL 14 '14 PM3:50

In Witness Whereof, we have hereunto set our hand and seal of the State this 11TH *day of* JANUARY *,* 2014 *.*

By Vincent J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Dreyzehner, MD

COMMISSIONER

Proof of Publication

Classified Deadlines

Tuesday 10 am Friday
Wednesday 10 am Monday
Glade Sun 10 am Monday
Friday 10 am Wednesday

Legal Advertising

Tuesday 12 pm Wednesday
Wednesday 12 pm Thursday
Friday 12 pm Monday

Office Hours

Mon - Fri 7:30 am - 4:30 pm
Cancellation Deadlines are the same as Placement Deadlines.

Celebrating AMERICA

Friday, July 4, 2014

Offer Good 07/01/14 - 07/31/14. Excludes yard sales & help wanted.

CROSSVILLE CHRONICLE

Savings

Run 4 Lines

3 Times for $11.00

Approximately 16 words **Regularly $21.60**

Call Mary or Katie Today!

931-484-5145

105 Public Notices

NON-RESIDENT NOTICE

CAUSE NO. 2014-CH-760

IN THE CHANCERY COURT FOR CUMBERLAND COUNTY, AT CROSSVILLE, TENNESSEE

WYNDHAM VACATION RESORTS, INC.

vs.

Edgar Beecham and wife, Zelma Taylor Beecham; Curtis L. Boyles and wife, Joann W. Boyles; Victor F. Kretzmann and wife, Dorothy R. Kretzmann; Dwight H. Cederoth and wife, Alvera C. Cedaroth; and, Timeshare Assistance, Inc.

In this cause, it appearing from the Affidavit, which is sworn to, that the Defendant, TIMESHARE ASSISTANCE, INC., is corporation without a duly appointed registered agent upon whom process may be served and cannot be served through the Tennessee Secretary of State, it is ordered by me that publication be made for four successive weeks, as required by law, in the Crossville Chronicle, a newspaper published in Crossville, Tennessee, in said County, notifying said non-resident Defendants to file an answer with Plaintiff's Attorney, Joe M. Looney, whose address is P.O. Box 1250, Crossville, Tennessee 38557, within thirty (30) days from the last date of publication, exclusive of said last date of publication, or a judgment by default may be entered and the cause set for hearing ex parte as to it.

This 28th day of May, 2014.

Sue Tollett,
Clerk and Master

Connie Turner,
Deputy Clerk and Master

NOTICE TO CREDITORS

Estate of
BEULAH A. NEAL
(Deceased)

Cause No 2014-PF-3973

Notice is hereby given that on the 23rd day of June, 2014, Letters Testamentary in respect to the Estate of Beulah A. Neal, Deceased, who died on May 19, 2014, were issued to the undersigned by the Probate and Family Court of Cumberland County, Tennessee.

All persons, resident and non-resident, having claims, matured or not, against the Estate are required to file same with the Clerk of the above named court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred:

(1) (a.) Four (4) months from the date of the first publication (or posting, as the case may be) of this notice if the creditor received an actual copy of this Notice to Creditors at least sixty (60) days before the date that is (4) months from the date of the first publication (or posting);

(b.) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of first publication (or posting) as described in (1)(a.); or

(2) Twelve (12) months from the decedent's date of death.

This the 23rd day of June, 2014.

Dennis Morrison Neal,
Executor

Sue Tollett
Clerk and Master
60 Justice Center Drive,
Suite 226,
Crossville, TN 38555
(931) 484-4731

Margaret Jane Powers
Attorney at Law
79 North Main Street
Crossville, TN 38555
(931) 484-3579

79 North Main Street
Crossville, TN 38555
(931) 484-3579

PUBLIC NOTICE

Sealed bid proposals for the following items will be received by the Finance Director of Cumberland County until July 17, 2014 at 2:00 P.M. local time and publicly opened immediately thereafter on the same day:

Copier Paper

A detailed summary of specifications will be provided, upon request, by the Finance Director.

Any bids received after the stated time, notwithstanding, shall be rejected. Cumberland County reserves the right to accept or reject any and/or all bids and to waive formalities and technicalities, insofar as it is legally authorized to do so in the interest of the County.

B. Nathan Brock
Director of Finance
Cumberland County
Government
2 North Main Street,
Suite 303
Crossville, TN 38555
(931) 484-8212

South Cumberland Utility District's Board of Commissioners will hold their monthly meeting for July on Thursday, July 24, 2014. The meeting will be held at 4:00 P.M. at the District's business office located at 139 Utility Drive. This meeting is open to the public.

SUBSTITUTE TRUSTEE'S SALE

Sale at public auction will be on August 14, 2014 on or about 12:00PM local time, at the main entrance of the Cumberland County Courthouse, Crossville, Tennessee, conducted by the Substitute Trustee as identified and set forth herein below, pursuant to Deed of Trust executed by FABIAN HERBERT AND MICHELLE HERBERT, to HERITAGE TITLE SERVICES, Trustee, on July 26, 2005, at Record Book 1006, Page 119 in the real property records of Cumberland County Register's Office, Tennessee.

Owner of Debt: HSBC BANK USA, N.A., AS TRUSTEE ON BEHALF OF ACE SECURITIES CORP. HOME EQUITY LOAN TRUST AND FOR THE REGISTERED HOLDERS OF ACE SECURITIES CORP. HOME EQUITY LOAN TRUST, SERIES 2005-HE5, ASSET BACKED PASS-THROUGH CERTIFICATES

The following real estate located in Cumberland County, Tennessee, will be sold to the highest cali bidder subject to all unpaid taxes, prior liens and encumbrances of record:

Beginning on a 6" wood fence corner post in the western edge of an unnamed road; thence with said road edge for the next four (4) courses and distances; (1) South 14 deg 25' 49" West, 241.60 feet to an 8" wood fence post; (2) South 22 deg 59' 49" West, 160.44 feet to a 2" wood fence corner post; (3) South 30 deg 56' 38" West, 94.56 feet to an 8" wood fence corner post; (4) South 53 deg 21' 47" West, 75.38 feet to an 8" wood fence corner; thence leaving said road edge, North 71° 31' 41" west, 175.14 feet to a wooden splint post in the edge of a pond; thence proceeding North 71 deg 01' 41" West, 54.51 feet to a point in the said pond; thence leaving said point in pond North 11 deg. 28' 28" East, 111.01 feet to an 8" wood fence corner post; thence South 87 deg 00' 00" East, 311.77 feet to the point of beginning, containing 3.41 acres, more or less, as per survey by O.D. Pugh, Jr., R.L.S. No. 899, dated April 5, 1995.

Tax ID: 151 10701 000

Current Owner(s) of Property: FABIAN HERBERT AND MICHELLE HERBERT

The street address of the above described property is believed to be 114 Don Kerley Road, Crossville, TN 38555, but such address is not part of the legal description of the property sold herein and in the event of any discrepancy, the legal description referenced herein shall control.

SALE IS SUBJECT TO OCCUPANT(S) RIGHTS IN POSSESSION.

THE RIGHT IS RESERVED TO ADJOURN THE DAY OF THE SALE TO ANOTHER DAY, TIME AND PLACE CERTAIN WITHOUT FURTHER PUBLICATION, UPON ANNOUNCEMENT AT THE TIME AND PLACE FOR THE SALE SET FORTH ABOVE. THE TRUSTEE/SUBSTITUTE TRUSTEE RESERVES THE RIGHT TO RESCIND THE SALE. IF THE SALE IS SET ASIDE FOR ANY REASON, THE PURCHASER AT THE SALE SHALL BE ENTITLED ONLY TO A RETURN OF THE DEPOSIT PAID, THE PURCHASER SHALL HAVE NO FURTHER RECOURSE AGAINST THE GRANTOR, THE GRANTEE, OR THE TRUSTEE.

OTHER INTERESTED PARTIES: JOHN C. BIRGY AND WIFE, RUTH A. BIRGY

THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

If applicable, the notice requirements of T.C.A. 35-5-117 have been met.

All right of equity of redemption, statutory and otherwise, and homestead are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substitute Trustee.

If the U.S. Department of Treasury/IRS, the State of Tennessee Department of Revenue, or the State of Tennessee Department of Labor or Workforce Development are listed as Interested Parties in the advertisement, then the Notice of this foreclosure is being given to them and the Sale will be subject to the applicable governmental entities right to redeem the property as required by 26 U.S.C. 7425 and T.C.A. §67-1-1433.

This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. This sale may be rescinded at any time. If the sale is set aside for any reason, the Purchaser at the sale shall be entitled only to a return of the deposit paid. The Purchaser shall have no further recourse against the Mortgagor, the Mortgagee or the Mortgagees attorney.

MWZM File No. 13-004672-670

JASON S. MANGRUM, J.P.
SELLERS, LORI LIANE LONG, Substitute Trustee(s)
Premier Building, Suite 404
5217 Maryland Way
Brentwood, TN 37027
PHONE: (615) 258-3630
EMAIL: info@mwzmlaw.com

Published: July 9, 2014, July 16, 2014 and July 23, 2014

SUCCESSOR TRUSTEE'S NOTICE OF FORECLOSURE SALE

Notice is hereby given that default has been made in the payment of that certain indebtedness (the "**Indebtedness**") due from Patrick A. Guthrie (the "**Grantor**") to Cumberland County Bank (the "**Lender**"), secured by Deed of Trust executed on September 4, 2013, by Patrick A. Guthrie to Jack P. Ray, Trustee, recorded in Index Book 1416, Page 1149, in the Register's Office for Cumberland County, Tennessee, (the "**Deed of Trust**"), thereafter the Lender appointed Leon Foster as Successor Trustee by instrument dated the 24th day of June, 2014, and recorded at Index Book 1432, Page 528, Register's Office, Cumberland County, Tennessee.

Default having occurred, the Lender has exercised its option to declare the entire Indebtedness due and payable, and has made demand for foreclosure pursuant to the Deed of Trust.

CUMBERLAND COUNTY PROPERTY: The phrase "Cumberland County Property" as used herein shall mean all of the Grantors right, title and interest in an to the following described real property (together with all existing or subsequently erected or affixed improvements and fixtures, all appurtenant easements and rights of way, and other appurtenances) described as follows

LEGAL DESCRIPTION: Warranty Deed from Gilbert L. Cron and wife, Lucille E. Cron to Patrick A. Guthrie, a single person, of record in Index Book 1084, Page 1852. (1.00 acre)

COMMON DESCRIPTION: Tax Map 155, Parcel 26.07 Address: 10569 Vandever Road, Crossville, TN 38572

The legal description shall control in the event of any inconsistency among the legal description, address, or tax map identification number.

CONDITIONS OF SALE:

Leon Foster, Successor Trustee, or his agent, acting under the authority vested in the Trustee by the Deed of Trust, will be at the front door (North Main Street entrance) of the Cumberland County Courthouse, Crossville, Tennessee on **August 1, 2014 @ 11:00 A.M. (prevailing Central Time)** to offer for cash sale to the highest and best bidder at public auction in bar of and free from all rights of redemption afforded by statute, equitable rights of redemption, exemptions of homestead, rights by virtue of marriage, and all other rights waived by the Grantor in the Deed of Trust, the real property as described hereinabove, to effect satisfaction of principal, interest, and costs due on promissory note dated September 4, 2013, from Patrick A. Guthrie to Cumberland County Bank, and secured by the aforementioned Deed of Trust to Jack P. Ray, Trustee, as well as to pay all attorney's fees and costs necessarily incident to this foreclosure. The Successor Trustee shall convey the real property to the bidder with the highest and best bid of all bidders present at the sale.

A review of the records at the Register's Office for Cumberland County, Tennessee disclosed that the Property may be subject to certain matters set forth below, and that the persons named below may be interested parties, along with the persons named in the first paragraph of this Successor Trustees Notice of Sale.

1. Any and all unpaid ad valorem taxes payable to Cumberland County, Tennessee (plus penalty and interest, if any) that may be a lien against the Property.
2. Matters which an accurate survey of the Property might disclose.
3. All other easements and restrictions of record in said Register's Office.

The foregoing matters may or may not take priority over the Deed of Trust. To the extent such matters do take priority over the Deed of Trust under applicable law, the sale will be subject to them, and to the extent such matters do not take priority over the Deed of Trust under applicable law, the Property will not remain subject to them after the sale.

Said sale will be subject to any and all unpaid ad valorem taxes (plus penalty and interest, if any) that may be a lien against the Property, and subject to any and all liens, defects, encumbrances, adverse claims and other matters which take priority over the Deed of Trust upon which this foreclosure sale is had, and subject to any statutory rights of redemption not otherwise waived in the Deed of Trust, including rights of redemption of any governmental agency, state or federal, which have not been waived by such governmental agency. Said sale is also subject to matters which an accurate survey of the Property might disclose.

The Cumberland County Property is being sold "AS IS WHERE IS" without warranty or representation by the Successor Trustee. Without limiting the foregoing, THE PROPERTY IS TO BE SOLD WITHOUT ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

SUCCESSOR TRUSTEE RESERVES THE RIGHT TO ADJOURN THE DAY OF THE SALE TO ANOTHER DAY, TIME AND PLACE CERTAIN WITHOUT FURTHER PUBLICATION, UPON ANNOUNCEMENT OF SAID ADJOURNMENT AT THE TIME AND PLACE FOR THE SALE SET FORTH ABOVE.

IN THE EVENT THE HIGHEST BIDDER DOES NOT CLOSE THE SALE WITHIN THE TIME PROVIDED, THE SUCCESSOR TRUSTEE RESERVES THE RIGHT TO CLOSE THE SALE WITH THE NEXT HIGHEST BIDDER AT THE NEXT HIGHEST BID.

The Successor Trustee will make no covenant of seisin or warranty of title, express or implied, and will sell and convey the property only as Successor Trustee. Title to the property is to be conveyed subject to all prior liens, easements, covenants, conditions, encumbrances, and restrictions that may exist including, without limitation, any unpaid ad valorem taxes or other taxes. The proceeds of the sale will be applied in accordance with the terms of the Deed of Trust.

This 2nd day of July, 2014.

/s/ Leon Foster,
Successor Trustee
Leon Foster,
Successor Trustee
206-C S. Jefferson Ave.
Cookeville, TN 38501

The Cumberland County Sheriffs Department will be auctioning off the following drug Seized cars and other Miscellaneous items

Location:
Marcks Auto Auction
150 Cox Ave.
Crossville, TN

Date: July 12, 2014
Time: 10 AM

Play station 2
Play station 3
Assorted Games for Play station
Costume Jewelry
Wii Accessories
Forman Grill
Speaker
Gun Cases
Gun Accessory Case

1995 Dodge 1500
Vin # 1B7HC16Y2SS318626
2000 Chevy K15
Vin # 1GCEK14W8YZ188454
1995 Chevy Silverado
Vin # 1GCEC14Z7SZ240740
2002 Mercury Grand Marq
Vin # 2MEFM74W82X646573
1985 Ford F250
Vin # 1FTHX26G3FRKA99594

110 Adoption

Married couple wants to adopt, any race/gender. Loving/caring home. Allowable expenses paid. Call (866)711-0590

NY LOVING COUPLE EXCITED to expand family. Little leaguer, attorney dad, stay at home/ school volunteer mom. Financially secure. Expenses paid. Aimee & Frank (310) 272-6833 (TnScan)

Classifieds Really World

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 Good Samaritan Society – Fairfield Glade, an existing licensed nursing home, owned and managed by The Evangelical Lutheran Good Samaritan Society, a non-profit corporation, intends to file an application for a Certificate of Need for the addition of thirty (30) Medicare skilled nursing beds to its existing thirty (30) bed facility located at 100 Samaritan Way, Crossville, Tennessee 38558 (Cumberland County). The estimated project cost is $6,520,405.50.

The anticipated filing date of the application is on or before July 14, 2014. The contact person for this project is Michael D. Brent, Esq., who may be reached at Bradley Arant Boult Cummings LLP, 1600 Division Street, Suite 700, Nashville, Tennessee 37203. Mr. Brent's telephone number is (615) 252-2361 and his e-mail address is mbrent@babc.com.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

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

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.

ADVERTISEMENT FOR BIDS
WATER DISTRIBUTION SYSTEM EXTENSION
WASTEWATER COLLECTION SYSTEM EXTENSION
CROSSVILLE, TENNESSEE

Sealed bids for the furnishing of all labor, materials, equipment and services for the construction of approximately 1,150 linear feet of 8-inch water main and 1,150 linear feet of wastewater collection main to accommodate the Cox Road Expansion proposed by TDOT (18950-1540-04) will be received by:

Sally Oglesby, City Clerk
City of Crossville, TN
392 North Main Street
Crossville, Tennessee 38555

Advertisement of this project will begin on **Tuesday July 8, 2014** and will last until **July 18, 2014**. Bids for the project will be opened and read aloud at **2:00 p.m. local time on July 31, 2014.**

Bids being mailed for this work shall be mailed to **Ms. Sally Oglesby** at the address above. Bidder shall be responsible for the timely delivery of bids. Mailed bids shall be labeled "Bid Enclosed" on outside and inside envelopes utilized.

Bids may also be hand delivered to the City of Crossville City Hall located at 392 North Main Street, Crossville, TN.

The work to be bid is in one contract and is to be completed within 45 (forty-five) calendar days from date of "Notice to Proceed". Project consists of all materials shown on the plans and specifications and all materials to completely finish the aforementioned work.

WATER DISTRIBUTION SYSTEM & WASTEWATER COLLECTION SYSTEM

The work to be performed consists of the installation of a water distribution system extension and wastewater collection system extension located on Cox Road in Crossville, TN. All work to be performed as shown on Plans and described in the Detailed Specifications section of the Project Manual.

The Project Manual and Drawings may be examined by contacting
Barry R. Field, P.E. at (931) 456-6071.

Copies of the Project Manual and Drawings for each project may be obtained by contacting **Field's Engineering Consultant Services, 77 Cother Street, CROSSVILLE, TN 38555** upon receipt of a payment of **$200.00 (Non-Refundable).**

All Bidders shall be a licensed general contractor as required by the State of Tennessee and qualified to perform the construction being bid. **Each Bidder shall write on the outside of the envelope containing the bid, Contractor's license number and expiration date.** If bidder fails to comply with this requirement, bid for project will not be opened.

Bids shall be accompanied by a certified check or bid bond in an amount equal to ten percent (10%) of the bid to insure the execution of the Contract for which such bid is made. In case the bid is not accepted, the check or bid bond will be returned to the Bidder, but if the bid is accepted and the Bidder shall refuse or neglect to enter into a contract with the CITY OF CROSSVILLE within ten (10) days from the time he shall be notified of the acceptance of this bid, the said check or bid bond shall be forfeited to the CITY OF CROSSVILLE as liquidated damages for the failure to do so.

The successful Bidder shall be required to furnish an acceptable Performance Bond in the amount of total contract price.

The Owner reserves the right to reject any and all bids, to waive informalities, and to negotiate with the apparent qualified best Bidder or Bidders to such extent as may be necessary. The City of Crossville has 45 days from date of bid opening to issue a "Notice to Proceed" for the project. Mutually agreeable extensions of this time period may be made if necessary.

Affidavit

14701

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

Publication Dates Are:

7-9-14

20 14

Pauline Sherrer
Publisher

Subscribed and sworn to before me, this 14th day of July, 20 14

Mary Koch

My commission expires, 7-8, 20 17

MARY KOCH
STATE OF TENNESSEE NOTARY PUBLIC
CUMBERLAND COUNTY

Letters of Support

Cameron Sexton
State Representative
25th Legislative District
rep.cameron.sexton@capitol.tn.gov

District Office
186 Homestead Drive
Crossville, TN 38555
(931) 707-5126

House of Representatives
State of Tennessee

NASHVILLE

Legislative Office:
Nashville, TN 37243
(615) 741-2343
Fax: (615) 253-0230

Member of Committees
Calendar and Rules
Business and Utilities
Health
Health Subcommittee

July 8, 2014

Health Services & Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

RE: Good Samaritan Society of Fairfield Glade
Cumberland County

To Whom It May Concern:

Good Samaritan Society of Fairfield Glade has made application to your board requesting approval of a Certificate of Need for 30 additional beds.

This 30 bed expansion would enable GSS to expand their skilled care facility in Fairfield Glade. Currently, the beds are designated to serve long-term residents as well as those in need of rehabilitation services. They have operated at or near full occupancy of its skilled-care beds. They currently have a waiting list for this level of care which has remained reasonably constant for the past year.

The Good Samaritan Society serves one of the largest retirement communities in the state, Fairfield Glade. Fairfield Glade has over 7,000 residents, most of which are over the age of 60. As this community continues to grow older, these individuals will start needing long-term options. Our community needs additional beds to handle this rapidly increasing population.

I strongly urge you to give all due consideration to Good Samaritan Society of Fairfield Glade's CON application. Thank you for your time and attention to this matter.

Sincerely,

Cameron Sexton

HOUSE MAJORITY WHIP
108th General Assembly

Mayor Kenneth Carey, Jr.

2 North Main Street
Crossville, TN 38555
Phone (931) 484-6165
Fax (931) 484-5374
mayorcarey@cumberlandcountytn.gov

June 25, 2014

Tennessee Health Services & Development Agency

Dear Agency Members:

I take this opportunity to offer you my personal endorsement of the Certificate of Need application submitted to you by the Good Samaritan Society, Fairfield Glade. There is no question this organization is fulfilling an important need in our community and it is quite obvious they need the 30 additional beds requested in their correspondence. The upcoming expansion of their campus makes this need even greater. I respectfully ask you approve their request in your 2014 allocation.

Cumberland County citizens take pride in Good Samaritan's impressive facility and the nature of care provided our seniors by a highly-trained and dedicated staff. The campus has an economic impact on our county – not only because of the jobs it provides but the important role it plays in recruiting retirees to our community.

The facility is now full with waiting lists for independent living apartments and skilled-care beds. This creates a heartbreaking situation for our citizens, not to mention residents at the facility, who are in need of increased health care. The alternative for a person, many times, is to move from a community he or she has come to love in order to find the care required.

I thank you for considering the Good Samaritan Society's application. I hope you will grant their request.

Sincerely,

Kenneth Carey Jr.
Cumberland County Mayor

CITY OF CROSSVILLE
392 NORTH MAIN STREET
CROSSVILLE, TENNESSEE 38555-4232
TEL (931) 484-5113
FAX (931) 484-7713

OFFICE OF THE
MAYOR

June 24, 2014

Tennessee Health Services & Development Agency

Dear Agency Members:

It is with great pleasure I write to support the Good Samaritan Society, Fairfield Glade as it applies for a Certificate of Need requesting the increase from 30 beds currently to 60 beds in their skilled care facility. These additions would be part of a major expansion of the facility which will begin in the Fall of this year. I respectfully encourage you to authorize the additional beds in your 2014 allocation.

We who live in Cumberland County are proud of Good Samaritan's beautiful facility and the level of care provided our seniors by their exceptional staff. It is comforting to our citizens and to those who consider moving to our community that such a place can be available to them or to loved ones.

Currently, the facility is at full capacity with waiting lists for apartments and skilled-care beds. This creates a heart-wrenching problem for anyone – a Crossville native or a resident who lives within the facility itself – who should need to advance from independent living to more increased health care. Other places and options must be considered and, in many cases, the alternatives are not as appealing.

In closing, let me thank you for considering the Good Samaritan Society's request for additional beds. I personally recognize the need and am glad to endorse their application.

Respectfully,

J. H. Graham, III
Mayor, Crossville, Tennessee

Good Samaritan Society
FAIRFIELD GLADE

100 Samaritan Way
Crossville, TN 38558

Phone: (931) 456-1576
Fax: (931) 456-1575
www.good-sam.com

Dear Agency Members:

Good Samaritan Society of Fairfield Glade has applied for a Certificate of Need to enable it to expand its skilled care facility in Cumberland County from 30 to 60 beds. This expansion would be part of enlarging the entire senior care facility in Fairfield Glade. We are writing in support of this application and urge you to authorize the additional beds in the 2014 allotment.

This Advisory Board is made up of members with diverse backgrounds from Cumberland County. Based on our knowledge of our community, we believe there is a clear need for additional long-term and rehabilitation beds to serve the needs of our citizens. Since its opening in 2011, Good Samaritan has operated at or near full occupancy of its skilled-care beds and currently has a waiting list for this level of care. This list has remained reasonably constant for the last year.

We urge you to authorize an additional 30 beds for the Good Samaritan Society in Fairfield Glade.

Sincerely yours,

Donald J Reis

Donald J. Reis, Chair
GSS Administrators Advisory Board

Members

(Chair)	Don Reis, Retired Attorney and Nevada's Chief Deputy Secretary of State
(VP)	Kyle Morrison, Retired Engineer, Eastman Kodak
(Secretary)	Judy Etzel, Retired Manager of Technical Writing Staff, Ryder System Company,
(At Large)	Stan Boling, Vice President, Senior Health Services, Covenant Health
(At Large)	Nan Sharp, Retired owner of accounting consulting firm, former auditor, Price Waterhouse
(At Large)	Phil Magdich, Retired owner of Hilliard and Lyons investment firm
(At Large)	Bob Citkovic, Chief of Fairfield Glade Fire Department; Retired, IBM
(At Large)	Rev. LaNita Monroe, United Methodist Church

Additional Information SUPPLEMENTAL - #2 -Original-

Good Samaritan Society
Fairfield Glade

CN1407-031

SUPPLEMENTAL #2
July 31, 2014
12 :30 pm

BRADLEY ARANT BOULT CUMMINGS LLP

Michael D. Brent
(615) 252-2361
Fax: (615) 252-6361
Email: mbrent@babc.com

July 31, 2014

VIA HAND DELIVERY
Mr. Jeff Grimm
HSDA Examiner
Tennessee Health Services and Development Agency
9th Floor, 502 Deaderick Street
Nashville, Tennessee 37243

Re: Additional Clarification to July 31, 2014 Supplemental Response: Good Samaritan Society – Fairfield Glade (CN1407-031)

Dear Jeff:

In response to your emailed request for clarifying information and revised pages, please find enclosed replacement page 38 of the original application and replacement page 3 of the July 31, 2014 Supplemental Response. Accompanying this letter are an original and two copies of the supplemental responses, along with the supplemental affidavit.

If you or the HSDA staff have any questions or require further information, please contact me.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS

Michael D. Brent

cc: Greg Amble, Evangelical Lutheran Good Samaritan Society

SUPPLEMENTAL #2

July 31, 2014
12 :30 pm

ATTACHMENT 1

Replacement Page 38 of Original Application

Statewide Nursing Home Construction Cost Per Square Foot
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.	$166.57/sq. ft.
3rd Quartile	$55.00/sq. ft.	$181.72/sq. ft.	$167.61/sq. ft.

Source: HSDA Applicant's Toolbox

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

   RESPONSE: Please see *Attachment C. Economic Feasibility – 4*. Historical and Projected Data Charts.

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

   RESPONSE: The project's average gross charge, average deduction from operating revenue, and average net charge are as follows:

	Additional 30 Beds Only		Total 60 Bed Project	
	2016	**2017**	**2016**	**2017**
Average Gross Charge	$586.15	$602.28	$588.09	$587.77
Average Deduction	$255.71	$273.97	$255.71	$248.29
Average Net Charge	$330.44	$328.31	$332.38	$339.48

6. 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.

SUPPLEMENTAL #2
July 31, 2014
12 :30 pm

ATTACHMENT 2

Replacement Page 3 of July 31, 2014 Supplemental Response

SUPPLEMENTAL #2
July 31, 2014
12 :30 pm

5. **Section C, Economic Feasibility, Item 4 - Projected Data Chart**

There is an error in the table provided in page 38_R. The row labeled "Average Gross Charge" should contain amounts that are higher than Average Net Charges. Please revise the table.

RESPONSE: Please see as *Attachment 5(a)* the revised replacement page 38.

The reduction in the amounts projected for fees to affiliates on line D.8.a of the four charts is noted. However, there is an error in each of the 4 Projected Data Charts with the amounts the applicant has budgeted for NET OPERATING REVENUE (net operating revenue after deductions should always be lower than gross operating revenue). Because of this error, the applicant's net operating income is significantly overstated in all of the charts. Please revise and resubmit the charts (please also renumber the replacement pages as 18a, 18b, etc.).

RESPONSE: Please see *Attachment 5(b)* for revised Projected Data Charts.

6. **Section C, Economic Feasibility, Item 2**

The replacement letter from the CFO confirms the method of funding from a combination of sources, including a short term line of credit and tax-exempt bonds. Please provide documentation from the commercial lender and bond issuer (Colorado Housing Financing Authority) that attests to their interest and ability in providing funding support for the project.

RESPONSE: Please find letters from the commercial lender, U.S. Bank, and the bond issuer, the Colorado Housing Financing Authority, to supplement the letter from the CFO of ELGSS enclosed as *Attachment 6*.

7. **Section C, Economic Feasibility, Item 5**

The table as confirmed in the response is noted below. However, please note that table provided in question 5, page 38-R of attachment 13(a) will need to be revised to correctly reflect gross and net charges.

Applicant's Average Gross Charge Amounts

Year	30 bed addition	60 bed addition
2016	$333.67	$332.75
2017	$340.35	$339.41

Note: the average gross charge is merely a calculation of the projected Gross Operating Revenue in the Projected Data Chart divided by the projected patient days.

RESPONSE: Please see *Attachment 5(a)* and the revised table below:

Applicant's Average Gross Charge Amounts

Year	30 bed addition	60 bed addition
2016	$586.15	$588.09
2017	$602.28	$587.77

Note: the average gross charge is merely a calculation of the projected Gross Operating Revenue in the Projected Data Chart divided by the projected patient days.

SUPPLEMENTAL #2

July 31, 2014

12 :30 pm

AFFIDAVIT

SUPPLEMENTAL #2
July 31, 2014
12 :30 pm

AFFIDAVIT

STATE OF ~~TENNESSEE~~ South Dakota

COUNTY OF Minnehaha

NAME OF FACILITY: Good Samaritan Society-Fairfield Glade

I, Raye Nae Nylander, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Raye N Nyl
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 31st day of July, 2014, witness my hand at office in the County of Minnehaha, State of ~~Tennessee~~ South Dakota.

Jane Muth Vequist
NOTARY PUBLIC

My commission expires 6-15-15, _____.

HF-0043

Revised 7/02

JANE MUTH VEQUIST
NOTARY PUBLIC
SOUTH DAKOTA
SEAL

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

August 1, 2014

Michael D. Brent, Esq.
Bradley Arant Boult Cummings, LLP
1600 Division Street, Suite 700
Nashville, TN 37203

RE: Certificate of Need Application -- Good Samaritan Society--Fairfield Glade - CN1407-031

Dear Mr. Brent:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need for the addition of 30* dually certified beds to its existing 30 bed nursing home for a total of 60 beds. Project cost is $6,520,495.00.

*These beds are subject to the 125 Nursing Home Bed Pool for 2014-2015.

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, 2014. 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 22, 2014.

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: Trent Sansing, CON Director, Division of Health Statistics

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

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill
Executive Director

DATE: August 1, 2014

RE: Certificate of Need Application
Good Samaritan Society--Fairfield Glade - CN1407-031

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, 2014 and end on October 1, 2014.

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

MMH:mab

Enclosure

cc: Michael D. Brent, Esq.

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

JUL 9 '14 AM8:08

LETTER OF INTENT

The Publication of Intent is to be published in The Crossville Chronicle, which is a newspaper of general circulation in Cumberland County, Tennessee, on or before July 9, 2014, 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 Good Samaritan Society – Fairfield Glade, an existing licensed nursing home, owned and managed by The Evangelical Lutheran Good Samaritan Society, a non-profit corporation, intends to file an application for a Certificate of Need for the addition of thirty (30) Medicare skilled nursing beds to its existing thirty (30) bed facility. The location of Good Samaritan Society – Fairfield Glade is 100 Samaritan Way, Crossville, Tennessee 38558 (Cumberland County), and the estimated project cost is $6,520,495.50.

The anticipated filing date of the application is on or before July 14, 2014. The contact person for this project is Michael D. Brent, Esq., who may be reached at Bradley Arant Boult Cummings LLP, 1600 Division Street, Suite 700, Nashville, Tennessee 37203. Mr. Brent's telephone number is (615) 252-2361 and his e-mail address is mbrent@babc.com.

(Signature)	7/9/14 (Date)	mbrent@babc.com (E-mail Address)

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

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

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

SUPPLEMENTAL - #2
-Original-

Good Samaritan Society
Fairfield Glade

CN1407-031

SUPPLEMENTAL #2
July 31, 2014
08:40 am

BRADLEY ARANT BOULT CUMMINGS LLP

Michael D. Brent
(615) 252-2361
Fax: (615) 252-6361
Email: mbrent@babc.com

July 31, 2014

VIA HAND DELIVERY
Mr. Jeff Grimm
HSDA Examiner
Tennessee Health Services and Development Agency
9th Floor, 502 Deaderick Street
Nashville, Tennessee 37243

Re: Responses to Second Set of Supplemental Requests: Good Samaritan Society – Fairfield Glade (CN1407-031)

Dear Jeff:

In response to your emailed request for clarifying information and revised pages, please find enclosed Good Samaritan Society – Fairfield Glade's responses to the requested information. Accompanying this letter are an original and two copies of the supplemental responses, along with the supplemental affidavit.

If you or the HSDA staff have any questions or require further information, please contact me.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS

Michael D. Brent

cc: Greg Amble, Evangelical Lutheran Good Samaritan Society

SUPPLEMENTAL #2

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

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July 30, 2014

Mr. Michael D. Brent, Attorney
Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203
RE: Certificate of Need Application CN1407-031
Good Samaritan Society-Fairfield Glade

Dear Mr. Brent:

This will acknowledge our July 24, 2014 receipt of your supplemental response pertaining to your application for a Certificate of Need for the addition of 30 Medicare and Tenncare dually certified beds to its existing 30 bed nursing home facility for a total of 60 beds. These beds are subject to the 125 Nursing Home Bed Pool for 2014-2015.

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

Please submit responses in triplicate by noon, July 31, 2014. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

---

1. **Section C, Need, Item 5**

   The "Service Area Patient accommodation Mix" table in the response is noted. Please revise the licensed bed total for Wharton Nursing Home to reflect 62 beds in lieu of 122 beds.

   RESPONSE: Please see the revised page 8 of the First Set of Supplemental Responses enclosed as *Attachment 1*.

2. **Section C, Need, Item 6**

   The tables showing projected utilization of the proposed 30 beds from the FY2014-2015 Nursing Home Bed Pool and all 60 beds following completion are noted.

   On page 28 of the application, the applicant notes that the occupancy of the 30 bed facility was 94.3% in CY2013 and 95% in CY 2014. This amounts to an average daily census of approximately 28.5 patients per day. With 45 total patients projected in

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Year 1, please clarify why the average daily census of the 30 additional proposed beds would not be 16.5 patients per day in Year 1 (45–28.5=16.5 patients/day).

RESPONSE: The Applicant inadvertently completed the chart for the existing 30-bed facility. Please see below the revised projected utilization chart for the proposed 30 bed addition, which reflects 22.5 patients per day in Year One and 24 patients per day in Year Two. The Applicant did not calculate the average daily census of the entire 60-bed facility by assuming that the existing 30 bed facility's census would remain at 95% while the additional 30 beds would account for the additional 16.5 patients to arrive at a 75% occupancy rate (as you noted above). Instead, the Applicant calculated that the projected 45 patient average daily census would be split between the existing 30-bed facility and the additional 30 beds. This is consistent with the Applicant's projected data charts, as well.

Proposed 30 beds -Projected Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
1	30	30	8.1	0	14.3	.1	22.5	75%
2	30	30	8.7	0	15.2	.1	24	80%

* Includes dually-certified beds

3. **Section C, Economic Feasibility, Item 2 (Funding)**

The 7/24/14 replacement letter from the CFO of the parent company is noted. Please add a reference to financing with tax exempt bonds in line 2.B of the table and submit a replacement page 27-R.

RESPONSE: Please find as *Attachment 3* a replacement page 37 to add references to financing with tax exempt bonds and a commercial loan in addition to cash reserves.

4. **Section C, Economic Feasibility, Item 4 (Historical Data Chart)**

In explaining the differences between the amounts provided in your Historical Data Chart and the applicant's most recent JAR, the applicant states that the Historical Data Chart is the correct statement of operating revenues and expenses. However, in the next response pertaining to depreciation, the applicant states that the chart contains the financials of the entire CCRC, not just the nursing facility. Is there a separate and distinct historical data chart for just the nursing facility that can be provided to facilitate comparison to the Projected Data Charts in the application? Please clarify.

RESPONSE: We apologize for the confusion. The Historical Data Chart previously provided contains only the financials for the skilled nursing facility. The depreciable items include those items depreciated from 2011 through 2013 for the skilled nursing facility component, including the skilled nursing facility building, light system, sprinkler system, flooring, furniture, fixtures, and equipment, and landscaping among other items.

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5. **Section C, Economic Feasibility, Item 4 - Projected Data Chart**

There is an error in the table provided in page 38_R. The row labeled "Average Gross Charge" should contain amounts that are higher than Average Net Charges. Please revise the table.

RESPONSE: Please see as *Attachment 5(a)* the revised replacement page 38.

The reduction in the amounts projected for fees to affiliates on line D.8.a of the four charts is noted. However, there is an error in each of the 4 Projected Data Charts with the amounts the applicant has budgeted for NET OPERATING REVENUE (net operating revenue after deductions should always be lower than gross operating revenue). Because of this error, the applicant's net operating income is significantly overstated in all of the charts. Please revise and resubmit the charts (please also renumber the replacement pages as 18a, 18b, etc.).

RESPONSE: Please see *Attachment 5(b)* for revised Projected Data Charts.

6. **Section C, Economic Feasibility, Item 2**

The replacement letter from the CFO confirms the method of funding from a combination of sources, including a short term line of credit and tax-exempt bonds. Please provide documentation from the commercial lender and bond issuer (Colorado Housing Financing Authority) that attests to their interest and ability in providing funding support for the project.

RESPONSE: Please find letters from the commercial lender, U.S. Bank, and the bond issuer, the Colorado Housing Financing Authority, to supplement the letter from the CFO of ELGSS enclosed as *Attachment 6*.

7. **Section C, Economic Feasibility, Item 5**

The table as confirmed in the response is noted below. However, please note that table provided in question 5, page 38-R of attachment 13(a) will need to be revised to correctly reflect gross and net charges.

Applicant's Average Gross Charge Amounts

Year	30 bed addition	60 bed addition
2016	$333.67	$332.75
2017	$340.35	$339.41

Note: the average gross charge is merely a calculation of the projected Gross Operating Revenue in the Projected Data Chart divided by the projected patient days.

RESPONSE: Please see *Attachment 5(a)* and the revised table below:

Applicant's Average Gross Charge Amounts

Year	30 bed addition	60 bed addition
2016	$590.09	$588.09
2017	$597.77	$587.77

Note: the average gross charge is merely a calculation of the projected Gross Operating Revenue in the Projected Data Chart divided by the projected patient days.

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8. **Section C, Orderly Development, Item 3.**

The response is noted confirming an increase in nursing staffing from 21 FTE to 44 FTE upon project completion. Please also briefly describe what accounts for the difference from the staffing reported in the 2012 JAR (approximately 33 nursing full time equivalent positions (FTE) and 14 FTE "other health" positions for a total of 47 FTE).

RESPONSE: As mentioned previously, the data contained in the Applicant's Joint Annual Report for 2012 is inaccurate and will be amended with the Office of Health Statistics. The correct staffing numbers are provided in the Applicant's First Supplemental Responses, which is reproduced in *Attachment 8* for your convenience.

9. **Section C, Orderly Development, Item 7**

The clarification of the applicant's statement that it has not been cited for any deficiencies is noted. In reviewing the documentation for the May 2013 survey and the October 2013 complaint survey, what additional documentation in the form of an acceptance letter or resurvey by TDH is available to confirm that all deficiencies were corrected and substantial compliance was achieved?

RESPONSE: Please see *Attachment 9(a)*.

With respect to the most recent TDH survey on May 29, 2014, the June 10, 2014 letter from the TDH regional Administrator notes several key dates pertaining to achieving substantial compliance with Medicare and Medicaid Conditions of Participation, e.g. July 14, 2014, August 30, 2014 and November 30, 2014. What developments with compliance have occurred following the meeting between the applicant and TDH on July 23, 2014 to discuss changes to the applicant's plan of correction? Please discuss in further detail.

RESPONSE: Please see *Attachment 9(b)* for sample audits conducted to achieve substantial compliance. Audits were initiated in June 2014. Initial audits with a compliance date of July 14, 2014, have been completed. On July 23, 2014, the Applicant was contacted by the TDH and notified that changes to the Applicant's survey response letter were required in order to meet compliance. Changes were made to the survey response letter and the updated letter was sent to the TDH on July 24, 2014, a copy of which was enclosed as Attachment 18(b) of the First Set of Supplemental Responses. The Applicant is now waiting for the TDH to accept its updated plan of correction.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is September 18, 2014. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be

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submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

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

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

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

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Jeff Grimm
Health Services Examiner

Enclosure/PJG

SUPPLEMENTAL #2

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08:40 am

AFFIDAVIT

SUPPLEMENTAL #2
July 31, 2014
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AFFIDAVIT

STATE OF ~~TENNESSEE~~ South Dakota

COUNTY OF Minnehaha

NAME OF FACILITY: Good Samaritan Society - Fairfield Glade

I, Raye Nae Nylander, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Raye Nae Nylander
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 31st day of July, 2014, witness my hand at office in the County of Minnehaha, State of ~~Tennessee~~ South Dakota.

Jane Muth Vequist
NOTARY PUBLIC

My commission expires 6-15-15, _____.

HF-0043

Revised 7/02

JANE MUTH VEQUIST
NOTARY PUBLIC
SOUTH DAKOTA
SEAL

SUPPLEMENTAL #2

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ATTACHMENT 1

Replacement Page 8 of First Set of Supplemental Responses

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Cumberland County Nursing Home Utilization-2012

Name	Lic. Beds	Beds-MCARE only-certified	Beds-Dually Certified	Beds Level 1 certified MCAID	Licensed Only Beds Non-Certified	SNF MCARE ADC	Level 2 MCAID ADC	skilled All other Payors ADC	Non-skilled ADC	Total ADC
Fairfield Glade	30	0	30	0	0	13.6	0	10.9	0	24.5
Life Care	122	0	122	0	0	19.0	55.2	15.1	0	89.3
Wyndridge	157	0	157	0	0	19.7	.52	.40	113.03	133.65
Wharton	62	0	62	0	0	0	0	0	58.3	58.3
Total	371	0	371	0	0	52.3	55.72	26.4	171.33	305.75

Source: Nursing Home JAR, 2012 (legend: Medicare=MCARE; Tenncare/Medicaid=MCAID)

Cumberland County Nursing Home Utilization Trends-2010-2012

Facility	Licensed Beds	2010 Patient Days	2011 Patient Days	2012 Patient Days	'10- '12 % change	2010 % Occupancy	2011 % Occupancy	2012 % Occupancy
Fairfield Glade	30	N/A	434	8,930	+1957.6%	N/A	4.0%	81.6%
Life Care	122	29,279	31,127	32,604	+11.36%	65.8%	69.9%	73.2%
Wyndridge	157	51,403	49,980	48,787	-5.01%	89.7%	87.2%	85.1%
Wharton	62	22,138	22,241	21,264	-3.95%	97.8%	98.28%	93.96%
Total	371	102,820	103,782	111,585	+8.52%	82.6%	76.64%	82.4%

Source: Nursing Home JAR, 2010-2012

Service Area Patient Accommodation Mix-2012 JAR

Nursing Home	Licensed Beds	Total Private Beds	Total Semi-Private Beds	Total Companion Beds	Ward Beds
Fairfield Glade	30	30	0	0	0
Life Care	122	8	114	0	0
Wyndridge	157	9	148	0	0
Wharton	62	26	36	0	0
Service Area Totals	**371**	**73**	**298**	**0**	**0**

Source: Nursing Home JAR, 2012

8. Section C, Need, Item 6.

Your response to this item is noted.

Review of the 2012 Joint Annual report revealed admissions by source as follows: hospital 165; home 18; assisted living 2 and transfers from other NF 2. Based on the apartments and assisted living units being added on the campus in conjunction with this nursing home project, one might expect admissions from those sources to increase. On the other hand, hospital referrals may remain at historical levels of 90% based on the projected nursing home bed need. Please discuss the changes to the nursing home's sources of patient admissions that are anticipated as a result of the project.

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ATTACHMENT 3

Replacement Page 37 of Original Application

2. Identify the funding sources for this project.

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

   X___ 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;

   X___ 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.

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

   RESPONSE: The source of funding for the proposed project will be a combination of a commercial loan, tax-exempt bonds, and cash reserves. Please see *Attachment Section C: Economic Feasibility – 2* for documentation from the commercial lender, bond underwriter, and ELGSS's Chief Financial Officer.

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

   RESPONSE: The total estimated project cost is $6,520,495.50. Construction costs are $4,092,145, or 62.8% of total cost. The construction cost is $149.86 per square foot. As reflected in the table below, the new construction cost is well below the 1st quartile of $164.57 per square foot for statewide nursing home construction projects from 2010 to 2012.

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ATTACHMENT 5(a)

Revised Replacement Page 38 of Original Application

Statewide Nursing Home Construction Cost Per Square Foot
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.	$166.57/sq. ft.
3rd Quartile	$55.00/sq. ft.	$181.72/sq. ft.	$167.61/sq. ft.

Source: HSDA Applicant's Toolbox

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

   RESPONSE: Please see *Attachment C. Economic Feasibility – 4*. Historical and Projected Data Charts.

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

   RESPONSE: The project's average gross charge, average deduction from operating revenue, and average net charge are as follows:

	Additional 30 Beds Only		Total 60 Bed Project	
	2016	**2017**	**2016**	**2017**
Average Gross Charge	$590.09	$597.77	$588.09	$587.77
Average Deduction	$257.46	$258.49	$255.34	$248.36
Average Net Charge	$332.63	$339.28	$332.75	$339.41

6. 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.

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ATTACHMENT 5(b)

Revised Projected Data Charts

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*Total 60-bed facility projections

PROJECTED DATA CHART

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

		Year 2016	Year 2017
A. Utilization Data (Specify unit of measure)	Average residents per day	45	48
B. Revenue from Services to Patients			
1. Inpatient Services		$9,659,378	$ 10,297,730
2. Outpatient Services		$330,000	$336,600
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		$ 9,989,378	$ 10,634,330
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$ 4,200,000	$ 4,350,000
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		$ 4,200,000	$ 4,350,000
NET OPERATING REVENUE		$ 5,789,378	$ 6,284,330
D. Operating Expenses			
1. Salaries and Wages		$ 2,680,805	$ 2,734,421
2. Physician's Salaries and Wages			
3. Supplies		$2,405,010	$2,606,663
4. Taxes			
5. Depreciation		$439,697	$439,697
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$232,000	$232,000
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		$ 5,757,512	$ 6,012,781
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		$ 31,866	$ 271,549
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$371,731	$364,971
Total Capital Expenditures		$ 371,731	$ 364,971
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ (339,865)	$ (93,422)

*30 Bed Project Only

SUPPLEMENTAL #2

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PROJECTED DATA CHART

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

		Year 2016	Year 2017
A. Utilization Data (Specify unit of measure)	Average residents per day	22.5	24
B. Revenue from Services to Patients			
1. Inpatient Services		$ 4,813,807	$ 5,276,115
2. Outpatient Services		$200,000	$204,000
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		$ 5,013,807	$ 5,480,115
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$ 2,100,000	$ 2,400,000
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		$ 2,100,000	$ 2,400,000
NET OPERATING REVENUE		$ 2,913,807	$ 3,080,115
D. Operating Expenses			
1. Salaries and Wages		$ 1,400,000	$ 1,428,000
2. Physician's Salaries and Wages			
3. Supplies		$947,198	$1,012,432
4. Taxes			
5. Depreciation		$164,090	$164,090
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$116,552	$116,552
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		$ 2,627,840	$ 2,721,074
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		$ 285,966	$ 359,041
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$245,372	$242,112
Total Capital Expenditures		$ 245,372	$ 242,112
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ 40,594	$ 116,929

*30 Bed Project Only

SUPPLEMENTAL #2
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PROJECTED DATA CHART

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

		Year 2018	Year
A. Utilization Data (Specify unit of measure)	Average residents per day	25.5	
B. Revenue from Services to Patients			
1. Inpatient Services		$ 5,609,419	$
2. Outpatient Services		$343,332	
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		**$ 5,952,751**	**$**
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$ 2,400,000	$
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		**$ 2,400,000**	**$**
NET OPERATING REVENUE		**$ 3,552,751**	**$**
D. Operating Expenses			
1. Salaries and Wages		$ 1,428,000	$
2. Physician's Salaries and Wages			
3. Supplies		$1,032,681	
4. Taxes			
5. Depreciation		$164,090	
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$238,110	
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		**$ 2,862,881**	**$**
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		**$ 689,870**	**$**
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$238,657	
Total Capital Expenditures		**$ 238,657**	**$**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		**$ 451,213**	**$**

*Total 60 Bed Facility

SUPPLEMENTAL #2

July 31, 2014
08:40 am

PROJECTED DATA CHART

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

		Year 2018	Year _____
A. Utilization Data (Specify unit of measure)	Average residents per day	51	
B. Revenue from Services to Patients			
1. Inpatient Services		$ 10,937,243	$
2. Outpatient Services		$343,332	
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		**$ 11,280,575**	**$**
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$ 4,500,000	$
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		**$ 4,500,000**	**$**
NET OPERATING REVENUE		**$ 6,780,575**	**$**
D. Operating Expenses			
1. Salaries and Wages		$ 2,789,109	$
2. Physician's Salaries and Wages			
3. Supplies		$2,612,123	
4. Taxes			
5. Depreciation		$439,697	
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$271,223	
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		**$ 6,112,443**	**$**
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		**$ 668,423**	**$**
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$357,816	
Total Capital Expenditures		**$ 357,816**	**$**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		**$ 310,607**	**$**

SUPPLEMENTAL #2

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08:40 am

ATTACHMENT 6

Letters from Commercial Lender and Bond Underwriter

SUPPLEMENTAL #2
July 31, 2014
08:40

usbank

All of us serving you

141 North Main Avenue
P.O. Box 5308
Sioux Falls, SD 57117-5308
605.339.8610
605.339.8645 fax

July 30, 2014

State of Tennessee
Health Services and Development Agency
RE: Certificate of Need Application
Good Samaritan Society – Fairfield Glade

To Whom It May Concern:

U.S. Bank National Association ("U.S. Bank") is pleased to inform you that The Evangelical Lutheran Good Samaritan Society (the "Society") has been a well-standing banking client since 1995. The Society maintains a committed Revolving Line of Credit with U.S. Bank in the amount of $85 million with an existing maturity date of January 15, 2015. This line is renewed annually and we anticipate renewing the $85 million commitment for another year upon maturity. The revolving line is available for bridge financing various capital projects, pending tax-exempt permanent financing, including the construction of the Good Samaritan Fairfield Glade project.

If you have any questions, please feel free to contact me at 605-333-3828.

Yours very truly,

Marie Fredrickson
Senior Vice President
Relationship Manager

Disclaimer - The content of this letter is only intended for use by the State of Tennessee Health Services and Development Agency and shall not be copied or forwarded to any other party without the express written consent of U.S. Bank

SUPPLEMENTAL #2
July 31, 2014
08:40 am

July 30, 2014

Jeff Grimm
Health Services Examiner
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Mr. Grimm:

This letter is written pursuant to item 6 of a letter dated 7/30/14 from the State of Tennessee Health Services & Development Agency.

The Evangelical Lutheran Good Samaritan Society (the "Society") has applied for 30 skilled beds for the Fairfield Glade facility. It is anticipated that the Society will use the Colorado Health Facilities Authority ("COHFA") as its bond issuer for tax-exempt bonds issued to finance such beds.

COHFA has been issuing bonds on behalf of the Society for 15 years. As one of the few long term care system to be rated by a nationally recognized national agency, it is one of the strongest long term care systems in the country. The Society is a borrower in good standing with COHFA, meeting all payment and reporting requirements in a very timely fashion. While every decision to issue tax-exempt bonds rests with the COHFA Board, they have agreed to issue each of the 11 Society bond issues presented to them to date, totally over $764 million, and there is no reason to believe they will not continue to do so for the Society, absent any materially adverse change in its credit rating, which is not anticipated.

Thank you for your consideration of the Society's request. Please do not hesitate to contact me should you have any additional questions.

Very truly yours,

Corinne M. Johnson
Executive Director

CMJ/peb

3033 East 1st Avenue, Suite 301 • Denver, Colorado 80206
303.321.2112 • FAX: 303.321.4493 • E-mail: info@cohfa.org

SUPPLEMENTAL #2
July 31, 2014
08:40 am

ATTACHMENT 8

Staffing Numbers from First Set of Supplemental Responses

SUPPLEMENTAL #2

July 31, 2014
08:40 am

FTE Staff Schedule

Department	Description	Existing 30-Beds FTE's/Week	Added 30-Beds Hours/Week	Total 60-Beds Hours/Week	Current Pay/Hour (1)	Anticipated Pay/Hour (2)
Administration	Administrator	0.475	0.325	0.8	$ 36.05	$ 38.25
	HR Director	0.65	0.1	0.75	$ 19.50	$ 20.69
	Administrative Secretary	0.25	0.5	0.75	$ 11.99	$ 12.72
	Office Manager	0.35	0.275	0.625	$ 16.82	$ 17.84
	Staff Development	0.5	0.4	0.9	$ 19.99	$ 21.21
	Chaplain (Volunteers)	0	0	0	$ -	$ -
Marketing	Marketing Director	0.025	0.1	0.125	$ 23.07	$ 24.47
	Marketing Coordinator	0.1	0.05	0.15	$ 27.27	$ 28.93
Nursing	Staff Scheduler	0	0.5	0.5	$ 18.47	$ 19.59
	Director of Nursing	1	0	1	$ 31.25	$ 33.15
	MDS Coordinator	1.075	0.925	2	$ 27.60	$ 29.28
	Charge Nurse LPN	7.725	0.95	8.675	$ 18.47	$ 19.59
	Charge Nurse RN	2.825	5.925	8.75	$ 26.13	$ 27.72
	Certified Nursing Assistant	6.675	14.825	21.5	$ 10.06	$ 10.67
	Restorative Nursing Aide	1.775	0	1.775	$ 10.33	$ 10.96
	Driver	0.5	0.25	0.75	$ 9.50	$ 10.08
Health Information	Director of HIM	1	0	1	$ 17.71	$ 18.79
	Unit Health Information	0	0	0	$ 12.85	$ 13.63
Activities	Activity Director	0.925	0.575	1.5	$ 12.84	$ 13.62
Social Services	Director of Social Services	1	0	1	$ 16.82	$ 17.84
	Admissions Coordinator	1.4	0.1	1.5	$ 22.21	$ 23.56
Laundry	Laundry Asst/Trans Duty	1.25	0.75	2	$ 10.06	$ 10.67
Housekeeping	Housekeeping Assistant	0.75	0.75	1.5	$ 9.66	$ 10.25
Dietary	Director of Dietary	0.475	0	0.475	$ 23.76	$ 25.21
	Dietary Supervisor	0.3	0.7	1	$ 14.45	$ 15.33
	Dietician	0.175	0.125	0.3	$ 50.00	$ 53.05
	Dietary Assistant	3.375	0	3.375	$ 9.31	$ 9.88
	Dishwasher	0.275	0.225	0.5	$ 8.65	$ 9.18
Operations/Maintenance	Director of Environmental	0.175	0.025	0.2	$ 22.97	$ 24.37
	Environmental Assistant	0.05	0	0.05	$ 9.01	$ 9.56
	Maintenance Tech	0.35	0.25	0.6	$ 13.01	$ 13.80
Resource Development	Resource Devel. Staff	0.05	0.05	0.1	$ 24.03	$ 25.49
	Totals	35.475	28.675	64.15		

(1) Current Pay/Hour From May Labor Analysis - Ending 5/31/14

(2) Anticipated Pay/Hour Determined by Adding a 3% Pay Increase for 2015 and 2106 (with 2016 as the year of opening the new beds)

SUPPLEMENTAL #2

July 31, 2014
08:40 am

ATTACHMENT 9(a)

Acceptance Letters for May 2013 and October 2013 Surveys

SUPPLEMENTAL #2
July 31, 2014
08:40 am

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

July 23, 2013

Mr. Adrian Farmer, Administrator
Good Samaritan Society – Fairfield Glade
100 Samaritan Way
Crossville TN 38558

Re: 44-5506

Dear Mr. Farmer:

The East Tennessee Regional Office of Health Care Facilities conducted a Health and Life Safety recertification survey/complaint investigation on May 28 -30, 2013. An on-site revisit and review of the facilities plan of correction for the deficiencies cited as a result of the survey/investigation was conducted on July 16, 2013. Based on the on-site revisit, we are accepting your plan of correction and your facility is in compliance with all participation requirements as of July 14, 2013.

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

Sincerely,

Karen Kirby/afl

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

KK:afl TN00031384

SUPPLEMENTAL #2

July 31, 2014
08:40 am

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
7175 STRAWBERRY PLAINS PIKE
KNOXVILLE TN 37914
PHONE: 865-594-0669 FAX: 865-594-5739

January 28, 2014

Mr. Gene Wockenfuss, Administrator
Good Samaritan Society - Fairfield Glade
100 Samaritan Way
Crossville TN 38558

RE: 44-5506

Dear Mr. Wockenfuss:

The East Tennessee Region of Health Care Facilities conducted a complaint investigation on October 10-21, 2013. A desk review was conducted, based on that review; we are accepting your plan of correction and are assuming that your facility is in compliance with all participation requirements as of December 5, 2013.

If you have any questions, please contact the East Tennessee Regional Office by phone: 865-588-5656 or by fax: 865-594-5739.

Sincerely.

Karen B. Kirby/kg

Karen B. Kirby, RN
Regional Administrator
East TN Health Care Facilities

KK: kg

TN00032059, TN00032622

ATTACHMENT 9(b)

Sample Audits to Achieve Substantial Compliance in Connection with May 2009 Survey

SUPPLEMENTAL #2
July 31, 2014
08:40 am

RTA audits

Calendar for June 2014 (United States)

June

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23 50.00 OK. DL.	24 50.00 OK. DL.	25 50.00 OK DL.	26 50.00 OK. DL.	27 50.00 OK. DL.	28 5
29	30 50.00 OK DL					

Phases of the moon: 5:◐ 13:○ 19:◑ 27:●

Holidays and Observances: 15: Fathers' Day

Calendar generated on www.timeanddate.com/calendar

Dana Lee 6/30/14

SUPPLEMENTAL #2
July 31, 2014
08:40 am

AUDIT
F-283

Creation Instructions: List each item to be included in the audit in the first column. If there is a corresponding F-tag that relates to the items, write the F-tag in the second column. The person completing the audit will be responsible to determine if the item is present/completed and then to place check mark in the "Yes" or "No" column. Additional comments can be added to explain the reasoning for the answer.

Name of Person Completing Audit: _____ **Date Audit Completed:** _____

Completion Instructions: COMPLETION OF DISCHARGE ENTRY IN PCC. IN LEFT HAND COLUMN PUT RESIDENT NAME AND DATE COMPLETED. IN RIGHT HAND COLUMN PUT WHAT PIECE HAS NOT BEEN COMPLETED IF APPLICABLE. ONLY MARK YES IN MIDDLE COLUMN IF IT IS COMPLETED.

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Next Steps: After the completion of the audit, the results should be summarized using the ***Quality Audit Report*** form in the **QUALITY MANUAL**. The completed ***Quality Audit Report*** form should be presented to the Quality Committee.

SUPPLEMENTAL #2

July 31, 2014
08:40 am

CARE PLANS AUDIT

Yes-No-N/A

RESIDENT	ADL'S	DEMENTIA	FALLS	COUMADIN	MOBILITY	DIETARY	ACTIVITY	KARDEX

SUPPLEMENTAL #2
July 31, 2014
08:40 am

AUDIT
F-282

Creation Instructions: List each item to be included in the audit in the first column. If there is a corresponding F-tag that relates to the items, write the F-tag in the second column. The person completing the audit will be responsible to determine if the item is present/completed and then to place check mark in the "Yes" or "No" column. Additional comments can be added to explain the reasoning for the answer.

Name of Person Completing Audit: _____ **Date Audit Completed:** _____

Completion Instructions: OBSERVATION OF CNA TRANSFERS: CORRECT USE OF LIFT OR OTHER TRANSFER METHOD R/T CAREPLAN INTERVENTION

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Next Steps: After the completion of the audit, the results should be summarized using the ***Quality Audit Report*** form in the **QUALITY MANUAL**. The completed ***Quality Audit Report*** form should be presented to the Quality Committee.

SUPPLEMENTAL #2
July 31, 2014
08:40 am

THE EVANGELICAL LUTHERAN Good Samaritan Society
In Christ's Love, Everyone Is Someone

AUDIT
F-226 Comment/Concern and Incident Reports/Investigations

Creation Instructions: List each item to be included in the audit in the first column. If there is a corresponding F-tag that relates to the items, write the F-tag in the second column. The person completing the audit will be responsible to determine if the item is present/completed and then to place check mark in the "Yes" or "No" column. Additional comments can be added to explain the reasoning for the answer.

Name of Person Completing Audit: _____ **Date Audit Completed:** _____

Completion Instructions: AUDIT FOR COMPLETION OF ALL COMMENT/CONCERNS & INCIDENT REPORTS LEADING TO INVESTIGATION FOR COMPLETENESS. PUT THE RESIDENT NAME IN RIGHT HAND COLUMN. MARK YES ONLY IF INVESTIGATION IS COMPLETED TIMELY AND PUT FINDINGS IN LEFT HAND COLUMN.

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Next Steps: After the completion of the audit, the results should be summarized using the ***Quality Audit Report*** form in the **QUALITY MANUAL**. The completed ***Quality Audit Report*** form should be presented to the Quality Committee.

SUPPLEMENTAL #2
July 31, 2014
08:40 am

AUDIT
F-166 Complete Investigation of Grievances

Creation Instructions: List each item to be included in the audit in the first column. If there is a corresponding F-tag that relates to the items, write the F-tag in the second column. The person completing the audit will be responsible to determine if the item is present/completed and then to place check mark in the "Yes" or "No" column. Additional comments can be added to explain the reasoning for the answer.

Name of Person Completing Audit: _____ **Date Audit Completed:** _____

Completion Instructions: AUDIT ALL GRIEVANCES TO FIND PROMPT RESOLUTION THROUGH THOROUGH INVESTIGATION. MARK YES ONLY IF GRIEVANCE IS RESOLVED AND INVESTIGATION IS COMPLETED. PUT RESIDENTS NAME IN RIGHT COLUMN AND ALL CONCERNS NOT YET RESOLVED IN LEFT COLUMN. THIS AUDIT IS TO SHOW COMPLETE INVESTIGATION FOR RESOLUTION.

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Next Steps: After the completion of the audit, the results should be summarized using the ***Quality Audit Report*** form in the QUALITY MANUAL. The completed ***Quality Audit Report*** form should be presented to the Quality Committee.

THE EVANGELICAL LUTHERAN Good Samaritan Society
In Christ's Love, Everyone Is Someone

AUDIT
CNA Transfer Audit

Creation Instructions: List each item to be included in the audit in the first column. If there is a corresponding F-tag that relates to the items, write the F-tag in the second column. The person completing the audit will be responsible to determine if the item is present/completed and then to place check mark in the "Yes" or "No" column. Additional comments can be added to explain the reasoning for the answer.

Name of Person Completing Audit: _____ **Date Audit Completed:** _____

Completion Instructions: SUPERVISE RESIDENT TRANSFER AND VERIFICATION OF FOLLOWING CARE PLAN

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Next Steps: After the completion of the audit, the results should be summarized using the ***Quality Audit Report*** form in the QUALITY MANUAL. The completed ***Quality Audit Report*** form should be presented to the Quality Committee.

SUPPLEMENTAL #2
July 31, 2014
08:40 am

THE EVANGELICAL LUTHERAN Good Samaritan Society
In Christ's Love, Everyone Is Someone

AUDIT
Resident Council Meeting Minutes

Creation Instructions: List each item to be included in the audit in the first column. If there is a corresponding F-tag that relates to the items, write the F-tag in the second column. The person completing the audit will be responsible to determine if the item is present/completed and then to place check mark in the "Yes" or "No" column. Additional comments can be added to explain the reasoning for the answer.

Name of Person Completing Audit: _____ **Date Audit Completed:** _____

Completion Instructions: AUDIT CONDUCTED ON RESIDENT COUNCIL MEETING MINUTES FOR COMPLETION OF INVESTIGATION.

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Next Steps: After the completion of the audit, the results should be summarized using the ***Quality Audit Report*** form in the QUALITY MANUAL. The completed ***Quality Audit Report*** form should be presented to the Quality Committee.

SUPPLEMENTAL #2
July 31, 2014
08:40 am

THE EVANGELICAL LUTHERAN Good Samaritan Society
In Christ's Love, Everyone Is Someone

AUDIT
Suggestions, Concerns & Incident Reports

Creation Instructions: List each item to be included in the audit in the first column. If there is a corresponding F-tag that relates to the items, write the F-tag in the second column. The person completing the audit will be responsible to determine if the item is present/completed and then to place check mark in the "Yes" or "No" column. Additional comments can be added to explain the reasoning for the answer.

Name of Person Completing Audit: _____ **Date Audit Completed:** _____

Completion Instructions: AUDIT CONDUCTED ON SUGGESTIONS & CONCERN FORMS, AND INCIDENT REPORTS FOR INVESTIGATION COMPLETION.

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Next Steps: After the completion of the audit, the results should be summarized using the ***Quality Audit Report*** form in the QUALITY MANUAL. The completed ***Quality Audit Report*** form should be presented to the Quality Committee.

SUPPLEMENTAL #2
July 31, 2014
08:40 am

SUPPLEMENTAL - #1
-COPY-

Good Samaritan Society – Fairfield Glade

CN1407-031

SUPPLEMENTAL #1
July 24, 2014
4:27 pm

BRADLEY ARANT BOULT CUMMINGS LLP

Michael D. Brent
(615) 252-2361
Fax: (615) 252-6361
Email: mbrent@babc.com

July 24, 2014

VIA HAND DELIVERY
Mr. Jeff Grimm
HSDA Examiner
Tennessee Health Services and Development Agency
9th Floor, 502 Deaderick Street
Nashville, Tennessee 37243

Re: Responses to First Set of Supplemental Requests: Good Samaritan Society – Fairfield Glade (CN1407-031)

Dear Jeff:

In response to your emailed request for clarifying information and revised pages, please find enclosed Good Samaritan Society – Fairfield Glade's responses to the requested information. Accompanying this letter are an original and two copies of the supplemental responses, along with the supplemental affidavit.

If you or the HSDA staff have any questions or require further information, please contact me.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS

Michael D. Brent

cc: Greg Amble, Evangelical Lutheran Good Samaritan Society

SUPPLEMENTAL #1

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

July 24, 2014
4:27 pm

July 24, 2014

Mr. Michael D. Brent, Attorney
Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203
RE: Certificate of Need Application CN1407-031
Good Samaritan Society-Fairfield Glade

Dear Mr. Brent:

This will acknowledge our July 14, 2014 receipt of your application for a Certificate of Need for the addition of 30 Medicare and Tenncare dually certified beds to its existing 30 bed nursing home facility for a total of 60 beds. These beds are subject to the 125 Nursing Home Bed Pool for 2014-2015.

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

Please submit responses in triplicate by 12:00 p.m., Monday, July 28, 2014. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

---

1. **Section A, Applicant Profile, Item 12**

   Your response pertaining to participation in Tenncare is note. However, statements in the Letter of Intent and other sections of the application appear to omit any reference to the existing and additional beds being dually certified for participation in Medicare and Tenncare/Medicaid (see LOI and pages 14, 19 and 39 of the application). Given the response provided to this item, please confirm that the nursing homes existing beds and proposed beds will be dually certified for participation in the Medicare and Tenncare/Medicaid programs.

   Note: if confirmed, the applicant should revise the statements in the referenced pages & elsewhere in the application as needed. If not correct, please explain.

   RESPONSE: Because the Applicant's facility is TennCare/Medicaid certified, it is correct that all beds in the facility will be certified for participation in the Medicaid program. Any applicant for new nursing home beds must apply for a certificate of need for those beds under the provisions of Section 68-11-1622 of the Tennessee Code Annotated (the "Code"). Subsection 68-11-1622(a) of the Code requires that the beds applied for "be certified as Medicare skilled nursing facility (SNF) beds." As noted in the application, the facility will certify these beds for participation in the

Medicare program as SNF beds. However, because of the decision in Linton v. Commissioner of Health & Environment, 973 F.2d 1311 (6th Cir. 1992), a facility that participates in TennCare/Medicaid must certify all of its beds for TennCare/Medicaid. This is often referred to as the "one in, all in" rule. Because of the operation of this requirement, the requested beds additionally will be certified for Medicaid participation by operation of the "one in, all in" rule. Please find revised replacement pages for page 14, 17, 19, and 39 of the original application included as *Attachment 1*.

2. **Section B, Project Description, Item 1 and Item II.A**

Your response is noted. On page 14 the applicant states that the larger Southern Wing will include a new rehabilitation area on the ground level and a new 20-private room nursing unit on the 1st Floor of the wing. Review of the floor plans for the ground floor, revealed a new rehab area and a new Skilled Nursing North Connector addition with 10 private patient rooms. It appears that the rehab addition is a stand-alone area not connected to the building. Please clarify how nursing home residents in other areas of the building will have access to the rehab area.

RESPONSE: The previously-submitted Ground Level Plan reflects a small square marked with an X on the far right side of the space marked "Rehabilitation Ground Level." The X represents an elevator that will connect both the existing and proposed skilled nursing beds located on the first floor to the ground level rehabilitation addition. The previously-submitted First Level Plan also reflects an X where the elevator connect to the southern wing of the first floor addition.

Review of the Square Footage Chart revealed a new construction cost of $5,716,107 in lieu of the $4,092,145 ($149/SF) entered on line A.5 of the project Costs Chart on page 36 of the application. What does the $5,716,107.00 consist of? In your response, please also clarify why the "true" cost of the new construction ($4.1 million or $149/SF as confirmed by the project architect) was not used in the Square Footage Chart.

RESPONSE: The Applicant erroneously included the architectural and engineering fees, legal and administrative fees, site preparation costs, contingency fund, fixed equipment costs, and sewer and water access fees listed in the Project Costs Chart in addition to the $4,092,145 new construction cost. A replacement page for the Square Footage Chart is included as *Attachment 2*.

The "Rehabilitation Area" on the ground floor is depicted in the attachments containing the floor plans of the proposed new additions. However, no mention of this area is made in the Square Footage Chart. Please clarify.

RESPONSE: Please see the replacement Square Footage Chart included as *Attachment 2*, which has been revised to clarify that the Rehabilitation Area space on the ground floor is comprised of 4,930 square feet and included in the "Outpatient Services" unit.

SUPPLEMENTAL #1
July 24, 2014
4:27 pm

3. **Section B, Project Description, Item II.C-Long Term Care Services**

The table showing the nursing home's "deflection activity" for the most recent 12-month period is noted. It appears that denials based on unavailable beds accounted for approximately 41% of total referrals during this time. This information is helpful to HSDA staff review of the proposal as it appears to significantly reinforce the applicant's proposal for additional beds using the population-based bed need formula in Section C, Need, Item 1 (project specific standards). However, a few questions arise:

(a) has the applicant contacted other existing nursing homes in Cumberland County for similar data to help further illustrate the need for additional beds in the county? If so, how does their history of "deflection" compare? Please clarify.

RESPONSE: The Applicant acknowledges that two of the existing nursing homes in Cumberland County maintain less than a 90% occupancy rate and may not experience deflections to the extent that the Applicant does. However, per the Applicant's conversations with the Wyndridge and Life Care facilities, both facilities confirmed that they often place only one patient in a semi-private room with two beds, and then leave the other bed empty, to provide that patient with the privacy of a private room. This practice essentially converts semi-private rooms into private rooms without decreasing the licensed bed count as is common for older facilities, which may account for the lower occupancy rate. In addition, the occupancy rates may also be lower as a result of patient choice in selecting updated facilities or facilities that are closer to home. On the other hand, Wharton Nursing Home, the other CCRC in Cumberland County, maintains a greater than 90% occupancy rate and, per the Applicant's conversation with their admissions coordinator, experiences a 50% deflection rate based on bed unavailability.

(b) there are two columns in the table – one showing total denials and the other showing denials due to bed unavailability. What factors are included in the "total denials" column?

RESPONSE: In addition to bed unavailability, the vast majority of "other denials" are due to clinical reasons, insurance coverage, patient choice of another facility or choice to go home, and financial reasons.

(c) the difference between 357 total referrals and 222 total denials is approximately 135. It appears that this amount represents 135 admissions during the 12-month period. This amount seems to be significantly lower compared to the nursing home's admissions 189 total admissions during the 2012 JAR period (Jan, 2012-Dec 2012). Please explain.

RESPONSE: The Applicant's actual admissions for August 2013 through June 2013 total 111 because the deflection chart reflects patient referrals only, not the actual number of admissions to the facility. This lower admission total is due in part to the fact that the deflection activity table only reflects data from August 2013 through June 2014, not an entire year as reflected in JAR data. However, the greatest cause of the lower number of admissions is that the facility's average length of stay has increased significantly. From August 2013 through June 2014, the facility had 9,627 patient days and 111 admissions for an average length of stay of approximately 87 days as

SUPPLEMENTAL #1
July 24, 2014
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compared to only a 47 day average length of stay in 2012. The Applicant currently has 19 residents that have been at the facility for more than 50 days, with 17 of those 19 resident at over 120 days. Moreover, as the Applicant has noted previously, the information set forth in the Applicant's 2012 JAR is inaccurate, which may also account for the large difference between calendar year 2012 and August 2013 to June 2014. Please note that the Applicant has contacted the Office of Health Statistics to amend its 2012 JAR.

4. **Section B, Project Description, Item IV (Floor Plans)**

The floor plan labeled as "First Level Plan – Phase 2" shows 30 CON beds at 2 different wings (South and North) on the first floor. However, as noted, the applicant is showing 10 of 30 beds on the ground level "North Connector" floor plan. Please clarify.

RESPONSE: The previously-submitted First Level Plan – Phase 2 correctly shows the 30 CON beds on the first floor. However, the North Connector floor plan was mislabeled to reflect 10 of the 30 CON beds on the ground level. The floor plan has been corrected and a replacement page for the revised floor plan is included as *Attachment 4*.

Of the 10 patient rooms on the new ground floor "North Connector Addition", 8 are labeled "Unit A" and 2 are labeled "Unit B". What accounts for the difference in the rooms? Please clarify.

RESPONSE: The only difference between the rooms labeled Unit A and the rooms labeled Unit B are the physical layout of the spaces. Because the Unit B rooms are located as the building turns the corner, the layout is somewhat different from the Unit A rooms. However, there are no substantive differences between Unit A and Unit B rooms.

Please help clarify the plans provided by completing the table below (note: SF is the abbreviation for Square feet):

RESPONSE: Please see the completed chart below:

Patient Rooms by Floor – Fairfield Glade

Floor	Existing Private Rooms	Additional Rooms	Total at Completion	Total SF Patient Room Areas	Average SF per Room
Ground	0	0	0	0 SF	0 SF
1st Floor	30	30	60	15,480 SF	258 SF
2nd Floor	0	0	0	0 SF	0 SF
Other	0	0	0	0 SF	0 SF
Total	30	30	60	15,480 SF	258 SF

5. **Section C, Need, Item 1**

Special Note: given the construction of the new patient areas at a cost higher than $2,000,000, please provide responses in Section C, Need, Item 1 which provides answers to the questions on page 23 of *Tennessee's Health: Guidelines for Growth, Criteria and Standards, Edition 2000,* "Construction Renovation, Expansion and Replacement of Health Care Institutions."

RESPONSE: Please see below the criteria for Construction, Renovation, Expansion and Replacement of Health Care Institutions:

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

RESPONSE: The Applicant has included analysis of the applicable standards in the original application, addition of nursing home beds.

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.

   RESPONSE: Not applicable, the application is for the expansion of an existing licensed health care institution.

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

   RESPONSE: Not applicable, the application is for the expansion of an existing licensed health care institution.

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

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

   RESPONSE: As a CCRC, the Applicant's ability to ensure access to skilled nursing home care to those residents requiring it is vital. The Guidelines for Growth show that Cumberland County has insufficient bed availability. The current nursing bed need in Cumberland County is 668. Only 371 nursing beds are currently licensed, which results in a net bed need of 297. The Applicant's application for 30 additional beds is supported by both the current and projected need for additional nursing beds in the service area. Moreover, the Applicant consistently experiences patient deflections as a result of the increasing need for beds, turning away over 100 patients from August 2013 through June 2014 due to bed unavailability.

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

   RESPONSE: The nursing home portion of the CCRC was built and licensed for 30 beds only. In order to meet the existing demand for skilled nursing beds, the CCRC must be expanded to create space for an

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additional 30 beds in the skilled nursing facility component. Without the expansion, there is no existing space that the Applicant can use to establish the additional 30 beds. The expansion will also create a connector between the eastern and western wings of the existing skilled nursing facility to increase the residents' access to other parts of the skilled nursing facility, including the proposed area for outpatient rehabilitation.

Nursing Home Services:

Item 1: the response is noted. In light of the correct use of the population and bed formula, and the table on page 20 summarizing the nursing home's "deflection activity" related to "bed unavailability (146 denials of 357 referrals from August 2013 to June 2014) has the applicant been in contact with hospital management representatives and/or discharge planners to discuss the need for additional skilled nursing beds in Cumberland County? If so, it would be helpful to provide letters of support from same that attests to the need for more nursing home beds in the county.

RESPONSE: Please see *Attachment 5(a)*.

Item 2: Given the population data and use in the Nursing Home Bed Need formula provided in Item 1 & Attachment C, Need-1.A, the response to this item should be corrected to reflect that the there is a bed need in Cumberland County for 314 additional beds (685-371=314) in Calendar Year (CY) 2015 and 329 beds in CY2016 (700-371=329) in lieu of the amounts noted in the response by the applicant (678 and 291).

RESPONSE: Please find enclosed a replacement page 26 to correct the misstated bed need numbers at *Attachment 5(b)*.

Item 4: this standard requests data to document that the majority of the applicant's service recipients reside in the service area. Please identify the percentage of the nursing home's total admissions by Cumberland County residents in 2011, 2012 and 2013.

RESPONSE: As shown in the chart below, Cumberland County residents represent 100% of the Applicant's total admissions in 2011, 99% in 2012 and 100% in 2013.

Cumberland County Patients			
	2011	**2012**	**2013**
Cumberland County Patients	14	24**	27
% Total Admissions	100%	99%	100%

**Sources: 2011 – 2013 Joint Annual Reports; Applicant's Internal Records*

***The Applicant's 2012 incorrectly states that on the last day of the reporting period 192 residents were from Cumberland County. Based on the Applicant's records, approximately 99% of the facility's residents were from Cumberland County in 2012.*

Item5.b: the response indicating that the applicant is proposing to add 30 of 314 nursing home beds needed in Cumberland County in CY2014 is noted. However, it is interesting that 2 of 4 existing nursing homes had occupancies lower than 90% in CY2012 and CY2011 leading to an average occupancy of 84%. It seems that there would be a strong correlation between need for more beds and high occupancy rates of existing nursing homes indicating that supply is insufficient to meet demand.

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Please comment further on the reasons or factors that account for the low correlation between projected bed need and area occupancy.

RESPONSE: As previously noted, the Applicant acknowledges that two of the existing nursing homes in Cumberland County maintain less than a 90% occupancy rate. However, per the Applicant's conversations with the Wyndridge and Life Care facilities, both facilities confirmed that they often place only one patient in a semi-private room with two beds, and then leave the other bed empty, to provide that patient with the privacy of a private room. This practice essentially converts semi-private rooms into private rooms without decreasing the licensed bed count as is common for older facilities, which may account for the lower occupancy rate. In addition, the occupancy rates may also be lower as a result of patient choice in selecting updated facilities or facilities that are closer to home. On the other hand, Wharton Nursing Home, the other CCRC in Cumberland County, maintains a greater than 90% occupancy rate and, per the Applicant's conversation with their admissions coordinator, experiences a 50% deflection rate based on bed unavailability.

6. **Section C, Need, Item 3 (Service Area)**

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area.

RESPONSE: Please see the completed chart below:

Variable	*Cumberland County*	*Tennessee*
Current Year (2014), Age 65+	15,838	981,984
Projected Year (2016), Age 65+	15,852	1,042,071
Age 65+, % Change	+.088%	+6.12%
Age 65+, % Total (2016)	26.91%	15.53%
CY, Total Population	57,815	6,588,698
PY, Total Population	58,913	6,710,579
Total Pop. % Change	+.%	+.%
TennCare Enrollees (2014)	10,569	1,223,192
TennCare Enrollees as a % of Total Population	18.28%	18.565%
Median Age	48.3	38
Median Household Income	$44,453	$54,737
Population % Below Poverty Level	16.4%	17.3%

7. **Section C, Need, Item 5.**

Your response is noted. Please complete the following tables:

RESPONSE: Please see the completed tables below:

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Cumberland County Nursing Home Utilization-2012

Name	Lic. Beds	Beds-MCARE only-certified	Beds-Dually Certified	Beds Level 1 certified MCAID	Licensed Only Beds Non-Certified	SNF MCARE ADC	Level 2 MCAID ADC	skilled All other Payors ADC	Non-skilled ADC	Total ADC
Fairfield Glade	30	0	30	0	0	13.6	0	10.9	0	24.5
Life Care	122	0	122	0	0	19.0	55.2	15.1	0	89.3
Wyndridge	157	0	157	0	0	19.7	.52	.40	113.03	133.65
Wharton	62	0	62	0	0	0	0	0	58.3	58.3
Total	371	0	371	0	0	52.3	55.72	26.4	171.33	305.75

Source: Nursing Home JAR, 2012 (legend: Medicare=MCARE; Tenncare/Medicaid=MCAID)

Cumberland County Nursing Home Utilization Trends-2010-2012

Facility	Licensed Beds	2010 Patient Days	2011 Patient Days	2012 Patient Days	'10- '12 % change	2010 % Occupancy	2011 % Occupancy	2012 % Occupancy
Fairfield Glade	30	N/A	434	8,930	+1957.6%	N/A	4.0%	81.6%
Life Care	122	29,279	31,127	32,604	+11.36%	65.8%	69.9%	73.2%
Wyndridge	157	51,403	49,980	48,787	-5.01%	89.7%	87.2%	85.1%
Wharton	62	22,138	22,241	21,264	-3.95%	97.8%	98.28%	93.96%
Total	371	102,820	103,782	111,585	+8.52%	82.6%	76.64%	82.4%

Source: Nursing Home JAR, 2010-2012

Service Area Patient Accommodation Mix-2012 JAR

Nursing Home	Licensed Beds	Total Private Beds	Total Semi-Private Beds	Total Companion Beds	Ward Beds
Fairfield Glade	30	30	0	0	0
Life Care	122	8	114	0	0
Wyndridge	157	9	148	0	0
Wharton	122	26	36	0	0
Service Area Totals	**371**	**73**	**298**	**0**	**0**

Source: Nursing Home JAR, 2012

8. Section C, Need, Item 6.

Your response to this item is noted.

Review of the 2012 Joint Annual report revealed admissions by source as follows: hospital 165; home 18; assisted living 2 and transfers from other NF 2. Based on the apartments and assisted living units being added on the campus in conjunction with this nursing home project, one might expect admissions from those sources to increase. On the other hand, hospital referrals may remain at historical levels of 90% based on the projected nursing home bed need. Please discuss the changes to the nursing home's sources of patient admissions that are anticipated as a result of the project.

RESPONSE: The Applicant expects that its primary source of referrals will continue to be local hospitals. However, with the planned expansion of the senior living apartments and assisted living units if the project is approved, the Applicant expects a substantial increase in the number of residents admitted from within the CCRC.

Please complete the following tables:

RESPONSE: Please see the completed tables below:

Proposed 30 beds -Projected Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
1	30	30	10.3	0	18.1	.1	28.5	95%
2	30	30	10.3	0	18.1	.1	28.5	95%

* Includes dually-certified beds

60 Bed Facility-Projected Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
1	60	60	17.3	5.3	22.4	0	45	75%
2	60	60	18.4	5.6	24	0	48	80%

* Includes dually-certified beds

9. Section C, Economic Feasibility, Item 1 (Project Cost Chart)

The letter dated June 26, 2014 from Geoff Haskell, AIA is noted. However, please include reference to compliance with the federal, state and local construction codes, standards, specifications, and requirements that apply to the project such as the 2010 AIA Guidelines for Design and Construction of Healthcare Facilities.

RESPONSE: A replacement letter from Geoff Haskell is included as *Attachment 9*.

Since the deed provided in the application attests to the applicant's site control and 23 acres is noted in the plot plan, what accounts for the $235,000 land acquisition cost in Line B.3 of the chart? Please clarify.

RESPONSE: The Applicant has allocated the $235,000 to the project based on its acquisition cost for the property. The Applicant's initial certificate of need application for the existing 30 bed facility contained the same $235,000 allocation.

10. Section C, Economic Feasibility, Item 2 (Funding)

The response is noted. Review of the 7/11/2014 letter from the CFO of the parent company revealed that project will be financed through a combination of cash reserves and tax-exempt bonds. Reference to financing with tax exempt bonds was not indicated in line 2.B on page 37 nor mentioned in the remarks nor was the

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required documentation provided in the application from an underwriter or investment banker. Please explain.

RESPONSE: A replacement letter from ELGSS's CFO is included as *Attachment 10*.

11. Section C, Economic Feasibility, Item 3

Your response is noted. HSDA construction costs are noted in the table provided below from the "Applicant's Toolbox" on the HSDA website. Please provide a comparison of the project to same.

Nursing Home Construction Cost Per Square Foot

Years: 2011 – 2013

	Renovated Construction	New Construction	Total Construction
1st Quartile	$25.00/sq ft	$152.80/sq ft	$94.55/sq ft
Median	$55.00/sq ft	$167.31/sq ft	$152.80/sq ft
3rd Quartile	$101.00/sq ft	$176.00/sq ft	$167.61/sq ft

Source: CON approved applications for years 2011 through 2013

RESPONSE: The project's construction costs compare favorably with constructions costs of similar projects recently approved by the HSDA. As previously noted, new construction costs are $4,092,145, or 62.8% of total project cost. The construction cost is $149.86 per square foot. As reflected in the table above, the new construction cost is below the 1st quartile of $152.80 per square foot and below the $152.80 median for total construction costs for statewide nursing home construction projects from 2011 to 2013.

12. Section C, Economic Feasibility, Item 4 (Historical Data Chart)

Review of the applicant's 2012 JAR for the January 1, 2012 to December 31, 2012 reporting period revealed approximately $157,187 in net operating revenues and $460,883 in expenses (less depreciation). What accounts for the significant differences from the amounts provided in your Historical Data Chart?

RESPONSE: As noted, the Applicant's 2012 JAR is incorrect. The Applicant's Historical Data Chart is the correct statement of operating revenues and expenses. The Applicant will contact the Office of Health Statistics to correct the error in its 2012 JAR.

What is being depreciated in line D.5 of the chart for the existing 30 bed facility?

RESPONSE: In 2011 through 2013, depreciable items included the CCRC's skilled nursing facility building, assisted living facility building, cottages and senior housing units, as well as the improvements within those buildings such as sprinkler system, flooring, cabinets, doors and HVAC system within those buildings, certain furniture, fixtures, and equipment, vehicles, and landscaping. The historical data chart contains the financials of the entire CCRC, not just the skilled nursing facility.

Please verify the calculations for deductions from Gross Operating Revenue for Year 2011. If needed, please include any revisions on the historical data chart and resubmit.

RESPONSE: There were no bad debts in 2011 as this was the Applicant's first year of operation when the facility was only at four percent occupancy for the year. The amount of bad debt has increased proportionately with the increase in occupancy.

13. Section C, Economic Feasibility, Item 4 - Projected Data Chart

Please explain why the gross charge amounts in the 2 charts are different than the $426.56 provided in the response on page 38 of the application.

RESPONSE: The Applicant's response on page 38 was incorrect. Please find attached as *Attachment 13(a)* a replacement page 38 with the corrected gross charge amounts.

Why are there no provisions for charity care in the Projected Data Charts?

RESPONSE: It is not ELGSS's policy to allocate or project charity care (or charitable allowance as it is referred to by ELGSS) unless a strong need exists. Of course, the Applicant will not turn patients away for inability to pay; however, ELGSS's internal proforma approval process does not allow for projections for charitable allowance.

Please explain what is being depreciated in Line D.5 of the chart.

RESPONSE: For the 30 bed project only, the $164,090 per year in depreciation cost is calculated by dividing the $5,579,071 project cost by 34 years to reflect straight-line depreciation. For the total 60 bed facility, the $439,697 per year in depreciation reflects the $164,090 for the new 30 beds plus $275,607 per year for the existing 30 bed facility based upon projections from November 2013 internal reports.

What accounts for the $441,274 of fees to affiliates on line D.8.a? of the chart? Why is this amount approximately $190,000 higher than CY2013? Please explain.

RESPONSE: The fees to affiliates are based upon percentage of revenue and comprise the management fee and technology user fee, both of which are billed to the facility from the ELGSS corporate office as a means of revenue to offset support given to the facility from the corporate office. Based upon 2013 data, the facility averaged 28.2 residents per day and the projected data reflects an increase in residents per day by 60%. The accurate amount of fees to affiliates in the projected data chart should be $232,000.

Please find enclosed as *Attachment 13(b)* the revised Projected Data Charts, which also include a Year Three Projected Data Chart for 2018. Because ELGSS is a non-profit, they are very conservative with projections. Accordingly, the Applicant is also submitting the projections for 2018 to reflect that the project will be economically feasible at the end of Year Three to take into account its conservative occupancy projections.

14. Section C, Economic Feasibility, Item 5

The net charge of $426.56 is higher than the average gross change in the response. Please revise the amounts. In your response, please explain the difference from the gross charge amounts reflected in the 2 Projected Data Charts on page 18.a and 18.b of the application. These amounts are provided in the table below (note: the gross charge amounts are derived from inpatient gross revenues and average daily census identified in each of your Projected Data Charts).

Applicant's Average Gross Charge Amounts

Year	30 bed addition	60 bed addition
2016	$333.67	$332.75
2017	$340.35	$339.41

Note: the average gross charge is merely a calculation of the projected Gross Operating Revenue in the Projected Data Chart divided by the projected patient days. Explain the reasons for the differences in these amounts.

RESPONSE: As previously noted in Question 13, the previously-submitted calculation of average gross charge amounts was incorrect. The replacement page 38 contained in *Attachment 13(a)* is consistent with the HSDA's gross charge amount chart set forth above.

15. Section C, Economic Feasibility, Item 8

The response appears to reflect that the parent company may provide funding to cover any operational losses. Given the losses documented in the Historical Data Chart for 2012 or approximately -$355,390 after depreciation, fees to affiliates and capital, it appears that the parent company would have needed to provide support from cash reserves or capital contributions. Please briefly describe the level of support provided previously and the expectations for repayment by the applicant that might apply in future periods, if any.

RESPONSE: As of December 31, 2013, ELGSS had $23.5 million in cash and cash equivalents. However, ELGSS has an additional $441.8 million in investments that are also available to meet the financial obligations of ELGSS and its facilities, which includes the Applicant. Therefore, a total of $465.3 million of cash and investments is in reserve and available to meet any obligation of ELGSS and the Applicant.

Of the $441.8 million in investments available for any use, $379.1 million is listed in the current assets section of the December 31, 2013 audited balance sheet. The remaining amount of unencumbered investments of $62.7 million is included in the Assets Limited as to Use section of the 2013 audited balance sheet that totals $108.4 million. The $62.7 million considered available for any purpose are investments restricted by management only and may be unrestricted for any use management may determine to be best for ELGSS. Following Generally Accepted Accounting Principles results in the classification of funds that are restricted as to use by parties outside of ELGSS being combined with funds that are restricted by management even though the funds restricted by management would be available for any obligation of ELGSS, including operational losses. ELGSS pays all expenses on behalf of the Applicant. At this time, ELGSS does not expect repayment for expenses and cash support; however, leadership of the Applicant are held accountable for attaining operational excellence, which, in time, benefits the Applicant as well as ELGSS as a whole.

16. Section C. (Economic Feasibility) Item 9

Your response is noted. Although Tenncare is not noted here, page 34 of the application identifies a Medicaid payor mix averaging 5 patients per day in CY2015. Are these amounts reflected in the Projected Data Chart? If so, what is the estimated dollar amount of revenue in the first year of the project?

RESPONSE: Yes. The total estimated Medicaid revenue is $358,860 in the first year of the project (2016) for the 60-bed facility. In 2017, the estimated Medicaid revenue is $390,440.

With no Tenncare patient admissions reflected in 2014 or earlier, what accounts for the change in this project?

RESPONSE: As the facility has been up and running since 2011, the number of patients that are transitioning to TennCare will be increasing. The facility is currently working with patients that are transitioning from private pay to TennCare funds once private funds have been exhausted. At this time, the Applicant has one resident that is pending approval for TennCare benefits. The Applicant expects that the patient will receive full approval and transition to TennCare soon. In addition, there are three families that have raised the issue of transitioning to TennCare. One of the patients has applied and has a spend down. The other two patients intend to apply in 2015. Due to its charitable mission, the Applicant will not refuse accommodations to patients that transition to TennCare from other payor sources. The Applicant expects more of these transitions as the facility continues to operate.

17. Section C, Orderly Development, Item 3.

The response is noted. Review of the 2012 JAR revealed approximately 33 nursing full time equivalent positions (FTE) and 14 FTE "other health" positions for a total of 47 FTE that provided direct patient care services in 2012. Based on the staff schedule provided on page 43, it appears that there are approximately 48 FTE direct care staff for the 60 bed nursing home. Please explain why there appears to be no increase in direct care staffing?

RESPONSE: The Applicant currently has approximately 21 FTE direct care staff for the existing 30 bed facility. If approved, the Applicant will add approximately 22.7 FTE direct care staff, for a total of 43.7 FTEs as noted in the chart below:

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Department	Description	Existing 30-Beds FTE's/Week	Added 30-Beds Hours/Week	Total 60-Beds Hours/Week	Current Pay/Hour (1)	Anticipated Pay/Hour (2)
Administration	Administrator	0.475	0.325	0.8	$ 36.05	$ 38.25
	HR Director	0.65	0.1	0.75	$ 19.50	$ 20.69
	Administrative Secretary	0.25	0.5	0.75	$ 11.99	$ 12.72
	Office Manager	0.35	0.275	0.625	$ 16.82	$ 17.84
	Staff Development	0.5	0.4	0.9	$ 19.99	$ 21.21
	Chaplain (Volunteers)	0	0	0	$ -	$ -
Marketing	Marketing Director	0.025	0.1	0.125	$ 23.07	$ 24.47
	Marketing Coordinator	0.1	0.05	0.15	$ 27.27	$ 28.93
Nursing	Staff Scheduler	0	0.5	0.5	$ 18.47	$ 19.59
	Director of Nursing	1	0	1	$ 31.25	$ 33.15
	MDS Coordinator	1.075	0.925	2	$ 27.60	$ 29.28
	Charge Nurse LPN	7.725	0.95	8.675	$ 18.47	$ 19.59
	Charge Nurse RN	2.825	5.925	8.75	$ 26.13	$ 27.72
	Certified Nursing Assistant	6.675	14.825	21.5	$ 10.06	$ 10.67
	Restorative Nursing Aide	1.775	0	1.775	$ 10.33	$ 10.96
	Driver	0.5	0.25	0.75	$ 9.50	$ 10.08
Health Information	Director of HIM	1	0	1	$ 17.71	$ 18.79
	Unit Health Information	0	0	0	$ 12.85	$ 13.63
Activities	Activity Director	0.925	0.575	1.5	$ 12.84	$ 13.62
Social Services	Director of Social Services	1	0	1	$ 16.82	$ 17.84
	Admissions Coordinator	1.4	0.1	1.5	$ 22.21	$ 23.56
Laundry	Laundry Asst/Trans Duty	1.25	0.75	2	$ 10.06	$ 10.67
Housekeeping	Housekeeping Assistant	0.75	0.75	1.5	$ 9.66	$ 10.25
Dietary	Director of Dietary	0.475	0	0.475	$ 23.76	$ 25.21
	Dietary Supervisor	0.3	0.7	1	$ 14.45	$ 15.33
	Dietician	0.175	0.125	0.3	$ 50.00	$ 53.05
	Dietary Assistant	3.375	0	3.375	$ 9.31	$ 9.88
	Dishwasher	0.275	0.225	0.5	$ 8.65	$ 9.18
Operations/Maintenance	Director of Environmental	0.175	0.025	0.2	$ 22.97	$ 24.37
	Environmental Assistant	0.05	0	0.05	$ 9.01	$ 9.56
	Maintenance Tech	0.35	0.25	0.6	$ 13.01	$ 13.80
Resource Development	Resource Devel. Staff	0.05	0.05	0.1	$ 24.03	$ 25.49
	Totals	35.475	28.675	64.15		

(1) Current Pay/Hour From May Labor Analysis - Ending 5/31/14
(2) Anticipated Pay/Hour Determined by Adding a 3% Pay Increase for 2015 and 2106 (with 2016 as the year of opening the new beds)

18. Section C, Orderly Development, Item 7

The applicant states it has not been cited for any deficiencies. However, review of the Nursing Home Compare site of the Department of Health website reflects that the applicant was surveyed on May 30, 2013 with 7 deficiencies noted. Additionally, the

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site notes that a complaint survey occurred in October 2013. While the applicant's overall rating on Nursing Home Compare was "Much Above Average" (5 of 5 stars), it does appear that deficiencies were noted by TDH. Please document correction of these surveys with copy of appropriate correspondence from TDH.

RESPONSE: The Applicant apologizes for the oversight. Please see *Attachment 18(a)*, which contains all documentation related to the May 30, 2013 survey.

In addition, please also provide a copy of the applicant's most recent survey conducted by TDH on May 29, 2014, with documentation of TDH's acceptance of the nursing home's plan of correction, should any deficiencies have been noted.

RESPONSE: Please see *Attachment 18(b)*, which contains the documentation of the May 29, 2014 survey and plan of correction. Please note that the Applicant expects to receive changes to the plan of correction from TDH based upon a meeting between the Applicant and TDH on July 23, 2014. The Applicant will supplement its response to this question immediately upon receipt of the revised plan of correction from TDH.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is September 18, 2014. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. э 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.

SUPPLEMENTAL #1
July 24, 2014
4:27 pm

> Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Jeff Grimm
Health Services Examiner

Enclosure/PJG

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

AFFIDAVIT

SUPPLEMENTAL #1
July 24, 2014
4:27 pm

AFFIDAVIT

STATE OF ~~TENNESSEE~~ South Dakota

COUNTY OF Minnehaha

NAME OF FACILITY: Good Samaritan Society - Fairfield Glade

I, Raye Nae Nylander, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Raye N Nylander
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 24th day of July, 2014, witness my hand at office in the County of Minnehaha, State of ~~Tennessee~~ South Dakota

Jane Muth Vequist
NOTARY PUBLIC

My commission expires 6-15-15, _____.

JANE MUTH VEQUIST
SEAL NOTARY PUBLIC SOUTH DAKOTA SEAL

HF-0043

Revised 7/02

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 1

Replacement Pages to Reflect Applicant's Request for 30 Medicare/Medicaid-Certified Beds

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

SECTION B: PROJECT DESCRIPTION

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

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

RESPONSE:

Introduction and Background

ELGSS is a North Dakota non-profit corporation with a mission of providing supportive services to older persons and others in need, operating in that mission since approximately 1922. ELGSS operates senior housing communities and health care facilities in over 20 states, including the Applicant, Good Samaritan Society – Fairfield Glade, in Tennessee. The Applicant's service area is Cumberland County, Tennessee. ELGSS will continue to own and be the sole manager of the Applicant.

The Applicant is a Continuing Care Retirement Community ("CCRC") and its campus setting provides care ranging from independent living to assisted care living to skilled nursing. As part of the Applicant's CCRC, the skilled nursing home houses 30 dually-certified beds. This application seeks to add an additional 30 dual Medicare/Medicaid-certified beds to the Applicant's existing 30-bed facility for a total 60-bed facility if approved.

The project involves new construction to add a small northern wing and a larger southern wing to the existing skilled nursing facility wing of the CCRC. The smaller northern wing will connect two previously unconnected portions of the skilled nursing wing on the first floor level only and will house 10 of the 30 proposed private beds, as well as patient lounge and living areas and a nursing station. The larger southern wing will add a rehabilitation area on the ground level of the existing skilled nursing wing. The first floor buildout of the southern

dislocation of that individual from their friends, spouse, or church community when their health needs require additional services, or care in a residential health care facility. With the addition of 30 beds to the existing skilled nursing facility, the Applicant can ensure sufficient capacity to avoid such dislocation of individuals from the 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.

RESPONSE: The Applicant intends to add thirty (30) Medicare skilled nursing beds as a result of the proposed project. The additional nursing home beds are required to ensure the Applicant's ability to continue to meet the needs of Fairfield Glade residents with a sufficient bed supply as the population continues to grow and age. If the project is approved, the additional 30 beds will be dual Medicare/Medicaid-certified beds.

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

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

RESPONSE: The Applicant will continue to provide skilled nursing home care in its expanded facility, assuming the CON is granted, primarily to serve the residents of the Fairfield Glade Community in Cumberland County, Tennessee. The beds, which will be dually certified for participation in the Medicare and TennCare programs, will allow the facility to address an existing demand for increased access to services in Cumberland County. As a CCRC, the Applicant's ability to ensure access to skilled nursing home care to those residents requiring it is vital. The Guidelines for Growth show that Cumberland County has insufficient bed availability. The current nursing bed need in Cumberland County is 668. Only 371 nursing beds are currently licensed, which results in a net bed need of 297. The Applicant's application for 30 additional beds is supported by both the current and projected need for additional nursing beds in the service area. Moreover, the Applicant consistently experiences patient deflections as a result of the increasing need for beds. Below is a chart that reflects the Applicant's records of patient deflection acitivity since August 2013:

Applicant's Current and Proposed Charge Schedules

Payor	Current	2015	Year 1 - 2016	Year 2 - 2017
Private Pay	$218-$225	$222.36-$229.50	$226.81-$234.09	$231.34-$238.77
Medicaid	$205	$209.10	$213.28	$217.55
Medicare	$407	$415.14	$423.44	$431.91

The proposed rates reflect increases of 2% per year based on current rates.

The Applicant does not anticipate any changes to current charges as a result of the additional 30 Medicare/Medicaid-certified beds.

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

RESPONSE: Below is a chart of the charges of similar facilities in Cumberland County:

Applicant's Proposed Charges as Compared to Existing Facilities in Cumberland County

Facility	Medicare	Medicaid	Private Room	Semi-Private Room
Cumberland County Facilities				
Applicant	$407	$205	$218-$225	N/A
Life Care of Crossville	$443	$187	$210	$189
Wharton Nursing Home	$405	$210	$210	$195
Wyndridge	$243	$243	$218	$188

Sources: 2012 Joint Annual Reports; Applicant's records and correspondence with local facilities

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

RESPONSE: The Applicant is projecting an average daily census of 22.5 patients or 8,213 patient days in Year 1, for an average annual occupancy rate of 75%. The Applicant projects an average daily census of 24 patients or 8,760 patient days in Year 2, for an average annual occupancy rate of 80%. The

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 2

Square Footage Chart

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
Community Room		0								
Outpatient Services/Rehab Area		721				4,930				
Administration		2,604				959				
Circulation		3,024				7,215				
Mech/Elec/Data		231				294				
Patient Rooms		7,740				7,740				
Activity Spaces		2,490				4,903				
Clinical Support		5,144				1,265				
Circulation										
Mech/Elec/Data										
				TOTALS						
B. Unit/Depart. GSF Sub-Total										
C. Mechanical/ Electrical GSF										
D. Circulation /Structure GSF										
E. Total GSF		21,954				27,306			**$149.86**	**$4,092,145**

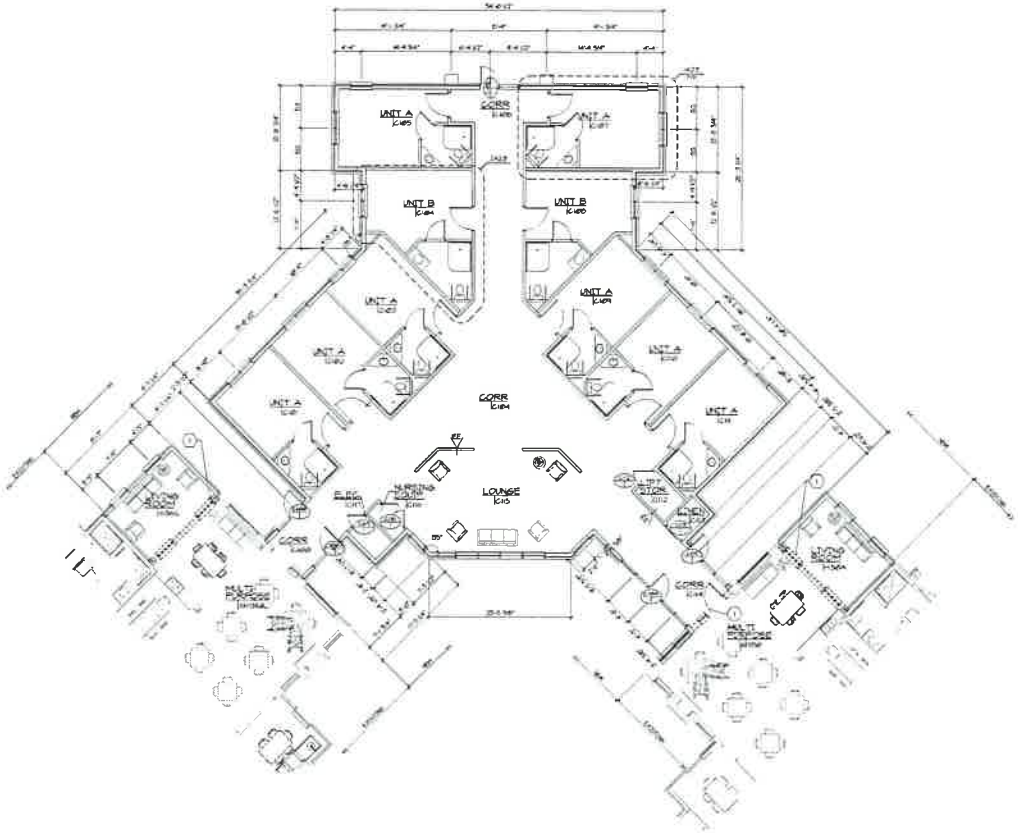
SUPPLEMENTAL #1
July 24, 2014
4:27 pm

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

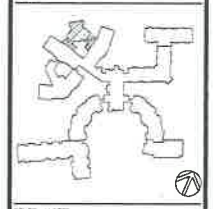
ATTACHMENT 4

Revised Floor Plan for North Connector



SKILLED NURSING NORTH CONNECTOR ADDITION FIRST FLOOR

KEYPLAN



GENERAL NOTES

DEMOLITION NOTES

1. REMOVE EXISTING CONSTRUCTION TO ACCEPT NEW BUILDING TIE-IN AS REQUIRED. REFER TO NEW WORK PLAN TO COORDINATE LIMITS OF EXISTING CONSTRUCTION TO BE REMOVED TO ACCEPT NEW WORK. REPAIR EXISTING SURROUNDING CONSTRUCTION TO MATCH ADJACENT MATERIALS AND FINISHES

PROJECT TITLE

Good Samaritan Society
Patuxent Glade

SFCS Inc. • 305 South Jefferson Street
Roanoke, Virginia 24011-2080
540.344.6664 • Fax 540.343.6825
www.sfcs.com

SUPPLEMENTAL #1
Jul 24, 2014
4:25 pm

PROJECT DESIGNER	
PROJECT ARCHITECT	JPC
PROJECT ENGINEER	
DRAWN BY	
CHECKED BY	
APPROVED BY	
NO.	REVISION DESCRIPTION

DRAWING TITLE

SKILLED NURSING NORTH CONNECTOR FIRST FLOOR PLAN

DOWN NO. 13125.00	DATE
DRAWING A1.16	SHEET ___ OF ___

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 5(a)

Letters of Support from Local Hospitals

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

COOKEVILLE REGIONAL
MEDICAL CENTER
The Proven Choice

1 Medical Center Boulevard • Cookeville, TN 38501
931.528.2541
For proven care, visit www.crmchealth.org

July 22, 2014

To Whom It May Concern:

I'm expressing support for Good Samaritan Skilled Nursing Facility to obtain additional beds. At Cookeville Regional Medical Center we frequently have patients request Good Samaritan but they cannot accept them and they have to go elsewhere.

Please feel free to call me if you have questions. My number is 931-783-2667

Sincerely,

Monika Bowman

Monika Bowman, M.A.
Social Service Coordinator
931-783-2667
Fax: 931-783-5610

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 5(b)

Replacement Page 26 for Correct Bed Need Numbers

have continued access to skilled nursing facilities that are provided in an efficient manner.

2. Guidelines for Growth Criteria - Need 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.*

RESPONSE:

According to the Tennessee Population Projections published by the Division of Health Statistics of the Tennessee Department of Health and the codified bed need formula, Cumberland County currently has and will continue to have a significant overall bed need. There are currently 371 licensed nursing home beds in Cumberland County. In 2015 and 2016, the bed need is projected to be 685 and 700 respectively, which results in a net bed need of 314 nursing home beds for 2015 and 329 nursing home beds for 2016 if the number of licensed nursing home beds remains the same.

RESPONSE:

According to the Tennessee Department of Health's health facility licensure search, there are currently 4 licensed nursing homes with 371 beds in Cumberland County. The current bed need formula indicates a net need for 314 beds in 2015 and 329 beds in 2016 while the proposed bed need formula indicates a 290 net nursing home bed need in 2016.

4. Guidelines for Growth Criteria - Need 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.*

RESPONSE: The facility serves a distinct population which is primarily the current and future residents of the continuing care community and the surrounding Fairfield Glade retirement community in Cumberland County. The continuing care community and the Fairfield Glade retirement community immediately surround the nursing facility so it is well within 30 minutes travel time for the majority of the population of its service area and thus will be a source of quality health care to the community's senior population.

5. Guidelines for Growth Criteria - Need 5: *The Health Facilities Commission 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

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 9

Architect's Letter to Support Construction Costs

SUPPLEMENTAL #1
July 24, 2014
4:27 pm

SFCS

July 24, 2014

Tennessee Health Services and Development Agency
Andrew Jackson Building
500 Deadrick Street/ Suite 850
Nashville, TN 37243

Re: Certificate of Need Application
The Evangelical Lutheran Good Samaritan Society
30 Skilled Beds
Fairfield Glade, TN

To Whom It May Concern:

I represent SFCS Inc. an architectural and engineering firm with offices in Roanoke, VA, Charlotte, NC, and Philadelphia, PA. Our firm has been retained by The Evangelical Lutheran Good Samaritan Society to provide planning, design and contract administration services for the expansion of their retirement community in Fairfield Glade, TN.

The preliminary design and estimate have been completed. The $4.1 million construction cost for the construction of the additional 30 skilled beds and rehabilitation/therapy space seems reasonable based on our experience.

To the best of our belief and knowledge this project will be designed in compliance with local, state, and federal construction codes, standards, specifications and requirements that apply to the project such as the 2010 AIA Guidelines for Design and Construction of Healthcare Facilities, 2012 International Building Code, 2012 National Fire Protection Code 101 (NFPA 101 w/ Annex A), 2012 International Energy Conservation Code and other applicable codes.

Sincerely,

Geoff Haskell, AIA
SFCS, Inc.

Architecture
Engineering
Planning
Interiors

SFCS Inc.
1927 South Tryon Street
Suite 207
Charlotte, NC 28203

T: 704.372.7327
F: 704.372.7369
www.sfcs.com

Roanoke
Charlotte
Philadelphia

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 10

Letter from ELGSS's CFO

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

THE EVANGELICAL LUTHERAN
Good Samaritan Society®
In Christ's Love, Everyone Is Someone.

4800 West 57th Street
P.O. Box 5038
Sioux Falls, SD 57117-5038

Phone: 605-362-3100
Fax: 605-362-3309
www.good-sam.com

July 24, 2014

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
600 Deadrick Street, Suite 850
Nashville, TN 37243

Dear Melanie:

This letter is to inform you that the funds needed to construct thirty (30) additional skilled beds at Good Samaritan Society – Fairfield Glade, TN, will be available to the Society.

The cost of this project will initially be paid by a short term revolving line of credit as is done for all of the Society's capital expenditures. Permanent financing will be thru the Society's excess cash reserves and tax-exempt bonds. Tax-exempt bonds are obtained thru the Society's annual financing thru issuance by Colorado Housing Finance Authority, a multi-state issuer. The Society is rated thru Moody's at A+ and thru Standard and Poors at A- which allows for lower interest rates and is a desirable purchase by bond buyers. The Society's 2013 audited financial statements are included in this application for your reference.

If you have any questions or are in need of additional information please contact Greg Amble, Director of Development, at gamble@good-sam.com or 605-362-3108.

Sincerely,

Raye Nae Nylander
Executive Vice President, CFO and Treasurer

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 13(a)

Replacement Page 38 for Corrected Gross Charge Amounts

Statewide Nursing Home Construction Cost Per Square Foot
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.	$166.57/sq. ft.
3rd Quartile	$55.00/sq. ft.	$181.72/sq. ft.	$167.61/sq. ft.

Source: HSDA Applicant's Toolbox

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

   RESPONSE: Please see *Attachment C. Economic Feasibility – 4*. Historical and Projected Data Charts.

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

   RESPONSE: The project's average gross charge, average deduction from operating revenue, and average net charge are as follows:

	Additional 30 Beds Only		Total 60 Bed Project	
	2016	**2017**	**2016**	**2017**
Average Gross Charge	$ 234.09	$ 238.77	$ 234.09	$ 238.77
Average Deduction	$ 98.54	$ 100.51	$ 98.66	$ 100.64
Average Net Charge	$ 332.63	$ 339.28	$ 332.75	$ 339.41

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

   RESPONSE: Below is a chart that reflects the current and proposed charge schedules for the project.

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 13(b)

Revised Projected Data Charts

*Total 60-bed facility projections

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

PROJECTED DATA CHART

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

		Year 2016	Year 2017
A. Utilization Data (Specify unit of measure)	Average residents per day	45	48
B. Revenue from Services to Patients			
1. Inpatient Services		$3,844,928	$ 4,183,250
2. Outpatient Services		$330,000	$336,600
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		$ 4,174,928	$ 4,519,850
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$ 1,620,537	$ 1,763,224
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		$ 1,620,537	$ 1,763,224
NET OPERATING REVENUE		$ 5,795,465	$ 6,283,075
D. Operating Expenses			
1. Salaries and Wages		$ 2,680,805	$ 2,734,421
2. Physician's Salaries and Wages			
3. Supplies		$2,405,010	$2,606,663
4. Taxes			
5. Depreciation		$439,697	$439,697
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$232,000	$232,000
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		$ 5,757,512	$ 6,012,781
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		$ 37,953	$ 270,294
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$371,731	$364,971
Total Capital Expenditures		$ 371,731	$ 364,971
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ (333,778)	$ (94,677)

*30 Bed Project Only

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

PROJECTED DATA CHART

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

		Year 2016	Year 2017
A. Utilization Data (Specify unit of measure)	Average residents per day	22.5	24
B. Revenue from Services to Patients			
1. Inpatient Services		$ 1,909,648	$ 1,947,826
2. Outpatient Services		$200,000	$204,000
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		$ 2,109,648	$ 2,151,826
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$ 803,860	$ 819,975
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		$ 803,860	$ 819,975
NET OPERATING REVENUE		$ 2,913,508	$ 2,971,801
D. Operating Expenses			
1. Salaries and Wages		$ 1,400,000	$ 1,428,000
2. Physician's Salaries and Wages			
3. Supplies		$947,198	$1,012,432
4. Taxes			
5. Depreciation		$164,090	$164,090
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$116,540	$116,540
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		$ 2,627,828	$ 2,721,062
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		$ 285,680	$ 250,739
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$245,372	$242,112
Total Capital Expenditures		$ 245,372	$ 242,112
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ 40,308	$ 8,627

*30 Bed Project Only

SUPPLEMENTAL #1

July 24, 2014

4:27 pm

PROJECTED DATA CHART

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

		Year 2018	Year
A. Utilization Data (Specify unit of measure)	Average residents per day	25.5	
B. Revenue from Services to Patients			
1. Inpatient Services		$ 2,257,952	$
2. Outpatient Services		$343,332	
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		**$ 2,601,284**	**$**
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$ 951,175	$
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		**$ 951,175**	**$**
NET OPERATING REVENUE		**$ 3,552,459**	**$**
D. Operating Expenses			
1. Salaries and Wages		$ 1,428,000	$
2. Physician's Salaries and Wages			
3. Supplies		$1,032,681	
4. Taxes			
5. Depreciation		$164,090	
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$104,051	
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		**$ 2,728,822**	**$**
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		**$ 823,637**	**$**
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$238,657	
Total Capital Expenditures		**$ 238,657**	**$**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		**$ 584,980**	**$**

*Total 60 Bed Facility

SUPPLEMENTAL #1
July 24, 2014
4:27 pm

PROJECTED DATA CHART

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

		Year 2018	Year
A. Utilization Data (Specify unit of measure)	Average residents per day	51	
B. Revenue from Services to Patients			
1. Inpatient Services		$ 4,533,683	$
2. Outpatient Services		$343,332	
3. Emergency Services			
4. Other Operating Revenue (Specify)			
Gross Operating Revenue		$ 4,877,015	$
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$ 1,910,845	$
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions		$ 1,910,845	$
NET OPERATING REVENUE		$ 6,787,861	$
D. Operating Expenses			
1. Salaries and Wages		$ 2,789,109	$
2. Physician's Salaries and Wages			
3. Supplies		$2,612,123	
4. Taxes			
5. Depreciation		$439,697	
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates		$271,514	
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Total Operating Expenses		$ 6,112,443	$
E. Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)		$ 675,417	$
F. Capital Expenditures			
1. Retirement of Principal		$	$
2. Interest		$357,816	
Total Capital Expenditures		$ 357,816	$
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ 317,601	$

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 18(a)

Documentation Related to May 30, 2013 and October 21, 2013 Surveys

SUPPLEMENTAL #1

07/03/2013 10:07 (FAX) July 24, 2014 P.002/016

4:27 pm PRINTED: 08/12/2013

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED

OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	445506	A. BUILDING _____ B. WING _____	05/30/2013

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE	100 SAMARITAN WAY CROSSVILLE, TN 38558

(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 000	INITIAL COMMENTS An annual Recertification survey and complaint investigation #31384, and #31747 were completed on May 30, 2013, at Good Samaritan Society at Fairfield Glade. No deficiencies were cited related to complaint investigation #31747. Deficiencies were cited related to complaint #31384 under 42 CFR Part 483, Requirements for Long Term Care Facilities.	F 000	F 225 1. C.N.A #3 and #2 are no longer employed at facility thus interviews are not able to be conducted at this time for a complete investigation 2. All residents have the potential to be affected by this deficiency	7-14-13
F 225 SS=D	483.13(c)(1)(ii)-(iii), (c)(2) - (4) INVESTIGATE/REPORT ALLEGATIONS/INDIVIDUALS The facility must not employ individuals who have been found guilty of abusing, neglecting, or mistreating residents by a court of law; or have had a finding entered into the State nurse aide registry concerning abuse, neglect, mistreatment of residents or misappropriation of their property; and report any knowledge it has of actions by a court of law against an employee, which would indicate unfitness for service as a nurse aide or other facility staff to the State nurse aide registry or licensing authorities. The facility must ensure that all alleged violations involving mistreatment, neglect, or abuse, including injuries of unknown source and misappropriation of resident property are reported immediately to the administrator of the facility and to other officials in accordance with State law through established procedures (including to the State survey and certification agency). The facility must have evidence that all alleged violations are thoroughly investigated, and must prevent further potential abuse while the investigation is in progress.	F 225	3. Re-education was provided to all staff on GSS Abuse and Neglect Policy and Procedure by 6-19-13. 4. A sampling of residents will be interviewed and audited using QIS interviews from section "G" and "H" from the Resident Interview and Resident Observation questions. GSS #401 (Accident and Incident Report Forms) will be audited for three months to ensure that allegations of neglect are thoroughly investigated and immediately reported to the Facility Administrator. Results will be reported to the Quality Assurance Committee for evaluation of effectiveness of improvement measures.	

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE: Evelyn Montandon TITLE: Administrator (X6) DATE: 6-21-13

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED 05/30/2013
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558	

(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 225	Continued From page 1 The results of all investigations must be reported to the administrator or his designated representative and to other officials in accordance with State law (including to the State survey and certification agency) within 5 working days of the incident, and if the alleged violation is verified appropriate corrective action must be taken. This REQUIREMENT is not met as evidenced by: Based on medical record review and interview, the facility failed to thoroughly investigate an allegation of neglect for one (#7) of twenty-four residents reviewed. The findings included: Review of a facility investigation dated March 12, 2013, revealed on March 6, 2013, resident #7 reported to Certified Nurse Assistant (CNA #2) that on the previous shift, CNA #3 had told the resident that it would be awhile before the resident could be assisted to the bathroom, to just use the incontinence brief the resident had on, and the staff would change it later. Continued review revealed CNA #2 reported to Licensed Practical Nurse (LPN) #1 the resident's concerns and the LPN reported the resident's concerns to administration. Continued review of the facility investigation dated March 12, 2013, revealed written statements from LPN #1 and CNA #2, and a verbal statement from the resident, no statements from CNA #3 (accused), or CNA #4 (CNA who	F 225	F225 MDS Coordinator has reviewed residents care plans and updated as needed. Resident #7 care plan has been updated to address [redacted] toileting schedule. In-service was done by the DNS on answering call lights timely and updating care plans on 6-26-2013. DNS = Director of Nursing Services.	

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445508	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED 05/30/2013
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

(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 225	Continued From page 2 worked the shift with CNA #3 March 6, 2013). Interview on May 28, 2013, at 2:30 p.m., in resident #7's room with resident #7, revealed the resident uses the call light to seek assistance to the bathroom. Continued interview revealed the resident could not recall the incident on March 6, 2013, but did reveal the resident frequently has to wait for assistance to the toilet. Interview on May 29, 2013, at 3:05 p.m., in the Nandina dining area with CNA #4 revealed CNA #4 was not asked to provide a statement regarding the neglect allegation for March 6, 2013. Continued interview revealed approximately 20 minutes before the end of the shift, resident #7 did turn the call light on and CNA #3 went to the resident's room. When CNA #3 returned to the desk no comments were made as to what the resident needed. Continued interview revealed CNA #4 had worked for several months with CNA #3 and CNA #4 had never heard CNA #3 tell a resident to use the brief to toilet instead of taking a resident to the bathroom. Continued interview also revealed resident #7 used the call light to get assistance to the bathroom and would occasionally call for assistance too late. Interview with the Director of Nursing (DON) on May 29, 2013, at 3:30 p.m., in the conference room revealed CNA #3 and CNA #2 were no longer employed by the facility, and the DON confirmed the investigation from the March 6, 2013, allegation of neglect was not thoroughly investigated. C/O #31384	F 225		

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

FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED
	445506		05/30/2013

NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE

STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558

(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 280 SS=D	483.20(d)(3), 483.10(k)(2) RIGHT TO PARTICIPATE PLANNING CARE-REVISE CP The resident has the right, unless adjudged incompetent or otherwise found to be incapacitated under the laws of the State, to participate in planning care and treatment or changes in care and treatment. A comprehensive care plan must be developed within 7 days after the completion of the comprehensive assessment; prepared by an interdisciplinary team, that includes the attending physician, a registered nurse with responsibility for the resident, and other appropriate staff in disciplines as determined by the resident's needs, and, to the extent practicable, the participation of the resident, the resident's family or the resident's legal representative; and periodically reviewed and revised by a team of qualified persons after each assessment. This REQUIREMENT is not met as evidenced by: Based on medical record review and interview, the facility failed to update a care plan for one resident (#71) of twenty-four residents reviewed. The findings included: Resident #71 was admitted to the facility on March 23, 2013, with diagnoses including ORIF (Open Reduction Internal Fixation) of Hip, Acute Kidney Failure, Hypertension, Hypothyroidism, and Parkinson's Disease.	F 280	F280 1. Care plan for resident #71 was updated by the MDS Coordinator on 05/31/2013 to reflect resident's change of condition and current care needs. 2. All residents have the potential to be affected by this deficiency 3. Re-education was provided to all licensed nursing staff on GSS Care Planning policy and procedure with the direction to update resident's care plan immediately with changes in condition / changes in care needs by 6-27-13. 4. Care plans will be audited by Director of Nursing weekly X 4 week, then monthly X 2 months. Results will be reported to the Quality Assurance Committee for evaluation of effectiveness of improvement measures.	7-14-13

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445508	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2013
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558	

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F 280	Continued From page 4 Medical record review of a Physician's note dated March 24, 2013, revealed the resident "...is now chronic (kidney) failure..." Continued review of the Physician's note from that date revealed the resident had been receiving hemodyialysis to treat the kidney failure, however "...decided not to resume HD (hemodyialysis) so (res) has been on comfort care..." Medical record review of the Care Plan revealed "...Alteration in health status...renal dialysis..." which had been discontinued. Continued review of the Care Plan revealed no update to include the resident's change in status related to discontinuation of hemodialysis. . Interview with the Director of Nursing (DON) and Minimum Data Set Coordinator (MDS) on May 30, 2013, at 10:00 a.m., in the Conference Room, confirmed the Care Plan had not been updated to reflect the change in medical status of the resident. The DON and MDS Coordinator confirmed they would expect the Care Plan to have been updated to reflect the discontinuation of dialysis services.	F 280	F280 All care plans have been reviewed by the MDS Coordinator and updated as needed. In-service on change in condition was done by the DNS on 6-27-13. DNS - Director of Nursing Services	
F 312 SS=D	483.26(a)(3) ADL CARE PROVIDED FOR DEPENDENT RESIDENTS A resident who is unable to carry out activities of daily living receives the necessary services to maintain good nutrition, grooming, and personal and oral hygiene. This REQUIREMENT is not met as evidenced by: Based on medical record review, observation,	F 312		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445508	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED 05/30/2013
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558	

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F 312	Continued From page 5 and interview, the facility failed to ensure toileting assistance was provided for one resident (#7) and failed to provide nail care for one (#37) resident of twenty four residents reviewed. The findings included: Review of a facility investigation dated March 12, 2013, revealed on March 6, 2013, resident #7 reported to Certified Nurse Assistant (CNA #2) that on the previous shift, CNA #3 had told the resident that it would be awhile before the resident could be assisted to the bathroom, to just use the incontinence brief the resident had on, and the staff would change it later. Interview on May 28, 2013, at 2:30 p.m., in resident #7's room with resident #7, revealed the resident uses the call light to seek assistance to the bathroom. Continued interview revealed the resident could not recall the incident on March 6, 2013, but did reveal the resident frequently has to wait for assistance to the toilet. Interview on May 29, 2013, at 3:05 p.m., in the Nandina dining area with CNA #4 revealed resident #7 used the call light to get assistance to the bathroom. Resident #37 was admitted to the facility on February 28, 2012, with diagnoses including Dementia, Chronic Pain, and Delusions. Medical record review of Care Plan dated April 25, 2013, revealed the resident required assistance with all activities of daily living including bathing, grooming, oral care, and required finger foods for meals.	F 312	F312 1. Resident #7 is being provided assistance to toilet when requested. Resident #37 had hands washed and fingernails cleaned on 05/30/2013. Resident #37 care plan was updated to include hand washing with nail care after each meal. 2. All residents dependent on staff for ADL assistance have the potential to be affected by this deficiency. 3. Re-education was provided to all C.N.A. staff by staff development coordinator on assisting residents timely with ADL assistance by 6-27-13. 4. A sample of residents requiring staff assistance with ADLs will be interviewed regarding timely assistance with toileting. Residents grooming will be observed 2 X weekly for 4 weeks, then weekly X 1 month. Results will be reported to the Quality Assurance Committee for evaluation of effectiveness of improvement measures.	7-14-13

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED 05/30/2013
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558	

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F 312	Continued From page 6 Observation on May 28, 2013, at 11:50 a.m., in the Nandina dining area revealed the resident sitting in the wheelchair and all ten fingernails had debris under the nail tips. Observation on May 28, 2013, at 12:15 p.m., in the Nandina dining area revealed the resident feeding self pieces of bread with the fingers and all ten fingernails had debris under the nail tips. Observation on May 29, 2013, at 10:15 a.m., in the Nandina dining area revealed the resident sitting at the table waiting for breakfast and all ten fingernails had debris under the nail tips. Observation on May 29, 2013, at 10:30 a.m., in the Nandina dining area revealed the resident feeding self bacon and pancakes with the fingers and all ten fingernails had debris under the fingernails. Observation on May 29, 2013, at 12:10 p.m., in the Nandina dining area revealed the resident sitting in the wheelchair near the dining room table and all ten fingernails had debris under the nail tips and Certified Nurse Assistant (CNA) #1 was feeding the resident lunch. Interview and observation on May 30, 2013, at 10:30 a.m., in the Nandina dining area with CNA #1 revealed the resident seated at the table with oatmeal, toast, and chocolate ensure for breakfast. Observation revealed all ten fingernails had debris under the nail tips and the resident was feeding self toast. Continued interview with CNA #1 confirmed the resident eats with the fingers and debris was present under the nail tips.	F 312	F312 MDS coordinator assessed all Residents for ADLs and care plans were updated as needed. DNS in-serviced nursing staff on 6-26 and 6-27 on residents who are dependent on staff for ADLs such as toileting, hand and nail care, ie. ADLs - Activities of Daily Living DNS - Director of Nursing Services	

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED 05/30/2013
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558	

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F 312	Continued From page 7 C/O #31384	F 312		
F 323 SS=D	483.25(h) FREE OF ACCIDENT HAZARDS/SUPERVISION/DEVICES The facility must ensure that the resident environment remains as free of accident hazards as is possible; and each resident receives adequate supervision and assistance devices to prevent accidents. This REQUIREMENT is not met as evidenced by: Based on medical record review, review of facility policy, endreview of facility investigation, observation, and interview, the facility failed to implement and/or update safety interventions for falls for one resident (#2) of twenty-four residents reviewed. The findings included: Resident #2 was admitted to the facility on February 28, 2013, with diagnoses including Alzheimer's Disease with Dementia, History of Falls with Compression Fracture of Lumbar Spine (L1), and Depression. Medical record review of the 30 Day Minimum Data Set (MDS) assessment dated March 26, 2013, revealed the resident had severe cognitive impairment and poor safety awareness. The resident was ambulatory with the aid of a walker or wheelchair and required extensive staff assistance with transfers and Activities of Daily Living .	F 323	F323 1. Resident #2 care plan was updated on 05/30/2013 with appropriate fall prevention interventions. A resource list of potential interventions for fall prevention is now posted at each nurse's station. 2. All residents at risk for falls have the potential to be affected by this deficiency. 3. Re-education was provided to licensed nurses on individualizing resident's care plan to include fall prevention measures by 6-27 4. DNS or designee will audit care plans and observe cares to ensure care plan approaches are being followed weekly X 4 weeks, then monthly X 2 months. 5. Results will be reported to the Quality Assurance Committee for evaluation of effectiveness of improvement measures.	7-14-13

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	445506		05/30/2013

NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE

STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558

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F 323	Continued From page 8 Review of facility policy, Fallen or Injured Resident, dated November 2002 and revised October 2012 revealed "...21. monitor the resident's condition and effectiveness of interventions in place to prevent further falls..." Review of a facility investigation dated April 23, 2013, revealed the resident "...slid from the bed to the floor...on buttock..." Protective floor mats were in place and the resident did not sustain an injury. The post fall intervention implemented was "...remind the resident to ask for assistance with transfers and use the call light for assistance to get out of bed..." Review of a facility investigation dated May 18, 2013, revealed the resident had a witnessed fall, in the resident's room, at 11:00 p.m. Continued review of the facility investigation revealed a Certified Nursing Assistant (CNA) was passing the resident's room and saw the resident attempt to get out of bed unassisted. The resident slid down the bed and landed on the knees. The personal safety alarm was sounding and fall mats were already in place at the resident's bedside. No injury was identified when assessed by the nurse immediately following the incident. Observation in the resident's room on May 29, 2013, at 2:00 p.m., revealed the resident rising unassisted from a chair and the personal alarm sounding. Continued observation revealed the staff responded immediately to assist the resident. Interview with CNA #5 on May 29, at 4:10 p.m., near the Nandina nursing station, confirmed on	F 323	F323 For resident #2 fall interventions– bed in low position, assist to bathroom, bed alarm. Resident was discharged to home. All care plans were reviewed by the MDS Coordinator and all were updated as needed. DNS in-serviced nursing staff on falls intervention on 6-26 and 6-27. DNS- Director of Nursing Services	

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445606	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2013
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY CROSSVILLE, TN 38555	

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F 323	Continued From page 9 May 18, 2013, the CNA was passing the resident's door at the time of the fall, but "...just couldn't get to (resident) fast enough..." Interview with the Administrator on May 30, 2013, at 3:40 p.m., in the Administrator's office, confirmed the resident had dementia and a known history of falls. The Administrator confirmed the intervention of "...remind the resident to call for assist with transfers/ambulation..." was inadequate to ensure the resident's safety and prevent future falls.	F 323		
F 431 SS=D	483.60(b), (d), (e) DRUG RECORDS, LABEL/STORE DRUGS & BIOLOGICALS The facility must employ or obtain the services of a licensed pharmacist who establishes a system of records of receipt and disposition of all controlled drugs in sufficient detail to enable an accurate reconciliation; and determines that drug records are in order and that an account of all controlled drugs is maintained and periodically reconciled. Drugs and biologicals used in the facility must be labeled in accordance with currently accepted professional principles, and include the appropriate accessory and cautionary instructions, and the expiration date when applicable. In accordance with State and Federal laws, the facility must store all drugs and biologicals in locked compartments under proper temperature controls, and permit only authorized personnel to have access to the keys.	F 431		

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED 06/30/2013
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

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F 431	Continued From page 10 The facility must provide separately locked, permanently affixed compartments for storage of controlled drugs listed in Schedule II of the Comprehensive Drug Abuse Prevention and Control Act of 1976 and other drugs subject to abuse, except when the facility uses single unit package drug distribution systems in which the quantity stored is minimal and a missing dose can be readily detected.	F 431	F 431 1. Expired medications were removed on May 30, 2013. Consulting pharmacist was notified on May 31, 2013. Consulting pharmacist will check medication carts / medication room for expired medications every two weeks.	7-14-13
	This REQUIREMENT is not met as evidenced by: Based on observation and interview, the facility failed to remove expired medications from the shelf in one of two medication rooms observed. The findings included: Observation of the medication room on the Nandina wing on May 30, 2013, at 8:40 a.m., revealed two bottles of Ranitidine (antacid) 75 milligrams (mg) with 60 tablets in each with an expiration date of January 2013. Continued observation of the medication room on the Nandina wing revealed two bottles of Ranitidine 75 mg with 30 tablets in each with an expiration date of March 2013. Interview with the Unit Coordinator on May 30, 2013, at 9:45 a.m., in the medication room, confirmed the medications were expired but were still on the shelf and available for resident use.		2. All residents have the potential to be affected by this deficiency. 3. Licensed nurses were re-educated on GSS Procedure on Medication Acquisition, Receiving, Dispensing, and Storage on (date) or by (date). Night shift charge nurse will check medication charts / medication room weekly for expired medications and if expired medications are identified remove them from service and notify pharmacy by 6-27-13 4. Unit managers will audit medication carts / medication room weekly check logs weekly X 4 weeks, then monthly X 2 months. 3. Results will be reported to the Quality Assurance Committee for evaluation of effectiveness of improvement measures.	

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TN7106	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED 05/30/2013
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GL/	STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558		

(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 An annual Licensure survey and complaint investigation #31384, and #31747 were completed on May 30, 2013, at Good Samaritan Society at Fairfield Glade. No deficiencies were cited under Chapter 1200-8-6, Standards for Nursing Homes.	N 002	F431 DNS educated nursing staff on the importance of removing outdated medications on 6-26 and 6-27. DNS- Director of Nursing Services	

Division of Health Care Facilities

TITLE (X6) DATE

ATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM EJVL11 If continuation sheet 1 of 1

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED
	TN7106		05/30/2013

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GOOD SAMARITAN SOCIETY - FAIRFIELD GLA	100 SAMARITAN WAY CROSSVILLE, TN 38558

(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 An annual Licensure survey and complaint investigation #31384, and #31747 were completed on May 30, 2013, at Good Samaritan Society at Fairfield Glade. No deficiencies were cited under Chapter 1200-8-6, Standards for Nursing Homes.	N 002		

Division of Health Care Facilities

TITLE (X6) DATE

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

SUPPLEMENTAL #1

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

PRINTED: 06/12/2013
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUIDING B. WING	(X3) DATE SURVEY COMPLETED 05/28/2013
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY CROSSVILLE, TN 38555	

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 018 SS=E	NFPA 101 LIFE SAFETY CODE STANDARD Doors protecting corridor openings are constructed to resist the passage of smoke. Doors are provided with positive latching hardware. Dutch doors meeting 18.3.6.3.6 are permitted. Roller latches are prohibited. 18.3.6.3 This STANDARD is not met as evidenced by: Based on observations, it was determined the facility failed to maintain the corridor openings. The findings included: On 5/28/13 at 11:15 AM, observation within resident room T115 revealed the upper portion of the entry door had a three quarter (3/4") inch gap when the door was in closed position. This finding was acknowledged by the Administrator and verified by the Maintenance Director during the exit interview on 5/28/13.	K 018	K018 1. We have ordered Hager 726S Smoke Seal to place on T115 door's upper portion where it has a ¾" gap when the door is closed. Placement of the Hager 726 Smoke Seal will be placed on the door to secure the smoke barrier. 2. All residents has the potential to be affected by this deficiency 3. The ED (Environmental Director) will audit once a month for three months to ensure that all doors meets Life Safety Code NFPA 101 for three months. 4. Results will be reported to the Quality Assurance Committee for evaluation of effectiveness of improvement measures	7-14-13
K 025 SS=E	NFPA 101 LIFE SAFETY CODE STANDARD Smoke barriers are constructed to provide at least a one-hour fire resistance rating in accordance with 8.3. Smoke barriers may terminate at an atrium wall. Windows are protected by fire-rated glazing or by wired glass panels in approved frames. A minimum of two separate compartments are provided on each floor. Dampers are not required in duct penetrations of smoke barriers in fully ducted heating, ventilating, and air conditioning systems. 18.3.7.3, 18.3.7.5, 18.1.6.3	K 025		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE: Evelyn Montandon TITLE: Administrator (X6) DATE: 6-21-13

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

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUIDING B. WING	(X3) DATE SURVEY COMPLETED 05/28/2013
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 025	Continued From page 1 This STANDARD is not met as evidenced by: Based on observations, it was determined the facility failed to protect the fire and smoke barriers. The findings included: On 5/28/13 at 10:30 AM, observation within the central office area revealed there was a penetration around a two- inch (2") diameter drain pipe in the smoke /fire wall. On 5/28/13 at 11:45 AM, observation within the ceiling area above the 100 Tulip hall fire doors revealed there was a penetration around a one-half inch (1/2") diameter conduit pipe in the head wall. These findings were acknowledged by the Administrator and verified by the Maintenance Director during the exit interview on 5/28/13.	K 025	K025 1. We have placed fire caulking (which is approved by NAPA 101 Safety Life Code) around the 2" diameter drain pipe and the ½" conduit pipe (Tulip 100 Hall) to meet NFPA 101 Life Safety Code. 2. All residents have the potential to be affected by this deficiency. 3. The ED will audit after each vendor to ensure that they did not penetrate smoke. Caulking if needed will be placed on Barrier walls in order to be in compliance with NFPA 101 Life Safety Code, He will audit for three months and then after each vendor who may penetrate smoke barrier walls. 4. Results will be reported to the Quality Assurance Committee for evaluation of effectiveness of improvement measures.	5-28-13

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

PRINTED: 10/31/2013
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED
	445506		C 10/21/2013

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE	100 SAMARITAN WAY CROSSVILLE, TN 38558

(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 000	INITIAL COMMENTS Complaint investigation #32059, and #32622 were completed on October 21, 2013. Deficiencies were cited related to complaint investigation #32059, and #32622, under 42 CFR Part 483, Requirements for Long Term Care.	F 000	Disclaimer: Corrective action response does not constitute agreement with survey findings.	
F 226 SS=D	483.13(c) 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 medical record review, review of facility policy, and interview, the facility failed to follow its own policy for misappropriation of resident property for three residents (#3, #5, #8) of eight residents reviewed. The findings included: Resident #3 was admitted to the facility on August 12, 2013, with diagnoses including Septic Left Knee, Type II Diabetes Mellitus, and Pain. Medical record review of a Controlled Substance record revealed on August 30, 2013, at 5:50 p.m., a discrepancy of four Oxycodone-Acetaminophen (controlled substance) 10/325 mg (milligram). Interview with Licensed Practical Nurse (LPN) #5 on October 10, 2013, at 2:43 p.m., revealed a narcotic count of the controlled substances was	F 226	1. Facility will conduct audit by Nov. 29,2013 of all residents who were receiving narcotic medication during the time frame that LPN #2 was employed. Any resident found to be subject to drug diversion, by LPN #2, will be notified and reimbursed for the cost of medications diverted, by Dec. 5, 2013. 2. Facility will ensure that misappropriation of resident's property does not occur by inservicing all staff on abuse and neglect policy and procedure to all staff upon hire and annually.	

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

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

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

PRINTED: 10/31/2013
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STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	445506		C 10/21/2013

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE	100 SAMARITAN WAY CROSSVILLE, TN 38558

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F 272	Continued From page 3 A facility must make a comprehensive assessment of a resident's needs, using the resident assessment instrument (RAI) specified by the State. The assessment must include at least the following: Identification and demographic information; Customary routine; Cognitive patterns; Communication; Vision; Mood and behavior patterns; Psychosocial well-being; Physical functioning and structural problems; Continence; Disease diagnosis and health conditions; Dental and nutritional status; Skin conditions; Activity pursuit; Medications; Special treatments and procedures; Discharge potential; Documentation of summary information regarding the additional assessment performed on the care areas triggered by the completion of the Minimum Data Set (MDS); and Documentation of participation in assessment. This REQUIREMENT is not met as evidenced by: Based on medical record review, review of facility documentation, review of facility policy, observation, and interview, the facility failed to	F 272		

SUPPLEMENTAL #1

July 24, 2014 4:27 pm

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

PRINTED: 10/31/2013
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED C 10/21/2013
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

(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 272	Continued From page 4 complete an elopement assessment on one resident (#1) of five residents reviewed. The findings included: Resident #1 was admitted to the facility on June 24, 2013, with diagnoses including Pneumonia, Alzheimer's Disease, Macular Degeneration, Chronic Kidney Disease, and Depression. Medical record review of the admission Minimum Data Set (MDS) dated July 1, 2013, revealed the resident had severe cognitive impairment, no wandering, and required extensive assistance for locomotion off unit. Review of facility documentation dated July 9, 2013, revealed the resident ambulated with a rolling walker and exited the front doors approximately five feet. Review of the medical record revealed no elopement assessment on admission was completed. Review of facility policy, Elopement, revised July 2008 revealed "...All residents will be assessed for risk of elopement through the pre-admission and/or admission process..." Observation on October 10, 2013, at 9:15 a.m., in the Dining Room revealed the resident sitting on the couch with a rolling walker in front of the resident. Continued observation revealed a wanderguard bracelet in place. Interview with Registered Nurse (RN) #2 on October 10, 2013, at 1:23 p.m., in the Director of Nursing's (DON) Office, revealed no elopement	F 272	1. Interdisciplinary team evaluated resident #1 for risk of elopement per GSS policy and procedure. Team determined that resident #1 was at risk for elopement and care plan reviewed and updated. 2. All residents will be assessed for elopement risk by the interdisciplinary team by 11/29/13. Care plans will be updated if needed. 3. All new residents will be assessed per the GSS Pre Admission Data Collection for risk of elopement. 4. DNS or designee will audit all admissions to ensure all potential elopement risks have appropriate care plan interventions weekly x 4, monthly x 2 and quarterly x 4.	

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

PRINTED: 10/31/2013
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	445506		C 10/21/2013

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE	100 SAMARITAN WAY CROSSVILLE, TN 38558

(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 272	Continued From page 5 assessment had been completed for resident #1. Interview with the on October 10, 2013, at 1:25 p.m., in the DON's Office confirmed the facility had failed to assess the resident on admission for elopement and the resident exited the building. C/O #32059	F 272		

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

PRINTED: 10/31/2013
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED
	TN7106		C 10/21/2013

NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GL/

STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558

(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 000	Initial Comments During complaint investigation #32059, and #32622, conducted on October 10, 2013, at Good Samaritan Society Fairfield Glade, no deficiencies were cited in relation to the complaint under chapter 1200-8-6, Standards for Nursing Homes.	N 000	No corrective action required.	

Division of Health Care Facilities
LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE: [signature] TITLE: Administrator (X6) DATE: 11-8-13

STATE FORM 8899 HILX11 If continuation sheet 1 of 1

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

ATTACHMENT 18(b)

Documentation Related to May 29, 2014 Survey

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
7175 STRAWBERRY PLAINS PIKE, SUITE 103
KNOXVILLE, TENNESSEE 37914

IMPORTANT NOTICE - PLEASE READ CAREFULLY

June 10, 2014

Mr. Gene Wockenfuss, Administrator
Good Samaritan Society-Fairfield Glade
100 Samaritan Way
Crossville TN 38558

RE: 44-5506

Dear Mr. Wockenfuss:

The East Tennessee Regional Office of Health Care Facilities conducted a Health and Life Safety Code recertification survey/complaint investigation on May 27 - 30, 2014. This letter to you is to serve as notice that as a result of the survey completed **May 30, 2014**, your facility was not in substantial compliance with the participation requirements of Medicare and/or Medicaid Programs. A statement of deficiencies (CMS 2567) is being provided to you with this letter.

If you do not achieve substantial compliance by **July 14, 2014** (45th day), our office will recommend to the Centers for Medicare & Medicaid Services (CMS) and/or the State Medicaid Agency that enforcement remedies be imposed.

All references to regulatory requirements contained in this letter are found in Title 42, Code of Federal Regulations.

Mandatory Remedies

If you do not achieve substantial compliance by **August 30, 2014,** (3 months after the last day of the survey identifying noncompliance **May 30, 2014**), the CMS Regional Office and/or State Medicaid Agency must deny payments for new admissions.

We will also recommend to the CMS Regional Office that your Provider Agreement be terminated on **November 30, 2014,** 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.

SUPPLEMENTAL #1

July 24, 2014
4:27 pm

Plan of Correction (POC)

A POC for the deficiencies must be submitted by **June 20, 2014.** Failure to submit an acceptable POC by **June 20, 2014,** may result in the imposition of remedies by **July 14, 2014.**

Your POC must contain 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.

INFORMAL DISPUTE RESOLUTION

In accordance with 488.331, you have one opportunity to question cited deficiencies. You may request a Face to Face IDR for substandard level deficiencies, harm level deficiencies and immediate jeopardy level deficiencies. All other deficiencies will receive a desk review (telephone or written) by the Regional Office that cited the deficiency. These requests must be made within the same 10-calendar day period that you have for submitting an acceptable plan of correction and must contain additional justification as to why the deficiency(ies) should not have been written for harm level deficiencies or other deficiencies that are not substandard or immediate jeopardy. Evidence to dispute the scope and severity levels may only be submitted for substandard or immediate jeopardy deficiencies. Additional information which must be submitted with your request for an IDR is limited to no more than five (5) typed pages with a font size of no less than ten (10). 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, telephone 865-594-9396 or fax number 865-594-5739. An incomplete Informal Dispute Resolution process will not delay the effective date of any enforcement action.

If you have any questions, please contact the East Tennessee Regional Office by phone: 865-594-9396 or by fax: 865-594-5739.

Sincerely,

Karen B. Kirby /ds

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

KK:afl

Enclosure

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	445506		05/30/2014

NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE

STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558

(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 000	INITIAL COMMENTS	F 000		
	A recertification survey and complaint investigation #33673 and #33675, were completed on May 27 - 30, 2014, at Good Samaritan Society at Fairfield Glade. No deficiencies were cited related to complaint investigation #33673 and #33675, under 42 CFR Part 483, Requirements for Long Term Care Facilities.		Preparation and execution of this response and plan of correction does not constitute an admission or agreement by the provider of the truth of the facts alleged or conclusions set forth in the statement of deficiencies. The plan of correction is prepared and/or executed solely because it is required by the provisions of federal and state law. For the purposes of any allegation that the center is not in substantial compliance with federal requirements of participation, this response and plan of correction constitutes the center's allegation of compliance in accordance with section 7305 of the State Operations Manual.	
F 159 SS=C	483.10(c)(2)-(5) FACILITY MANAGEMENT OF PERSONAL FUNDS	F 159		
	Upon written authorization of a resident, the facility must hold, safeguard, manage, and account for the personal funds of the resident deposited with the facility, as specified in paragraphs (c)(3)-(8) of this section.			
	The facility must deposit any resident's personal funds in excess of $50 in an interest bearing account (or accounts) that is separate from any of the facility's operating accounts, and that credits all interest earned on resident's funds to that account. (In pooled accounts, there must be a separate accounting for each resident's share.)		**F- 159 – Facility Management of Personal Funds**	
	The facility must maintain a resident's personal funds that do not exceed $50 in a non-interest bearing account, interest-bearing account, or petty cash fund.		1. Nine residents were identified as having resident trust fund accounts. None of the residents requested non were denied money from their accounts.	
	The facility must establish and maintain a system that assures a full and complete and separate accounting, according to generally accepted accounting principles, of each resident's personal funds entrusted to the facility on the resident's behalf.		2. All residents having an account have the potential to be affected by this deficiency. Residents having the potential to be affected by the same deficient practice will be	

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

ny deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that ther safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days llowing 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 ays following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued rogram 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
	445506		05/30/2014

NAME OF PROVIDER OR SUPPLIER
GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE

STREET ADDRESS, CITY, STATE, ZIP CODE
100 SAMARITAN WAY
CROSSVILLE, TN 38558

(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 159	Continued From page 1 The system must preclude any commingling of resident funds with facility funds or with the funds of any person other than another resident. The individual financial record must be available through quarterly statements and on request to the resident or his or her legal representative. The facility must notify each resident that receives Medicaid benefits when the amount in the resident's account reaches $200 less than the SSI resource limit for one person, specified in section 1611(a)(3)(B) of the Act; and that, if the amount in the account, in addition to the value of the resident's other nonexempt resources, reaches the SSI resource limit for one person, the resident may lose eligibility for Medicaid or SSI. This REQUIREMENT is not met as evidenced by: Based on observation, review of resident trust fund accounts, and interview, the facility failed to ensure residents had ready access to their personal funds for nine of nine residents with trust accounts. The findings included: Observation on May 27, 2014, at 10:04 a.m., revealed a sign on the front facility admission desk stating resident trust accounts are accessable "...Monday through Friday from 8:00 am to 4:00 pm." Review of resident trust accounts and interview with the Admission Assistant on May 29, 2014, at 10:47 a.m., in the Assistant's office, confirmed resident personal funds are not available outside	F 159	**Cont. F 159 – Facility Management of Personal Funds** identified by interviewing all residents or responsible parties who have a RTA (Resident Trust Account.) Interviewing will be completed by 8/1/14. Funds have been available 24 hours a day, seven days a week beginning 6/19/14. 3. The facility will keep RTA funds at the nurse's station to have available for residents during non-business hours. The business office manager will count and reconcile these funds twice a week to ensure the funds are in balance with sufficient amount for disbursement to the residents. 4. Business office manager or designee will audit RTA funds weekly x 4, monthly x 2 months and quarterly x 3 thereafter. Audit findings will be reviewed at quality committee for further recommendations. 5. Facility will be in compliance by 7/4/14.	

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	445506		05/30/2014
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558	

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F 159	Continued From page 2 normal business hours of 8:00 a.m. to 4:00 p.m., as the sign stated.	F 159	**F 166 – Right to Prompt Efforts to Resolve Grievances** 1. Resident #11 and #43 concerns regarding cold food were resolved with the dietary staff. Dietary staff received re-education on proper temperature of food on 5/28/14. Future concerns will be documented on a concern/suggestion form at the time reported and addressed. 2. All residents have the potential to be affected by this deficiency. Residents having the potential to be affect by the same deficient practice will be identified by reviewing the past six months of resident council meeting minutes to determine if any grievances were voiced, and if so, were the grievances addressed. Grievances' found not to be addressed will be investigated. Compliance will be achieved by 8/1/14. 3. Social Service Director has been re-educated by Administrator on Grievance, Complaints or Concerns procedure on 6/18/14. Corrective action was also given to Social Service Director on 6/18/14. All resident council minutes will be reviewed by Administrator. All grievance reports will be reviewed by Administrator and respective department leader to ensure	
F 166 SS=D	483.10(f)(2) RIGHT TO PROMPT EFFORTS TO RESOLVE GRIEVANCES A resident has the right to prompt efforts by the facility to resolve grievances the resident may have, including those with respect to the behavior of other residents. This REQUIREMENT is not met as evidenced by: Based on review of resident grievance reports and interview, the facility failed to ensure resident grievances were resolved timely for two residents (#11, #43) of fourteen residents reviewed. The findings included: Review of Resident Council Minutes dated May 12, 2014, revealed the Residnet Counicl had expressed concerns with the temperature of food. Interview with resident #11 on May 28, 2014, at 9:37 a.m., and resident #43 on May 27, 2014, at 3:39 p.m., during stage 1 of the survey revealed both residents had concerns with cold food. Interview with the Director of Nursing (DON) on May 30, 2014, at 10:47 a.m., in the DON's office, confirmed the facility had failed to resolve grievances related to the cold food.	F 166		
F 226 SS=D	483.13(c) DEVELOP/IMPLMENT ABUSE/NEGLECT, ETC POLICIES The facility must develop and implement written policies and procedures that prohibit	F 226		

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	445506		05/30/2014

NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE

STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558

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F 226	Continued From page 3 mistreatment, neglect, and abuse of residents and misappropriation of resident property. This REQUIREMENT is not met as evidenced by: Based on interview, review of a facility investigation, and review of facility policy, the facility failed to thoroughly investigate an allegation of abuse for one resident (#43) of twenty-four sampled residents. The findings included: Resident #43 was admitted to the facility on June 13, 2013, with diagnoses including Cerebrovascular Accident, Hemiplegia, Arthritis, Rehabilitation, Restless Leg Syndrome, Hypothyroidism, and Parkinson's Disease. Interview with resident #43 on May 27, 2014, at 3:24 p.m., in the resident's room, revealed a nurse working on night shift had told the resident "...will have to cry louder than that..." in response to the resident's complaint of pain. Continued interview with the resident revealed the resident did not know which nurse made the statement, only that it was a nurse on "...the night shift..." Further interview with the resident revealed the resident did not tell facility staff regarding the allegation. Continued interview with the resident revealed the incident had occurred when the resident was first admitted to the facility. Interview with the Director of Nursing (DON) on May 27, 2014, at 4:15 p.m., in the DON's office, confirmed the DON was not aware of the allegation of abuse the resident had made to the	F 226	**Cont. F 166 – Right to Prompt Efforts to Resolve Grievances** concerns are being addressed timely. Resident Council Meeting Minutes will be reviewed at QA meeting. 4. All grievance reports will be audited for proper investigation and correction by Administrator or designee weekly x 4, monthly x 2 and quarterly x 3. Audit findings will be reviewed at quality committee for further recommendations. 5. Facility will be in compliance 7/4/14. **F 226 – Development/Implement Abuse/Neglect, Etc. Policies** 1. Both nurses that worked the shift at the time of the alleged abuse are no longer employed by the facility. 2. All residents have the potential to be affected by this deficiency. Residents having the potential to be affected by the same deficient practice will be identified by a review of the Suggestion or Concern forms and Incident Report forms for the past six months. Any residents found to be affected by the deficient practice will have	

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F 226	Continued From page 4 surveyor during interview earlier in the day. Continued interview confirmed the DON would initiate an investigation regarding the resident's allegation of abuse. Interview with the DON on May 28, 2014, at 10:15 a.m., in the DON's office, revealed "...I looked into the allegation..." Continued interview revealed, "...both nurses..." who were working during the time period of the abuse allegation "...are no longer with us...so I can't do anything else with that..." Further interview with the DON revealed the DON had also notified the Director of Social Services regarding the abuse allegation, and the Director of Social Services "...has more info..." Interview with the Director of Social Services on May 29, 2014, at 9:03 a.m., in the Social Services office, revealed the Director of Social Services had "...asked (the resident) about it..." Continued interview with the Social Services Director confirmed during interview with the resident the incident had occurred "...first couple of weeks..." after the resident had been admitted to the facility, and confirmed the resident had no recollection of which nurse made the statement. Interview with the Social Services Director confirmed the Social Services Director had spoken with the DON and it had been determined the two nurses working during the time frame of the allegation were no longer working for the facility. Further interview with the Director of Social Services revealed the Social Services Director interviewed only the resident "...I just talked to the resident because it has been so long ago...I would have talked to other residents if it hadn't been so long ago..." Continued interview with the Social Services Director confirmed the Social Services Director was the Abuse	F 226	**Cont. F 226 – Development/Implement Abuse/Neglect, Etc. Policies** their suggestion or concern or incident reinvestigated. Compliance will be achieved by 8/1/14. 3. All staff will be re-educated by Staff Development Coordinator, Social Worker or Rehab/Skilled Consultant regarding abuse and neglect reporting and process for investigation by 7/3/14. All new staff will be given Abuse/Neglect Policy and Procedure training at orientation and all staff will receive Abuse/Neglect training annually. Rehab/Skilled Consultant re-educated Administrator, Social Worker and DNS 6/19/14 on state reporting process and investigation process. 4. Resident concern and suggestion forms and incident reports will be audited weekly x 4, monthly x 2 months, and then quarterly x 3 by a Quality Committee member or designee to ensure investigation and required reporting is completed according to facility policy. Audit results will be reported to the quality committee for further recommendation.	

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F 226	Continued From page 5 Coordinator for the facility and was responsible for the completion of abuse investigations. Review of the facility investigation revealed a handwritten copy of two statements provided by the facility as the investigation conducted by the facility of the abuse allegation. Continued review of the facility investigation revealed a statement from the DON was obtained "...You're going to scream louder than that if you want pain medication..." and a statement from the resident was obtained by the Social Services Director, "...that happened when I first got here. It isn't a problem now...doesn't recall names or dates..." Further review of the facility investigation revealed the DON had "...spoke with resident about incident checked June 13th schedule. Both night nurses at that time have been dismissed..." Review of facility policy, Abuse and Neglect, revised July 2012 revealed, "...1. If a staff member receives an allegation of abuse...the staff member will immediately report this to a supervisor and complete sections A through D of the Incident Details on the Incident Report...The investigation may include interviewing staff, residents or other witnesses to the incident...Interview all involved (staff, resident and family) individually...If possible, get signed and dated statements from any witnesses..." Interview with the Social Services Director on May 29, 2014, at 1:10 p.m., in the Conference Room confirmed the handwritten copy of the statement from the resident and the statement from the DON was the completed investigation of the allegation of abuse. Continued interview with the Social Services Director confirmed the investigation of the allegation was completed and	F 226	**Cont. F 226 – Development/Implement Abuse/Neglect, Etc. Policies** 5. Facility will be in compliance 7/4/14.	

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F 226	Continued From page 6 no further investigation was to be conducted at the time of the interview. Further interview with the Social Services Director confirmed the Social Services Director had interviewed the resident only, had not conducted any other interviews with other residents or staff members, and had not obtained any witness statements from other residents or staff members. Continued interview with the Director of Social Services confirmed the Social Services Director had not completed an Incident Report, or conducted interviews per facility policy and confirmed the facility had failed to thoroughly investigate an allegation of abuse.	F 226		
F 279 SS=D	483.20(d), 483.20(k)(1) DEVELOP COMPREHENSIVE CARE PLANS A facility must use the results of the assessment to develop, review and revise the resident's comprehensive plan of care. The facility must develop a comprehensive care plan for each resident that includes measurable objectives and timetables to meet a resident's medical, nursing, and mental and psychosocial needs that are identified in the comprehensive assessment. The care plan must describe the services that are to be furnished to attain or maintain the resident's highest practicable physical, mental, and psychosocial well-being as required under §483.25; and any services that would otherwise be required under §483.25 but are not provided due to the resident's exercise of rights under §483.10, including the right to refuse treatment under §483.10(b)(4).	F 279	**F 279 –Develop Comprehensive Care Plans** 1. Care plan for resident #16 was updated on 5/28/14 with most recent interventions for dementia, and Resident #13 was discharged. 2. Any resident with a change in condition or incident/accident has the potential to be affected by this deficiency, and care plans will be updated as per policy. All current residents care plans will reviewed by interdisciplinary team member and updated if indicated by 6/27/14.	

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F 279	Continued From page 7 This REQUIREMENT is not met as evidenced by: Based on medical record review and interview, the facility failed to develop a comprehensive care plan for depression for one resident (#16), and failed to develop a care plan addressing weight and fluid status of one resident (#13) of twenty-four sample residents reviewed. The findings included: Resident #16 was admitted to the facility on May 25, 2012, and readmitted September 5, 2013, with diagnoses including, Senile Dementia, Idiopathic Peripheral Neuropathy, and Depressive Disorder. Medical record review of the Quarterly Minimum Data Set (MDS) dated February 24, 2014, revealed the resident had an admitting diagnosis of dementia. Medical record review of the care plan dated May 28, 2014, revealed the resident was not care planned for dementia. Interview with the Unit Coordinator on May 29, 2014, at 2:18 p.m., in the conference room confirmed the resident was not care planned for depression. Resident #13 was admitted to the facility on January 3, 2014, and discharged from the facility on February 1, 2014, with diagnoses including Rehabilitation, Anemia, Aftercare Following Joint Replacement, Depressive Disorder, Anxiety Disorder, and Vitamin Deficiency. Medical record review of a nurse's note dated	F 279	**Cont.** **F 279 –Develop Comprehensive Care Plans** 3. DNS or designee will review all change in conditions and review care plans for accuracy Monday thru Friday at daily clinical meeting. All Licensed nurses will be re-educated by Rehab/Skilled Consultant, DNS or designee regarding Policy and procedure for Dementia, fluid/weight changes, change of condition and care plan approaches by 7/4/14. 4. Audit will be conducted by DNS or designee on care plan updates, and inclusion on the C.N.A. Kardex weekly x 4 weeks, monthly x 2 months, and then quarterly x 3. Audit results will be reported to the quality committee for further recommendation. 5. Facility will be in compliance 7/4/14.	

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F 279	Continued From page 8 January 3, 2014, revealed the resident had one plus (1+) pitting edema to lower extremities and large amounts of drainage from the resident's surgical wound. Medical record review of a nurse's note dated January 6, 2014, revealed the resident continued to have 1+ pitting edema to the resident's right foot. Medical record review of a Nutritional Assessment dated January 6, 2014, revealed the resident had a moderate decrease in food intake over the past 3 months and was considered to be normal nutritional status. Medical record review of a Dietary Admit/Readmit Data Collection Tool dated January 6, 2014, revealed the resident was on a regular diet, no fluid restrictions, and was on no nutritional supplements. Continued review revealed the resident had an intake of less than fifty percent (50%) for most meals since admission. Further review revealed the dietician would "...adjust dining services to honor resident..." Medical record review of a Dietary Note dated January 6, 2014, revealed the resident had a change in weight "...(resident) has gained weight since surgery and thinks it is from fluid..." Further review revealed the resident's documented normal weight as 140 pounds. Medical record review of an Admission Assessment Minimum Data Set (MDS) dated January 10, 2014, revealed the resident scored a 15 on the Brief Interview for Mental Status (BIMS) indicating the resident was cognitively intact, and required extensive, to limited assistance with	F 279		

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F 279	Continued From page 9 activities of daily living (ADLs). Continued review revealed the resident's weight was documented as 148 pounds. Medical record review of MDS dated January 17, 2014, revealed the resident scored a 14 on the BIMS, indicating the resident was cognitively intact, and had increased in functional capacity to limited assist and supervision only. Continued review revealed the resident's weight was documented as 139 pounds (4.7% loss in 7 days). Medical record review of the care plan, initiated January 17, 2014, revealed no care plan developed to address the resident's fluid/weight status. Interview with the Unit Coordinator on May 30, 2014, at 2:36 p.m., in the Conference Room revealed the resident was followed by the dietician and confirmed the resident had a significant decrease in weight since admission. Continued interview with the Unit Coordinator confirmed the resident's weight fluctuations were assessed and documented in nursing and dietician notes as fluid loss from the resident's recent hospital stay. Further interview and review of the resident's care plan with the Unit Coordinator confirmed the resident's fluid/weight status should have been addressed on the plan of care and confirmed the facility had failed to develop a care plan addressing the fluid/weight status of the resident.	F 279		
F 280 SS=D	483.20(d)(3), 483.10(k)(2) RIGHT TO PARTICIPATE PLANNING CARE-REVISE CP The resident has the right, unless adjudged	F 280	F 280 – Right to Participate Planning Care – Revise CP	

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F 280	Continued From page 10 incompetent or otherwise found to be incapacitated under the laws of the State, to participate in planning care and treatment or changes in care and treatment. A comprehensive care plan must be developed within 7 days after the completion of the comprehensive assessment; prepared by an interdisciplinary team, that includes the attending physician, a registered nurse with responsibility for the resident, and other appropriate staff in disciplines as determined by the resident's needs, and, to the extent practicable, the participation of the resident, the resident's family or the resident's legal representative; and periodically reviewed and revised by a team of qualified persons after each assessment. This REQUIREMENT is not met as evidenced by: Based on medical record review and interview, the facility failed to provide an accurate care plan for two resident's (#16, #44) of twenty-four residents reviewed. The findings included: Resident #44 was admitted to the facility on June 24, 2013, with diagnoses including Chronic Kidney Disease, Alzheimer's Disease, Macular Degeneration, and Hypertension Medical record review of the care plan initiated December 18, 2013, revealed the care plan did not have revisions or interventions in place relating to falls that occurred on October 20,	F 280	**F 280 – Right to Participate Planning Care – Revise CP** 1. Care plan for resident #16 was current and accurate. Care plans for residents #39 & #44 were updated on 5/28/14 with most recent interventions for falls. 2. Any resident with a change in condition or incident/accident has the potential to be affected by this deficiency, and care plans will be updated as per policy. All current residents care plans will reviewed by interdisciplinary team member and updated if indicated by 6/27/14. 3. Investigative team will review all falls/ incidents and review care plans for accuracy Monday – Friday at daily clinical meeting. Professional nurses were educated1:1 while on duty 5/28/14 and 5/28/14 by DNS regarding Policy and Procedure for falls, interventions, and care plan approaches. Licensed nurses not on duty have been educated by phone or next shift. New staff and PRN staff will be educated by the staff development coordinator or	

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F 280	Continued From page 11 2013, December 7, 2013, January 9, 2014, and February 28, 2014. Interview with the Unit Coordinator on May 30, 2014, at 1:10 p.m., at the Tulip nursing station confirmed the facility had failed to revise the care plan for the falls on October 20, 2013, December 7, 2013, January 9, 2014, and February 28, 2014. Resident #39 was admitted to the facility on November 24, 2012, with diagnoses including Alzheimer's disease, Hypertension, and Hypertrophy Prostate without Urinary obstruction, and History of Pulmonary Embolism. Medical record review of the Quarterly Minimum Data Set (MDS) dated February 17, 2014, revealed functional status "...resident required supervision with walking in room, walking in corridor, and locomotion. The resident needed limited assistance with toileting with one person to assist and extensive assistance with personal hygiene..." Medical record review of the MDS further revealed "...balance during transition/walking, moving from seated to standing position, not steady..." Medical record review of the care plan dated January 16, 2014, revealed the resident was at risk for falls due to dementia, confusion, and poor safety awareness. Medical record review revealed the resident fell on May 24, 2014. Review of the Fall Risk Data Collection form dated May 24, 2014, revealed the resident fell due to "...change in functional ability,	F 280	cont. **F 280 – Right to Participate Planning Care – Revise CP** DNS prior to working their next scheduled shift. 4. Audit will be conducted by DNS or designee regarding fall interventions, care plan updates, and inclusion on the C.N.A. Kardex weekly x 4 weeks, monthly x 2 months, and then quarterly x 3. Audit results will be reported to the quality committee for further recommendation. 5. Facility will be in Compliance 7/4/14.	

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F 280	Continued From page 12 no injuries..." Review of the care plan dated January 16, 2014, revealed the resident's care plan was not updated after the fall on May 24, 2014. Interview with the Unit Coordinator on May 29, 2014, at 10:45 a.m., in the conference room confirmed the facility had failed to revise care plan after the fall.	F 280		
F 282 SS=D	483.20(k)(3)(ii) SERVICES BY QUALIFIED PERSONS/PER CARE PLAN The services provided or arranged by the facility must be provided by qualified persons in accordance with each resident's written plan of care. This REQUIREMENT is not met as evidenced by: Based on medical record review and interview, the facility failed to follow a plan of care for one resident (#43), requiring two person assist with the use of a sit-to-stand lift, of twenty-four sampled residents reviewed . The findings included: Resident #43 was admitted to teh facility on June 13, 2013, with diagnoses including Essential Hypetension, Restless Leg Syndrome, Obstructive sleep Apnea, Cerebral Artery Occlusion, Paralysis Agitans, Generalized Pain, Cerebral Vascular disease, and Hemiplegia. Medical record review of the most recent Quarterly Minimum Data Set (MDS) dated	F 282	**F 282 – Services by Qualified Persons/Per Care Plan** 1. All nursing staff were re-educated on care plan interventions for resident #43 by 5/30/14. 2. All residents have the potential to be affected by this deficiency. Residents having the potential to be affected by the same deficient practice will be identified by a review of the mobility care plan to determine appropriate transfer assistance required. Observation of all residents during a transfer will be conducted to ensure adherence to the care plan interventions. Immediate staff correction will be given if care plan interventions are not followed. This audit will be completed by 8/1/14.	

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F 282	Continued From page 13 February 24, 2014, revealed the resident scored 14 on the Brief Interview of Mental Status (BIMS) which indicated the resident was cognitively intact. Continued review of the Quarterly MDS revealed the resident required the assist of two persons with transfers and toileting use. Medical record review of the care plan initiated on March 13, 2014, revealed, "...resident has an ADL (activity of daily living) self care performance deficit r/t (related to) hemiplegia, stroke e/b (evidenced by) inability to perform ADLs..." Continued review of the plan of care revealed, "...toilet use: resident requires two staff participation to use toilet..stand aide to transfer to toilet..." Further review revealed, "...Transfer: resident requires weight bearing support: stand aid, two staff assist..." Medical record review of a nurse's note dated May 15, 2014, revealed, "...resident stated (resident) had pulled (self) up using the right side while using the sit to stand lift, like usual, with one assist today, and 'hurt my shoulder.'" Interview with Cetrified Nursing Assistant (CNA) #1 on May 29, 2014, at 9:57 a.m., in the dining room on Nandina Unit confirmed the resident had to be assisted from the bed to the bathroom with the sit-to-stand lift and confirmed the resident required the use of two staff members when using the lift with the resident. Interview with Licensed Practical Nurse (LPN) #1 on May 29, 2014, at 10:16 a.m., in the dining room on Nandina Unit revealed the number of staff members required with the use of a lift varies from resident to resident. Continued interview confirmed the use of the sit-to-stand lift	F 282	**cont.** **F 282 – Services by Qualified Persons/Per Care Plan** 3. Director of Nursing or designee will provide re-education to all licensed and non-licensed nursing staff regarding following care planned interventions. Competencies for all nursing staff will be completed regarding following care plan interventions by 7/4/14. This competency is included in the new hire packet. 4. DNS / Staff Development Coordinator or designee will observe resident transfers to ensure care is provided as per care plan daily Random audits of observing resident transfers will be completed until all C.N.A.'s have demonstrated competency. These audits will then be completed weekly x 4 weeks, monthly x 2 months and quarterly x 3. Audit results will be reported to the quality committee for further recommendations. 5. Facility will be in compliance 7/4/14.	

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445508	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2014
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

(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 282	Continued From page 14 with resident #43 required the use of two staff members. Further interview with LPN #1 confirmed staff members were to verify the number of staff required by consulting the resident's plan of care which would document the resident's assist status. Interview with LPN #2 on May 29, 2014, at 2:27 p.m., at the nurse station on Tulip Unit confirmed the LPN had documented the use of the sit-to-stand lift with the assist of one staff member on May 15, 2014. Continued interview with LPN #2 confirmed the LPN was informed by the resident on May 15, 2014, only one staff member had assisted the resident in the lift on that day. Interview with CNA #3 on May 30, 2014, at 9:01 a.m., at the nurse station on Tulip, confirmed the CNA had been assigned to care for the resident on several occassions. Continued interview confirmed, "...we always use two people..." with the resident, and confirmed the CNA's were aware of how much assistance a resident would require by verifying the information on the resident's plan of care. Interview with the resident on May 30, 2014, at 10:15 a.m., in the resident's room confirmed the resident remembered being assisted to the bathroom on May 15, 2014. Continued interview revealed the resident remembered being assisted by only one staff on that day. Continued interview revealed the resident had some shoulder pain "...pulled muscle..." however has not had any further pain or discomfort from the incident. Interview with the Unit Coordinator on May 30, 2014, at 10:36 a.m., in the Conference Room confirmed the facility failed to follow the resident's	F 282		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2014
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

(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 282	Continued From page 15 plan of care by utilizing only one staff member with the use of the sit-to-stand lift.	F 282	**F 283 – Anticipate Discharge Recap Stay/Final Status** 1. Discharge summary for resident #38 was completed in our EMR (Electronic Medical Record) date of discharge (2/21/14). Discharge summary for resident #59 was completed in our EMR on 6/19/14. Documents were printed and provided to Medical Director for review and signature on 6/20/14. 2. All residents discharging from the facility have the potential to be affected by this deficiency. HIM (Health Information Manager) audited all discharged residents from 1/1/14 to present. 4 additional residents were identified and discharge summaries will be completed by 6/20/14. 3. Rehabilitation Nurse Consultant will provide in-service training to all licensed nurses and HIM regarding discharge summary completion and procedure for physician signature and review 7/2/14 and 7/3/14. 4. DNS or designee will complete discharge audit of all residents discharged summaries weekly x 4 weeks, monthly x 2 months, and then quarterly x 3. Audit results will be reported to the quality committee for further recommendations.	
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, facility policy review, and interview the facility failed to ensure discharge summaries were completed for two residents (#38, #59) of twenty-six discharge records reviewed. The findings included: Resident #38 was admitted to the facility on February 4, 2014, and discharged on February 21, 2014, with no documentation of a completed discharge summary. Resident #59 was admitted to the facility on January 16, 2014, and discharged on January 30, 2014, with no documentation of a completed discharge summary. Review of facility policy, Discharge, revealed "...Discharge Summary...completed and signed within (30) days of discharge..."	F 283		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2014
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY CROSSVILLE, TN 38558	

(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 283	Continued From page 16	F 283	cont. **F 283 – Anticipate Discharge Recap Stay/Final Status** 5. Facility will be in compliance 7/4/14.	
F 323 SS=E	Interview with the Unit Coordinator on May 30, 2014, at 1:45 p.m., in the Director of Nursing's office confirmed the facility had failed to follow it's policy for the completion of discharge summaries. 483.25(h) FREE OF ACCIDENT HAZARDS/SUPERVISION/DEVICES The facility must ensure that the resident environment remains as free of accident hazards as is possible; and each resident receives adequate supervision and assistance devices to prevent accidents. This REQUIREMENT is not met as evidenced by: Based on medical record review, observation, review of facility investigation, and interview, the facility failed to ensure the initiation of new interventions to protect from injury for two resident's (#44, #39) and failed to ensure the proper use of a lift for transfering one resident (#43),of six residents reviewed for accidents. The findings included: Resident #44 was admitted to the facility on June 24, 2013, with diagnoses including Chronic Kidney Disease, Alzheimer's Disease, Macular Degeneration, and Hypertension. Review of a facility investigation dated October 20, 2013, at 2:00 p.m., revealed the resident had a fall and the resident stated "I slid out of my chair and could not get up so I scooted to the doorway	F 323	**F 323 – Free of Accident Hazards/Supervision/Devices** 1. Residents #39, #43 and #44 have all had care plans updated with individual interventions in place by 5/29/14. 2. All residents have the potential to be affected by this deficient practice. All residents with a Fall Data Collection score of 16 or above have had a recent fall and all new admissions with a history of falls will have care plans reviewed by MDS coordinator, Unit Manager or designee for fall interventions by 6/27/14.	

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	445506		05/30/2014

NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE

STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558

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F 323	Continued From page 17 on my bottom." Continued review of the facility investigation revealed "...no apparent unsafe condition...walker...no injury..." Medcial record review of the care plan revealed no new interventions were updated on the care plan following the October 20, 2013, fall. Review of a facility investigation dated December 7, 2013, at 1:00 p.m., revealed the resident had a fall and "...found in floor...laying l (left) side on floor in front of bathroom...no apparent injury..." Medical record review of the care plan revealed no new interventions were updated on the care plan following the December 7, 2013, fall. Review of a facility investigation dated January 9, 2014, at 2:00 p.m., revealed the resident had a fall and "...resident found on the floor at 1400 (2:00 p.m.)...does not remember how...fell...assisted to bed...vital signs taken and were WNL (within normal limits)...no apparent unsafe condition...walker...no injury..." Medical record review of teh care plan revealed no new interventions were updated on the care plan following the January 9, 2014, fall. Review of a facility investigation dated February 28, 2014, at 8:37 p.m., revealed the resident had a fall and "...resident called out 'help!'...found on floor...stated knees became weak and it caused...fall ..." Medical record revelw of the care plan revealed no new interventions were updated on the care plan following the February 28, 2014, fall.	F 323	cont. **F 323 – Free of Accident Hazards/Supervision/Devices** 3. Licensed nurses will be re-educated by the Rehab/Skilled Consultant or DNS by 7/4/14 on completing Mobilization Assessment on each shift following admission, with resident's change of condition affecting mobility, and quarterly, and on updating care plans with changes in resident care needs. Licensed nurses not in attendance will be provided this education by the staff development coordinator or DNS prior to working their next scheduled shift. All C.N.A.s will receive re-education on providing care as per resident's Kardex by 7/4/14 by Rehab/Skilled Consultant, Staff Development Coordinator or DNS. 4. DNS / Staff Development Coordinator or designee will observe resident transfers to ensure care is provided as per care plan daily Random audits of observing resident transfers will be completed until all C.N.A.'s have demonstrated competency. These audits will then be completed weekly x 4 weeks, monthly x 2	

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2014
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

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F 323	Continued From page 18 Review of the quarterly Minimum Data Set (MDS) dated March 10, 2014, revealed the Brief Interview for Mental Status (BIMS) was a score of 9, (indicating the resident to be moderately cognitively impaired), was independent with ambulation and locomotion, and had recent falls without injury. Interview with Director of Nursing (DON), Unit Coordinator, and Staff Development Coordinator on May 29, 2014, at 3:25 p.m., in the conference room confirmed the resident is totally independent and enjoys walking and being up in the halls and outside. Further interview confirmed there is not a trend to the resident's falls or the resident reaching for items and objects. Interview with the Unit Coordinator on May 30, 2014, at 1:10 p.m., at the Tulip nursing station confirmed the resident was very mobile, was forgetful, and had to be reminded frequently of safety issues. Continued interview with the Unit Coordinator confirmed the facility had failed to ensure new interventions were initiated after multiple falls. Resident #39 was admitted to the facility on November 24, 2012, with diagnoses including Alzheimer's disease, Hypertension, Hypertrophy Prostate without Urinary obstruction, and History of Pulmonary Embolism. Medical record review of the care plan dated January 16, 2014, revealed the resident at risk for falls due to dementia, confusion, and poor safety awareness.	F 323	cont. **F 323 – Free of Accident Hazards/Supervision/Devices** months and quarterly x 3. Audit results will be reported to the quality committee for further recommendations. 5. Facility will be in compliance 7/4/14.	

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2014
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY CROSSVILLE, TN 38558	

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F 323	Continued From page 19 Medical record review revealed the resident fell on May 24, 2014. Review of the Fall Risk Data Collection form dated May 24, 2014, revealed the resident fell due to "...change in functional ability...no injuries..." Review of the care plan dated January 16, 2014, revealed no new interventions were placed after the fall. Interview with the Unit Coordinator on May 29, 2014, at 10:45 a.m., in the conference room confirmed the facility had failed to place new interventions after the fall. Resident #43 was admitted to the facility on June 13, 2013, with diagnoses including Cerebrovascular Accident, Hemiplegia, Arthritis, Rehabilitation, Restless Leg Syndrome, Hypothyroidism, and Parkinson's Disease. Medical record review of the most recent Quarterly Minimum Data Set (MDS) dated February 24, 2014, revealed the resident scored 14 on the Brief Interview for Mental Status (BIMS) which indicated the resident was cognitively intact. Continued review of the Quarterly MDS revealed the resident required the assist of two persons with transfers and toileting use. Medical record review of the Care Plan initiated March 13, 2014, revealed, "...resident has an ADL (activity of daily living) self care performance deficit r/t (related to) hemiplegia, stroke e/b (evidenced by) inability to perform ADLs..." Continued review of the resident's plan of care revealed, "...toilet use: resident requires two staff participation to use toilet...stand aide to transfer to toilet..." Further review revealed, "...Transfer:	F 323		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2014
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

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F 323	Continued From page 20 resident requires weight bearing support: stand aid, two staff assist..." Medical record review of a nurse's note dated May 15, 2014, revealed, "...resident stated (resident) had pulled (self) up using the right side while using the sit to stand lift, like usual, with one assist today, and 'hurt my shoulder.'" Observation of the resident on May 29, 2014, at 10:09 a.m., in the resident's room revealed the resident was assisted from the bed to the bathroom using the sit-to-stand lift. Continued observation revealed the resident was assisted with the help of two staff members, Certified Nursing Assistants (CNA) #1 and #2. Interview with CNA #1 on May 29, 2014, at 9:57 a.m., in the dining room on Nandina Unit, confirmed the resident had to be assisted from the bed to the bathroom with the sit-to-stand lift, and confirmed the resident required the use of two staff members when using the lift with the resident. Interview with Licensed Practical Nurse (LPN) #1 on May 29, 2014, at 10:16 a.m., in the dining room on Nandina Unit revealed the number of staff members required with the use of a lift varies from resident to resident. Continued interview confirmed the use of the sit-to-stand lift with resident #43 required the use of two staff members. Further interview with LPN #1 confirmed staff members were to verify the number of staff required by consulting the resident's plan of care which would document the resident's assist status. Interview with LPN #2 on May 29, 2014, at 2:27	F 323		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED 05/30/2014
NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY CROSSVILLE, TN 38558	

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F 323	Continued From page 21 p.m., at the nurse station on Tulip Unit, confirmed the LPN had documented the use of the sit-to-stand lift with the assist of one staff member on May 15, 2014. Continued interview with LPN #2 confirmed the LPN was informed by the resident on May 15, 2014, only one staff member had assisted the resident in the lift on that day. Interview with CNA #3 on May 30, 2014, at 9:01 a.m., at the nurse station on Tulip, confirmed the CNA had been assigned to care for the resident on several occassions. Continued interview confirmed, "...we always use two people..." with the resident and confirmed the CNA's were aware of how much assistance a resident would require by verifying the information on the resident's plan of care. Interview with the resident on May 30, 2014, at 10:15 a.m., in the resident's room, confirmed the resident remembered being assisted to the bathroom on May 15, 2014. Continued interview revealed the resident remembered being assisted by only one staff on that day, "...my (spouse) was in the room and I think they thought (the spouse) was going to help but (the spouse) didn't..." Continued interview revealed the resident had some shoulder pain "...pulled muscle...", however has not had any further pain or discomfort from the incident. Interview with the Unit Coordinator on May 30, 2014, at 10:36 a.m., in the Conference Room confirmed the facility had failed to ensure two staff members were present while utilizing a lift for resident transfer and failed to ensure a lift was operated in a manner to ensure the safety of the resident during a transfer.	F 323		

Division of Health Care Facilities

SUPPLEMENTAL #1

PRINTED: 08/05/2014
FORM APPROVED

July 24, 2014
4:27 pm

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED
	TN7106		05/30/2014

NAME OF PROVIDER OR SUPPLIER: GOOD SAMARITAN SOCIETY - FAIRFIELD GL

STREET ADDRESS, CITY, STATE, ZIP CODE: 100 SAMARITAN WAY, CROSSVILLE, TN 38558

(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 000	Initial Comments An annual Licensure survey and complaint investigation #33673 and #33675, were completed on May 27 - 30, 2013, at Good Samaritan Society - Fairfield Glade. No deficiencies were cited under Chapter 1200-8-6, Standards for Nursing Homes.	N 000		

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

SUPPLEMENTAL #1
PRINTED: 05/30/2014
July 24, 2014
4:27 pm
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445506	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUIDING B. WING	(X3) DATE SURVEY COMPLETED 05/27/2014
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GLADE		STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558	

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K9999	FINAL OBSERVATIONS Based on observations, testing and records review 5/27/14, was determined the facility had no life safety deficiencies.	K9999		

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.

Division of Health Care Facilities

SUPPLEMENTAL #1

PRINTED: 05/30/2014
July 24, 2014 4:27 pm
FORM APPROVED

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TN7106	(X2) MULTIPLE CONSTRUCTION A. BUILDING: 01 - MAIN BUIDING B. WING	(X3) DATE SURVEY COMPLETED 05/27/2014
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GL	STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558		

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N 843	1200-8-6-.08 (13) Building Standards (13) Electrical drawings shall include where applicable: (a) A seal, certifying that all electrical work and equipment is in compliance with all applicable codes and that all materials are currently listed by recognized testing laboratories; (b) All electrical wiring, outlets, riser diagrams, switches, special electrical connections, electrical service entrance with service switches, service feeders and characteristics of the light and power current, and transformers when located within the building; (c) An electrical system that complies with applicable codes; (d) Color coding to show all items on emergency power; (e) Circuit breakers that are properly labeled; and (f) Ground-Fault Circuit Interrupters (GFCI) that are required in all wet areas, such as kitchens, laundries, janitor closets, bath and toilet rooms, etc, and within six (6) feet of any lavatory. This Rule is not met as evidenced by: Based on observation, it was determined the facility failed to comply with applicable codes. The findings included: Observation of the beauty shop on 5/27/14	N 843	**N 843 – Building Standards** 1. The multi-plug adaptor was removed and replaced with an approved ground fault power strip and plug on hair dryer was replaced with the ground on 5/27/14. 2. All residents have the potential to be affected by this deficient practice. Maintenance department inspected skilled units for all ground fault outlets and wet areas. No other adaptors were found. No other residents were found at risk. 3. Beauty shop employees were educated on use of approved adapters and inspection of appliance plugs before use on 5/27/14, and instructed to notify maintenance department if adapter is needed. Use of adaptors will be included in monthly preventative maintenance and will be added to TELS for monitoring. 4. Maintenance Department will complete a safety audit on the beauty shop monthly x3 and then quarterly to include use of adaptors. Audits will be reported to the quality committee for recommendations.	

Division of Health Care Facilities

SUPPLEMENTAL #1

PRINTED: 05/30/2014

July 24, 2014 APPROVED

4:27 pm

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TN7106	(X2) MULTIPLE CONSTRUCTION A. BUILDING: 01 - MAIN BUIDING B. WING	(X3) DATE SURVEY COMPLETED 05/27/2014
NAME OF PROVIDER OR SUPPLIER GOOD SAMARITAN SOCIETY - FAIRFIELD GL/	STREET ADDRESS, CITY, STATE, ZIP CODE 100 SAMARITAN WAY CROSSVILLE, TN 38558		

(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 843	Continued From page 1 revealed, the use of a multi-plug adaptor and a broke ground plug on the hair dryer. National Fire Protection Association (NFPA) 99,8.4.12.5. The findings were verified by the administrator and acknowledged by the administrator during the exit conference 5/27/14.	N 843	cont. **N 843 – Building Standards** 5. Facility will be in compliance by7/4/14.	
N 848	1200-8-6-.08 (18) Building Standards (18) It shall be demonstrated through the submission of plans and specifications that in each nursing home a negative air pressure shall be maintained in the soiled utility area, toilet room, janitor ' s closet, dishwashing and other such soiled spaces, and a positive air pressure shall be maintained in all clean areas including, but not limited to, clean linen rooms and clean utility rooms. This Rule is not met as evidenced by: Based on observations, it was determined the facility failed to maintain negative air pressure. The findings included: Observation of the kitchen on 2/27/14 revealed, the house keeping closet door will not close within the door frame. The finding was verified by the maintenance director and acknowledged by the administrator during the exit conference on 5/27/14	N 848	**N 848 – Building Standards** 1. Applied fire seal to door 6/19/14 and door is now air tight. 2. All fire doors are at risk for this deficient practice. All fire doors in the skilled center were checked for proper closure on 5/27/14 and were found to be in working order and closed properly. 3. All fire doors are checked monthly by the maintenance department and recorded in TELS. 4. Maintenance Department will complete a safety audit on the fire doors monthly x3 and then quarterly. Audits will be reported to the quality committee for recommendations. 5. Facility will be in compliance 7/4/14.	

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

July 29, 2014

Mr. Michael D. Brent, Attorney
Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203

RE: Certificate of Need Application CN1407-031
Good Samaritan Society-Fairfield Glade

Dear Mr. Brent:

This will acknowledge our July 24, 2014 receipt of your supplemental response pertaining to your application for a Certificate of Need for the addition of 30 Medicare and Tenncare dually certified beds to its existing 30 bed nursing home facility for a total of 60 beds. These beds are subject to the 125 Nursing Home Bed Pool for 2014-2015.

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

Please submit responses in triplicate by noon, July 31, 2014. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Section C, Need, Item 5**

   The "Service Area Patient accommodation Mix" table in the response is noted. Please revise the licensed bed total for Wharton Nursing Home to reflect 62 beds in lieu of 122 beds.

2. **Section C, Need, Item 6**

   The tables showing projected utilization of the proposed 30 beds from the FY2014-2015 Nursing Home Bed Pool and all 60 beds following completion are noted.

   On page 28 of the application, the applicant notes that the occupancy of the 30 bed facility was 94.3% in CY2013 and 95% in CY 2014. This amounts to an average daily census of approximately 28.5 patients per day. With 45 total patients projected in Year 1, please clarify why the average daily census of the 30 additional proposed beds would not be 16.5 patients per day in Year 1 (45–28.5=16.5 patients/day).

Proposed 30 beds -Projected Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
1								
2								

* Includes dually-certified beds

3. **Section C, Economic Feasibility, Item 2 (Funding)**

   The 7/24/14 replacement letter from the CFO of the parent company is noted. Please add a reference to financing with tax exempt bonds in line 2.B of the table and submit a replacement page 27-R.

4. **Section C, Economic Feasibility, Item 4 (Historical Data Chart)**

   In explaining the differences between the amounts provided in your Historical Data Chart and the applicant's most recent JAR, the applicant states that the Historical Data Chart is the correct statement of operating revenues and expenses. However, in the next response pertaining to depreciation, the applicant states that the chart contains the financials of the entire CCRC, not just the nursing facility. Is there a separate and distinct historical data chart for just the nursing facility that can be provided to facilitate comparison to the Projected Data Charts in the application? Please clarify.

5. **Section C, Economic Feasibility, Item 4 - Projected Data Chart**

   There is an error in the table provided in page 38_R. The row labeled "Average Gross Charge" should contain amounts that are higher than Average Net Charges. Please revise the table.

   The reduction in the amounts projected for fees to affiliates on line D.8.a of the four charts is noted. However, there is an error in each of the 4 Projected Data Charts with the amounts the applicant has budgeted for NET OPERATING REVENUE (net operating revenue after deductions should always be lower than gross operating revenue). Because of this error, the applicant's net operating income is significantly overstated in all of the charts. Please revise and resubmit the charts (please also renumber the replacement pages as 18a, 18b, etc.).

6. **Section C, Economic Feasibility, Item 2**

   The replacement letter from the CFO confirms the method of funding from a combination of sources, including a short term line of credit and tax-exempt bonds. Please provide documentation from the commercial lender and bond issuer (Colorado Housing Financing Authority) that attests to their interest and ability in providing funding support for the project.

7. **Section C, Economic Feasibility, Item 5**

The table as confirmed in the response is noted below. However, please note that table provided in question 5, page 38-R of attachment 13(a) will need to be revised to correctly reflect gross and net charges.

Applicant's Average Gross Charge Amounts

Year	30 bed addition	60 bed addition
2016	$333.67	$332.75
2017	$340.35	$339.41

Note: the average gross charge is merely a calculation of the projected Gross Operating Revenue in the Projected Data Chart divided by the projected patient days.

8. Section C, Orderly Development, Item 3.

The response is noted confirming an increase in nursing staffing from 21 FTE to 44 FTE upon project completion. Please also briefly describe what accounts for the difference from the staffing reported in the 2012 JAR (approximately 33 nursing full time equivalent positions (FTE) and 14 FTE "other health" positions for a total of 47 FTE).

9. Section C, Orderly Development, Item 7

The clarification of the applicant's statement that it has not been cited for any deficiencies is noted. In reviewing the documentation for the May 2013 survey and the October 2013 complaint survey, what additional documentation in the form of an acceptance letter or resurvey by TDH is available to confirm that all deficiencies were corrected and substantial compliance was achieved?

With respect to the most recent TDH survey on May 29, 2014, the June 10, 2014 letter from the TDH regional Administrator notes several key dates pertaining to achieving substantial compliance with Medicare and Medicaid Conditions of Participation, e.g. July 14, 2014, August 30, 2014 and November 30, 2014. What developments with compliance have occurred following the meeting between the applicant and TDH on July 23, 2014 to discuss changes to the applicant's plan of correction? Please discuss in further detail.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is September 18, 2014. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

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

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

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

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Jeff Grimm
Health Services Examiner

Enclosure/PJG

State of Tennessee
Health Services and Development Agency
Andrew Jackson State Office Building, 9th Floor
502 Deaderick Street, Nashville, TN 37243
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July 18, 2014

Mr. Michael D. Brent, Attorney
Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203
RE: Certificate of Need Application CN1407-031
Good Samaritan Society-Fairfield Glade

Dear Mr. Brent:

This will acknowledge our July 14, 2014 receipt of your application for a Certificate of Need for the addition of 30 Medicare and Tenncare dually certified beds to its existing 30 bed nursing home facility for a total of 60 beds. These beds are subject to the 125 Nursing Home Bed Pool for 2014-2015.

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

Please submit responses in triplicate by 12:00 p.m., Monday, July 28, 2014. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Section A, Applicant Profile, Item 12**

   Your response pertaining to participation in Tenncare is note. However, statements in the Letter of Intent and other sections of the application appear to omit any reference to the existing and additional beds being dually certified for participation in Medicare and Tenncare/Medicaid (see LOI and pages 14, 19 and 39 of the application). Given the response provided to this item, please confirm that the nursing homes existing beds and proposed beds will be dually certified for participation in the Medicare and Tenncare/Medicaid programs.

   Note: if confirmed, the applicant should revise the statements in the referenced pages & elsewhere in the application as needed. If not correct, please explain.

2. **Section B, Project Description, Item 1 and Item II.A**

   Your response is noted. On page 14 the applicant states that the larger Southern Wing will include a new rehabilitation area on the ground level and a new 20-private room nursing unit on the 1st Floor of the wing. Review of the floor plans for the ground floor, revealed a new rehab area and a new Skilled Nursing North Connector addition

with 10 private patient rooms. It appears that the rehab addition is a stand-alone area not connected to the building. Please clarify how nursing home residents in other areas of the building will have access to the rehab area.

Review of the Square Footage Chart revealed a new construction cost of $5,716,107 in lieu of the $4,092,145 ($149/SF) entered on line A.5 of the project Costs Chart on page 36 of the application. What does the $5,716,107.00 consist of? In your response, please also clarify why the "true" cost of the new construction ($4.1 million or $149/SF as confirmed by the project architect) was not used in the Square Footage Chart.

The "Rehabilitation Area" on the ground floor is depicted in the attachments containing the floor plans of the proposed new additions. However, no mention of this area is made in the Square Footage Chart. Please clarify.

3. **Section B, Project Description, Item II.C-Long Term Care Services**

The table showing the nursing home's "deflection activity" for the most recent 12-month period is noted. It appears that denials based on unavailable beds accounted for approximately 41% of total referrals during this time. This information is helpful to HSDA staff review of the proposal as it appears to significantly reinforce the applicant's proposal for additional beds using the population-based bed need formula in Section C, Need, Item 1 (project specific standards). However, a few questions arise:

(a) has the applicant contacted other existing nursing homes in Cumberland County for similar data to help further illustrate the need for additional beds in the county? If so, how does their history of "deflection" compare? Please clarify.

(b) there are two columns in the table – one showing total denials and the other showing denials due to bed unavailability. What factors are included in the "total denials" column?

(c) the difference between 357 total referrals and 222 total denials is approximately 135. It appears that this amount represents 135 admissions during the 12-month period. This amount seems to be significantly lower compared to the nursing home's admissions 189 total admissions during the 2012 JAR period (Jan, 2012-Dec 2012). Please explain.

4. **Section B, Project Description, Item IV (Floor Plans)**

The floor plan labeled as "First Level Plan – Phase 2" shows 30 CON beds at 2 different wings (South and North) on the first floor. However, as noted, the applicant is showing 10 of 30 beds on the ground level "North Connector" floor plan. Please clarify.

Of the 10 patient rooms on the new ground floor "North Connector Addition", 8 are labeled "Unit A" and 2 are labeled "Unit B". What accounts for the difference in the rooms? Please clarify.

Please help clarify the plans provided by completing the table below (note: SF is the abbreviation for Square feet):

Patient Rooms by Floor – Fairfield Glade

Floor	Existing Private Rooms	Additional Rooms	Total at Completion	Total SF Patient Room Areas	Average SF per Room
Ground					
1st Floor					
2nd Floor					
Other					
Total					

5. **Section C, Need, Item 1**

Special Note: given the construction of the new patient areas at a cost higher than $2,000,000, please provide responses in Section C, Need, Item 1 which provides answers to the questions on page 23 of *Tennessee's Health: Guidelines for Growth, Criteria and Standards, Edition 2000,* "Construction Renovation, Expansion and Replacement of Health Care Institutions."

Nursing Home Services:

Item 1: the response is noted. In light of the correct use of the population and bed formula, and the table on page 20 summarizing the nursing home's "deflection activity" related to "bed unavailability (146 denials of 357 referrals from August 2013 to June 2014) has the applicant been in contact with hospital management representatives and/or discharge planners to discuss the need for additional skilled nursing beds in Cumberland County? If so, it would be helpful to provide letters of support from same that attests to the need for more nursing home beds in the county.

Item 2: Given the population data and use in the Nursing Home Bed Need formula provided in Item 1 & Attachment C, Need-1.A, the response to this item should be corrected to reflect that the there is a bed need in Cumberland County for 314 additional beds (685-371=314) in Calendar Year (CY) 2015 and 329 beds in CY2016 (700-371=329) in lieu of the amounts noted in the response by the applicant (678 and 291).

Item 4: this standard requests data to document that the majority of the applicant's service recipients reside in the service area. Please identify the percentage of the nursing home's total admissions by Cumberland County residents in 2011, 2012 and 2013.

Item5.b: the response indicating that the applicant is proposing to add 30 of 314 nursing home beds needed in Cumberland County in CY2014 is noted. However, it is

interesting that 2 of 4 existing nursing homes had occupancies lower than 90% in CY2012 and CY2011 leading to an average occupancy of 84%. It seems that there would be a strong correlation between need for more beds and high occupancy rates of existing nursing homes indicating that supply is insufficient to meet demand. Please comment further on the reasons or factors that account for the low correlation between projected bed need and area occupancy.

6. **Section C, Need, Item 3 (Service Area)**

   Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area.

Variable	*Cumberland County*	*Tennessee*
Current Year (CY), Age 65+		
Projected Year (PY), Age 65+		
Age 65+, % Change		
Age 65+, % Total (PY)		
CY, Total Population		
PY, Total Population		
Total Pop. % Change		
TennCare Enrollees		
TennCare Enrollees as a % of Total Population		
Median Age		
Median Household Income		
Population % Below Poverty Level		

7. **Section C, Need, Item 5.**

   Your response is noted. Please complete the following tables:

Cumberland County Nursing Home Utilization-2012

Name	Lic. Beds	Beds-MCARE only-certified	Beds-Dually Certified	Beds Level 1 certified MCAID	Licensed Only Beds Non-Certified	SNF MCARE ADC	Level 2 MCAID ADC	skilled All other Payors ADC	Non-skilled ADC	Total ADC
Fairfield Glade										
Life Care										
Wyndridge										
Wharton										
Total										

Source: Nursing Home JAR, 2012 (legend: Medicare=MCARE; Tenncare/Medicaid=MCAID)

Cumberland County Nursing Home UtilizationTrends-2010-2012

Facility	Licensed Beds	2010 Patient Days	2011 Patient Days	2012 Patient Days	'10- '12 % change	2010 % Occupancy	2011 % Occupancy	2012 % Occupancy
Fairfield Glade								
Life Care								
Wyndridge								
Wharton								
Total								

Source: Nursing Home JAR, 2010-2012

Service Area Patient Accommodation Mix-2012 JAR

Nursing Home	Licensed Beds	Total Private Beds	Total Semi-Private Beds	Total Companion Beds	Ward Beds
Fairfield Glade					
Life Care					
Wyndridge					
Wharton					
Service Area Totals					

8. Section C, Need, Item 6.

Your response to this item is noted.

Review of the 2012 Joint Annual report revealed admissions by source as follows: hospital 165; home 18; assisted living 2 and transfers from other NF 2. Based on the apartments and assisted living units being added on the campus in conjunction with this nursing home project, one might expect admissions from those sources to increase. On the other hand, hospital referrals may remain at historical levels of 90% based on the projected nursing home bed need. Please discuss the changes to the nursing home's sources of patient admissions that are anticipated as a result of the project.

Please complete the following tables:

Proposed 30 beds -Projected Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
1								
2								

* Includes dually-certified beds

60 Bed Facility-Projected Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
1								
2								

* Includes dually-certified beds

9. Section C, Economic Feasibility, Item 1 (Project Cost Chart)

The letter dated June 26, 2014 from Geoff Haskell, AIA is noted. However, please include reference to compliance with the federal, state and local construction codes, standards, specifications, and requirements that apply to the project such as the 2010 AIA Guidelines for Design and Construction of Healthcare Facilities.

Since the deed provided in the application attests to the applicant's site control and 23 acres is noted in the plot plan, what accounts for the $235,000 land acquisition cost in Line B.3 of the chart? Please clarify.

10. Section C, Economic Feasibility, Item 2 (Funding)

The response is noted. Review of the 7/11/2014 letter from the CFO of the parent company revealed that project will be financed through a combination of cash reserves and tax-exempt bonds. Reference to financing with tax exempt bonds was not indicated in line 2.B on page 37 nor mentioned in the remarks nor was the required documentation provided in the application from an underwriter or investment banker. Please explain.

11. Section C, Economic Feasibility, Item 3

Your response is noted. HSDA construction costs are noted in the table provided below from the "Applicant's Toolbox" on the HSDA website. Please provide a comparison of the project to same.

Nursing Home Construction Cost Per Square Foot

Years: 2011 – 2013

	Renovated Construction	New Construction	Total Construction
1st Quartile	$25.00/sq ft	$152.80/sq ft	$94.55/sq ft
Median	$55.00/sq ft	$167.31/sq ft	$152.80/sq ft
3rd Quartile	$101.00/sq ft	$176.00/sq ft	$167.61/sq ft

Source: CON approved applications for years 2011 through 2013

12. Section C, Economic Feasibility, Item 4 (Historical Data Chart)

Review of the applicant's 2012 JAR for the January 1, 2012 to December 31, 2012 reporting period revealed approximately $157,187 in net operating revenues and $460,883 in expenses (less depreciation). What accounts for the significant differences from the amounts provided in your Historical Data Chart?

What is being depreciated in line D.5 of the chart for the existing 30 bed facility?

Please verify the calculations for deductions from Gross Operating Revenue for Year 2011. If needed, please include any revisions on the historical data chart and resubmit.

13. **Section C, Economic Feasibility, Item 4 - Projected Data Chart**

Please explain why the gross charge amounts in the 2 charts are different than the $426.56 provided in the response on page 38 of the application.

Why are there no provisions for charity care in the Projected Data Charts?

Please explain what is being depreciated in Line D.5 of the chart.

What accounts for the $441,274 of fees to affiliates on line D.8.a? of the chart? Why is this amount approximately $190,000 higher than CY2013? Please explain.

14. Section C, Economic Feasibility, Item 5

The net charge of $426.56 is higher than the average gross change in the response. Please revise the amounts. In your response, please explain the difference from the gross charge amounts reflected in the 2 Projected Data Charts on page 18.a and 18.b of the application. These amounts are provided in the table below (note: the gross charge amounts are derived from inpatient gross revenues and average daily census identified in each of your Projected Data Charts).

Applicant's Average Gross Charge Amounts

Year	30 bed addition	60 bed addition
2016	$333.67	$332.75
2017	$340.35	$339.41

Note: the average gross charge is merely a calculation of the projected Gross Operating Revenue in the Projected Data Chart divided by the projected patient days. Explain the reasons for the differences in these amounts.

15. Section C, Economic Feasibility, Item 8

The response appears to reflect that the parent company may provide funding to cover any operational losses. Given the losses documented in the Historical Data Chart for 2012 or approximately -$355,390 after depreciation, fees to affiliates and capital, it appears that the parent company would have needed to provide support from cash reserves or capital contributions. Please briefly describe the level of support provided previously and the expectations for repayment by the applicant that might apply in future periods, if any.

16. Section C. (Economic Feasibility) Item 9

Your response is noted. Although Tenncare is not noted here, page 34 of the application identifies a Medicaid payor mix averaging 5 patients per day in CY2015. Are these amounts reflected in the Projected Data Chart? If so, what is the estimated dollar amount of revenue in the first year of the project?

With no Tenncare patient admissions reflected in 2014 or earlier, what accounts for the change in this project?

17. Section C, Orderly Development, Item 3.

The response is noted. Review of the 2012 JAR revealed approximately 33 nursing full time equivalent positions (FTE) and 14 FTE "other health" positions for a total of 47 FTE that provided direct patient care services in 2012. Based on the staff schedule provided on page 43, it appears that there are approximately 48 FTE direct care staff for the 60 bed nursing home. Please explain why there appears to be no increase in direct care staffing?

18. Section C, Orderly Development, Item 7

The applicant states it has not been cited for any deficiencies. However, review of the Nursing Home Compare site of the Department of Health website reflects that the applicant was surveyed on May 30, 2013 with 7 deficiencies noted. Additionally, the site notes that a complaint survey occurred in October 2013. While the applicant's overall rating on Nursing Home Compare was "Much Above Average" (5 of 5 stars), it does appear that deficiencies were noted by TDH. Please document correction of these surveys with copy of appropriate correspondence from TDH.

In addition, please also provide a copy of the applicant's most recent survey conducted by TDH on May 29, 2014, with documentation of TDH's acceptance of the nursing home's plan of correction, should any deficiencies have been noted.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is September 18, 2014. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

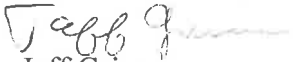
Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. ϑ 68-11-1607(d):

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

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

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,



Jeff Grimm
Health Services Examiner

Enclosure/PJG