Original

Maxim Health Services

CN1405-015

DSG Development Support Group

May 15, 2014

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Frost Building, Third Floor
161 Rosa Parks Boulevard
Nashville, Tennessee 37203

RE: CON Application Submittal
Maxim Health Services--New Agency
Principal Office in Johnson City, Washington County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

I am the contact person for this project. Byron Trauger is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,

John Wellborn

John Wellborn
Consultant

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

MAXIM HEALTHCARE SERVICES

CERTIFICATE OF NEED APPLICATION
TO ESTABLISH A
MEDICARE-CERTIFIED
HOME HEALTH AGENCY TO PROVIDE
PRIVATE DUTY NURSING SERVICES

Johnson City, Washington County
Filed May 2014

PART A

1. Name of Facility, Agency, or Institution

Maxim Healthcare Services		
Name		
208 Sunset Drive, Suite 503		Washington
Street or Route		*County*
Johnson City	TN	37604
City	*State*	*Zip Code*

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
Name		*Title*	
Development Support Group		jwdsg@comcast.net	
Company Name		*E-Mail Address*	
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
Street or Route	*City*	*State*	*Zip Code*
CON Consultant	615-665-2022	615-665-2042	
Association With Owner	*Phone Number*	*Fax Number*	

3. Owner of the Facility, Agency, or Institution

Maxim Healthcare Services, Inc.		
Name		
c/o Maxim Healthcare Services, 2416 21st Avenue South, Suite 204		
Street or Route		*County*
Nashville	TN	37212
City	*State*	*Zip Code*

4. Type of Ownership or Control (Check One)

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

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

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

Name

Street or Route *County*

City *State* *Zip Code*

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

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of 5.5 Years	x		

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

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

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

A. New Institution	x	G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, Designation, Distribution, Conversion, Relocation	
B. Replacement/Existing Facility		H. Change of Location	
C. Modification/Existing Facility		I. Other (Specify):	
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify) Home Health	x		
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9. ***Bed Complement Data*** *Not Applicable*

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

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical					
B. Surgical					
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

10. Medicare Provider Number:	To be applied for
Certification Type:	Home Health Agency
11. Medicaid Provider Number:	To be applied for
Certification Type:	Home Health Agency

12. & 13. See page 4

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

It is a proposed new licensed home health agency. Certification will be sought for both Medicare and TennCare/Medicaid.

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) 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 MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

This proposed agency will be the fifth licensed to Maxim Healthcare Services, Inc. in Tennessee. All four existing Maxim agencies (in Memphis, Nashville, Chattanooga, and Knoxville) contract with all available MCO's in their areas. Their payor mix is approximately 90% TennCare. This proposed home health agency will seek contracts with all MCO's active in its service area. The MCO's for the project service area shown in Table One below.

Table One: Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	**Applicant's Relationship**
AmeriGroup	contracted
United Community Healthcare Plan (formerly AmeriChoice)	contracted
BlueCare/TennCare Select	contracted

SECTION B: PROJECT DESCRIPTION
B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

• Maxim Healthcare Services is a provider of private duty home health services in 42 counties of Tennessee. Approximately 90% of its services are delivered to TennCare patients, half of them children and adolescents. Maxim proposes to establish a home health agency to serve five Upper East Tennessee counties (Carter, Johnson, Sullivan, Unicoi, and Washington), through a principal office in Washington County.

• Home Health services are provided as either "visits" (reimbursed at a flat rate) or "hours" (reimbursed hourly). Instead of marketing traditional home health visits in competition with other home health agencies, Maxim specializes in providing private duty hourly care to TennCare, medically complex patients, especially pediatric patients. For example, in 2013:

a. Maxim's Statewide caseloads were 50% pediatric patients, compared to the home health industry's Statewide average of 2.0%.

b. Maxim's Statewide payor mix is 90% TennCare; its visits, which are few, are only one-half of 1% Medicare.

c. Maxim serves four of the five major urban areas in the State (42 counties) but delivered only two-tenths of 1% of the State's home health visits.

d. Maxim averaged only 4.3 home visits per week in each county Maxim serves--clearly not competing significantly with most home health agencies.

• Maxim's private duty patients typically are TennCare and commercially insured patients who need more daily care than can be delivered in a 1- to 2-hour visit. Visits by other agencies usually involve brief, specific tasks such as wound care, physical therapy, and administration of medication. In contrast, "private duty" care (which includes TennCare and commercial patients) typically delivers 4 to 24 hours of attendance and care, by skilled nurses and aides. Private duty care includes medical procedures for ventilator care, complex IV therapy and palliative care, for patients with cardiovascular, respiratory, renal, blood, orthopedic, neurological, immunologic, and infectious disease disorders. Maxim is well regarded by children's hospitals and other referral sources in the four urban regions it already serves (42 counties around Memphis, Nashville, Chattanooga, and Knoxville).

• In this project, Maxim seeks an unrestricted home health agency license. As a major TennCare provider, Maxim must seek Medicare certification to obtain the Medicare provider number now required by TennCare. However, Maxim performs only token Medicare service (.05% of its visits), and will follow the same policy in this proposed

Tri-Cities agency. Maxim made a similar commitment to the CON Board in its Memphis market, received approval, and has scrupulously complied. In 2013, Maxim in Shelby County provided 237,411 private duty hours (51.6% of them to children) but only 805 home visits--only one visit of which was to a Medicare patient..

Ownership Structure

• The applicant, Maxim Healthcare Services, Inc., is a Maryland corporation, owned privately by the three entities listed in Attachment A.4. It has provided services in Tennessee for 15 years, and across the U.S. for 25 years.

Service Area

• Tri-Cities is the State's only major urban area not being served by Maxim. The service area for this project will be Carter, Johnson, Sullivan, Unicoi, and Washington Counties in the Tri-Cities area of Upper East Tennessee. Maxim serves large regions of Tennessee, Virginia, and North Carolina completely surrounding this five-county area. Maxim now seeks to close that "doughnut hole," to be accessible to all children and adults discharged from tertiary regional hospitals in Johnson City and Kingsport.

Need and Existing Resources

• Agencies providing limited private duty services may not be staffed to quickly provide 24-hour or 365-day care, or to care for particularly difficult cases--particularly children. Maxim agencies serve small numbers of complex patients, with high levels of clinical expertise. Maxim has been a significant pediatric care provider because of staffing depth to serve the most complex pediatric or adult patients, on the most intense care schedules. Please see the reference letters in the Attachments, including one from a former Chief of Staff of LeBonheur Children's Hospital in Memphis.

• Physicians and nurses practicing at tertiary care facilities in Tri-Cities, and the Muscular Dystrophy Association of East Tennessee, have submitted support letters, attesting to area needs for more high-quality pediatric home health care. The few agencies staffed for private duty and skilled in pediatric care are not adequate to meet area needs.

• There are nineteen home health agencies authorized to serve parts, or all, of this service area. Last year, three of them served no patients from this area. Five served a collective total of only 45 patients. Nine have less than 21% of their total patients living in these five counties. The ten agencies whose majority of patients live in the five county area average only a 1.5% average dependence on area pediatric patients. And pediatric patients, Maxim's specialty, are less than 1.0% of area caseloads at eight of the ten.

• The competitive impact of another agency will be minimal. First, Maxim will be small. Its 36 patients in Year Two is 1/3 of 1% of the 13,000+ home health patients in this area last year. Second, Maxim will not be caring for Medicare patients, which would adversely affect other agencies. Third, home health agencies are for-profit entities which--unlike hospitals--have no significant "bricks and mortar" capital debt, invest in no major equipment, and pay contract staff only as needed. It is feasible and in the public interest for Tennessee counties to have significant consumer choice for every type of special needs patient. This project will give TennCare and privately insured families and children better access to superior care for complex cases.

Project Cost, Funding, and Financial Feasibility

• The only project costs associated with this project are for leasing, furnishing, and equipping a principal administrative office in Johnson City, in Washington County. No major medical equipment is required. The cost for CON purposes is $463,825, of which $154,000 is the actual cash requirement (the balance is lease outlay). All the cost will be funded by the applicant. The service is projected to become financially feasible in its second year of operation.

Staffing

• In Year Two the agency will employ 9 administrative and supervisory personnel in the principal office, and will employ 89 "field" FTE's of RN's, LPN's, and Home Health Aides to serve patients at home.

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.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.

Facility Development

The principal office for this agency will be developed in leased space in a commercial office building at 208 Sunset Drive, Suite 503, in Johnson City, in Washington County. The office will have 3,438 square feet of space. It will contain a reception and waiting area, six private offices, a four-station group work area, a skills lab, a copy room, and support spaces such as medical records, business functions, and IT.

The office staff will consist of an administrator, an RN Director of Clinical Services, one to two recruiters, one to two RN clinical supervisors, a Personnel Coordinator, and a Payroll Clerk. Contracted field staff providing home care in Year Two will consist of an estimated fifteen RN's, fifty-five LPN's, and ten Home Health Aides.

Table One: Summary of Construction and Project Size	
	Total Square Feet
Facility Before Project	NA (new facility)
Facility After Project	3,438 SF (leased space)
Net Increase in Size (%)	NA (new facility)
Area of New Construction	None
Area of Build-out or Renovation	3,438 SF
Total New & Renovated Construction	3,438 SF

Table Two: Construction Costs of This Project			
	Renovated Construction	**New Construction**	**Total Project**
Square Feet	3,438 SF	0	3,438 SF
Construction Cost	$60,000	0	$60,000
Constr. Cost PSF	$17.45 PSF	NA	$17.45 PSF

Project Cost and Funding

The project cost for CON purposes, which includes the value of leased space, is estimated at $463,825, of which the actual capital cost is $154,000. The applicant has sufficient cash and operating reserves to fund the full cost of the project.

Implementation and Operation

If granted CON approval the Agency should be operational by January 1, 2014. It will provide services 24 hours daily throughout the year.

Services Provided

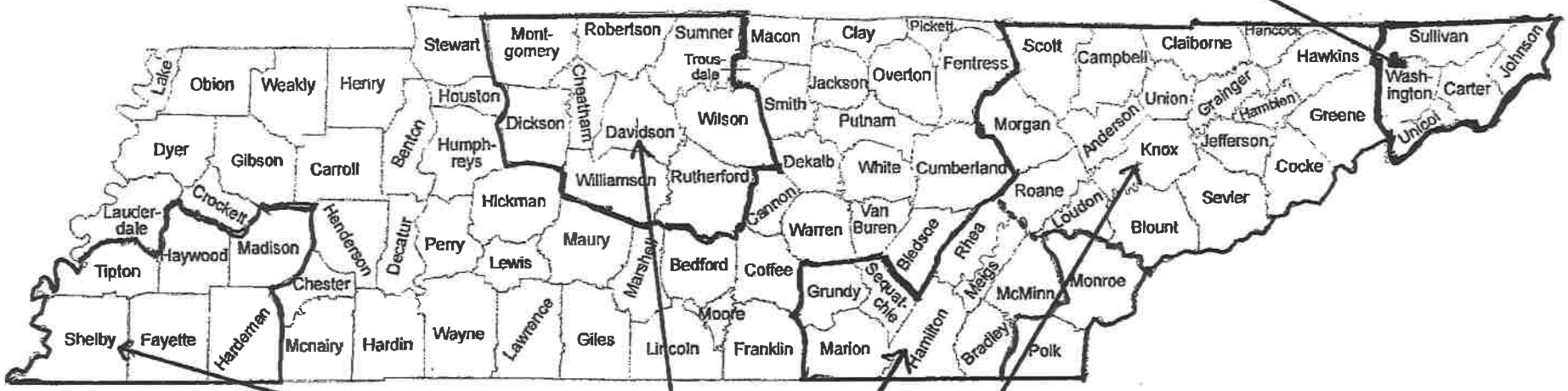
Maxim Home Healthcare agencies provide skilled medical and non-medical care, private duty nursing, infusion therapy IV/IG, Disease Management Instruction, medication injection training;, wound management, RN nursing assessments, mother/infant visits, 24/7 companion care, assistance with activities of daily living, case coordination services, medication management visits, and other essential home care services. The company specializes in managing complex adult and pediatric cases to persons younger than 65 years of age, and has a 90% TennCare payor mix Statewide.

The Applicant

Maxim Healthcare is a national company that has provided home care for more than two decades. It serves 42 Tennessee counties, through 4 principal offices that are all State-licensed and accredited by the Accreditation Commission for Health Care.

Following this page are two maps. The first shows the proposed Maxim service area counties in Upper East Tennessee, and the 42 counties already being served by Maxim through its principal and branch offices in and around Memphis, Nashville, Knoxville, and Chattanooga. The second map shows Maxim's service areas in Tennessee, North Carolina, and Virginia that now surround the five-county "doughnut hole" area of Upper East Tennessee, which this application seeks approval to serve.

MAXIM HEALTH SERVICES
PROPOSED SERVICE AREA



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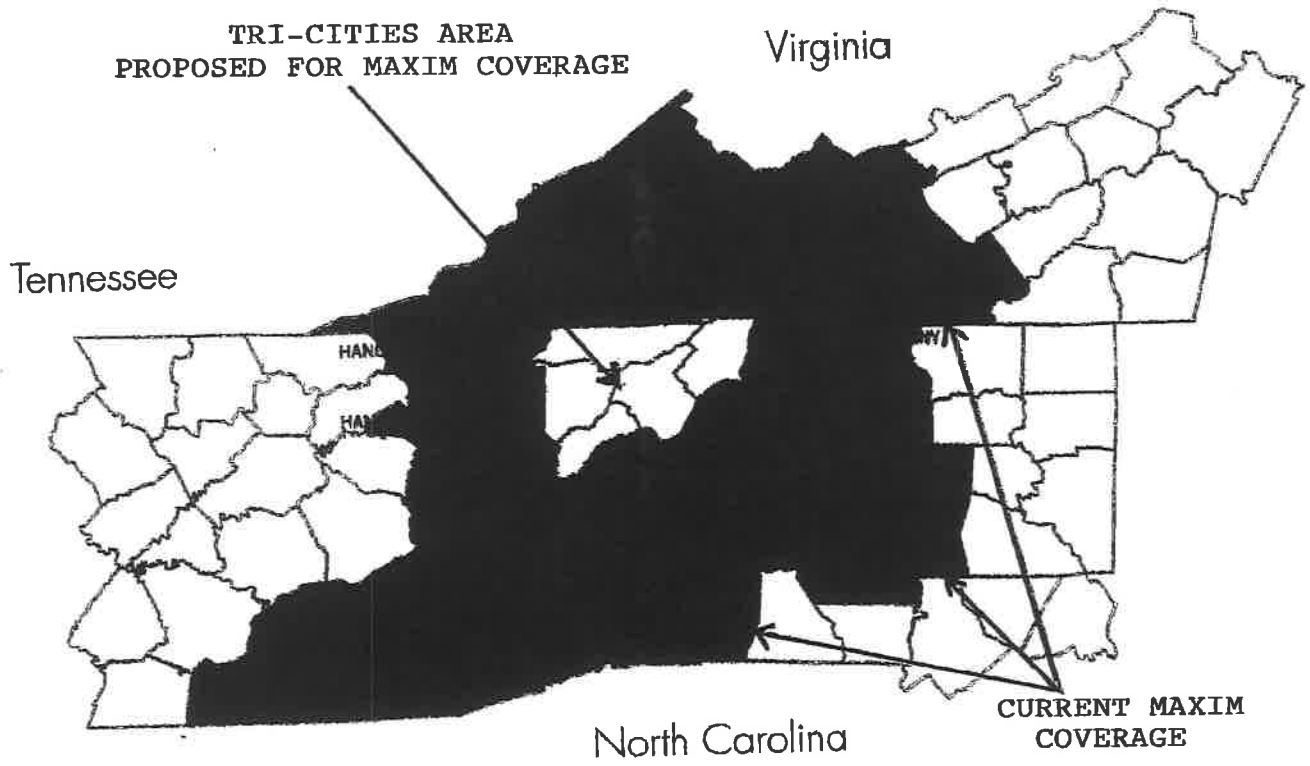
CURRENT MAXIM COUNTIES


TRI-CITIES AREA
PROPOSED FOR MAXIM COVERAGE
Virginia
Tennessee
North Carolina
CURRENT MAXIM
COVERAGE

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 COSTS 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.

Not applicable.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

Table Two (Repeated): Construction Costs of This Project			
	Renovated Construction	**New Construction**	**Total Project**
Square Feet	3,438 SF	0	3,438 SF
Construction Cost	$60,000	0	$60,000
Constr. Cost PSF	$17.45 PSF	NA	$17.45 PSF

While this project seeks a license, the required construction is only to renovate existing space in a commercial office building, to create a management office in which no health services are delivered. There is no meaningful way to compare this project's office build-out costs to office renovations of others. HSDA records of nursing home construction projects approved in 2010-2012 had the following construction costs, and this proposed project's $17.45 PSF construction cost is far below the lowest quartile for nursing homes.

Nursing Home Construction Cost PSF Years: 2010– 2012			
	Renovated Construction	New Construction	Total Construction
1st Quartile	$19.30/sq ft	$164.57/sq ft	$73.23/sq ft
Median	$35.76/sq ft	$167.31/sq ft	$164.57/sq ft
3rd Quartile	$55.00/sq ft	$181.72/sq ft	$167.61/sq ft

Source: HSDA Registry; CON approved applications for years 2010 through 2012.

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

Not applicable.

B.II.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 EXISTING SERVICES.

Not applicable; this is not an inpatient facility.

B.II.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 ADOLESCENTS >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. **POSITIVE EMISSION TOMOGRAPHY**
19. **RADIATION THERAPY/LINEAR ACCELERATOR**
20. **REHABILITATION SERVICES**
21. **SWING BEDS**

Maxim Healthcare Services, through four licensed home health agencies, provides highly skilled home medical care for small numbers of pediatric and adult patients with complex problems, in 42 counties of Tennessee. Maxim serves four of Tennessee's five tertiary healthcare referral cities (Memphis, Nashville, Chattanooga, and Knoxville) and their surrounding counties. In this application, Maxim is seeking approval to serve the five counties of "Tri-Cities" in Upper East Tennessee--the only major referral center in the State that it does not yet serve.

Maxim's business model is very different from those of the great majority of home health agencies in Upper East Tennessee and elsewhere. It focuses on providing "private duty" care (i.e. hourly, non-Medicare cases), especially to children, adolescents, and TennCare patients of all ages 0-64. It serves the seriously ill, who have complex conditions requiring staffing expertise and depth, for 4 to 24 hours a day. Many agencies do not undertake this level of care. Others who do offer private duty care often do not concentrate on that service line, and so may not be staffed to quickly provide 24-hour or

365-day care, or to care for particularly difficult cases--particularly children, or ventilator patients. Maxim has been a significant and prompt provider of these demanding services. All its agencies are staffed to immediately respond to the home care needs of the most complex pediatric or adult patients, on the most intense care schedules. Please see the reference letters in the Attachments, including one from a former Chief of Staff of LeBonheur Children's Hospital in Memphis.

There is a need for more of this specialized "niche" care in Upper East Tennessee. Because Maxim serves patients from a branch office in nearby Greene County, Maxim is aware that medical professionals at the region's Niswonger Children's Hospital in Johnson City, and others, want increased support of this type for their patients. Physicians and nurses practicing at the area's tertiary care facilities have submitted support letters for this application, attesting to the area's needs for more high-quality pediatric home health care.

There is ample room for a small, TennCare and pediatrics-oriented provider like Maxim. Currently, nineteen home health agencies are authorized to serve one or more of these five counties. However, last year five of them *collectively* served only 45 area patients; and three of those five agencies served no area patients at all. Nine authorized agencies have less than 21% of their total patients living in these five counties. The ten agencies with a majority of their patients living in the five-county area average only a 1.5% average dependence on area pediatric patients. And pediatric patients are less than 1.0% of area caseloads at eight of those ten agencies. The State average is 2%.

TennCare services appear to be limited as well. Service area enrollment is approximately 17% of the population. Seven of the nineteen agencies reported no TennCare; seven more had a TennCare payor mix of less than 7%. No agency had the 90% TennCare payor mix that Maxim had in 2013; only two agencies were close to that.

The competitive impact of another agency will be minimal. First, Maxim expects to serve only 36 patients in Year Two--which is only 1/3 of 1% of the total home health patients served in these five counties last year. Second, Maxim will not be competing for Medicare patients, which are a key revenue source for other agencies. Third, home health agencies are for-profit entities which--unlike hospitals--have no significant "bricks and mortar" capital debt, invest in no major equipment, and pay contract staff only as

needed. From an economics standpoint, then, it would appear to be feasible, and in the public interest, for Upper East Tennessee consumers to expand competition and provider options, when it concerns especially vulnerable home care patients. This project will give TennCare and commercially insured families and children better access to complex home care.

B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

Not applicable.

B.II.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 SCANNER (MRI), 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 schedule 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 (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable to this project.

B.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 HIGHWAYS 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.

See Attachment B.III.A.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

Nursing and aide staff who will deliver services in the home will live throughout the service area. The agency office itself, in Johnson City, will be within twenty minutes to one hour's drive of all major communities in the service area. See Table Three below. Good access is available from Johnson City via interstates and Federal and State highways:

- To Sullivan County via I-181, I-81, and US 11E
- To Washington County via I-181 and US 11E
- To Unicoi County via US 23
- To Carter County via US 321, US 19E, and SR 67

Table Three: Mileage and Drive Times Between Project at 208 Sunset Drive, Johnson City and Major Communities in the 5-County Primary Service Area

Community	Tennessee County	Distance in Miles	Drive Time in Minutes
Johnson City (Center)	Washington	3.6 mi.	6 min.
Kingsport	Sullivan	20.6 mi.	24 min.
Bristol	Sullivan	21.9 mi.	31 min.
Mountain City	Johnson	46.2 mi.	61 min.
Elizabethton	Carter	12.8 mi.	19 min.
Roane Mountain	Carter	28.4 mi.	38 min.
Erwin	Unicoi	18.0 mi.	20 min.

Source: Google Maps, May 10, 2014

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY

1. **EXISTING SERVICE AREA (BY COUNTY):**

   None. This is for a new principal office.

2. **PROPOSED SERVICE AREA (BY COUNTY):**

   Carter, Johnson, Sullivan, Unicoi, and Washington Counties (five).

3. **A PARENT OR PRIMARY SERVICE PROVIDER:**

   None

4. **EXISTING BRANCHES AND/OR SUB-UNITS:**

   None

5. **PROPOSED BRANCHES AND/OR SUBUNITS:**

   None

C(I) NEED

C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO 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 CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.

B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

Guidelines for Growth 2000
Project-Specific Guidelines
Home Health Services

1. The need for home health agencies/services shall be determined on a county by county basis.
2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services that county. The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.
3. Using recognized population sources, projections for four years into the future will be used.
4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

The Office of Health Statistics in the Tennessee Department of Health (TDH) has just this month (May) made the projection specified above, from the 14-year-old planning guidelines. Using the 2013 Home Health Agency Joint Annual Reports, it projected that existing agency "capacity" will exceed area needs by 7,622 patients in 2018. Table Four below shows those county-level projections. Table Four also shows TDH's current draft revision of this projection methodology (still a work in progress as of May 2014). The draft methodology shows a 772-patient need for more capacity in 2017. This wide gap in need projections illustrates the difficulty of making reliable projections using metrics reported by Tennessee home health agencies. TDH's current comments to parties reviewing the draft revised methodology follow Table Four, and indicate that neither present nor proposed draft methodologies appear to TDH State Health Plan staff to be satisfactory (The Attachments to this application contain (a) TDH's Statewide 2013-2018 County-Level Need Projection under current Year 2000 Guidelines, and (b) TDH's newly circulating draft 2015 Statewide need projection.

Table Four: TDH Projection of Home Health Need in Maxim Proposed Service Area Using Methodology of CY2000 Guidelines for Growth

Primary Service Area Counties	Total Patients Served	Estimated 2013 Population	Use Rate	Projected 2018 Population	Projected Capacity PerUse Rate	Projected Need (.015 X 2017 Population)	Need or (Surplus) in 2018
Carter	2,072	57,228	0.0362	57,680	2,088	865	(1,223)
Johnson	907	18,126	0.0500	18,127	907	272	(635)
Sullilvan	5,259	158,451	0.0332	161,136	5,348	2,417	(2,931)
Unicoi	659	18,334	0.0359	18,511	665	278	(388)
Washington	4,181	128,537	0.0325	138,370	4,501	2,076	(2,425)
Total PSA	13,078	380,676	0.0344	393,824	13,530	5,907	(7,622)

Source: TDH, May 2014. *10-May*

Draft Home Health Guidelines	
Need or (Surplus) in 2017	
Carter	(46.00)
Johnson	(130.00)
Sullilvan	466.00
Unicoi	322.00
Washington	160.00
Total PSA	772.00

Source: TDH, 2014

Note: TDH believes the above projection is overstated and is requesting public comment for revision.

Memo on Proposed Home Health Services Need Formula (from TN Department of Health)

Background: The current need formula multiplies a county's population by 1.5% to arrive at an estimated need. We believe it most likely underestimates the need for home care services and is too simplistic. From our research, we believe a number of additional factors need to be included in the need formula, such as age cohorts' historic utilization, county size, and ability for existing agencies to handle modest growth expansion. The draft need formula first places counties into Metro-Micro-Rural groups based on population. Then it considers historical age cohort utilization rates based on previous Joint Annual Reports submitted by agencies. Then, it takes into account an annual expansion allowance for existing agencies based upon the number of patients reported as served by each organization in a county in the latest JAR and relative to the upper bound (100%) of the home care organization reporting the highest patient count in a year. Those expansion numbers are based on county and agency size, and are, respectively, 8, 16, and 24 patients annually.

Our concerns:

1. From our research, home care services are probably best measured in hourly units, but unfortunately most agencies don't complete the hourly numbers in their JARs and the JAR hourly report section doesn't provide detail on age cohorts (which we believe is important to use in a need formula). The JARs do show the number of patients served by age cohorts. Thus we are retaining a patient-based need formula. Changing the JAR is a possibility, but one that will take at least two years to implement and to begin receiving data to analyze in order to revise the need formula in this fashion. Additional resources for the Division of Health Statistics would also be required to implement a change in the JAR.

2. A result of using historic patient numbers, rather than hourly numbers for the services rendered, is that projected utilization of home health services is inflated. The Certificate of Need requirement doesn't cover non-home health services, yet historic utilization numbers include these services in the JARs and their patient-served calculations. One estimate I've received is that non-home health services can take up to 50% or more of the total hours of an agency's personnel. With this knowledge, and taking into account your own experience, please provide your information, suggestions, and thoughts on how to rationalize the draft estimate of need under the draft formula.

3. NOTE that the Metro-Micro-Rural Counties by Age Cohort spreadsheet shows a total need before current utilization and allowance for modest growth expansion have been deducted. Please see the Draft Home Health Need Calculations for Public Comment spreadsheet to see the estimated 2015 need under the draft need formula.

5. Documentation from referral sources:

a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

The attachments contain letters of support from several area physician specialists and nurses who make home health referrals. Such letters indicate that this proposed agency is needed and would receive referrals. (The Attachments also contain "reference" letters from Memphis and Knoxville providers citing the high quality of Maxim's caregivers--e.g., a letter from Dr. Noel Frizzell of Memphis, former Le Bonheur Children's Chief of Staff and Chief of Medicine).

The three physician letters from the Tri-Cities area are from specialists who provide care at the Niswonger Children's hospital, the regional pediatric facility for a three-State area around Johnson City. Their practice is the Quillen/East Tennesee State University Physicians group. Dr. Todd Aiken is a Pediatric Hospitalist and General Pediatrician. Dr. Brooke Foulk is an OB/Gyn and an Assistant Professor in the Quillen College of Medicine. Dr. Ricky Mohon is a Pediatric Pulmonologist. The letters compliment Maxim for its high quality of service, cite the area's need for more resources like Maxim, and request the HSDA to approve this application. They are familiar with Maxim from working with Maxim caregivers who served their patients living in Greene and Hawkins Counties, bordering this proposed Tri-Cities service area.

Lynn Pollard, MSN, RN, a certified Pediatric Nurse Practitioner in the Tri-Cities area, who works with Independence on Wheels in concert with the Tennessee Department of Children's Services, writes of hearing her families "over and over again" cite a need for more consistent care. She also urges approval of the project.

Erik Hendrick, Executive Director of the East Tennessee Muscular Dystrophy Association, which includes families in Upper East Tennessee, has also written a support letter citing area needs for more of this type of expertise.

All five of the letters listed above are attached following this page, and are also in the Attachments section of the application.

QUILLEN
ETSU PHYSICIANS
Office of Pediatrics

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Chairman

ADOLESCENT MEDICINE
David O. Chastain, MD

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CRITICAL CARE/PULMONOLOGY
Ricky Mohon, MD

GENERAL PEDIATRICS
Todd Aiken, MD
Gayatri Jaishankar, MD
Demetrio Macariola, MD
Debra Q. Mills, MD
Karen Schetzina, MD
Dawn Tuell, MD

GENETICS
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Apostolos Psychogios, MD, FACMG
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HOSPITALISTS
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Ricky Mohon, MD
Karen Schetzina, MD

INFECTIOUS DISEASE
Demetrio Macariola, MD

NEONATOLOGY
William M. DeVoe, MD
Dev R. Bharti, MD
Bedford W. Bonta, MD
Darshan Shah, MD

NEPHROLOGY
Ahmad Wattad, MD

NEUROLOGY
Pyar Noorani, MD

RESEARCH LABORATORY
William L. Stone, PhD
423-439-6185

April 2, 2014

Tennessee Health Services and Development Agency,

I currently am serving as a General Pediatrician and Hospitalist with ETSU Pediatrics and Niswonger Children's Hospital. I often take care of patient with multiple medical problems and patient that are in need of home health services and medical equipment services. We currently have limited agencies available for these services in children. There have been several instances in which availability of services was not available and this has adversely affected appropriate and timely care of patients that I have been a part of their care.

I strongly support these having additional agencies and services in the area and feel that this would be a tremendous help to the area. Maxim has recently helped me with a patient and has done a great job and helped me out with a patient in Greeneville. They have been very professional and have assisted in giving this particular child a better shot at life. I believe this agency or another of similar quality would greatly improve the health of children with special needs in this area.

If you have any questions or would like to get additional information please feel free to call me at my office.

Sincerely,

Todd Aiken, MD

Todd Aiken, MD, FAAP, Pediatric Hospitalist

ETSU Physicians and Associates

325 North State of Franklin Road, Johnson City, TN 37604 • Phone: (423) 439-7320

May 02 14 02:40p ETSU Pediatric 4234397343 p.2

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OB/GYN

For your lifelong health & wellness...
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- PMS
- Abnormal bleeding
- Pelvic pain
- Ovarian cysts
- Endometriosis
- Hysterectomy & alternatives
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- Incontinence
- Urodynamics
- Menopause
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Helping you build a healthy family...
- Fertility testing, counseling & treatment
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- In vitro fertilization
- Reversal of tubal ligation
- Obstetrical Care
- Prenatal testing & ultrasound
- Labor & delivery
- High risk pregnancies
- Genetic testing & counseling

Caring for gynecologic cancers with skill & compassion...
- Cancers & precancerous conditions
- Risk counseling
- Diagnosis, treatment, monitoring & management
- Follow-up after treatment

April 10, 2014

Tennessee Health Services and Development Agency,

This letter is in strong support of Maxim Healthcare for a certificate of need in the Tri Cities area. I am an Obstetrician Gynecologist with East Tennessee State University and have been here in East Tennessee for almost twelve years. Working with the university, we are involved in a multitude of high risk pregnancies and deliveries, and I have witnessed premature babies and children with special needs, requiring home health care. It is essential for these families to have the support they need.

A strong, dedicated and excellent corporation like Maxim can provide care to these children, who otherwise might have to remain hospitalized or in long-term care facilities. This expense to the family and the emotional toll it takes can be traumatic and devastating. Maxim can help diminish this burden and help keep these children at home with their families while still providing the excellent health care that they need.

The nurses and management at Maxim are very professional and hardworking, and I have heard nothing but great things about them and their patient care. Patients, families, and medical providers all seem very satisfied with the care and support given by Maxim and its employees.

Please consider this need in our community and don't hesitate to let me know if there is anything else I can do or if you have any other questions.

Sincerely,

BEFoulk

Brooke E. Foulk, M.D.
Assistant Professor
Department of Obstetrics and Gynecology
ETSU Quillen College of Medicine
Johnson City, TN

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Darshan Shah, MD

NEPHROLOGY
Ahmad Wattad, MD

NEUROLOGY
Pyar Noorani, MD

RESEARCH LABORATORY
William L. Stone, PhD
423-439-6186

January 20th, 2014

Tennessee Health Services and Development Agency,

I currently serve as the primary Pediatric Pulmonologist in the Tri Cities, TN area. I see several patients that require around the clock skilled pediatric nursing care. I feel there is a strong need for another agency to provide these critical services in our area. There are few providers in the Tri Cities area that not only provide PDN services, but specifically services to pediatric patients with Trachs and Ventilators.

We have seen examples of patients that have had to stay in the hospital for an extended period of time because there are limited resources available for homecare services.

I strongly recommend approval of another agency that can provide these services timely and effectively to many of our patients who either currently go without or must settle for fewer hours then they are eligible to receive.

Thank you for your time and attention.

Sincerely,

Dr. Ricky Mohon, Pediatric Pulmonologist
ETSU Physicians and Associates

325 North State of Franklin Road, Johnson City, TN 37604 • Phone: (423) 439-7320

Independence On Wheels kids

February 14, 2014

Tennessee Health Services and Development Agency,

My name is Lynn Pollard, Pediatric Nurse Practitioner with Independence on Wheels. I am writing in support for the addition of another pediatric PDN provider in the Tri Cities area. I have worked for many years with the pediatric population for both the Tennessee Department of Children's Services and now with Independence On Wheels and can honestly say there is a strong need for an agency that can not only provide Pediatric Homecare, but can provide services that our families and patients deserve and need.

We are in the home of patients on a daily basis that currently receive these types of services and hear over and over again about the lack of consistent care being provided by current agencies.

Maxim Healthcare is a nationally accredited agency that has proven for many years to be a leading homecare provider throughout Tennessee. They are a strong example of the type of agency needed in the Tri Cities Area.

Thank you for your time and consideration.

Sincerely,

Lynn Pollard, MSN, RN, CPNP

Lynn Pollard, MSN, RN, CPNP
Independence On Wheels *kids*
Phone (877) 849-0775 x 407
Fax (855) 242-4778

Muscular Dystrophy Association
412 North Cedar Bluff Road #402 Knoxville, TN 37923
Phone: 865-588-1632 Fax: 865-588-1616
email: 460.office@mdausa.org

January 27th, 2014

Tennessee Health Services and Development Agency,

I serve as the Executive Director for the Muscular Dystrophy Association in East Tennessee which covers the Tri Cities area. Many of our families are in need of a quality homecare provider specifically for PDN hourly care.

I would like to support the Maxim Healthcare Application for a Certificate of Need in the Tri Cities Area. They are a well respected and high quality provider in Knoxville and I am confident those same services will be needed and provided in the Tri Cities area.

Thank you for your time and consideration of this important request.

Sincerely,

Erick Hendrick
Executive Director
Muscular Dystrophy Association

b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

Table Five below provides Maxim's estimate of its Year One case composition from a clinical perspective.

Table Five: Estimated Year One Composition of Cases By Clinical Need Maxim Healthcare Services--Washington County	
Type of Patient	Number (%)
Neurological*	6 (33%)
Cerebral Palsy	2 (11%)
Chromosomal Anomalies	2 (11%)
Respiratory	2 (11%)
Cardiovascular	1 (6%)
Other <2%**	5 (28%)
Total Projected Patients, Year One	18 (100%)

Source: Maxim Healthcare. Percentages and patient numbers rounded.

** "Neurological" includes paraplegia, quadraplegia, traumatic brain injury, shaken baby syndrome, and others.*
*** "Other" includes muscular dystrophy, spina bifida, hydrocephalus, myotonic disorder, seizure disorder, anoxic brain damage, gastrointestinal and skin disorders, and other conditions.*

c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

Please see the letters provided in response to criterion 5a above.

d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

Maxim specializes in private duty, non-Medicare, hourly care for medically complex patients, especially pediatric patients, of a 90% TennCare payor mix. Of the 19 agencies authorized for one or more of the counties in this project's service area, few offer that combination of focus and expertise. The tables following this response illustrate the following differences in 2013:

Many Agencies Authorized for the Tri-Cities Area Are Not Focused or Dependent on It

- Five of the authorized agencies collectively served only 45 total patients from these five counties in 2013. Three of those five served no patients at all from these counties. (Table Six)

- Nine of the authorized agencies had a much larger service area than just these five counties--from twice to twenty times as many counties. As a result, they had an average dependence of only 5% (range of 0%-20%) on patients in this service area. (Table Six)

Many Authorized Agencies Do Not Serve TennCare Patients

- Maxim's 2013 Statewide average TennCare payor mix was 90%, higher than any of the authorized agencies. Seven of the authorized agencies had zero TennCare revenue/participation; eleven of the agencies had 3% or less TennCare payor mix. Only five authorized agencies had a TennCare payor mix greater than 20%. (Table Seven)

Few Authorized Agencies Provide Significant Local Pediatric Care

- Maxim's pediatric caseloads average 50% Statewide. That will be true for the proposed Tri-Cities Maxim agency as well. By contrast, for the nineteen authorized agencies in this area, their average pediatric caseload is only 0.8% of all their patients in all their service areas. It is only 1.7% of their caseloads within these five counties. (Table Eight)

- Only two of the authorized agencies in this area have more than a token pediatric case mix; and those two have approximately 26% and 35% pediatric case mixes. (Table Eight)

- In terms of pediatric volumes of patients, nine agencies reported pediatric cases--however, 72% of all pediatric cases served last year (158 of 220) were served by only two agencies. (Table Eight)

Table Six: Existing Agency Patients and Agency Dependence on Service Area

Health Statistics ID	Agency County	Agency Name	Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area		Agency Patients From Project Service Area Counties	Total Agency Patients in TN	% of Agency's Total Patients from Service Area Counties
AGENCIES WITH HIGH DEPENDENCE ON PROJECT SERVICE AREA									
10031	Carter	Amedisys Home Health Care	7	5	71%		1,171	1,171	100%
46031	Johnson	Johnson County Home Health	3	2	67%		446	446	100%
86051	Unicoi	Unicoi County Home Health	1	1	100%		206	206	100%
90121	Washington	Amedisys Home Health	6	5	83%		1,795	1,821	99%
90081	Washington	Medical Center Homecare - Kingsport	7	5	71%		1,911	1,960	98%
90131	Washington	NHC Homecare	7	5	71%		252	259	97%
90091	Washington	Medical Center Homecare Services	5	4	80%		3,346	3,503	96%
82051	Sullivan	Advanced Home Care, Inc.	8	2	25%		2,011	2,245	90%
82061	Sullivan	Gentiva Health Services	9	5	56%		835	936	89%
30051	Greene	Procare Home Health Services	6	5	83%		359	433	83%
		SUBTOTALS & AVERAGE					*12,332*	*12,980*	*95%*
AGENCIES WITH LOW DEPENDENCE ON PROJECT SERVICE AREA									
13032	Claiborne	Suncrest Home Health & Hospice	11	1	9%		174	852	20%
30021	Greene	Advanced Home Care, Inc.	4	2	50%		138	762	18%
32132	Hamblen	Premier Support Services, Inc	16	5	31%		200	1,169	17%
15032	Cocke	Smoky Mountain HH & Hospice	12	3	25%		182	1,296	14%
19494	Davidson	Elk Valley Health Services Inc	95	5	5%		34	277	12%
30041	Greene	Laughlin Home Health Agency	5	1	20%		11	655	2%
47202	Knox	Amedisys Home Health Care	28	4	14%		0	5,354	0%
5012	Blount	Blount Memor. Hospital HH Svcs	19	2	11%		0	1,224	0%
19544	Davidson	Home Care Solutions, Inc	46	5	11%		0	1,930	0%
		SUBTOTALS & AVERAGE					*739*	*13,519*	*5%*
		TOTALS & AVERAGE					***13,071***	***26,499***	***49%***

Source: TDH 2013 Joint Annual Reports, pp. 8-10; HSDA Registry for authorized counties.

10-May

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Table Seven: 2013 TennCare Payor Mix of Agencies Authorized in Service Area					
Health Statistics ID	Agency County	Agency Name	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
19494	Davidson	Elk Valley Health Services Inc	$29,659,043	$25,524,477	86.1%
30051	Greene	Procare Home Health Services	$7,322,525	$5,970,853	81.5%
32132	Hamblen	Premier Support Services, Inc	$9,343,161	$5,394,084	57.7%
13032	Claiborne	Suncrest Home Health & Hospice	$3,931,981	$1,062,361	27.0%
90081	Washington	Medical Center Homecare - Kingsport	$5,131,307	$1,062,243	20.7%
30041	Greene	Laughlin Home Health Agency	$1,521,111	$104,530	6.9%
82051	Sullivan	Advanced Home Care	$5,680,856	$219,764	3.9%
90091	Washington	Medical Center Homecare Services	$8,120,423	$309,459	3.8%
46031	Johnson	Johnson County Home Health	$1,483,794	$44,740	3.0%
30021	Greene	Advanced Home Care, Inc.	$2,113,084	$60,688	2.9%
15032	Cocke	Smoky Mountain Home Health & Hospice	$4,561,113	$49,486	1.1%
05012	Blount	Blount Memorial Hospital Home Health Services	$3,428,288	$6,774	0.2%
90121	Washington	Amedisys Home Health	$7,992,426	$0	0.0%
10031	Carter	Amedisys Home Health Care	$4,578,741	$0	0.0%
47202	Knox	Amedisys Home Health Care	$24,110,407	$0	0.0%
82061	Sullivan	Gentiva Health Services	$3,708,171	$0	0.0%
19544	Davidson	Home Care Solutions, Inc	$12,507,481	$0	0.0%
90131	Washington	NHC Homecare	$1,439,488	$0	0.0%
86051	Unicoi	Unicoi County Home Health	$503,594	$0	0.0%
		TOTALS	***$137,136,994***	***$39,809,459***	***29.0%***

Source: HHA Joint Ann. Reports, 2013, pp. 4, 6, 8. *10-May*

TennCare Utilization of Maxim Healthcare Services in Tennessee					
Health Statistics ID	Agency County	Agency Name	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
19704	Davidson	Maxim Healthcare Services	$9,005,669	$8,048,048	89.4%
33433	Hamilton	Maxim Healthcare Services	$5,121,310	$4,570,559	89.2%
47432	Knox	Maxim Healthcare Services	$16,800,714	$15,514,845	92.3%
79536	Shelby	Maxim Healthcare Services	$7,995,682	$6,859,246	85.8%
		STATEWIDE TOTALS	***$38,923,375***	***$34,992,698***	***89.9%***

Source: HHA Joint Ann. Reports, 2013, pp. 4, 6, 8. *10-May*

Table Eight: Existing Agency Patients and Agency Pediatric Service and Dependence

Health Statistics ID	Agency County	Agency Name	Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area	Agency Patients From Project Service Area Counties	Total Agency Patients in TN	% of Agency's Total Patients from Service Area Counties	Pediatric (0-17 Yrs) Patients Served By Agency in Service Area Counties	Agency's Pediatric Patients in Service Area, as % of Agency's Total Patients in Service Area	Agency's Pediatric Patients in Service Area, as % of Agency's Total Patients in TN
AGENCIES WITH HIGH DEPENDENCE ON PROJECT SERVICE AREA											
10031	Carter	Amedisys Home Health Care	7	5	71%	1,171	1,171	100%	0	0.0%	0.0%
46031	Johnson	Johnson County Home Health	3	2	67%	446	446	100%	0	0.0%	0.0%
86051	Unicoi	Unicoi County Home Health	1	1	100%	206	206	100%	0	0.0%	0.0%
90121	Washington	Amedisys Home Health	6	5	83%	1,795	1,821	99%	0	0.0%	0.0%
90081	Washington	Medical Center Homecare - Kingsport	7	5	71%	1,911	1,960	98%	64	3.3%	3.3%
90131	Washington	NHC Homecare	7	5	71%	252	259	97%	0	0.0%	0.0%
90091	Washington	Medical Center Homecare Services	5	4	80%	3,346	3,503	96%	8	0.2%	0.2%
82051	Sullivan	Advanced Home Care, Inc.	8	2	25%	2,011	2,245	90%	16	0.8%	0.7%
82061	Sullivan	Gentiva Health Services	9	5	56%	835	936	89%	0	0.0%	0.0%
30051	Greene	Procare Home Health Services	6	5	83%	359	433	83%	94	26.2%	21.7%
		SUBTOTALS				*12,332*	*12,980*	*95%*	*182*	*1.48%*	*1.40%*
AGENCIES WITH LOW DEPENDENCE ON PROJECT SERVICE AREA											
13032	Claiborne	Suncrest Home Health & Hospice	11	1	9%	174	852	20%	4	2.3%	0.5%
30021	Greene	Advanced Home Care, Inc.	4	2	50%	138	762	18%	3	2.2%	0.4%
32132	Hamblen	Premier Support Services, Inc	16	5	31%	200	1,169	17%	16	8.0%	1.4%
15032	Cocke	Smoky Mountain HH & Hospice	12	3	25%	182	1,296	14%	3	1.6%	0.2%
19494	Davidson	Elk Valley Health Services Inc	95	5	5%	34	277	12%	12	35.3%	4.3%
30041	Greene	Laughlin Home Health Agency	5	1	20%	11	655	2%	0	0.0%	0.0%
47202	Knox	Amedisys Home Health Care	28	4	14%	0	5,354	0%	0	0.0%	0.0%
5012	Blount	Blount Memor. Hospital HH Svcs	19	2	11%	0	1,224	0%	0	0.0%	0.0%
19544	Davidson	Home Care Solutions, Inc	46	5	11%	0	1,930	0%	0	0.0%	0.0%
		SUBTOTALS				*739*	*13,519*	*5%*	*38*	*5.14%*	*0.28%*
		TOTALS				***13,071***	***26,499***	***49%***	***220***	*1.68%*	*0.83%*

Source: TDH 2013 Joint Annual Reports, pp. 8-10; HSDA Registry for authorized counties.

10-May

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

a. The average cost per visit by service category shall be listed.

Maxim will provide primarily private duty (hourly) services, using only skilled nurses and aides. Therapies and other service categories will not be directly provided by Maxim, but will be provided by other agencies, which is a common practice. Only five of the nineteen agencies authorized to serve this area provided private duty (hourly) services in 2013. In Table Nine below, their reported 2013 costs and charges for skilled nursing and aide services are compared with Maxim's that year, and with Maxim's projections for its proposed Washington County office in 2015. "NR" indicates that no numbers were reported in the JAR's.

Table Nine: Cost & Charge Comparisons With Service Area Agencies That Provide Similar Services

Agency*	Cost Per Visit		Charge Per Visit		Cost Per Hour		Charge Per Hour	
	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide
1	NR	NR	$79	$40	No JAR data is reported for this.		$35	$22
2	$74	$23	NR	$31			$35	$21
3	$87	$87	NR	NR			$125	$22
4	$121	$49	$137	$45			$40	$23
5	$140	$80	NR	NR			NR	NR
Maxim State Average	NR	NR	$84.75	$29			$37.50	$20.75
Maxim Proposed Agency 2015-16	$46.40	$17.40	$85	$29	$24.36	$12.76	$38	$21

Source: 2013 Joint Annual Reports; and Maxim management.

*Key to Agencies:

1. Elk Valley Health Services (Davidson; ID 19494)
2. Premier Support Services (Hamblen; ID 32132)
3. ProCare Home Health Services (Greene; ID 30051)
4. Suncrest Home Health & Hospice (Claiborne; ID 13132)
5. Unicoi County Home Health (Unicoi; ID 86051)

b. The average cost per patient based upon the projected number of visits per patients shall be listed.

As stated above in other responses, this agency will not be performing any significant number of visits because, like other Maxim agencies, it will deliver private duty hourly care using skilled nursing and home health aides; it will not do significant numbers of home visits. The following is Maxim's estimate for the few visits it will perform in Year One:

Table Ten: Cost Per Visit and Per Patient		
	Year One--2015	Year Two--2016
Patients	18	36
Total Visits	1,230	2,785
Skilled Nursing Visits (80%)	984	2,228
Cost per Skilled Visit	$46.40	$46.40
Total Cost, Skilled Visits	$45,657.60	$103,379.20
Home Health Aide Visits (20%)	246	557
Cost per HH Aide Visit	$17.40	$17.40
Total Cost, Aide Visits	$4,280.40	$9,691,80
Total Cost, SN+HH Visits	$49,938.00	$113,071.00
Total Cost Per Patient	$2,774.33	$3,140.86

Source: Maxim management.

The Framework for Tennessee'sComprehensive State Health Plan

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan. After each principle, the applicant states how this CON application supports the principle, if applicable.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.
Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

The timely provision of appropriate, clinically expert services to home health patients, especially to pediatric patients, is essential to support an uninterrupted continuum of care and to avoid patient deterioration and/or re-hospitalization. This project will enhance the care of complex patients, both adult and pediatrics, and afford another option for area residents who sometimes experience lack of timely care for certain type of patients with complex conditions.

2. Access to Care

Every citizen should have reasonable access to health care.
Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

The availability of this highly specialized home health provider in the service area will improve patient access to needed home care. The State Health Plan's current and proposed revised methodologies for guiding CON decisions are far apart in their projections of need for this project, so the perceptions of local physicians and nurses who work with patient access issues constantly should be given maximum consideration.

3. Economic Efficiencies

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. **The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.**

The project will bring to the service area a needed new option for the care of complex cases, both pediatric and adult cases. This is an opportunity for the State Health Plan to encourage rather than to discourage competition. In a service area like Tri-Cities, with a tertiary care university-based, regional children's hospital, maximum provider choices should be available to area specialists in obtaining post-discharge home care for their patients. There are insufficient choices in the area currently. This project provides broader access for TennCare patients as well as for complex pediatric patients, which very few of the currently authorized agencies do.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. **Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.**

All of Maxim's Tennessee agencies are licensed, in conformity with licensure criteria, and accredited. The company has a strong quality assurance program, as well as rigorous training programs for Maxim nurses to ensure that their skills (for example, for pediatric and ventilator care patients) are superior.

To support Maxim's mission to continuously improve care and service delivery, its Quality Improvement Program provides a framework for strategies and initiatives that integrate and improve organizational performance, patient and staff safety, and the satisfaction of persons served. The Quality Improvement Program is implemented across the company, to provide a systematic, standardized process for designing, implementing, analyzing, and measuring quality improvement initiatives.

Incident Report Management is a component of the Quality Improvement Program that is designed to identify all actual or potential occurrences that have an impact on the patient, the patient's family or employees. The Incident Report is a mechanism to identify actual or potential risks that must be reduced, if not eliminated, to ensure patient safety.

All incidents are reviewed by the Quality Improvement (QI) Team and are aggregated quarterly. Recommendations may then be made to reduce the risk of

subsequent incidents. Office leadership teams develop and implement quality improvement action plans, and monitor the effectiveness of implemented actions.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. **The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.**

Maxim offers employees tuition subsidies for pursuing advanced degrees in this field and attaining academic benchmarks in those courses.

It also provides specialized training to its staffs to improve their skills. An example is Maxim's nationwide ventilator training and management program--critical because 60% of Maxim's ventilator dependent and tracheostomy patients are children and adolescents.

Nurses train under experienced nurses, respiratory therapists, and respiratory DME (durable medical equipment) providers. Training covers care of a patient with a tracheotomy, care of the ventilated patient, performance of respiratory/cardiopulmonary physical assessments, ventilator equipment types and their components, ventilator settings, troubleshooting of equipment, emergency response, and the transport of ventilators. After training, these nurses work in the field with an experienced and competent ventilator nurse before being allowed to work independently.

C(I).2. DESCRIBE THE RELATIONSHIP OF THIS PROJECT TO THE APPLICANT'S LONG-RANGE DEVELOPMENT PLANS, IF ANY.

This project is part of Maxim's long-range plan to all, or most, of Tennessee's 95 counties, from principal offices based in the urban counties where the State's tertiary referral hospitals operate. Currently, Maxim is authorized in every tertiary care referral region in Tennessee with a Children's Hospital (Nashville, Memphis, Chattanooga, Knoxville)--except in the Tri-Cities area. Maxim also serves patients in every Tennessee, North Carolina, and Virginia county surrounding the five counties in this proposed Tri-Cities service area.

C(I).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 A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

The five counties proposed for service in this application are a logical grouping of counties often referred to as "Upper East Tennessee" or the Tri-Cities area. Their residents utilize tertiary care hospitals located in the two largest counties (Washington and Sullivan) and rely on a regional children's hospital in Johnson City that cares for children and adolescents from adjoining States as well as from Upper East Tennessee.

As shown in the drive time table in question B.II.B.1 above, all parts of the service area are within a reasonable drive time of the proposed principal office of Maxim in Johnson City. However, the agency's staff is likely to reside throughout the service area, so that it will often be more quickly accessible to patient's homes than the drive times from Johnson City would indicate.

A service area map and a map showing the location of the service within the State of Tennessee are provided as Attachments C, Need--3 at the back of the application.

The table below projects patient origin information for the project based on the relative percentages of the five counties' populations. This is a very small number of patients to be distributed over five counties; patient projections are rounded and approximate.

Table Eleven: Projected Patient Origin--Maxim Health Services, Washington County

County	Percent of Total	Year One Patients	Year Two Patients
Carter	14.8%	3	6
Johnson	4.6%	1	2
Sullivan	41.1%	7	14
Unicoi	5.0%	1	2
Washington	34.5%	6	12
Total All Counties	100.0%	18	36

Source: TDH Population Projections, May 2013.

C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

Table Twelve on the following page provides the demographic characteristics of the service area.

Its population is older on average than the State of Tennessee, with 42.7% being elderly versus a Statewide average of 38%.

Total service area population is increasing 2.7% by 2018, compared to a 3.7% average growth Statewide. The service area population age 0-64, Maxim's principal client age group, is growing 0.8% by 2018.

These five counties as a group have a lower income than the State average. Approximately 20.9% of the population has an income below the Federal poverty level, compared to 17.3% Statewide. Approximately 17% of the service area population is enrolled in TennCare, compared to 18.1% Statewide.

Table Twelve: Demographic Characteristics of Project Service Area
Maxim Home Healthcare--Johnson City
2014-2018

Demographic	CARTER County	JOHNSON County	SULLIVAN County	UNICOI County	WASHINGTON County	PSA	STATE OF TENNESSEE
Median Age-2010 US Census	42.2	43.3	43.6	44.9	39.3	42.7	38.0
Total Population-2014	57,284	18,094	158,975	18,376	130,586	383,315	6,588,698
Total Population-2018	57,680	18,127	161,136	18,511	138,370	393,824	6,833,509
Total Population-% Change 2014 to 2018	0.7%	0.2%	1.4%	0.7%	6.0%	2.7%	3.7%
Age 65+ Population-2014	11,049	3,748	33,325	3,945	21,731	73,798	981,984
% of Total Population	19.3%	20.7%	21.0%	21.5%	16.6%	19.3%	14.9%
Age 65+ Population-2018	12,027	3,965	37,365	4,264	24,152	81,773	1,102,413
% of Total Population	20.9%	21.9%	23.2%	23.0%	17.5%	20.8%	16.1%
Age 65+ Population-% Change 2014-2018	8.9%	5.8%	12.1%	8.1%	11.1%	10.8%	12.3%
Age 18-64 Population-2014	35,013	11,143	96,231	10,822	82,641	235,850	4,101,723
% of Total Population	61.1%	61.6%	60.5%	58.9%	63.3%	61.5%	62.3%
Age 18-64 Population-2018	34,504	11,027	98,890	10,775	85,513	240,709	4,204,944
% of Total Population	59.8%	60.8%	61.4%	58.2%	61.8%	61.1%	61.5%
Age18-64 Population-% Change 2014-2018	-1.5%	-1.0%	2.8%	-0.4%	3.5%	2.1%	2.5%
Age 0-17 Population-2014	11,222	3,203	29,419	3,609	26,214	73,667	1,504,991
% of Total Population	19.6%	17.7%	18.5%	19.6%	20.1%	19.2%	22.8%
Age 0-17 Population-2018	11,149	3,135	24,881	3,472	28,705	71,342	1,526,512
% of Total Population	19.3%	17.3%	15.4%	18.8%	20.7%	18.1%	22.3%
Age 0-17 Population-% Change 2014-2018	-0.7%	-2.1%	-15.4%	-3.8%	9.5%	-3.2%	1.4%
Median Household Income						$0	$44,140
TennCare Enrollees (01/14)	11,194	3,879	27,472	3,470	19,219	65,234	1,190,766
Percent of 2014 Population Enrolled in TennCare	19.5%	21.4%	17.3%	18.9%	14.7%	17.0%	18.1%
Persons Below Poverty Level	13,061	4,596	26,867	4,061	22,591	71,176	1,139,845
Persons Below Poverty Level As % of Population (US Census)	22.8%	25.4%	16.9%	22.1%	17.3%	20.9%	17.3%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts and FactFinder2; TennCare Bureau. PSA data is unweighted average or total of county data.
NR means not reported in U.S. Census source document.

C(I).4.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.

Maxim has an outstanding Statewide record of accessibility to low-income TennCare patients; 90% of its payor mix is TennCare. It serves TennCare pediatric patients requiring complex care from 4 to 24 hours a day, which few agencies in this area will serve. Maxim does not discriminate in patient selection based on race, ethnicity, gender, or insurance source. However, Maxim's business model does not include offering service to Medicare-age patients, who have many existing home health agencies to choose from in this service area.

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, 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.

Tables following this page present detailed data on the utilization of the nineteen agencies approved for this service area, from 2011-2013. They provide three years of historical data on the patients, visits, and hours of existing agencies serving the area. They provide additional "most recent year" data requested by HSDA staff in other applications, such as these agencies' pediatric utilization, TennCare utilization, hours and visits by discipline, and patient utilization Statewide and within the service area. Maxim's own experience in its Tennessee agencies is provided on most of the tables for comparison purposes.

Table Thirteen lists the nineteen agencies licensed to serve in the area, both by name, and by agency county (principal office) and State ID number.

Table Fourteen lists which counties each of the agencies is licensed to serve.

Tables Fifteen-A and -B show the utilization of existing area agencies licensed to serve this area, in terms of their patients, visits, and hours Statewide, i.e., in all their authorized counties. For comparison, Table Fifteen-C shows Maxim's 2013 patients, visits, and hours Statewide at its four existing agencies in other parts of the State. (There is no available data on what portion of visits and hours were provided within the five counties; but patients served in the five counties are shown in Table Seventeen below.)

Table Sixteen lists the 2013 Statewide pediatric utilization of the authorized agencies, as a percentage of their total patients served Statewide. It illustrates the exceptional focus of Maxim agencies on pediatric care. Statewide in 2013, only 2% of all home health patients were pediatric patients. In the five-county service area of this

project, only 1.7% were pediatric. But for Maxim agencies in Tennessee, the pediatric percentage was 50%.

Table Seventeen-A shows (a) 2013 utilization of the existing authorized agencies by residents of this five county service area--by county and in total; (b) the dependence of each agency on this service area's cases; and (c) the pediatric utilization of each agency within the service area and the agency's dependence on pediatrics, as a percent of its service area cases and Statewide cases. Table Seventeen-B then sorts those agencies based on their dependence on their adult and pediatric cases from this service area. Nine agencies were 0%-20% dependent on this area; ten were 83%-100% dependent on this area. Of the ten highly dependent agencies, only one appears to have had any significant pediatric utilization--26% of its patients, compared to 0%-3% for the other nine agencies in that group.

Tables Eighteen-A and -B show the levels of TennCare service by existing area agencies, compared to Maxim's four agencies in Tennessee. The authorized agencies averaged 29% TennCare payor mix, compared to 90% for Maxim Statewide. Only five of the agencies had a TennCare payor mix of more than 7%; eight agencies had 0% to 1% TennCare.

Table Nineteen shows 2013 Hours and Visits By Discipline for the area's authorized agencies, and compares that to Maxim's four Tennessee agencies. It also documents that Maxim's Visits were only one-half of one percent Medicare, consistent with its commitments not to compete with existing agencies for that important group of patients.

Table Thirteen: Home Health Agencies Licensed to Serve Within the Project Service Area (Counties of Carter, Johnson, Sullivan, Unicoi, and Washington)

Alphabetical, By Agency Home County

Health Statistics ID	Agency County	Agency	Type
05012	Blount	Blount Memorial Hospital Home Health Services	Home
10031	Carter	Amedisys Home Health Care	Home
13032	Claiborne	Suncrest Home Health & Hospice	Both
15032	Cocke	Smoky Mountain Home Health & Hospice	Both
19494	Davidson	Elk Valley Health Services Inc	Home
19544	Davidson	Home Care Solutions, Inc (LHC Homecare of TN, LLC)	Home
30021	Greene	Advanced Home Care, Inc.	Home
30041	Greene	Laughlin Home Health Agency	Home
30051	Greene	Procare Home Health Services	Home
32132	Hamblen	Premier Support Services, Inc	Home
46031	Johnson	Johnson County Home Health	Home
47202	Knox	Amedisys Home Health Care	Home
82051	Sullivan	Advanced Home Care	Home
82061	Sullivan	Gentiva Health Services	Home
86051	Unicoi	Unicoi County Home Health	Home
90121	Washington	Amedisys Home Health	Home
90081	Washington	Medical Center Homecare - Kingsport	Home
90091	Washington	Medical Center Homecare Services	Home
90131	Washington	NHC Homecare	Home
		Number of Unduplicated Home Health Agencies	**19**

Alphabetical, By Agency Name

Health Statistics ID	Agency County	Agency	Type
82051	Sullivan	Advanced Home Care	Home
30021	Greene	Advanced Home Care, Inc.	Home
90121	Washington	Amedisys Home Health	Home
10031	Carter	Amedisys Home Health Care	Home
47202	Knox	Amedisys Home Health Care	Home
05012	Blount	Blount Memorial Hospital Home Health Services	Home
19494	Davidson	Elk Valley Health Services Inc	Home
82061	Sullivan	Gentiva Health Services	Home
19544	Davidson	Home Care Solutions, Inc (LHC Homecare of TN, LLC)	Home
46031	Johnson	Johnson County Home Health	Home
30041	Greene	Laughlin Home Health Agency	Home
90081	Washington	Medical Center Homecare - Kingsport	Home
90091	Washington	Medical Center Homecare Services	Home
90131	Washington	NHC Homecare	Home
32132	Hamblen	Premier Support Services, Inc	Home
30051	Greene	Procare Home Health Services	Home
15032	Cocke	Smoky Mountain Home Health & Hospice	Both
13032	Claiborne	Suncrest Home Health & Hospice	Both
86051	Unicoi	Unicoi County Home Health	Home
		Number of Unduplicated Home Health Agencies	**19**

Source: HSDA report on Department of Health Licensure - 9/18/2013 (Updated as of 12/4/2013)

26-Apr

Table Fourteen: 19 Home Health Agencies Authorized to Serve In Project Primary Service Area (PSA) in CY2014								
State ID	Agency County	Authorized Home Health Agency	Carter	Johnson	Sullivan	Unicoi	Washington	Number of PSA Counties Authorized
82051	Sullivan	Advanced Home Care			X		X	2
30021	Greene	Advanced Home Care, Inc.			X		X	2
90121	Washington	Amedisys Home Health	X	X	X	X	X	5
10031	Carter	Amedisys Home Health Care	X	X	X	X	X	5
47202	Knox	Amedisys Home Health Care	X		X	X	X	4
05012	Blount	Blount Memorial Hospital Home Health Services				X	X	2
19494	Davidson	Elk Valley Health Services Inc	X	X	X	X	X	5
82061	Sullivan	Gentiva Health Services	X	X	X	X	X	5
19544	Davidson	Home Care Solutions, Inc (LHC Homecare)	X	X	X	X	X	5
46031	Johnson	Johnson County Home Health	X	X				2
30041	Greene	Laughlin Home Health Agency					X	1
90081	Washington	Medical Center Homecare - Kingsport	X	X	X	X	X	5
90091	Washington	Medical Center Homecare Services	X	X	X	X	X	5
90131	Washington	NHC Homecare	X	X	X	X	X	5
32132	Hamblen	Premier Support Services, Inc	X	X	X	X	X	5
30051	Greene	Procare Home Health Services	X	X	X	X	X	5
15032	Cocke	Smoky Mountain Home Health & Hospice			X	X	X	3
13032	Claiborne	Suncrest Home Health & Hospice			X			1
86051	Unicoi	Unicoi County Home Health				X		1
		Total Agencies Licensed in Each County	12	11	15	14	16	

Source: HSDA Registry, January 2014

8-May

Table Fifteen-A: Total Statewide Utilization of Agencies in Service Area in 2011-2013--Alphabetical by Agency Name											
Health Statistics ID	Agency County	Agency Name	2011 Patients	2011 Visits	2011 PD Hours	2012 Patients	2012 Visits	2012 PD Hours	2013 Patients	2013 Visits	2013 PD Hours
82051	Sullivan	Advanced Home Care	2,825	50,750	0	2,583	43,247	0	2,245	37,308	0
30021	Greene	Advanced Home Care, Inc.	385	10,933	0	526	11,017	0	762	14,068	0
90121	Washington	Amedisys Home Health	2,496	65,270	0	2,384	61,012	0	1,821	43,880	0
10031	Carter	Amedisys Home Health Care	1,240	36,722	0	1,147	35,723	0	1,171	36,169	0
47202	Knox	Amedisys Home Health Care	5,267	184,297	0	5,420	195,809	0	5,354	190,310	0
05012	Blount	Blount Memorial Hospital Home Health Services	1,357	22,837	0	1,308	24,440	0	1,224	23,972	0
19494	Davidson	Elk Valley Health Services Inc	250	5,227	567,634	245	9,812	586,302	277	9,222	729,065
82061	Sullivan	Gentiva Health Services	1,286	36,690	65,688	979	29,059	0	936	22,944	0
19544	Davidson	Home Care Solutions, Inc	2,192	81,924	0	2,080	86,584	0	1,930	88,519	0
46031	Johnson	Johnson County Home Health	403	14,390	0	396	12,701	0	446	12,247	0
30041	Greene	Laughlin Home Health Agency	553	9,902	0	547	10,408	0	655	11,452	0
90081	Washington	Medical Center Homecare - Kingsport	1,126	24,219	0	1,628	33,415	0	1,960	38,875	0
90091	Washington	Medical Center Homecare Services	2,801	65,270	0	3,118	53,148	0	3,503	60,379	0
90131	Washington	NHC Homecare	241	8,483	0	264	6,786	0	259	7,970	0
32132	Hamblen	Premier Support Services, Inc	972	17,375	223,517	1,169	34,105	215,346	1,169	34,105	215,346
30051	Greene	Procare Home Health Services	418	5,024	161,708	384	5,003	171,316	433	7,926	168,094
15032	Cocke	Smoky Mountain Home Health & Hospice	1,622	36,050	0	1,535	28,952	0	1,296	29,843	0
13032	Claiborne	Suncrest Home Health & Hospice	436	15,356	39,402	581	17,113	23,038	852	23,541	40,194
86051	Unicoi	Unicoi County Home Health	206	4,999	201	209	3,889	0	206	2,805	171
		TOTALS	26,076	695,718	1,058,150	26,503	702,223	996,002	26,499	695,535	1,152,870

Source: TDH HHA Joint Ann. Reports, 2011-13, p. 8 for visits and hours; p. 10 for unduplicated patients. *11-May*

Table Fifteen-B: Total Statewide Utilization of Agencies in Service Area in 2011-2013--Alphabetical by Agency County											
Health Statistics ID	Agency County	Agency Name	2011 Patients	2011 Visits	2011 PD Hours	2012 Patients	2012 Visits	2012 PD Hours	2013 Patients	2013 Visits	2013 PD Hours
05012	Blount	Blount Memorial Hospital Home Health Services	1,357	22,837	0	1,308	24,440	0	1,224	23,972	0
10031	Carter	Amedisys Home Health Care	1,240	36,722	0	1,147	35,723	0	1,171	36,169	0
13032	Claiborne	Suncrest Home Health & Hospice	436	15,356	39,402	581	17,113	23,038	852	23,541	40,194
15032	Cocke	Smoky Mountain Home Health & Hospice	1,622	36,050	0	1,535	28,952	0	1,296	29,843	0
19494	Davidson	Elk Valley Health Services Inc	250	5,227	567,634	245	9,812	586,302	277	9,222	729,065
19544	Davidson	Home Care Solutions, Inc	2,192	81,924	0	2,080	86,584	0	1,930	88,519	0
30021	Greene	Advanced Home Care, Inc.	385	10,933	0	526	11,017	0	762	14,068	0
30041	Greene	Laughlin Home Health Agency	553	9,902	0	547	10,408	0	655	11,452	0
30051	Greene	Procare Home Health Services	418	5,024	161,708	384	5,003	171,316	433	7,926	168,094
32132	Hamblen	Premier Support Services, Inc	972	17,375	223,517	1,169	34,105	215,346	1,169	34,105	215,346
46031	Johnson	Johnson County Home Health	403	14,390	0	396	12,701	0	446	12,247	0
47202	Knox	Amedisys Home Health Care	5,267	184,297	0	5,420	195,809	0	5,354	190,310	0
82051	Sullivan	Advanced Home Care	2,825	50,750	0	2,583	43,247	0	2,245	37,308	0
82061	Sullivan	Gentiva Health Services	1,286	36,690	65,688	979	29,059	0	936	22,944	0
86051	Unicoi	Unicoi County Home Health	206	4,999	201	209	3,889	0	206	2,805	171
90121	Washington	Amedisys Home Health	2,496	65,270	0	2,384	61,012	0	1,821	43,880	0
90081	Washington	Medical Center Homecare - Kingsport	1,126	24,219	0	1,628	33,415	0	1,960	38,875	0
90091	Washington	Medical Center Homecare Services	2,801	65,270	0	3,118	53,148	0	3,503	60,379	0
90131	Washington	NHC Homecare	241	8,483	0	264	6,786	0	259	7,970	0
		TOTALS	26,076	695,718	1,058,150	26,503	702,223	996,002	26,499	695,535	1,152,870

Source: TDH HHA Joint Ann. Reports, 2011-13, p. 8 for visits and hours; p. 10 for unduplicated patients. *11-May*

Table Fifteen-C: Maxim Healthcare Services--Visits and Hours By Discipline, From Regional Offices Serving 42 Counties (2013)

	Memphis (ID 79536)			Nashville (ID 19704)			Chattanooga (ID 33433)			Knoxville (ID 47432)			Total TN Operations				
Discipline	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	**Patients**	**Visits**	**Hours**	**% of Total Visits**	**% of Total Hours**
Skilled Nursing		805	171,065		233	168,432		4,804	118,361		3,429	417,185		9,271	875,043	100.00%	80.86%
Aide		0	66,346		0	51,017		1	22,216		0	62,543		1	202,122	0.00%	18.68%
Medical/Social		0	0		0	0		0	0		0	0		0	0	0.00%	0.00%
Therapies (all)		0	0		0	0		0	0		0	0		0	0	0.00%	0.00%
Other		0	0		0	0		0	0		0	4,991		0	4,991	0.00%	0.46%
Total	155	805	237,411	106	233	219,449	56	4,805	140,577	159	3,429	484,719	476	9,272	1,082,156	100.00%	100.00%

Source: Maxim 2013 Joint Annual Reports. Patients p. 10; visits & hours p. 8.

30-Apr

Table Sixteen: Pediatric Case Mix-- Maxim vs Agencies in Tri-Cities Service Area
Patients Served Statewide in 2013

Health Statistics ID	Agency County	Agency	Type--Home or Branch	Patients 0-17 Yrs	Patients Served All Ages	Pediatric Percent
05012	Blount	Blount Memorial Hospital Home Health Services	Home	0	1,224	0.0%
10031	Carter	Amedisys Home Health Care	Home	0	1,171	0.0%
13032	Claiborne	Suncrest Home Health & Hospice	Both	35	852	4.1%
15032	Cocke	Smoky Mountain Home Health & Hospice	Both	5	1,296	0.4%
19494	Davidson	Elk Valley Health Services Inc	Home	141	277	50.9%
19544	Davidson	Home Care Solutions, Inc	Home	0	1,930	0.0%
30021	Greene	Advanced Home Care, Inc.	Home	5	762	0.7%
30041	Greene	Laughlin Home Health Agency	Home	1	655	0.2%
30051	Greene	Procare Home Health Services	Home	118	433	27.3%
32132	Hamblen	Premier Support Services, Inc	Home	61	1,169	5.2%
46031	Johnson	Johnson County Home Health	Home	0	446	0.0%
47202	Knox	Amedisys Home Health Care	Home	0	5,354	0.0%
82051	Sullivan	Advanced Home Care	Home	18	2,245	0.8%
82061	Sullivan	Gentiva Health Services	Home	0	936	0.0%
86051	Unicoi	Unicoi County Home Health	Home	0	206	0.0%
90121	Washington	Amedisys Home Health	Home	0	1,821	0.0%
90081	Washington	Medical Center Homecare - Kingsport	Home	64	1,960	3.3%
90091	Washington	Medical Center Homecare Services	Home	8	3,503	0.2%
90131	Washington	NHC Homecare	Home	0	259	0.0%
		Authorized Agencies (19)		**456**	**26,499**	**1.7%**
19704	Davidson	Maxim Healthcare Services	Both	61	106	57.5%
33433	Hamilton	Maxim Healthcare Services	Home	19	56	33.9%
47432	Knox	Maxim Healthcare Services	Both	78	159	49.1%
79536	Shelby	Maxim Healthcare Services	Both	80	155	51.6%
		Maxim Statewide (4)		**238**	**476**	**50.0%**

Source: 2013 TDH Joint Annual Reports.

15-May

Table Seventeen-A: Existing Agency Patients By Service Area Counties; and Agency Dependence on Service Area and on Pediatric Patients

Health Statistics ID	Agency County	Agency Name	Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area	Carter	Johnson	Sullivan	Unicoi	Washington	Agency Patients From Project Service Area Counties	Total Agency Patients in TN	% of Agency's Total Patients from Service Area Counties	Pediatric (0-17 Yrs) Patients Served By Agency in Service Area Counties	Agency's Pediatric Patients in Service Area, as % of Agency's Total Patients in Service Area	Agency's Pediatric Patients in Service Area, as % of Agency's Total Patients in TN
82051	Sullivan	Advanced Home Care, Inc.	8	2	25%	1	0	1,990	0	20	2,011	2,245	89.6%	16	0.8%	0.7%
30021	Greene	Advanced Home Care, Inc.	4	2	50%	0	0	5	0	133	138	762	18.1%	3	2.2%	0.4%
90121	Washington	Amedisys Home Health	6	5	83%	5	0	709	131	950	1,795	1,821	98.6%	0	0.0%	0.0%
10031	Carter	Amedisys Home Health Care	7	5	71%	767	388	6	1	9	1,171	1,171	100.0%	0	0.0%	0.0%
47202	Knox	Amedisys Home Health Care	28	4	14%	0	0	0	0	0	0	5,354	0.0%	0	0.0%	0.0%
05012	Blount	Blount Memor. Hospital HH Svcs	19	2	11%	0	0	0	0	0	0	1,224	0.0%	0	0.0%	0.0%
19494	Davidson	Elk Valley Health Services Inc	95	5	5%	6	1	13	2	12	34	277	12.3%	12	35.3%	4.3%
82061	Sullivan	Gentiva Health Services	9	5	56%	52	0	352	36	395	835	936	89.2%	0	0.0%	0.0%
19544	Davidson	Home Care Solutions, Inc	46	5	11%	0	0	0	0	0	0	1,930	0.0%	0	0.0%	0.0%
46031	Johnson	Johnson County Home Health	3	2	67%	5	436	0	0	5	446	446	100.0%	0	0.0%	0.0%
30041	Greene	Laughlin Home Health Agency	5	1	20%	0	0	0	0	11	11	655	1.7%	0	0.0%	0.0%
90081	Washington	Medical Center Homecare - Kingspo	7	5	71%	80	72	1,577	9	173	1,911	1,960	97.5%	64	3.3%	3.3%
90091	Washington	Medical Center Homecare Services	5	4	80%	1,034	0	3	226	2,083	3,346	3,503	95.5%	8	0.2%	0.2%
90131	Washington	NHC Homecare	7	5	71%	12	0	86	10	144	252	259	97.3%	0	0.0%	0.0%
32132	Hamblen	Premier Support Services, Inc	16	5	31%	22	0	93	15	70	200	1,169	17.1%	16	8.0%	1.4%
30051	Greene	Procare Home Health Services	6	5	83%	88	10	135	13	113	359	433	82.9%	94	26.2%	21.7%
15032	Cocke	Smoky Mountain HH & Hospice	12	3	25%	0	0	116	10	56	182	1,296	14.0%	3	1.6%	0.2%
13032	Claiborne	Suncrest Home Health & Hospice	11	1	9%	0	0	174	0	0	174	852	20.4%	4	2.3%	0.5%
86051	Unicoi	Unicoi County Home Health	1	1	100%	0	0	0	206	0	206	206	100.0%	0	0.0%	0.0%
		TOTALS				***2,072***	***907***	***5,259***	***659***	***4,174***	***13,071***	***26,499***	***49.3%***	***220***	***1.7%***	***0.8%***

Source: TDH 2013 Joint Annual Reports, pp. 8-10; HSDA Registry for authorized counties.

10-May

Table Seventeen-B: Existing Agency Patients By Service Area Counties; and Agency Dependence on Service Area and on Pediatric Patients--Sorted By Dependence

Health Statistics ID	Agency County	Agency Name	Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area	Carter	Johnson	Sullivan	Unicoi	Washington	Agency Patients From Project Service Area Counties	Total Agency Patients in TN	% of Agency's Total Patients from Service Area Counties	Pediatric (0-17 Yrs) Patients Served By Agency in Service Area Counties	Agency's Pediatric Patients in Service Area, as % of Agency's Total Patients in Service Area	Agency's Pediatric Patients in Service Area, as % of Agency's Total Patients in TN
AGENCIES WITH HIGH DEPENDENCE ON PROJECT SERVICE AREA																
10031	Carter	Amedisys Home Health Care	7	5	71%	767	388	6	1	9	1,171	1,171	100%	0	0.0%	0.0%
46031	Johnson	Johnson County Home Health	3	2	67%	5	436	0	0	5	446	446	100%	0	0.0%	0.0%
86051	Unicoi	Unicoi County Home Health	1	1	100%	0	0	0	206	0	206	206	100%	0	0.0%	0.0%
90121	Washington	Amedisys Home Health	6	5	83%	5	0	709	131	950	1,795	1,821	99%	0	0.0%	0.0%
90081	Washington	Medical Center Homecare - Kingsport	7	5	71%	80	72	1,577	9	173	1,911	1,960	98%	64	3.3%	3.3%
90131	Washington	NHC Homecare	7	5	71%	12	0	86	10	144	252	259	97%	0	0.0%	0.0%
90091	Washington	Medical Center Homecare Services	5	4	80%	1,034	0	3	226	2,083	3,346	3,503	96%	8	0.2%	0.2%
82051	Sullivan	Advanced Home Care, Inc.	8	2	25%	1	0	1,990	0	20	2,011	2,245	90%	16	0.8%	0.7%
82061	Sullivan	Gentiva Health Services	9	5	56%	52	0	352	36	395	835	936	89%	0	0.0%	0.0%
30051	Greene	Procare Home Health Services	6	5	83%	88	10	135	13	113	359	433	83%	94	26.2%	21.7%
		SUBTOTALS				*2,044*	*906*	*4,858*	*632*	*3,892*	*12,332*	*12,980*	*95%*	*182*	*1.48%*	*1.40%*
AGENCIES WITH LOW DEPENDENCE ON PROJECT SERVICE AREA																
13032	Claiborne	Suncrest Home Health & Hospice	11	1	9%	0	0	174	0	0	174	852	20%	4	2.3%	0.5%
30021	Greene	Advanced Home Care, Inc.	4	2	50%	0	0	5	0	133	138	762	18%	3	2.2%	0.4%
32132	Hamblen	Premier Support Services, Inc	16	5	31%	22	0	93	15	70	200	1,169	17%	16	8.0%	1.4%
15032	Cocke	Smoky Mountain HH & Hospice	12	3	25%	0	0	116	10	56	182	1,296	14%	3	1.6%	0.2%
19494	Davidson	Elk Valley Health Services Inc	95	5	5%	6	1	13	2	12	34	277	12%	12	35.3%	4.3%
30041	Greene	Laughlin Home Health Agency	5	1	20%	0	0	0	0	11	11	655	2%	0	0.0%	0.0%
47202	Knox	Amedisys Home Health Care	28	4	14%	0	0	0	0	0	0	5,354	0%	0	0.0%	0.0%
5012	Blount	Blount Memor. Hospital HH Svcs	19	2	11%	0	0	0	0	0	0	1,224	0%	0	0.0%	0.0%
19544	Davidson	Home Care Solutions, Inc	46	5	11%	0	0	0	0	0	0	1,930	0%	0	0.0%	0.0%
		SUBTOTALS				*28*	*1*	*401*	*27*	*282*	*739*	*13,519*	*5%*	*38*	*5.14%*	*0.28%*
		TOTALS				***2,072***	***907***	***5,259***	***659***	***4,174***	***13,071***	***26,499***	***49%***	***220***	*1.68%*	*0.83%*

Source: TDH 2013 Joint Annual Reports, pp. 8-10; HSDA Registry for authorized counties.

10-May

Table Eighteen-A: TennCare Utilization of Agencies Serving Service Area in 2013--By Agency Name											
Health Statistics ID	Agency County	Agency Name	Total Agency Visits	TennCare Visits	TennCare % of Total Visits	Total Agency Hours	TennCare Hours	TennCare % of Total Hours	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
82051	Sullivan	Advanced Home Care	37,308	2,166	5.8%	0	0	0.0%	$5,680,856	$219,764	3.9%
30021	Greene	Advanced Home Care, Inc.	14,068	601	4.3%	0	0	0.0%	$2,113,084	$60,688	2.9%
90121	Washingtor	Amedisys Home Health	43,880	0	0.0%	0	0	0.0%	$7,992,426	$0	0.0%
10031	Carter	Amedisys Home Health Care	36,169	0	0.0%	0	0	0.0%	$4,578,741	$0	0.0%
47202	Knox	Amedisys Home Health Care	190,310	0	0.0%	0	0	0.0%	$24,110,407	$0	0.0%
05012	Blount	Blount Memorial Hospital Home Health Services	23,972	52	0.2%	0	0	0.0%	$3,428,288	$6,774	0.2%
19494	Davidson	Elk Valley Health Services Inc	9,222	0	0.0%	729,065	660,957	90.7%	$29,659,043	$25,524,477	86.1%
82061	Sullivan	Gentiva Health Services	22,944	0	0.0%	0	0	0.0%	$3,708,171	$0	0.0%
19544	Davidson	Home Care Solutions, Inc	88,519	0	0.0%	0	0	0.0%	$12,507,481	$0	0.0%
46031	Johnson	Johnson County Home Health	12,247	418	3.4%	0	0	0.0%	$1,483,794	$44,740	3.0%
30041	Greene	Laughlin Home Health Agency	11,452	163	1.4%	0	0	0.0%	$1,521,111	$104,530	6.9%
90081	Washingtor	Medical Center Homecare - Kingsport	38,875	8,229	21.2%	0	0	0.0%	$5,131,307	$1,062,243	20.7%
90091	Washingtor	Medical Center Homecare Services	60,379	3,551	5.9%	0	0	0.0%	$8,120,423	$309,459	3.8%
90131	Washingtor	NHC Homecare	7,970	0	0.0%	0	0	0.0%	$1,439,488	$0	0.0%
32132	Hamblen	Premier Support Services, Inc	34,105	2,110	6.2%	215,346	179,690	83.4%	$9,343,161	$5,394,084	57.7%
30051	Greene	Procare Home Health Services	7,926	2,686	33.9%	168,094	156,499	93.1%	$7,322,525	$5,970,853	81.5%
15032	Cocke	Smoky Mountain Home Health & Hospice	29,843	212	0.7%	0	0	0.0%	$4,561,113	$49,486	1.1%
13032	Claiborne	Suncrest Home Health & Hospice	23,541	556	2.4%	40,194	31,458	78.3%	$3,931,981	$1,062,361	27.0%
86051	Unicoi	Unicoi County Home Health	2,805	0	0.0%	171	0	0.0%	$503,594	$0	0.0%
		TOTALS	***695,535***	***20,744***	***3.0%***	***1,152,870***	***1,028,604***	***89.2%***	***$137,136,994***	***$39,809,459***	***29.0%***

Source: HHA Joint Ann. Reports, 2013, pp. 4, 6, 8.

10-May

TennCare Utilization of Maxim Healthcare Services in Tennessee--By Agency Name											
Health Statistics ID	Agency County	Agency Name	Total Agency Visits	TennCare Visits	TennCare % of Total Visits	Total Agency Hours	TennCare Hours	TennCare % of Total Hours	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
19704	Davidson	Maxim Healthcare Services	233	0	0.0%	219,449	194,455	88.6%	$9,005,669	$8,048,048	89.4%
33433	Hamilton	Maxim Healthcare Services	4,806	450	9.4%	140,577	130,623	92.9%	$5,121,310	$4,570,559	89.2%
47432	Knox	Maxim Healthcare Services	3,429	786	22.9%	484,709	444,271	91.7%	$16,800,714	$15,514,845	92.3%
79536	Shelby	Maxim Healthcare Services	805	764	94.9%	237,411	145,014	61.1%	$7,995,682	$6,859,246	85.8%
		STATEWIDE TOTALS	***9,273***	***2,000***	***21.6%***	***1,082,146***	***914,363***	***84.5%***	***$38,923,375***	***$34,992,698***	***89.9%***

Source: HHA Joint Ann. Reports, 2013, pp. 4, 6, 8.

10-May

Table Eighteen-B: TennCare Utilization of Agencies Serving Service Area in 2013											
Health Statistics ID	Agency County	Agency Name	Total Agency Visits	TennCare Visits	TennCare % of Total Visits	Total Agency Hours	TennCare Hours	TennCare % of Total Hours	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
19494	Davidson	Elk Valley Health Services Inc	9,222	0	0.0%	729,065	660,957	90.7%	$29,659,043	$25,524,477	86.1%
30051	Greene	Procare Home Health Services	7,926	2,686	33.9%	168,094	156,499	93.1%	$7,322,525	$5,970,853	81.5%
32132	Hamblen	Premier Support Services, Inc	34,105	2,110	6.2%	215,346	179,690	83.4%	$9,343,161	$5,394,084	57.7%
13032	Claiborne	Suncrest Home Health & Hospice	23,541	556	2.4%	40,194	31,458	78.3%	$3,931,981	$1,062,361	27.0%
90081	Washingtor	Medical Center Homecare - Kingsport	38,875	8,229	21.2%	0	0	0.0%	$5,131,307	$1,062,243	20.7%
30041	Greene	Laughlin Home Health Agency	11,452	163	1.4%	0	0	0.0%	$1,521,111	$104,530	6.9%
82051	Sullivan	Advanced Home Care	37,308	2,166	5.8%	0	0	0.0%	$5,680,856	$219,764	3.9%
90091	Washingtor	Medical Center Homecare Services	60,379	3,551	5.9%	0	0	0.0%	$8,120,423	$309,459	3.8%
46031	Johnson	Johnson County Home Health	12,247	418	3.4%	0	0	0.0%	$1,483,794	$44,740	3.0%
30021	Greene	Advanced Home Care, Inc.	14,068	601	4.3%	0	0	0.0%	$2,113,084	$60,688	2.9%
15032	Cocke	Smoky Mountain Home Health & Hospice	29,843	212	0.7%	0	0	0.0%	$4,561,113	$49,486	1.1%
05012	Blount	Blount Memorial Hospital Home Health Services	23,972	52	0.2%	0	0	0.0%	$3,428,288	$6,774	0.2%
90121	Washingtor	Amedisys Home Health	43,880	0	0.0%	0	0	0.0%	$7,992,426	$0	0.0%
10031	Carter	Amedisys Home Health Care	36,169	0	0.0%	0	0	0.0%	$4,578,741	$0	0.0%
47202	Knox	Amedisys Home Health Care	190,310	0	0.0%	0	0	0.0%	$24,110,407	$0	0.0%
82061	Sullivan	Gentiva Health Services	22,944	0	0.0%	0	0	0.0%	$3,708,171	$0	0.0%
19544	Davidson	Home Care Solutions, Inc	88,519	0	0.0%	0	0	0.0%	$12,507,481	$0	0.0%
90131	Washingtor	NHC Homecare	7,970	0	0.0%		0	0.0%	$1,439,488	$0	0.0%
86051	Unicoi	Unicoi County Home Health	2,805	0	0.0%	171	0	0.0%	$503,594	$0	0.0%
		TOTALS	***695,535***	***20,744***	***3.0%***	***1,152,870***	***1,028,604***	***89.2%***	***$137,136,994***	***$39,809,459***	***29.0%***

Source: HHA Joint Ann. Reports, 2013, pp. 4, 6, 8.

10-May

TennCare Utilization of Maxim Healthcare Services in Tennessee											
Health Statistics ID	Agency County	Agency Name	Total Agency Visits	TennCare Visits	TennCare % of Total Visits	Total Agency Hours	TennCare Hours	TennCare % of Total Hours	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
19704	Davidson	Maxim Healthcare Services	233	0	0.0%	219,449	194,455	88.6%	$9,005,669	$8,048,048	89.4%
33433	Hamilton	Maxim Healthcare Services	4,806	450	9.4%	140,577	130,623	92.9%	$5,121,310	$4,570,559	89.2%
47432	Knox	Maxim Healthcare Services	3,429	786	22.9%	484,709	444,271	91.7%	$16,800,714	$15,514,845	92.3%
79536	Shelby	Maxim Healthcare Services	805	764	94.9%	237,411	145,014	61.1%	$7,995,682	$6,859,246	85.8%
		STATEWIDE TOTALS	***9,273***	***2,000***	***21.6%***	***1,082,146***	***914,363***	***84.5%***	***$38,923,375***	***$34,992,698***	***89.9%***

Source: HHA Joint Ann. Reports, 2013, pp. 4, 6, 8.

10-May

Table Nineteen: 2013 Hours & Visits By Discipline for 19 Major Agencies in Service Area and Maxim Agencies in Tennessee

Health Statistics ID	Agency County	Agency	HOURS By Discipline				VISITS By Discipline									
			Home Health Aide	Skilled Nursing	Other	Total Hours, All Disciplines	Home Health Aide	Skilled Nursing	Occup'l Therapy	Physical Therapy	Speech Therapy	Total, All Therapies	Home maker Services	Medical Social Services	Other	Total Visits, All Disciplines
		Authorized Agencies in Service Area														
05012	Blount	Blount Memor Hos HH Services	0	0	0	0	2,553	10,939	2,077	7,525	619	10,221	0	259	0	23,972
10031	Carter	Amedisys Home Health Care	0	0	0	0	3,449	15,275	5,691	9,697	1,127	16,515	0	930	0	36,169
13032	Claiborne	Suncrest Home Health & Hospice	30,193	10,001	0	40,194	4,537	9,921	1,583	7,318	155	9,056	0	27	0	23,541
15032	Cocke	Smoky Mtn Home Health & Hospice	0	0	0	0	3,397	7,885	2,228	15,016	1,091	18,335	0	226	0	29,843
19494	Davidson	Elk Valley Health Services Inc	114,178	614,887	0	729,065	164	9,058	0	0	0	0	0	0	0	9,222
19544	Davidson	Home Care Solutions, Inc	0	0	0	0	9,260	45,427	6,989	23,596	1,714	32,299	0	1,533	0	88,519
30021	Greene	Advanced Home Care, Inc.	0	0	0	0	1,231	6,074	864	5,432	380	6,676	0	87	0	14,068
30041	Greene	Laughlin Home Health Agency	0	0	0	0	1,790	4,530	705	4,288	139	5,132	0	0	0	11,452
30051	Greene	Procare Home Health Services	35,252	132,842	0	168,094	1,683	2,085	1,127	2,571	415	4,113	0	45	0	7,926
32132	Hamblen	Premier Support Services, Inc	34,076	157,312	0	191,388	4,671	13,239	1,548	12,110	2,170	15,828	0	367	0	34,105
46031	Johnson	Johnson County Home Health	0	0	0	0	1,262	9,006	0	1,901	0	1,901	0	72	6	12,247
47202	Knox	Amedisys Home Health Care	0	0	0	0	20,304	84,486	17,109	54,964	10,974	83,047	0	2,473	0	190,310
82051	Sullivan	Advanced Home Care	0	0	0	0	2,492	17,430	3,917	11,899	1,325	17,141	0	245	0	37,308
82061	Sullivan	Gentiva Health Services	0	0	0	0	38	6,655	2,947	11,345	1,347	15,639	0	612	0	22,944
86051	Unicoi	Unicoi County Home Health	0	140	31	171	0	1,247	76	1,450	32	1,558	0	0	0	2,805
90121	Washington	Amedisys Home Health	0	0	0	0	2,330	19,440	5,938	13,716	1,947	21,601	0	509	0	43,880
90081	Washington	Medical Center Homecare - Kingsport	0	0	0	0	2,217	20,625	3,821	11,142	808	15,771	0	252	10	38,875
90091	Washington	Medical Center Homecare Services	0	0	0	0	1,964	38,271	2,929	15,949	748	19,626	0	504	14	60,379
90131	Washington	NHC Homecare	0	0	0	0	397	2,652	291	4,438	154	4,883	0	38	0	7,970
		Authorized Agencies Subtotal, Statewide	**213,699**	**915,182**	**31**	**1,128,912**	**63,739**	**324,245**	**59,840**	**214,357**	**25,145**	**299,342**	**0**	**8,179**	**30**	**695,535**
						0										
		Maxim Agencies in Tenessee				0						0				0
19704	Davidson	Maxim Healthcare Services	51,017	154,174	0	205,191	0	233	0	0	0	0	0	0	0	233
33433	Hamilton	Maxim Healthcare Services	22,216	118,361	0	140,577	1	4,805	0	0	0	0	0	0	0	4,806
47432	Knox	Maxim Healthcare Services	62,543	417,185	4,991	484,719	0	3,429	0	0	0	0	0	0	0	3,429
79536	Shelby	Maxim Healthcare Services	66,346	171,065	0	237,411	0	805	0	0	0	0	0	0	0	805
		Maxim Subtotal, Tennessee	***202,122***	***860,785***	***4,991***	*1,067,898*	***1***	***9,272***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	9,273

Source: TDH HHA Joint Annual Reports, 2013, pp. 6-8.

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		Maxim Agencies in Tenessee		Skilled Nursing Visits	Medicare Visits	Percent Medicare
19704	Davidson	Maxim Healthcare Services		233	0	0.00%
33433	Hamilton	Maxim Healthcare Services		4,805	5	0.10%
47432	Knox	Maxim Healthcare Services		3,429	0	0.00%
79536	Shelby	Maxim Healthcare Services		805	0	0.00%
		Maxim Subtotal, Tennessee		***9,272***	***5***	***0.05%***

Source: TDH HHA Joint Annual Reports, 2013, pp 6-8.

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C(I).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.

This is for a new agency without historical utilization. Its projected utilization is provided on the tables following this page.

Table Twenty projects Maxim's patients (intermittent and private duty), visits, and hours. Maxim management estimated the totals for Years One and Two based on startup experiences. Total visits and total hours were allocated to counties based on county shares of service area population (TDH May 2013 projections). Patients were allocated between intermittent and private duty based on Maxim's Tennessee experience.

Table Twenty-One projects the agency's utilization by discipline. Maxim provides only skilled nursing and home health aide services, on an 80% / 20% ratio. The patients, visits, and hours from Table Twenty were allocated between those two disciplines based on Maxim's overall 80% / 20% ratio.

Table Twenty-Two, building on Table Twenty-One, allocates projected visits by discipline among five age cohorts, based on Maxim's Statewide averages, which are provided in the resource tables below the Table.

Tables Twenty-Three-A and -B project the new agency's payor mix. Please note the special circumstances footnoted with respect to Medicare. The agency will serve one Medicare patient who also has commercial insurance, in order to be granted a Medicare provider number (without which, TennCare will not work with this agency). However, Medicare will not reimburse anything for that patient; so there is no Medicare revenue projected in the payor mix.

Table Twenty: Maxim (Washington County) Projected Utlization					
Year One (2015)					
	Patients				
Counties	Intermittent	Private Duty	Total (Rounded)	Visits	Hours
Carter	0.9	1.8	3	182.0	3,481.0
Johnson	0.3	0.6	1	57.8	1,105.4
Sullivan	2.5	4.9	7	506.8	9,690.2
Unicoi	0.3	0.6	1	61.5	1,176.0
Washington	2.1	4.1	6	421.9	8,067.4
Service Area Total	6.0	12.0	18	1,230.0	23,520.0
Year Two (2016)					
	Patients				
Counties	Intermittent	Private Duty	Total (Rounded)	Visits	Hours
Carter	1.8	3.5	5	409.4	9,857.8
Johnson	0.6	1.1	2	128.1	3,084.8
Sullivan	4.9	9.9	15	1,144.6	27,561.7
Unicoi	0.6	1.2	2	139.3	3,353.0
Washington	4.1	8.3	12	960.8	23,135.7
Service Area Total	12.0	24.0	36	2,785.0	67,060.0

Source: Maxim management. *3-May*

Patients, visits, hours from Maxim 5-3-14.
Visits and hours allocated to counties in proportion to population.

Table Twenty-One: Maxim Projected Utilization By Discipline						
	Year One (2015)			Year Two (2016)		
Discipline	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	14.4	984.0	18,816.0	28.8	2,228.0	53,648.0
Aide	3.6	246.0	4,704.0	7.2	557.0	13,412.0
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	18.0	1,230.0	23,520.0	36.0	2,785.0	67,060.0

Source: Maxim Management

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Assumes Maxim directly provides only PDN and Aide, at 80% and 20% allocation respectively, across patients, visits, hours (Maxim Statewide average per Maxim).

Total Maxim Utilization From Exhibit One		
	CY 2015	CY 2016
Patients	18	36
Visits	1,230	2,785
Hours	23,520	67,060

Table Twenty-Two: Projected Utilization By Age and Discipline

Year One (2015)

	Pediatric 0-17 Yrs (50.0%)			Adult 18-64 Yrs (41.4%)			Adult 65-74 Yrs (2.9%)			Adult 75+ Yrs (5.7%)			Totals (100.0%)		
Discipline	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	7.2	492.0	9,408.0	6.0	407.4	7,789.8	0.4	28.5	545.7	0.8	56.1	1,072.5	14.4	984.0	18,816.0
Aide	1.8	123.0	2,352.0	1.5	101.8	1,947.5	0.1	7.1	136.4	0.2	14.0	268.1	3.6	246.0	4,704.0
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	9.0	615.0	11,760.0	7.5	509.2	9,737.3	0.5	35.7	682.1	1.0	70.1	1,340.6	18.0	1,230.0	23,520.0

Year Two (2016)

	Pediatric 0-17 Yrs (50.0%)			Adult 18-64 Yrs (41.4%)			Adult 65-74 Yrs (2.9%)			Adult 75+ Yrs (5.7%)			Totals (100.0%)		
Discipline	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	14.4	1,114.0	26,824.0	11.9	922.4	22,210.3	0.8	64.6	1,555.8	1.6	127.0	3,057.9	28.8	2,228.0	53,648.0
Aide	3.6	278.5	6,706.0	3.0	230.6	5,552.6	0.2	16.2	388.9	0.4	31.7	764.5	7.2	557.0	13,412.0
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	18.0	1,392.5	33,530.0	14.9	1,153.0	27,762.8	1.0	80.8	1,944.7	2.1	158.7	3,822.4	36.0	2,785.0	67,060.0

Source: Maxim management

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Exhibit Two totals spread among age cohorts using Maxim Statewide experience. See work tables below. Cohort totals allocated 80% to skilled nursing, 20% to aide.

RESOURCES: Maxim Statewide experience by discipline and age cohort.

2013 Maxim Joint Annual Reports--Patients Served By Age Group, p. 10

	0-17	Percent	18-64	Percent	65-74	Percent	75+	Percent	All Patients	Percent
Memphis	80	51.6%	58	37.4%	7	4.5%	10	6.5%	155	100.0%
Nashville	61	57.5%	40	37.7%	1	0.9%	4	3.8%	106	100.0%
Chattanooga	19	33.9%	33	58.9%	1	1.8%	3	5.4%	56	100.0%
Knoxville	78	49.1%	66	41.5%	5	3.1%	10	6.3%	159	100.0%
Statewide	***238***	***50.0%***	***197***	***41.4%***	***14***	***2.9%***	***27***	***5.7%***	***476***	***100.0%***

Source: Regional offices data from Maxim 2013 Joint Annual Reports.

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a. Calculated Maxim patients served by JAR age cohort, as percentages in each region and Statewide.

b. There is no other JAR data by age cohort.

c. JAR's report patients, visits, and hours by discipline, but not by age cohort. See below.

Table 1A: Maxim Healthcare Services--Visits and Hours By Discipline, From Regional Offices Serving 42 Counties (2013)

	Memphis (ID 79536)			Nashville (ID 19704)			Chattanooga (ID 33433)			Knoxville (ID 47432)			Total TN Operations				
Discipline	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	**Patients**	**Visits**	**Hours**	**% of Total Visits**	**% of Total Hours**
Skilled Nursing		805	171,065		233	168,432		4,804	118,361		3,429	417,185		9,271	860,785	100.0%	80.6%
Aide		0	66,346		0	51,017		1	22,216		0	62,543		1	202,122	0.0%	18.9%
Medical/Social		0	0		0	0		0	0		0	0		0	0	0.0%	0.0%
Therapies (all)		0	0		0	0		0	0		0	0		0	0	0.0%	0.0%
Other		0	0		0	0		0	0		0	4,991		0	4,991	0.0%	0.5%
Total	***155***	***805***	***237,411***	***106***	***233***	***205,191***	***56***	***4,805***	***140,577***	***159***	***3,429***	***484,719***	***476***	***9,272***	***1,067,898***	***100.0%***	***100.0%***

Source: Maxim management

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Table Twenty-Three-A: Maxim Projected Payor Mix on Gross Revenues (Billilngs) Year One											
	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other	%$	Total (100%)
Patients	1	0.0%	15	90.0%	1	8.0%	1	2.0%	0.0	0.0%	18
Visits	6	0.5%	1,107	90.0%	117	9.5%	0	0.0%	0.0	0.0%	1,230
Hours	0	0.0%	21,150	90.0%	1,880	8.0%	470	2.0%	0.0	0.0%	23,500
Gross Revenue	$0	0.0%	$813,807	90.0%	$72,338	8.0%	$18,085	2.0%	$0	0.0%	$904,230
Gross Rev/Hr	$0		$34		$34		$20		$0		$36.92
Gross Revenue/Pat	$0		$29,065		$24,112		$18,085		$0		$50,235

Source: Maxim management. *13-May*

Table Twenty-Three-B: Maxim Projected Payor Mix on Gross Revenues (Billings) Year Two											
	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other	%$	Total (100%)
Patients	1	0.0%	32	90.0%	2	8.0%	1	2.0%	0.0	0.0%	36
Visits	14	0.5%	2,506	90.0%	265	9.5%	0	0.0%	0.0	0.0%	2,785
Hours	0	0.0%	60,354	90.0%	5,365	8.0%	1,341	2.0%	0.0	0.0%	67,060
Gross Revenue	$0	0.0%	$2,265,089	90.0%	$201,341	8.0%	49,832.00	2.0%	$0	0.0%	$2,516,765
Gross Rev/Hr	$0		$34		$34		$20		$0		$37.44
Gross Revenue/Pat	$0		$40,448		$40,268		$49,832		$0		$69,910

Source: Maxim management. *15-May*

Note: TennCare requires its TennCare providers to have a Medicare provider number. But Maxim is a private duty company that is committing not to compete with other home health agencies for Medicare patients. ***Maxim will serve one Medicare-age patient with commercial insurance*** *to qualify for a Medicare provider number; but the secondary insurance will pay and Medicare will not--hence no Medicare revenue is projected in the P&L. The single Medicare eligible patient is in the "commercial" columns in the tables above.*

C(II)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 ON LINE D.

• 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.

A contractor's letter supporting the construction cost estimate is being secured and will be submitted under separate cover, to be placed in Attachment C, Economic Feasibility--1.

On the Project Costs Chart, following this response:

Line A.1, A&E fees, were zero because Maxim corporate and the landlord/lessor are planning the build-out of this office space. No engineering expenses will be incurred.

Line A.2, legal, administrative, and consultant fees, include legal costs associated with securing the lease on the principal office space.

Line A.5, construction cost, was estimated by Maxim corporate real estate staff in consultation with the landlord/lessor of the office. This is for 3,438 SF of space. It is the applicant's cost in excess of normal tenant improvements allowances built into the lease rate.

Line A.6, contingency, was estimated by Maxim corporate staff at 5% of construction costs in line A.5.

Line A.7 includes both fixed and moveable equipment costs, estimated by Maxim corporate development staff. This line includes furnishings and office equipment other than computers.

Line A.9 includes such costs as a phone system, computers, IT cabling, and a server for the office.

Line B.1 is the fair market value of the facility being leased, calculated in the two alternative ways required by staff rules. The lease outlay was the larger of these two alternative calculations and was used in the Project Cost Chart.

Lease Outlay Method:

5.5 years first term; $9,000 total payment in months 1-6; $300,825 total payments in months 7-66; total outlay in first term = $309,825.

Pro Rata Building Value Method:

3,438 SF project / 70,597 SF total building X $4,859,000 appraised value of the building = $236,628 pro rata value of the office space to be leased

PROJECT COSTS CHART--MAXIM HEALTHCARE SERVICES, JOHNSON CITY

A. Construction and equipment acquired by purchase:

1.	Architectural and Engineering Fees		$ 0
2.	Legal, Administrative, Consultant Fees (Excl CON Filing)		50,000
3.	Acquisition of Site		0
4.	Preparation of Site		0
5.	Construction Cost		60,000
6.	Contingency Fund	5% of A5	3,000
7.	Fixed Equipment (Not included in Construction Contract)		0
8.	Moveable Equipment (List all equipment over $50,000)		29,000
9.	Other (Specify)	Phones, server, cabling, computers	9,000

B. Acquisition by gift, donation, or lease:

1.	Facility (inclusive of building and land)	lease outlay*	309,825
2.	Building only		0
3.	Land only		0
4.	Equipment (Specify)		0
5.	Other (Specify)		0

C. Financing Costs and Fees:

1.	Interim Financing	0
2.	Underwriting Costs	0
3.	Reserve for One Year's Debt Service	0
4.	Other (Specify)	0

D. Estimated Project Cost (A+B+C) 460,825

E. CON Filing Fee (Minimum statutory fee) 3,000

F. Total Estimated Project Cost (D+E) **TOTAL $** 463,825

* Bldg Value method = $245,638

Actual Capital Cost	154,000
Section B FMV	309,825

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC 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 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;

___x__E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or

_____F. Other--Identify and document funding from all sources.

All of the actual capital costs for this project (estimated at $154,000) will be funded/financed by the applicant, Maxim Healthcare Services, Inc. Documentation of financing is provided in Attachment C, Economic Feasibility--2, in the form of a funding assurance letter from Raymond Carbone, CFO of the company.

C(II).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 HSDA.

The justification of costs was provided in an earlier section, which is repeated here:

Table Two (Repeated): Construction Costs of This Project			
	Renovated Construction	**New Construction**	**Total Project**
Square Feet	3,438 SF	0	3,438 SF
Construction Cost	$60,000	0	$60,000
Constr. Cost PSF	$17.45 PSF	NA	$17.45 PSF

While this project seeks a license, the required construction is only to renovate existing space in a commercial office building, to create a management office in which no health services are delivered. There is no meaningful way to compare this project's office build-out costs to office renovations of others. HSDA records of nursing home construction projects approved in 2010-2012 had the following construction costs, and this proposed project's $17.45 PSF construction cost is far below the lowest quartile for nursing homes.

Nursing Home Construction Cost PSF Years: 2010– 2012			
	Renovated Construction	New Construction	Total Construction
1st Quartile	$19.30/sq ft	$164.57/sq ft	$73.23/sq ft
Median	$35.76/sq ft	$167.31/sq ft	$164.57/sq ft
3rd Quartile	$55.00/sq ft	$181.72/sq ft	$167.61/sq ft

Source: HSDA Registry; CON approved applications for years 2010 through 2012.

C(II).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 YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE 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).

This project proposes to establish a new licensed health care provider; so there is no historical data to submit.

The applicant's Projected Data Chart follows this page. The notes page following the Chart provides an itemization of line D.9, "Other Expenses".

The Chart contains no management fees to related entities because the applicant, Maxim Healthcare Services, Inc., is the national company and will be the licensee/operator of the proposed agency.

PROJECTED DATA CHART-- MAXIM HEALTH SERVICES, WASHINGTON COUNTY

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

			CY 2015	CY 2016
		Patients	18	36
A.	Utilization Data	Hours	23,520	67,060
		Visits	1,230	2,785
B.	Revenue from Services to Patients			
	1. Inpatient Services		$ 0	$ 0
	2. Outpatient Services	In-Home Services	904,230	2,516,765
	3. Emergency Services		0	0
	4. Other Operating Revenue (Specify)	See notes page	0	0
		Gross Operating Revenue	$ 904,230	$ 2,516,765
C.	Deductions for Operating Revenue			
	1. Contractual Adjustments		$ 0	$ 0
	2. Provision for Charity Care		0	0
	3. Provisions for Bad Debt		13,563	39,010
		Total Deductions	$ 13,563	$ 39,010
NET OPERATING REVENUE			$ 890,667	$ 2,477,755
D.	Operating Expenses			
	1. Salaries and Wages		$ 1,031,709	$ 2,171,972
	2. Physicians Salaries and Wages		0	0
	3. Supplies (Office Supplies, Postage, Fed Ex)		10,000	7,500
	4. Taxes		713	1,982
	5. Depreciation	(Furniture, computers/office equipment)	7,600	7,600
	6. Rent (Rent and Utilities)		74,990	76,738
	7. Interest, other than Capital		p	0
	8. Management Fees			
	a. Fees to Affiliates--Parent Company		0	0
	b. Fees to Non-Affiliates		0	0
	9. Other Expenses (Specify)	Administrative Overhead	72,338	201,341
		Total Operating Expenses	$ 1,197,349	$ 2,467,134
E.	Other Revenue (Expenses) -- Net (Specify)		$ 0	$ 0
NET OPERATING INCOME (LOSS)			$ (306,683)	$ 10,621
F.	Capital Expenditures			
	1. Retirement of Principal		$ 0	$ 0
	2. Interest		0	0
		Total Capital Expenditures	$ 0	$ 0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES			$ (306,683)	$ 10,621

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Twenty-Four: Average Charges, Deductions, and Net Charges		
	CY2015	**CY2016**
Hours	23,520	67,060
Average Total Agency Gross Revenue, per Hour	$38.45	$37.53
Average Total Agency Deduction, Per Hour	$0.58	$0.58
Average Total Agency Net Charge (Net Operating Revenue), Per Hour	$37.87	$36.95
Average Total Agency Net Operating Income After Capital Expenditure, Per Hour	-$13.04	$0.16

Source: Projected Data Chart

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

There are no current charges; this is a proposed agency. Its charges will not affect those of any other agency or any other healthcare service.

The table below provides cost and charge data per unit of service for the agency in both Years One and Two. These are approximately the same charges that are currently in place at Maxim agencies Statewide, in 2014.

Table Twenty-Five: Costs and Charges Per Unit of Service, 2015-2016				
Service	Cost Per Visit	Charge Per Visit	Cost Per Hour	Charge Per Hour
Skilled Nursing	$46.40	$85	$24.36	$38
Home Health Aide	$17.40	$29	$12.76	$21

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

The projected average gross charge for this project is comparable to the average gross charges for similar projects approved by the Agency. Following are costs and charges reported by other area agencies providing private duty care. It is a repetition of Table Nine from an earlier section in this application. The data are from the agencies' 2013 Joint Annual Reports and the applicant is not responsible for the methods by which other agencies calculate and report average costs and charges.

Table Nine (Repeated): Cost & Charge Comparisons With Service Area Agencies That Provide Similar Services

Agency*	Cost Per Visit		Charge Per Visit		Cost Per Hour		Charge Per Hour	
	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide
1	NR	NR	$79	$40	No JAR data is reported for this.		$35	$22
2	$74	$23	NR	$31			$35	$21
3	$87	$87	NR	NR			$125	$22
4	$121	$49	$137	$45			$40	$23
5	$140	$80	NR	NR			NR	NR
Maxim State Average*	NR	NR	$84.75	$29			$37.50	$20.75
2014 Medicare Reimb'mt	NA to Maxim	NA to Maxim	NA to Maxim	NA to Maxim	NA to Maxim	NA to Maxim	NA to Maxim	NA to Maxim
Maxim Proposed Agency 2015-16	$46.40	$17.40	$85	$29	$24.36	$12.76	$38	$21

Source: 2013 Joint Annual Reports; and Maxim management.

*Key to Agencies:

1. Elk Valley Health Services (Davidson; ID 19494)
2. Premier Support Services (Hamblen; ID 32132)
3. ProCare Home Health Services (Greene; ID 30051)
4. Suncrest Home Health & Hospice (Claiborne; ID 13132)
5. Unicoi County Home Health (Unicoi; ID 86051)

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

In the second and subsequent years, case volumes are expected to allow the agency to operate with a positive margin.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

In is first year, this new agency will operate at a loss due to the high overhead of staffing an entire principal office, before significant caseloads have been referred. In its second and subsequent years, the agency should operate with a positive margin, based on the applicant's experience in operating four other similar agencies across Tennessee.

All four Maxim principal offices in Tennessee currently operate with positive financial margins. They are mature providers in their service area, averaging 119 patients annually, with a range from 56-159 patients (see Table Fifteen-C above). The proposed agency in Tri-Cities is expected to have the smallest caseload, based on the area's population. Maxim Healthcare Services, Inc., whose financial statements are provided in the Attachments, has cash and operating reserves sufficient to carry this agency through its start-up period, until it reaches financial viability after its first year of operation.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

The project will serve TennCare/Medicaid patients. Its service to Medicare patients will be to an estimated single patient, to secure a Medicare provider number (which the State now requires in order for a home health agency to participate in TennCare). As explained in Table Twenty-Three above, no actual NET revenue will be received from Medicare.

Table Twenty-Six: Medicare and TennCare/Medicaid Revenues, Year One

	Medicare	TennCare/Medicaid
Gross Revenue	$18,085	$813,807
Percent of Gross Revenue	2.0%	90.0%

Source: Table Twenty-Three above.

Charity patient care is not financially feasible for this small agency, which in Year Two will serve only 36 patients, and will have a positive margin of only $10,621. Private duty agencies care for very costly patients and do not know in advance the extent of loss that will be incurred, if a patient is accepted. The private duty agencies now serving these counties reported no charity care in their 2013 Joint Annual Reports. The TDH 2013 Summary Report for Tennessee shows that charity care provided by home health agencies Statewide last year was only one-fifth of one percent of their total revenues (Report 2, page 1).

C(II).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 ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.

These are provided as Attachment C, Economic Feasibility--10.

C(II)11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:
A. A DISCUSSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.
B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

The applicant has no other way to extend its provision of health services in Tennessee, or to meet area needs cited by Tri-Cities health professionals and the Cerebral Palsy Association, than to pursue this application. It has considered purchasing an existing agency but none that serve all the counties in the area is known to be available.

The project uses only leased space.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., 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.

The applicant does not have written emergency transfer agreements. The home health patient is at home, and is not institutionalized, and so is not subject to transfer by an attending physician or by the home health agency. However, all Maxim field staff are trained in emergency response procedures. They maintain contact numbers for emergency response teams, and they train the patients' family caregivers how to involve the emergency response system if needed. The agency will also maintain constant communications with all local hospitals and nursing homes whose medical staff may have the need to transfer a patient into the home care setting.

C(III).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.

Hourly Care

Table Eighteen-A in this application shows that only 4 of this area's 19 authorized agencies provided any significant number of private duty hours of care Statewide, in 2013. Tennessee does not collect provider data on hours they delivered by county, so it is difficult to quantify what impact this project would have on their services to patients in the Tri-Cities area.

Pediatric Patient Care

The 2013 Joint Annual Reports (JAR) for the authorized agencies show that only two of them had a significant Statewide pediatric patient mix (i.e., their percent of patients 0-17 years of age). As shown in Table Sixteen of this application, Elk Valley reported a Statewide 50.9% pediatric patient mix; ProCare reported a Statewide 27.3% mix.

The JAR's also show providers' patients by age and county. Table Seventeen-A of this application shows that within the 5-county Tri-Cities service area, 220 total pediatric patients were served last year, by 9 agencies. Maxim's projected 18 pediatric patients in its second year of operation would be only 8% of the area's pediatric cases. This does not seem to be a major impact on market share as a whole, for this service area.

In addition, the great majority of the 220 pediatric patients were served by only three providers. The others saw few pediatric patients. Maxim believes that having another choice would be important for area consumers, would not significantly harm other agencies, and would be very welcome to physicians and nurses who have stated that need in letters of support for this project.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Please see the following page for a Table of projected FTE's and salary ranges. The Department of Labor and Workforce Development website indicates the following annual salary information for clinical employees of the type in this project, for this service area.

Table Twenty-Seven: TDOL Surveyed Average Salaries for the Region

Position	Entry Level	Mean	Median	Experienced
RN	$41,540	$56,250	$56,040	$63,610
LPN	$28,080	$34,510	$34,810	$37,730
HH Aide	$16,720	$20,540	$20,530	$22,450

Source: TDLWD Occupational Wages Surveys, 2013.

Table Twenty-Eight: Maxim Health Services, Washington County Projected Staffing			
Position Type (RN, etc.)	**Year One FTE's**	**Year Two FTE's**	**Annual Salary Range**
Office Positions, Management and Clinical			
Administrative Officer	1.0	1.0	$80,000-$85,000
RN Director of Clinical Services	1.0	1.0	$60,000-$65,000
Recruiter	2.0	3.0	$38,000-$40,000
RN Clinical Supervisor	1.0	2.0	$50,000-$53,000
Personnel Coordinator	1.0	1.0	$27,000-$30,000
Payroll Clerk	1.0	1.0	$27,000-$30,000
Subtotal, Office FTE's	**7.0**	**9.0**	
Clinical Positions in Field (Direct Patient Care)			
Home Health Aide	5.0	10.0	$20,000-$23,000
Licensed Practical Nurse	30.0	55.0	$37,000-$42,000
Registered Nurse	10.0	15.0	$42,000-$56,000
Subtotal, Field FTE's	45.0	80.0	
Total, Office and Field FTE's	**52.0**	**89.0**	

Source: Maxim Management

C(III).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.

Maxim has been able to staff its four Tennessee agencies and is confident of its ability to do the same in this proposed new service area. Maxim is very aware of State agency requirements for staffing and operating home health agencies.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW PPOLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

None.

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE:	Board for Licensure of Healthcare Facilities Tennessee Department of Health
CERTIFICATION:	Medicare Certification from CMS TennCare Certification from TDH
ACCREDITATION:	Accreditation Commission for Health Care

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant's four existing home health agencies in Tennessee are all currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and accredited by the Accreditation Commission for Health Care.

C(III).7(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.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and/or the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C).

C(III)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.

None.

C(III)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.

None. For purposes of full disclosure, on September 12, 2011, Maxim entered into a Deferred Prosecution Agreement ("DPA") with the United States Attorney's Office for the District of New Jersey, a Corporate Integrity Agreement ("CIA") with the Office of the Inspector General, U.S. Department of Health and Human Services, and civil settlement agreements with the United States of America and involved states. These agreements were made to resolve allegations of false claims related to certain Medicaid payments that the Company received from October 1998 through May 2009. On September 17, 2013, after Maxim met all of its reform and compliance requirements, the criminal complaint that was the subject of the DPA was dismissed with prejudice. Maxim is currently operating under the terms of the CIA.

C(III)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

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.

The Project Completion Forecast Chart is provided after this page.

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.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

August 27, 2014

Assuming the CON decision 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 & engineering contract signed	NA	NA
2. Construction documents approved by TDH	NA	NA
3. Construction contract signed	4	9-14
4. Building permit secured	11	9-14
5. Site preparation completed	NA	NA
6. Building construction commenced	18	9-14
7. Construction 40% complete	48	10-14
8. Construction 80% complete	58	11-14
9. Construction 100% complete	88	12-14
10. * Issuance of license	102	12-14
11. *Initiation of service	105	1-15
12. Final architectural certification of payment	NA	NA
13. Final Project Report Form (HF0055)	165	3-15

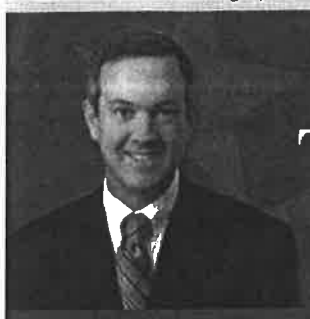
*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

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

INDEX OF ATTACHMENTS

A.4	Ownership--Legal Entity and Organization Chart (if applicable)
A.6	Site Control
B.III.	Plot Plan
B.IV.	Floor Plan
C, Need--3	Service Area Maps
C, Economic Feasibility--1	Documentation of Construction Cost Estimate
C, Economic Feasibility--2	Documentation of Availability of Funding
C, Economic Feasibility--10	Financial Statements
C, Orderly Development--7(C)	Licensing & Accreditation Inspections
Miscellaneous Information	TennCare Enrollments U.S. Census QuickFact on Service Area TDH Home Health Need Projections a. Current Guidelines 2000 b. Proposed Revised Methodology (Draft)
Support Letters	

A.4--Ownership
Legal Entity and Organization Chart



Tennessee Secretary of State

Tre Hargett

Business Information Search

As of April 26, 2014 we have processed all corporate filings received in our office through April 24, 2014 and all annual reports received in our office through April 24, 2014.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search: 1-1 of 1

Search Name: Maxim Healthcare Services, Inc. ◉Starts With ○Contains

Control #:

Active Entities Only: ☐ Search

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
000332709	CORP	MAXIM HEALTHCARE SERVICES, INC. *MARYLAND*	Entity	Active	06/16/1997	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by Clicking Here.

Click Here for information on the Business Services Online Search logic.

Division of Business Services
312 Rosa L. Parks Avenue, Snodgrass Tower, 6th Floor
Nashville, TN 37243
615-741-2286
Email | Directions | Hours and Holidays

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Maxim Healthcare Services, Inc.
Ownership Information

The following is the ownership information for Maxim Healthcare Services, Inc.

Name	Percentage of Ownership
Oak Investment Trust 7301 Parkway Drive Hanover, MD 21076	39.426%
Oak Investment Trust II 7301 Parkway Drive Hanover, MD 21076	38.900%
Stephen Bisciotti 7301 Parkway Drive Hanover, MD 21076	19.713%
All Others <5%	1.961%

ARTICLES OF AMENDMENT
OF
MEDCALL MEDICAL STAFFING SERVICE INCORPORATED
CHANGING ITS NAME TO:
MAXIM HEALTHCARE SERVICES, INC.

APPROVED AND RECEIVED FOR RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND OCTOBER 29, 1993 AT 3:08 O'CLOCK P. M. AS IN CONFORMITY WITH LAW AND ORDERED RECORDED.

ORGANIZATION AND CAPITALIZATION FEE PAID	RECORDING FEE PAID	SPECIAL FEE PAID
$	$ 20.00	$

02629145

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

IT IS HEREBY CERTIFIED, THAT THE WITHIN INSTRUMENT, TOGETHER WITH ALL INDORSEMENTS THEREON, HAS BEEN RECEIVED, APPROVED AND RECORDED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND.

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the document on file in this office. DATED: 2-11-03

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
301 WEST PRESTON STREET
BALTIMORE MD 21201

BY: Alexander Squires, Custodian

This stamp replaces our previous certification system. Effective: 6/95

Z

0880077446

A 376818

RECORDED IN THE RECORDS OF THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND IN LIBER, FOLIO

0433:04/29/93
CRS78/0215J

MEDCALL MEDICAL STAFFING SERVICE INCORPORATED

ARTICLES OF AMENDMENT

THIS IS TO CERTIFY THAT: 10-29-93 3:08 p.

FIRST: The charter of Medcall Medical Staffing Service Incorporated, a Maryland corporation (the "Corporation"), is hereby amended by deleting existing Article Second in its entirety and adding a new article to read as follows:

"SECOND: The name of the corporation (hereinafter referred to as the "Corporation") is Maxim Healthcare Services, Inc."

SECOND: The amendment to the charter of the Corporation as set forth above has been duly advised by the board of directors and approved by the stockholders of the Corporation as required by law.

THIRD: The undersigned President acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles to be signed in its name and on its behalf by its President and attested to by its Secretary on this 11th day of August, 1993.

ATTEST:

MEDCALL MEDICAL STAFFING SERVICE INCORPORATED

James C. Davis, Secretary

By: Stephen J. Bisciotti, President

I.D. NO# D2629145
ACKN. NO. - 088C3072446
MAXIM HEALTHCARE SERVICES, INC.

NO. OF CERTIFIED COPIES - 0

AMENDED ARTICLES OF INCORPORATION
OF
STAT MEDICAL STAFFING, INC.
CHANGING ITS NAME TO:
MEDCALL MEDICAL STAFFING SERVICE INCORPORATED

APPROVED AND RECEIVED FOR RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND OCTOBER 6, 1988 AT 9:56 O'CLOCK A. M. AS IN CONFORMITY WITH LAW AND ORDERED RECORDED.

ORGANIZATION AND CAPITALIZATION FEE PAID	RECORDING FEE PAID	SPECIAL FEE PAID
$	$ 20.00	$

D2629145

TO THE CLERK OF THE COURT OF HOWARD COUNTY

IT IS HEREBY CERTIFIED, THAT THE WITHIN INSTRUMENT, TOGETHER WITH ALL INDORSEMENTS THEREON, HAS BEEN RECEIVED AND RECORDED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND.

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the original document on file in this office. DATED 2-11-03.
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
BY: Alexandra Davis Custodian
This stamp replaces our previous certification system. Effective: 6/95

RETURN TO:
MEINBERG & FREEMAN
STEPHEN STEC
100 SOUTH CHARLES STREET
BALTIMORE MD 21201

072C3021011

A 274962

RECORDED IN THE RECORDS OF THE
STATE DEPARTMENT OF ASSESSMENTS
AND TAXATION OF MARYLAND IN LIBER FOLIO

ARTICLES OF INCORPORATION
OF
STAT MEDICAL STAFFING, INC.

APPROVED AND RECEIVED FOR RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND SEPTEMBER 2, 1986 AT 10:27 O'CLOCK A. M. AS IN CONFORMITY WITH LAW AND ORDERED RECORDED

ORGANIZATION AND CAPITALIZATION FEE PAID	RECORDING FEE PAID	SPECIAL FEE PAID
$ [illegible].00	$ 20.00	$

02629145

TO THE CLERK OF THE COURT OF HOWARD COUNTY

IT IS HEREBY CERTIFIED, THAT THE WITHIN INSTRUMENT, TOGETHER WITH ALL INDORSEMENTS THEREON, HAS BEEN RECEIVED, APPROVED AND RECORDED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND

RETURN TO:
WEINBERG & GREEN
ATTN: STEPHEN STEC
100 SOUTH CHARLES STREET
BALTIMORE MD 21201

047C3020207

STATE OF MARYLAND A 271919

I hereby [illegible] a true and complete copy of the [illegible] office. RECORDED IN THE RECORDS OF THE [illegible] OF ASSESSMENTS AND TAXATION

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND IN LIBER, FOLIO 3

5-18-93

This stamp replaces [illegible] previous certificate

3057 0031

10/6/88 9:56

1988 OCT -6 A 9:56

AMENDED ARTICLES OF INCORPORATION

OF

STAT MEDICAL STAFFING, INC.

THIS IS TO CERTIFY THAT:

FIRST: The undersigned Stephen Stec, whose address is 16th Floor, 100 South Charles Street, Baltimore, Maryland 21201, being at least eighteen (18) years of age, being the sole incorporator of STAT MEDICAL STAFFING, INC., and acting in said capacity prior to the Organizational Meeting of the Board of Directors of said corporation, hereby adopts Amended Articles of Incorporation of STAT MEDICAL STAFFING, INC., a corporation formed under the general laws of the State of Maryland:

ARTICLES OF INCORPORATION

OF

MEDCALL MEDICAL STAFFING SERVICE INCORPORATED

THIS IS TO CERTIFY THAT:

FIRST: The undersigned, Stephen Stec, whose address is 100 South Charles Street, 16th Floor, Baltimore, Maryland 21201, being at least eighteen (18) years of age, does hereby form a corporation under the general laws of the State of Maryland.

SECOND: The name of the corporation (which is hereinafter called the "Corporation") is:

Medcall Medical Staffing Service Incorporated

THIRD: The Corporation is formed for the purpose of carrying on any lawful business, which may include providing temporary personnel in the Medical field.

FOURTH: The address of the principal office of the Corporation in this State is 6835 Deerpath Road, Baltimore, Maryland 21227.

FIFTH: The Resident Agent of the Corporation is Robert A. Snyder, Jr., whose address is 100 South Charles Street, 16th Floor, Baltimore, Maryland 21201. The Resident Agent is a citizen of and resides in the State of Maryland.

82308352

TENTH: No holder of stock of any class shall have any preemptive right to subscribe to or purchase any additional shares of any class, or any bonds or convertible securities of any nature; provided, however, that the Board of Directors may, in authorizing the issuance of stock of any class, confer any preemptive right that the Board of Directors may deem advisable in connection with such issuance.

IN WITNESS WHEREOF, I have signed these Amended Articles of Incorporation, and I acknowledge the same to be my act on this 5th day of October, 1988.

Stephen Steo

ARTICLES OF INCORPORATION

OF

STAT MEDICAL STAFFING, INC.

THIS IS TO CERTIFY THAT:

FIRST: The undersigned, Stephen Steo, whose address is 100 South Charles Street, 16th Floor, Baltimore, Maryland 21201, being at least eighteen (18) years of age, does hereby form a corporation under the general laws of the State of Maryland.

SECOND: The name of the corporation (which is hereinafter called the "Corporation") is:

STAT MEDICAL STAFFING, INC.

THIRD: The Corporation is formed for the purpose of carrying on any lawful business, which may include providing temporary personnel in the Medical field.

FOURTH: The address of the principal office of the Corporation in this State is 6835 Deerpath Road, Baltimore, Maryland 21227.

FIFTH: The Resident Agent of the Corporation is Robert A. Snyder, Jr., whose address is 100 South Charles Street, 16th Floor, Baltimore, Maryland 21201. The Resident Agent is a citizen of and resides in the State of Maryland.

SIXTH: The total number of shares of stock which the Corporation has authority to issue is one million (1,000,000) shares, one penny ($0.01) par value per share, all of one class. The aggregate par value of all authorized shares having a par value is ten thousand dollars ($10,000.00).

SEVENTH: The Corporation shall have a Board of three (3) directors unless the number is changed in accordance with the Bylaws of the Corporation. The number of Directors may be increased or decreased in accordance with the Bylaws of the Corporation but shall never be less than the minimum number required by the Maryland General Corporation Law. The initial Directors are:

James C. Davin
Stephen J. Bisciotti
John T. Carey

EIGHTH: (a) The Corporation reserves the right to make any amendment of the Charter, now or hereafter authorized by law, including any amendment which alters the contract

S250S066

rights, as expressly set forth in the Charter, of any outstanding stock.

(b) The Board of Directors of the Corporation may authorize the issuance or sale from time to time of shares of its stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock of any class or classes, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable, subject to such restrictions or limitations, if any, as may be set forth in the Bylaws of the Corporation.

(c) The Board of Directors of the Corporation may, by articles supplementary, classify or reclassify any unissued stock from time to time by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms or conditions of redemption of the stock.

NINTH: To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers, no director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article, nor the adoption or amendment of any other provision of the charter or bylaws inconsistent with this Article, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

TENTH: No holder of stock of any class shall have any preemptive right to subscribe to or purchase any additional shares of any class, or any bonds or convertible securities of any nature; provided, however, that the Board of Directors may, in authorizing the issuance of stock of any class, confer any preemptive right that the Board of Directors may deem advisable in connection with such issuance.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation, and I acknowledge the same to be my act, on this 1st day of September, 1988.

Stephen Stec

TENTH: No holder of stock of any class shall have any preemptive right to subscribe to or purchase any additional shares of any class, or any bonds or convertible securities of any nature; provided, however, that the Board of Directors may, in authorizing the issuance of stock of any class, confer any preemptive right that the Board of Directors may deem advisable in connection with such issuance.

IN WITNESS WHEREOF, I have signed these Amended Articles of Incorporation, and I acknowledge the same to be my act on this 5th day of October, 1988.

Stephen Stec

Stephen Stec

Board for Licensing Health Care Facilities

State of Tennessee

License No. 0000000615

DEPARTMENT OF HEALTH

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

MAXIM HEALTHCARE SERVICES, INC to conduct and maintain a

Home Care Organization MAXIM HEALTHCARE SERVICES, INC.

Located at 2416 HILLSBORO ROAD, SUITE 208, NASHVILLE

County of DAVIDSON, Tennessee.

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

In Witness Whereof, we have hereunto set our hand and seal of the State this 11TH day of OCTOBER, 2013.

In the Distinct Category(ies) of:

- SKILLED NURSING
- PHYSICAL THERAPY
- OCCUPATIONAL THERAPY
- SPEECH THERAPY
- MEDICAL SOCIAL SERVICES
- HOME HEALTH AID SERVICES
- MEDICAL SUPPLIES & APPLIANCES
- HOMEMAKERS SERVICES

By Vincent J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By

COMMISSIONER

Board for Licensing Health Care Facilities

State of Tennessee

License No. 0000000002

DEPARTMENT OF HEALTH

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

MAXIM HEALTHCARE SERVICES, INC. *to conduct and maintain a*

Home Care Organization MAXIM HEALTHCARE SERVICES, INC.

Located at 7417 KINGSTON PIKE,, SUITE 105, KNOXVILLE

County of KNOX *, Tennessee.*

This license shall expire FEBRUARY 06 *,* 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.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 6TH *day of* FEBRUARY *,* 2014 *.*

In the Distinct Category(ies) of:

SKILLED NURSING
PHYSICAL THERAPY
OCCUPATIONAL THERAPY
SPEECH THERAPY
MEDICAL SOCIAL SERVICES
HOME HEALTH AID SERVICES
MEDICAL SUPPLIES & APPLIANCES
HOMEMAKERS SERVICES
HOME HEALTH AGENCY

By Vincent J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Dreyzehner, MD
COMMISSIONER

DC5012

Board for Licensing Health Care Facilities

State of Tennessee License No. 0000000618

DEPARTMENT OF HEALTH

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

MAXIM HEALTHCARE SERVICES, INC *to conduct and maintain a*

Home Care Organization MAXIM HEALTHCARE SERVICES, INC.

Located at 6263 POPLAR AVE., SUITE 520, MEMPHIS

County of SHELBY *, Tennessee.*

This license shall expire AUGUST 14 *,* 2014 *, and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 14TH *day of* AUGUST *,* 2013 *.*

In the Distinct Category(ies) of:

SKILLED NURSING
PHYSICAL THERAPY
OCCUPATIONAL THERAPY
SPEECH THERAPY
MEDICAL SOCIAL SERVICES
HOME HEALTH AID SERVICES
MEDICAL SUPPLIES & APPLIANCES
HOMEMAKERS SERVICES

By *, MPH*
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By
COMMISSIONER

D2F012

Board for Licensing Health Care Facilities

State of Tennessee

License No. 0000000613

DEPARTMENT OF HEALTH

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

MAXIM HEALTHCARE SERVICES, INC *to conduct and maintain a*

Home Care Organization MAXIM HEALTHCARE SERVICES

Located at 6142 SHALLOWFORD ROAD, SUITE 103, CHATTANOOGA

County of HAMILTON *, Tennessee.*

This license shall expire FEBRUARY 02 *,* 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.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 2ND *day of* FEBRUARY *,* 2014 *.*

In the Distinct Category(ies) of:

SKILLED NURSING
PHYSICAL THERAPY
OCCUPATIONAL THERAPY
SPEECH THERAPY
HOME HEALTH AID SERVICES
MEDICAL SUPPLIES & APPLIANCES
HOMEMAKERS SERVICES

By Vincent J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Dreyzehner
COMMISSIONER

February 27, 2014

Maxim Healthcare Services, Inc.
Dr. John Langley
6142 Shallowford Rd., Ste. 103
Chattanooga, TN 37421

Dear Maxim Healthcare Services, Inc.:

Thank you for submission of your recent Plan of Correction (POC) related to the deficiencies found during your on-site survey. The Accreditation Commission for Health Care, Inc. (ACHC) conducted an extensive evaluation of your POC, and has concluded that all deficiencies are now resolved. Please submit evidence of compliance supporting your POC within 60 days of the original dated letter.

On behalf of the Accreditation Commission for Health Care, Inc., it is my pleasure to inform you that Maxim Healthcare Services, Inc. has been ***approved for accreditation*** for the Home Health Program. The services approved are Home Health Aide Services, Medical Social Services, Occupational Therapy Services, Physical Therapy Services, Skilled Nursing Services, Speech Therapy Services. Your accreditation is effective March 5, 2014 through March 5, 2017. Of course, maintaining accreditation is contingent upon continued compliance with ACHC's standards during this period. In granting accreditation, ACHC finds that your company has demonstrated that it operates at a level of quality, integrity and effectiveness consistent with its standards.

Again, ACHC extends its congratulations to Maxim Healthcare Services, Inc. for being awarded accreditation. It is an achievement of which your organization can be proud and one which marks your commitment to quality in the provision of care.

Should you have any questions about your organization's findings, please contact your organization's Accreditation Advisor, Nora Lee Stephen.

Sincerely,

Matthew D. Hughes
Director Business Development &
Customer Service

CERTIFICATE *of* ACCREDITATION

THE ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

Maxim Healthcare Services, Inc.
CHATTANOOGA, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

FROM *March 5, 2014* THROUGH *March 5, 2017*

CHIEF EXECUTIVE OFFICER

Richard M. Wetherell
CHAIRMAN OF THE BOARD OF COMMISSIONERS

ACHC ACCREDITED · ACHC ACCREDITED · ACHC ACCREDITED · ACHC

ACCREDITATION COMMISSION *for* HEALTH CARE

CERTIFICATE *of* ACCREDITATION

THE ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

Maxim Healthcare Services, Inc.
MEMPHIS, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

FROM *March 5, 2014* THROUGH *March 5, 2017*

CHIEF EXECUTIVE OFFICER

Richard M. Wetherell
CHAIRMAN OF THE BOARD OF COMMISSIONERS

ACHC ACCREDITED · ACHC ACCREDITED · ACHC ACCREDITED · ACHC

ACCREDITATION COMMISSION *for* HEALTH CARE

CERTIFICATE *of* ACCREDITATION

THE ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

Maxim Healthcare Services, Inc.
JACKSON, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

FROM *March 5, 2014* THROUGH *March 5, 2017*

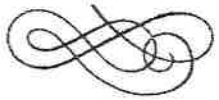
CHIEF EXECUTIVE OFFICER

Richard M. Wetherell
CHAIRMAN OF THE BOARD OF COMMISSIONERS

ACHC ACCREDITED · ACHC ACCREDITED · ACHC ACCREDITED · ACHC ACCREDITED
ACHC

ACCREDITATION COMMISSION *for* HEALTH CARE

CERTIFICATE *of* ACCREDITATION



THE ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

Maxim Healthcare Services, Inc.
KNOXVILLE, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

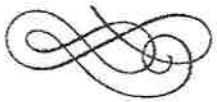
FROM *March 5, 2014* THROUGH *March 5, 2017*

CHIEF EXECUTIVE OFFICER

Richard M. Wetherell
CHAIRMAN OF THE BOARD OF COMMISSIONERS

ACCREDITATION COMMISSION *for* HEALTH CARE

CERTIFICATE *of* ACCREDITATION



THE ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

Maxim Healthcare Services, Inc.
LAFOLLETTE, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

FROM *March 5, 2014* THROUGH *March 5, 2017*

CHIEF EXECUTIVE OFFICER

Richard M. Wetherell
CHAIRMAN OF THE BOARD OF COMMISSIONERS

ACCREDITATION COMMISSION *for* HEALTH CARE

CERTIFICATE *of* ACCREDITATION

THE ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

Maxim Healthcare Services, Inc.
GREENVILLE, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

FROM *March 5, 2014* THROUGH *March 5, 2017*

CHIEF EXECUTIVE OFFICER

Richard M. Wetherell
CHAIRMAN OF THE BOARD OF COMMISSIONERS

ACHC ACCREDITED · ACHC ACCREDITED · ACHC ACCREDITED · ACHC

ACCREDITATION COMMISSION *for* HEALTH CARE

CERTIFICATE *of* ACCREDITATION

THE ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

Maxim Healthcare Services, Inc.
NASHVILLE, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

FROM *March 5, 2014* THROUGH *March 5, 2017*

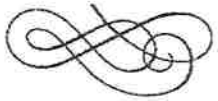
CHIEF EXECUTIVE OFFICER

Richard M. Wetherell
CHAIRMAN OF THE BOARD OF COMMISSIONERS

ACHC ACCREDITED · ACHC ACCREDITED · ACHC ACCREDITED · ACHC

ACCREDITATION COMMISSION *for* HEALTH CARE

CERTIFICATE *of* ACCREDITATION



THE ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

Maxim Healthcare Services, Inc.
CLARKSVILLE, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

FROM *March 5, 2014* THROUGH *March 5, 2017*

CHIEF EXECUTIVE OFFICER

Richard M. Wetherell
CHAIRMAN OF THE BOARD OF COMMISSIONERS

ACCREDITATION COMMISSION *for* HEALTH CARE

Curriculum Vitae

WILLIAM JOHN LANGLEY, M.D.

Home
302 Bennett Street
Mt. Pleasant, SC 29464
843.884.1120

Office
7227 Lee Deforest Drive
Columbia, MD 21046
410.910.3568
john.langley@maxhealth.com

PERSONAL INFORMATION

Date of Birth:	December 28, 1948
Citizenship:	United States of America
Marital Status:	Married (Hibernia Cuthbert Langley)
Children:	William John Langley, III
	Hibernia McIlwaine Langley
	Robert McKenney Cuthbert Langley

EDUCATION

1967-1971	Princeton University, B.A., Cum Laude
1971-1975	University of Virginia, M.D.

POSTDOCTORAL TRAINING

Internship

1975-1976 Pediatrics, University of Alabama at Birmingham

Residency

1976-1978 Pediatrics, University of Alabama at Birmingham

Fellowship

1978-1979 Ambulatory Pediatrics, Medical University of South Carolina, Charleston

Board Certification

1978-1980 Board Certified, Pediatrics

Licensure

1977 South Carolina, #9050

FACULTY APPOINTMENTS

1979-1982	Instructor, Pediatrics/General Pediatrics Medical University of South Carolina
1982-2008	Assistant Professor, Pediatrics/General Pediatrics (Clinical) Medical University of South Carolina

PAST HOSPITAL APPOINTMENTS

Medical University Hospital, Charleston, S.C.
Roper Hospital, Charleston, S.C.
St. Francis Hospital, Charleston, S.C.

PAST HOSPITAL APPOINTMENTS (cont'd)

East Cooper Regional Medical Center

1988-2002	Chairman, Bylaws Committee
2000-2002	Vice Chief of Staff
2002-2004	Chief of Staff
2004-2006	Chairman, Governing Board

WORK EXPERIENCE

1982-2005	Private Practice of Pediatrics Mt. Pleasant, South Carolina
2005-2008	Chief Medical Officer East Cooper Regional Medical Center Mt. Pleasant, South Carolina
2009-Present	Vice President and Chief Medical Officer Maxim Healthcare Services, Inc. Columbia, Maryland

PROFESSIONAL/SCIENTIFIC SOCIETIES

South Carolina Chapter, American Academy of Pediatrics

1996-1998	Secretary – Treasurer
1998-2000	Vice-President
2000-2002	President

American Academy of Pediatrics

2002-2007	District IV Officer, CFMC Representative
2005-2008	Chairman, Chapter Forum Management Committee
2005-2008	Annual Leadership Forum Executive Committee

Children's Hospital of the Medical University of South Carolina

1982	Charter Member, Children's Hospital Fund Board of Directors
1990-1992	Chairman, Children's Hospital Fund Board of Directors
2002-2006	Children's Hospital Advisory Board

COMMUNITY INVOLVEMENT

Founder, Christian Medical Clinic, Mt. Pleasant
Vestryman and Warden, St. Andrews Episcopal Church, Mt. Pleasant
Director and Host of Directors' Circle, Charleston State Company
Charleston County Medical Society, Town-Gown Committee

A.6--Site Control

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "**Lease**") is made and entered into the 1st day of May, 2014 by and between **MAXIM HEALTHCARE SERVICES, INC.**, a Maryland corporation ("**Tenant**") and **SUNSET DEVELOPMENT, LLC**, a Tennessee limited liability company, and its assigns ("**Landlord**"), the owner of the land and the improvements located at 208 Sunset Drive, in Johnson City, Tennessee (the "**Property**"), improved with an office building commonly known as the "Sunset Building," consisting of approximately seventy thousand five hundred ninety-seven (70,597) rentable square feet (the "**Building**").

ARTICLE I: PREMISES

1.1 **Description**: Landlord is the owner of the Property and, subject to the terms, conditions and limitations contained herein, hereby leases to Tenant the space located in the Building, consisting of approximately 3,438 rentable square feet as more fully shown on **EXHIBIT A** attached hereto, to be known as Suite 503. The portion of the Building subject to this Lease is referred to herein as the "**Premises.**"

ARTICLE II: TERM

2.1 **Term**: The term of this Lease shall continue in force for sixty-six (66) months, commencing on the Commencement Date (as defined below), unless sooner terminated or extended as provided herein (the "**Base Term**").

2.1 (a) **Option Term**: During the first six months of the Base Term after the Commencement Date (the "**Option Term**"):

1. Tenant has the sole option to terminate this Lease for any reason;
2. Landlord at Tenant's sole expense, upon receipt from Tenant of the sum of six thousand dollars ($6,000.00), will commission and receive sealed architectural plans based on Exhibit A ready for budgeting and submission for building permits. Such amount shall be non-refundable if Tenant elects to terminate this Lease at the end of the Option Term. If Tenant does not elect to terminate this Lease, such amount shall be credited against the Base Term rent;
3. Landlord at Tenant's sole expense, within ninety (90) days of the Commencement Date will present to Tenant construction budgets from at least two reputable contractors. If Tenant, in writing, authorizes Landlord to commence construction Landlord will be bound by the construction budgets; and,
4. Tenant after receipt of the construction budgets and prior to the end of the Option Term has the sole right to reduce the length of the Base Term to forty-two (42) months.

2.1 (b) **Renewal:** Tenant shall have two (2) three (3) year options to renew this Lease. Tenant shall provide written notice of its' intent to exercise a renewal option one hundred twenty (120) days' prior to the then current lease expiration date. The rental rate for the first year of each renewal term shall increase $0.50 per square foot per year above the then current rate paid by Tenant and continue to increase $0.50 per square foot per year every 12 months thereafter.

2.2 **Commencement Date**: Rental shall commence on May 1, 2014 (the "**Commencement Date**"). If Tenant takes possession of the Premises before the Commencement Date, rent shall commence on the date which possession is taken. If for any reason Landlord fails to deliver the Premises on the Commencement Date, this Lease shall nevertheless remain in full force and effect and rent shall commence on the date the Premises are delivered to Tenant. Delay by Landlord in delivering possession of the Premises on the date and in the condition herein set forth shall postpone the Commencement Date and extend the expiration date thereof for a period of time equal to the delay.

ARTICLE III: RENT AND OTHER TENANT CONTRIBUTIONS

3.1 **Rent**: Upon the execution of this Lease, Tenant shall pay to Landlord a non-refundable payment of Nine Thousand and 00/100 dollars ($9,000.00) which is the entire rent due for the Option Term. Thereafter commencing with the seventh (7th) month of the Base Term Tenant shall and hereby agrees to pay to Landlord, at Landlord's office or at such place as Landlord may from time to time designate in writing, an initial annual base rental of Fifty-six Thousand Seven Hundred Twenty-seven and no/100 dollars ($56,727.00) per annum, in equal monthly installments of Four thousand seven hundred twenty-seven and 25/100 dollars ($4,727.25) per month for the Premises (the "**Base Rent**"), to be paid without notice or demand, on the first day of each month, in advance. In the event the term of this Lease commences on a day other than the first day of a calendar month, then the base rental for the fractional month of the term hereof shall be prorated on a per diem basis.

3.2 **Rent Adjustment**: Beginning with the first day of the nineteenth (19th) month (the initial "Adjustment Date") after the Commencement Date and every twelve months thereafter, the annual Base Rent shall be increased by $.50 per square per year as follows:

Month	Annual Rent/SF	RSF	Annual Rent	Monthly Rent
01-06	$ 2.62	3,438	$ 9,000	$ 750
07-18	$16.50	3,438	$56,727	$4,727
19-30	$17.00	3,438	$58,446	$4,871
31-42	$17.50	3,438	$60,165	$5,014
43-54	$18.00	3,438	$61,884	$5,157
55-66	$18.50	3,438	$63,603	$5,300

3.3 **Security Deposit**: None

3.4 **Unconditional Duty to Pay Rent; Survival**: The obligation to pay Base Rent, Additional Rent, and other amounts due hereunder shall survive the termination of this Lease. Tenant's covenant to pay rent when due is independent of any and all other covenants contained in this Lease and rent shall be due in full without set-off or deduction.

3.5 **Late Charges**: Rent is due on the first day of each month and the Lease shall be in default if Tenant has not paid all rent due, together with late charges, by the tenth (10th) day of each month. If rent is not paid within ten (10) days from the date on which it is due, Landlord may collect as a late charge five percent (5%) of the cumulative delinquent amounts.

ARTICLE IV: SERVICES, TAXES AND OPERATING EXPENSES

4.1 **Landlord Services**: Subject to the provisions of this Article IV, the parties agree that Landlord will provide and/or arrange for management of the Building, the payment of certain taxes and the provision of certain services, as specifically set forth below (the "**Landlord Services**"):

(a) Landlord shall furnish the following services to Tenant: building management, common area maintenance, arranging water and sewer utility services, janitorial service (similar to the services typically provided for comparable office space in the area where the Building is located) and bathroom supplies for the Premises on each Business Day ("**Business Day**" shall mean each day excluding Saturdays, Sundays, and holidays recognized by banking institutions).

(b) Landlord shall also provide interior and exterior maintenance of the Building and its appurtenant grounds and facilities including, but not limited to parking lot repairs, structural repairs and roof repairs.

(c) Landlord shall make arrangements for electricity to be supplied through the Building's 110-volt 20 amp circuits for lighting purposes and for operation of small business machines and equipment (e.g., personal computers, adding machines and similar equipment). If Tenant desires dedicated or 220-volt electrical circuits, or wishes to install electrical

equipment which will cause usage of electricity within the Premises to be above normal electrical usage for general office space, Tenant shall obtain Landlord's written consent prior to installing such equipment or circuits, which consent shall not be unreasonably withheld. Any additional electrical circuits approved by Landlord shall be installed by Landlord at Tenant's expense. Landlord may consider, among other relevant factors, the effects of the electrical load of the Premises upon the Building's circuits in giving or withholding its consent.

(d) Landlord shall provide heat and air conditioning for the Building at levels determined appropriate by Landlord during normal business hours (generally, 7:00 a.m. through 6:00 p.m.) on each Business Day and from 8:00 a.m. through noon on Saturday. Tenant shall pay Landlord for heat and air conditioning requested on non-Business Days and after-hours on Business Days.

(e) Landlord shall not be liable for the interruption of any of the above-mentioned services caused by strikes, lockouts, accidents, utility outages or shortages, or other causes beyond the reasonable control of Landlord. Any interruption of service shall never be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof, or render Landlord liable to Tenant for damages, or relieve Tenant from performance of Tenant's obligations under this Lease, unless the interruption is the result of gross negligence by Landlord. Landlord shall use its best efforts to restore the interrupted service within a reasonable time after interruption if the cause of interruption is subject to Landlord's control, but Tenant acknowledges that Landlord cannot control utility services and that rent shall not be offset or reduced based on the available of utility services.

4.2 **Taxes and Operating Expenses**: The Base Rent specified in Paragraph 3.1, as adjusted from time to time in accordance with Paragraph 3.2, has been stipulated and agreed to by the parties based upon an assumption that the Taxes and Operating Expenses allocable to the Premises will not exceed Seven ($7.00) dollars per rentable square foot (the "**Expense Stop**"). To the extent actual Taxes and Operating Expenses per rentable square foot in the Building exceed the Expense Stop (determined on an annualized basis each calendar year or pro rata portion thereof), the rental amount actually payable throughout the term of the Lease shall be increased as set forth in this Paragraph 4.2 (the "**Additional Rent**"). The terms applicable to such increases are as follows:

(a) **Tenant's Share**: "**Tenant's Share**" shall be defined as Tenant's pro-rata share of any increase in Taxes and Operating Expenses which exceeds the Expense Stop. The Tenant's Share shall be a percentage determined by dividing the rentable square footage that constitutes the Premises at any given time by the total rentable square footage of the Building which equals four.eight percent (4.80%).

(b) **Taxes**: "**Taxes**" shall be defined as: (1) all real estate taxes, including a State equalization factor, if any, payable (adjusted after protest or litigation, if any) for any part of the term of this Lease, exclusive of penalties or discounts, in connection with the Property; (2) any taxes which shall be levied in lieu of any such real estate taxes on the gross rentals of the Property; (3) any special assessments against the Property which shall be required to be paid during the calendar year in respect to which taxes are being determined; and (4) the expenses of contesting the amount or validity of any such taxes, charges or assessments, such expense to be applicable to the period of the item contested, but only to the extent such expenses have resulted in a net reduction in the Taxes allocable to the Premises. Landlord further reserves the right to re-compute the Additional Rent due hereunder if Taxes are increased by any taxing authority, even though Tenant has previously been billed for a portion of the Additional Rent due hereunder.

(c) **Operating Expenses**: "**Operating Expenses**" shall be defined as those expenses incurred or paid by or on behalf of the Landlord in respect of the operation and maintenance of the Property which, consistent with principles of reasonable accounting practice used by Landlord in connection with the operation and maintenance of first class office buildings, are properly chargeable to the operation and maintenance of the Property, including but not limited to the Landlord Services (as described in Paragraph 4.1), all utility costs and charges, repairs chargeable to tenants, all costs and expenses attributable to Landlord's local management, common area maintenance expenses, state and local taxes determined based upon the value of the Property, the Premises or the amount of Base Rent paid by Tenant (including but not limited to property, ad valorem, franchise, excise, and similar taxes and governmental assessments and impact fees), charges and assessments, fire and casualty insurance, repairs chargeable to Tenant and common area utility charges.

4.3 **Calculation of Additional Rent**: To the extent the Taxes and the Operating Expenses per rentable square foot, on an annualized basis, for any calendar year exceed the Expense Stop amount, then Tenant's Share of such excess shall be payable retroactively as Additional Rent.

4.4 **Payment of Additional Rent**: Upon receipt of a statement from Landlord setting forth the Additional Rent due hereunder (which shall include a computation and reasonable back-up documentation), Tenant shall pay such amount within thirty (30) days thereof, without further demand, and without any set-off or deduction whatsoever. Failure to provide, or a delay in providing, such statement shall not constitute a waiver by Landlord of its right to require payment of Additional Rent. Tenant shall have the right, at its sole expense, directly or through its designated representative, to inspect Landlord's books and records, where such records are ordinarily kept, and which directly relate to the Taxes, Operating Expenses, and Additional Rent payable hereunder, upon reasonable notice to Landlord and without interfering with the conduct of Landlord's business activities.

4.5 **Adjustment of Monthly Installments**: Following the determination that Additional Rent is payable hereunder, the annual rental payable thereafter in monthly installments shall be increased to an amount equal to the annual Base Rent payable pursuant to Article III plus the Additional Rent payable for the preceding year divided by twelve (12).

4.6 **Assumed Occupancy**: Notwithstanding any other provision herein to the contrary, Operating Expenses shall be adjusted as determined by Landlord to reflect the amount that would have been incurred had the Building been fully occupied.

ARTICLE V: USE OF PREMISES

5.1 **Tenant's Use**: Tenant may use the Premises for the purpose of general office and medical administration space. Tenant may not provide drug testing services or additional services pertaining to methadone or any pain medicine related services on the Premises. In addition, Tenant provides medically related training (such as CPR training) on-site to its employees, stores and disposes of medical supplies in full compliance with all applicable laws and regulations, maintains client medical records on site and performs client assessment and consultations in its office. The Premises are also permitted to be used and occupied by Tenant as general administrative, executive, marketing, accounting, clerical, and business offices. Tenant is not permitted to use the Premises for any other uses without Landlord's prior written consent.

Tenant may not use the Premises for retail banking or as otherwise set forth below. Tenant acknowledges that a portion of the Building has been leased to a bank which also offers investment services, and that such tenant (and its successors) have certain exclusivity rights as to the Building. Tenant acknowledges and agrees that, notwithstanding any other provisions herein, the Premises shall not be occupied by, assigned or sublet to, or be used by Tenant (a) to carry on or conduct any business which is engaged in retail banking (including, without limitation, the operation of an automatic teller machine or similar device and/or the operation of a drive-through teller window), or (b) by any of the entities listed on **EXHIBIT B** attached hereto, directly or indirectly (which Exhibit may be amended or updated prospectively by Landlord from time to time to include other firms primarily engaged in services that are in the area(s) of investment or other financial related services).

Tenant shall allow no nuisance to exist with respect to the Premises and Tenant shall not interfere with the quiet enjoyment or use of the Building by Landlord or any other tenant.

5.2 **Signs**: Landlord shall provide building standard lobby and suite signage at no additional cost to Tenant. Tenant agrees not to display any signs or any other business advertising material which may be viewed from the outside of the Building or outside of the Premises except as approved in writing by Landlord.

5.3 **Rules and Regulations**: Tenant shall observe the rules and regulations as from time to time may be put in effect by Landlord for the general safety, comfort and convenience of Landlord, occupants and tenants of the Building. Any failure by Landlord to enforce any rules and regulations against either Tenant or any other tenant in the Building shall not constitute a waiver thereof. A copy of the current rules and regulations are attached hereto as **EXHIBIT C** and incorporated herein by reference. Landlord shall not be liable for any failure to enforce any rules or regulations against other tenants in the Building.

5.4 **Access**: Tenant shall have access 24 hours per day, 7 days per week, and 52 weeks per year to the Premises, the Building and the parking facilities.

ARTICLE VI: MAINTENANCE, REPAIRS AND COMPLIANCE WITH LAWS

6.1 **Acceptance of Premises**: Upon the date Tenant occupies the Premises (the "Occupancy Date"), Tenant stipulates and agrees that it has inspected the Premises and accepts the Premises "AS IS" subject to minor punch list items that do not interfere with Tenant's operations within the Premises.

(a) Landlord agrees to cause interior improvements to be made to the Premises substantially in accordance with the specifications set forth in **EXHIBIT D** (the "**Improvements**"). The Improvements will be constructed in a workmanlike manner and in compliance with all applicable laws, regulations, ordinances, codes, restrictive covenants, and/or requirements of a condominium association, if applicable, at Landlord's sole expense.;

(b) Tenant shall be solely responsible for the installation, configuration, and expense of all of its communication, electronic, telecommunication, data, digital and related cabling and connections;

(c) Landlord shall provide a tenant improvement allowance of Five dollars ($5.00) per rentable square foot for each year of the Base Term;

(d) Landlord will deliver the space to Tenant based on mutually agreeable designs and Tenant's building specifications (Exhibits A and D attached). If the costs of construction of such space based on such designs and specifications is estimated to exceed the total tenant improvement allowance referenced in (c) above, Tenant shall provide Landlord with construction funds equal to such shortfall prior to Landlord's commencement of construction;

(e) There shall be no Landlord construction supervisory fee;

(f) Tenant requires the installation of a drop box on the outside of the Building to be mutually agreed upon by both Tenant and Landlord.

6.2 **Allocation of Duty to Repair and Maintain**:

(a) Landlord, at its sole expense, shall keep and maintain the foundation, exterior walls and roof of the Building in which the Premises are located and the structural portions of the Premises which were installed by Landlord in good repair. Provided, however, Landlord shall not be required to make any repairs occasioned by the act or neglect of Tenant, its agents, employees, invitees, licensees or contractors, ordinary wear and tear excepted. Any of the foregoing repairs required to be made by reason of the negligence of Tenant, its agents, employees, invitees, licensees or contractors shall be the responsibility of the Tenant notwithstanding the provisions contained in this paragraph. Landlord shall have no obligations pursuant to this paragraph unless and until the Tenant has paid its proportionate share of the Landlord's costs and expenses incurred in fulfilling the obligations set forth herein.

(b) Landlord shall make all other repairs in connection with the Premises at Tenant's sole expense, and such amount shall be payable as Additional Rent.

(c) Tenant shall keep, operate and maintain the Premises in a clean, sanitary and safe condition and in accordance with all directives, rules and regulations of the proper official of the government agencies having jurisdiction, at the sole cost and expense of Tenant, and Tenant shall comply with all requirements of law, by statute, ordinance or otherwise, including but not limited to environmental laws, affecting the Premises and all appurtenances thereto. Tenant shall be solely responsible for any repair, improvement, cost or expense related to compliance with any law, rule or regulation to the extent compliance is required because of Tenant's use of the Premises or any portion thereof. If a party obligated to commence and to complete repairs refuses or fails to do so promptly and adequately, the other party may, but shall not be required to, make and complete said repairs and at the expense of the other. Provided, however, Tenant's obligation to pay rent in the amounts set forth in Article III and Article IV shall remain unconditional. Either party obligated to perform repairs shall have thirty (30) days to complete such repairs and a reasonable additional time if necessary after notice by the other party.

(d) Landlord shall use its good faith efforts to cause any required repair to be made in a manner and at a time to minimize the interference with Tenant's business operations. Any repair which Landlord is required to make shall not, to the extent reasonably possible, materially interfere with the Premises such that the repair efforts render a majority of the Premises substantially unusable for its intended purpose for more than ten (10) consecutive Business Days ("**Material Interference**" or "**Materially Interfere(s)**"). In such event, Landlord, in its reasonable determination, shall refund or credit Tenant for a proportionate amount of rent during such Material Interference. Provided, however, Tenant's obligation to pay rent in the amounts set forth in Article III and Article IV shall remain unconditional. Subject to the foregoing, Landlord shall

not be liable or responsible to Tenant for any inconvenience or any loss or damage either to Tenant or Tenant's property or to any other person or his property occasioned by any matter, either: (a) which is beyond the reasonable control of Landlord; or (b) which may arise through or is in any way connected with repair of any part of the Premises or failure to effect repairs, if Landlord undertakes such repairs within a reasonable time following written notice by Tenant to Landlord of need of same.

6.3 **Surrender of Premises**: At the termination or expiration of this Lease or any renewal term thereof, the Tenant agrees to deliver the Premises to Landlord, as improved, reasonable wear and tear excepted. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the lease term. Any items remaining on the Premises as of the termination date of this Lease shall be deemed abandoned for all purposes and shall become the property of Landlord and the latter may dispose of the same without liability of any type or nature. Notwithstanding the foregoing, Landlord agrees that if it obtains possession of any Protected Health Information ("PHI") (as defined by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and its implementing regulations, as amended from time to time) due to eviction or any other exercise of repossession, that it shall safeguard and return such PHI to Tenant. This provision includes, but is not limited to, PHI contained in paper documents and files, electronic storage devices, and electronic data on computers or servers.

6.4 **Tenant's Alterations**: Except for performing required repairs, Tenant shall not alter the Premises and shall not install any fixtures or equipment to be used in connection with Tenant's business which affect the Premises in any manner without first obtaining the written approval of Landlord, including approval as to the manner in which said fixtures and equipment are to be installed and located in the Premises. Any such alterations and/or installations shall become the sole and exclusive property of Landlord upon termination of the Lease, subject to Tenant's obligations to surrender the Premises in accordance with Paragraph 6.3 above.

6.5 **Mechanic's Liens**: Tenant shall, at its own expense, cause to be discharged within ten (10) days of the filing thereof, any mechanic's lien filed against the Premises or the Property relating in any way to work claimed to have been done for or materials claimed to have been furnished to Tenant. Tenant will indemnify and save Landlord harmless from and against all loss, claim, damage, cost or expense suffered by Landlord by reason of any repairs, installations or improvements made by Tenant, including but not limited to Landlord's reasonable attorney's fees and litigation expenses.

ARTICLE VII: INSURANCE AND RISK MANAGEMENT

7.1 **Indemnity**: Tenant will indemnify the Landlord from loss, cost or expense including reasonable attorney's fees and litigation expenses incurred by reason of the acts or omissions of Tenant, Tenant's employees, agents, servants, invitees, licensees, and/or subcontractors, and any other person acting in connection with or for the benefit of Tenant. Landlord will indemnify Tenant from loss, cost or expense including reasonable attorney's fees incurred by reason of the neglect or willful acts or omissions of those for whom in the circumstances Landlord is responsible in law which arise from Landlord's ownership of the Premises. These indemnities are limited: (a) by the waivers set forth below; (b) to the indemnitor's equitable share of the losses, costs, or expenses based on the relative culpability of each person whose negligent or willful acts or omissions contributed to the loss; and (c) to direct, proximately caused damages as opposed to consequential or indirect damages or business interruption. These indemnities shall survive the termination of this Lease. If the obligation or liability of a party as set forth in any other part of this Lease is less than or contradictory to this indemnity clause, the provisions of this clause shall be deemed and construed to be modified by such other parts. This indemnity shall not be deemed or construed to make a party liable for any matter that the other party is obligated to do or omit by this Lease, by law, or otherwise.

7.2 **Landlord's Insurance**: The Landlord will provide:

(a) "all-risk" perils of loss on the Building in an amount equal to its fair market value;

(b) boiler and machinery insurance on a comprehensive basis, including all objects on a replacement cost basis;

(c) workers' compensation insurance for Landlord's employees (statutory limits) including employer's liability and occupational disease with limits of no less than $500,000 for each, naming Tenant as an additional insured; and

(d) commercial general liability insurance including standard form contractual liability coverage in amounts equal to those customarily carried by (and with no exclusions or limitations not generally accepted by) institutional owners of first class office buildings in the area of the Building, for no less than $2,000,000 combined single limit. Tenant shall be named as an additional insured.

7.3 **Tenant's Insurance**: Tenant will provide:

(a) "all-risk" perils of loss on Tenant's property for full replacement cost;

(b) workers' compensation insurance for Tenant's employees (statutory limits) including employer's liability and occupational disease with limits of no less than $500,000 for each, naming Landlord as an additional insured; and

(c) commercial general liability insurance with a single limit of liability combined for bodily injury and property damage of $2,000,000, including standard form contractual liability coverage, which in accordance with its terms, will add Landlord as an additional insured.

7.4 **Terms of Insurance**:

(a) Each party's insurers will be third-party insurors rated A-VII or higher by Bests (or an equivalent rating from a generally accepted source).

(b) All liability insurance will be on either an occurrence or a claims made basis. Tenant shall provide tail coverage for two (2) years after the date of termination of this Lease.

(c) Each party will deliver certificates evidencing all the required insurance coverage hereunder to the other party upon request. All insurers will be required to make best endeavors to give thirty (30) days notice to the certificate holder of cancellation of or material change in the policy.

(d) All property policies shall include a waiver by the insurer of all right of subrogation, and all rights based upon an assignment from its insured, against Landlord or Tenant, the shareholders, officers, directors, governors, managers, members, employees, invitees, and licensees of either of them, and in case of Tenant, its affiliated, permitted subtenants (if any), their officers, directors, employees, invitees and licensees, in connection with any loss or damage thereby insured against whether in the Premises, the Building, or on the Property.

(e) Each party's liability policy will, with respect to that party's acts or omissions, be primary and not contributing with or in excess of the other party's coverage. All public liability and property damage policies shall contain a provision that the Landlord, although named as an additional insured, shall nevertheless be entitled to recover under such policies for any losses occasioned to Landlord by reason of the negligent acts or omissions of Tenant.

(f) On the third anniversary of the commencement of the term of this Lease and each three years thereafter, the amounts of insurance required of the parties hereunder will be reviewed and increased to the amounts of coverage then carried by prudent landlords and tenants of comparable buildings in the area of the Building.

(g) If a party agrees to expand its obligation to provide liability insurance coverage to other persons having a relationship with the other party (e.g., a mortgagee or managing agent in the case of the Landlord or a permitted subtenant, if any, in the case of the Tenant), the party providing the coverage shall only be obligated to provide a single defense and indemnity to the other party and the other party's additional insureds collectively.

7.5 **Waiver of Claim**: Each party releases the other and the officers, directors, managers, owners, employees, and agents of the other (collectively, **"Releasees"**) with respect to any claim of negligence and releases the other party itself against any claim in tort or contract which it might otherwise have against the Releasees for direct or indirect loss, damage or destruction with respect to its property (including rental value or business interruption) resulting from the negligence of any Releasee or from any tortious act or breach of contract in the case of the other party itself incurred during the term of this Lease and with respect to (a) the Building or Property in the case of the Landlord and (b) Tenant's tangible personal property in the case of the Tenant. These releases are not conditioned on the terms of the insurance policies, if any, that each party in fact obtains or the receipt of the proceeds thereof by a party but these releases are expressly conditioned upon each Releasee's compliance with its obligations to obtain and maintain insurance in accordance with this Article VII. Provided, however, notwithstanding any provision to the contrary, Tenant's obligations to pay rent and other amounts to Landlord as set forth herein are unconditional.

7.6 **Property of Tenant**: Tenant agrees that all property owned by it on or about the Premises shall be at the sole risk and hazard of Tenant and that Landlord shall not be liable or responsible for any loss of or damage to Tenant, or anyone claiming under or through Tenant, or otherwise. Tenant shall obtain and maintain appropriate amounts of insurance on leasehold improvements and contents owned or under the responsibility of Tenant.

7.7 **Increase in Insurance Premiums**: Tenant shall not overload, damage or deface the Premises or do any other act which may make void or voidable any insurance on the Premises or the Property or which may render an increased risk and/or extra premium payable for insurance; provided, however, this Lease shall remain in full force and effect so long as Tenant promptly and fully pays any such increased or additional insurance premiums or directly related expense.

7.8 **Notice of Claim or Suit**: Tenant agrees to promptly notify Landlord of any claim, action, proceeding or suit instituted or threatened against the Landlord. In the event Landlord is made a party to any action for damages which Tenant has herewith agreed to indemnify Landlord against, then Tenant shall pay all costs and shall provide effective counsel in such litigation or shall pay, at Landlord's option, the attorneys' fees and costs incurred in connection with said litigation by Landlord.

ARTICLE VIII: FIRE AND OTHER CASUALTY; HAZARDOUS SUBSTANCES

8.1 **Partial Destruction**: In the event of the partial destruction of the Premises by fire or any other casualty, Landlord shall restore or repair the Premises with reasonable diligence, subject to the provisions of Paragraph 8.3 below.

8.2 **Substantial Destruction**: If the Premises shall be so damaged by fire or other casualty or happening as to be substantially destroyed, then either party may have the option to terminate this Lease as provided in Paragraph 8.3 herein. If either party does not elect to cancel this Lease as aforesaid, then the same shall remain in full force and effect and Landlord shall proceed with all reasonable diligence to repair and to replace the Premises.

8.3 **Right of Termination**: Landlord, upon the occurrence of any of the events listed below, shall, in its reasonable judgment, determine and provide written notice to Tenant within sixty (60) days of any such occurrence whether the Premises can be restored or repaired and whether such restoration or repairs can be completed within one hundred eighty (180) days of any such occurrence. If Landlord reasonably determines that the restoration or repairs cannot be concluded within one hundred eighty (180) days of any such occurrence, either party may terminate this Lease, upon written notice to the other party, given within ten (10) days after notice by Landlord that the restoration or repairs will not be completed within the time permitted. If Landlord provides notice to Tenant that the restoration or repairs can be concluded within the time permitted, and if such work is not substantially complete within one hundred eighty (180) days of any such occurrence, Tenant may terminate this Lease upon written notice to the Landlord given within ten (10) days of the expiration of the one hundred eighty (180) day period following any such occurrence. These provisions shall apply to the following events: (a) the Premises and/or the Building in which the Premises are located shall be substantially damaged or destroyed; or (b) the Premises and/or Building in which the Premises are located shall be damaged or destroyed and the cost to repair the same shall amount to more than fifty percent (50%) of the cost of replacement thereof; or (c) the Premises shall be damaged or destroyed during the last twelve (12) months of the Base Term or during the last twelve (12) months of any Extended Term, if applicable; or (d) all or any portion of the Building or common areas of the Property are damaged (whether or not the Premises are damaged) to such an extent that in the reasonable judgment of the Landlord, the Building cannot be operated as an economically viable unit. Upon such termination any paid but unearned rent commencing upon the date of occurrence will be returned to Tenant. Notwithstanding any provision to the contrary, in no event shall Tenant be permitted to terminate this Lease if the fire, casualty or other happening which caused the damage was a result of any act or omission of Tenant or any agent or employee of Tenant.

8.4 **Rights of the Landlord's Lender**: Notwithstanding anything contained in this article to the contrary, the obligation of the Landlord with respect to repairing or rebuilding the Premises is subject to the prior right of the Landlord's lender to receive insurance proceeds as a result of a fire or other casualty, with any obligation of the Landlord to be limited to the extent insurance proceeds are received by the Landlord for such repair or rebuilding.

8.5 **Notice/Damage Caused by Tenant:** Tenant shall give, as soon as reasonably practicable, notice to Landlord of any damage to the Premises by fire or other casualty. Anything contained in this Lease to the contrary notwithstanding, in the event that damage to the Premises resulted from or was contributed to by the act, fault or neglect of Tenant, Tenant's employees, invitees, licensees, or agents, there shall be no abatement of rent, and Tenant shall be liable to Landlord for all loss and expense suffered or incurred by Landlord as a result of such damage, with any sums due hereunder being payable on demand, and whether Landlord repairs such damage as provided above, or exercises its right not to repair or rebuild and terminate this Lease on account of such damage.

8.6 **Rent Prorations:** In the event of a partial or substantial destruction of the Premises, the rental payable pursuant to this Lease shall be prorated by Landlord to equitably reflect the portion of the Premises rendered unusable by Tenant and the period of time during which such portion of the Premises was unusable as a result of a partial or substantial destruction.

8.7 **Environmental Requirements:** To the best of Landlord's knowledge and belief, the Building and Premises will be free of Hazardous Materials, including asbestos, as of the Occupancy Date. Notwithstanding, except for Hazardous Materials contained in products used by Tenant in *de minimis* quantities for ordinary cleaning and office purposes, Tenant shall not permit or cause any party to bring any Hazardous Material upon the Premises or transport, store, use, generate, manufacture or release any Hazardous Material in or about the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall operate its business in the Premises in strict compliance with all Environmental Requirements and shall remediate in a manner satisfactory to Landlord any Hazardous Materials released on or from the Project by Tenant, its agents, employees, contractors, subtenants or invitees. Tenant shall complete and certify to disclosure statements as requested by Landlord from time to time relating to Tenant's transportation, storage, use, generation, manufacture or release of Hazardous Materials on the Premises. The term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term "Hazardous Materials" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquified natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by Tenant, its agents, employees, contractors or invitees, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all losses (including, without limitation, diminution in value of the Premises or the Project and loss of rental income from the Project), claims, demands, actions, suits, damages (including, without limitation, punitive damages), expenses (including, without limitation, remediation, removal, repair, corrective action, or cleanup expenses), and costs (including, without limitation, actual attorneys' fees, consultant fees or expert fees and including, without limitation, removal or management of any asbestos brought into the Property or disturbed in breach of the requirements of this Paragraph, regardless of whether such removal or management is required by law) which are brought or recoverable against, or suffered or incurred by Landlord as a result of any release of Hazardous Materials for which Tenant is obligated to remediate as provided above or any other breach of the requirements under this Paragraph by Tenant, its agents, employees, contractors, subtenants, assignees or invitees, regardless of whether Tenant had knowledge of such noncompliance. The obligations of Tenant under this Paragraph shall survive any termination of this Lease.

Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this Paragraph, or the environmental condition of the Premises. Access shall be granted to Landlord upon Landlord's prior notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. Such inspections and tests shall be

conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant.

Notwithstanding the foregoing, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to such hazardous or biohazard materials. Tenant is responsible for the cost of proper storage, removal, disposal, and remediation, or any clean-up of any contamination caused by Tenant.

ARTICLE IX: ASSIGNMENT AND SUBLETTING

9.1 **Tenant Assignment**: Tenant shall not assign, transfer, or encumber this Lease without the prior written consent of Landlord and Landlord's lender, if applicable, which consent may be withheld or delayed for any reason, including but not limited to the type of activity to be conducted by such subtenant, the creditworthiness of such subtenant, and all other factors and considerations Landlord would make if it were letting the Premises without regard to this Lease. Tenant shall not sublet or allow any other tenant to come in, with, or under Tenant without like written consent. No assignment or subletting, without regard to whether Landlord has provided its consent, shall in any manner release the Tenant from its continued liability for the performance of the provisions of this Lease, and any amendments or modifications hereto. The acceptance of any rental payments by the Landlord from any alleged assignee shall not constitute approval of the assignment of this Lease by the Landlord. Any change in the ownership or voting control of Tenant, or any merger or consolidation of Tenant with any other entity shall be deemed to be an assignment for purposes of this provision and shall be void, absent Landlord's prior written consent. Notwithstanding the foregoing, no consent shall be required for (a) an entity into which or with which Tenant merges or consolidates, (b) the parent, subsidiary or affiliate of Tenant or (c) an entity which acquires all or substantially all of the assets of Tenant, provided that in any such event Tenant shall remain jointly and severally liable with the new tenant for all obligations pursuant to this Lease.

ARTICLE X: DEFAULT AND REMEDIES

10.1 **Events of Default**: The occurrence of any of the events described in subparagraphs 10.1.1 through 10.1.3 shall be and constitute an "**Event of Default**" under this Lease.

10.1.1 Failure by Tenant to timely pay in full any rental, late charges, or other sum payable hereunder, without notice of non-payment or cure being required.

10.1.2 Failure by Tenant to observe or perform any of the terms, covenants, agreements or conditions contained in this Lease, other than as specified in subparagraph 10.1.1, for a period of ten (10) days after notice thereof to Tenant by Landlord. Provided, however, to the extent a non-monetary default cannot be cured within such ten (10) day period, despite Tenant's diligent, best faith efforts, Tenant shall immediately commence its efforts to cure and diligently pursue the completion of such cure as soon as possible; any failure by Tenant to do so shall be an Event of Default.

10.1.3 The filing by or against Tenant of a voluntary or involuntary petition in bankruptcy or a voluntary petition or answer seeking reorganization, arrangement, or readjustment of the debts of Tenant or for any other relief under the Bankruptcy Code, as amended, or under any other insolvency act, law, rule or regulation, state or federal, now or hereafter existing, or any action by Tenant indicating consent to, approval of, or acquiescence in any such petition or proceeding; the application by Tenant for, or the appointment with Tenant's consent or acquiescence of, a receiver or trustee of Tenant, or for all or a substantial part of the property of Tenant; the making by Tenant of any general assignment for the benefit of creditors of Tenant; or the inability of Tenant, or the admission of Tenant of the inability thereof, generally to pay the debts of Tenant as such mature; the insolvency of Tenant; or the attachment of all or substantially all of Tenant's assets.

10.2 **Remedies**: Whenever a default occurs, which is not cured within the specific time period set forth herein, Landlord may, to the fullest extent permitted by law or equity, without the necessity of any additional notice, take any one or more of the remedial steps described in subparagraph 10.2.1 through 10.2.3 inclusive, of this Paragraph 10.2, subject, however, to the right, title and interest of any lender of the Landlord.

10.2.1 Landlord may, at its option, recover all damages and obtain all rents available at law or equity which are permissible in connection with the breach of a commercial lease.

10.2.2 Landlord may re-enter and take possession of the Premises and improvements without terminating this Lease and sublease the same for the account of Tenant, holding Tenant liable for all rents, expenses of subletting, and other amounts payable by Tenant hereunder.

10.2.3 Landlord may terminate this Lease, exclude Tenant from possession of the Premises and improvements and will use Landlord's reasonable efforts to lease the same to another for the account of Tenant, holding Tenant liable for all rent and other amounts payable by Tenant hereunder, including all expenses and costs associated with re-letting the Premises. Notwithstanding the foregoing, Landlord agrees that if it obtains possession of any Protected Health Information ("PHI") (as defined by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and its implementing regulations, as amended from time to time) due to eviction or any other exercise of repossession, that it shall safeguard and return such PHI to Tenant. This provision includes, but is not limited to, PHI contained in paper documents and files, electronic storage devices, and electronic data on computers or servers.

10.3 **No Remedy Exclusive**: No remedy conferred upon or reserved to Landlord under this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission by Landlord to exercise any right or power accruing upon any default of Tenant shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised by Landlord at any time, from time to time and as often as may be deemed expedient. In order to entitle Landlord to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as is expressly required by this Lease.

10.4 **Attorney's Fees and Expenses**: In the event that either party is required to engage legal counsel for the enforcement of any of the terms of this Lease, whether such employment shall require institution of suit or other legal services deemed necessary to secure compliance on the part of the other party, the breaching party shall be responsible for and shall promptly pay the other party's said reasonable attorneys' fees and any other expenses incurred as a result of such default. The provisions of this Paragraph 10.4 shall survive the termination of this Lease.

ARTICLE XI: COMMON AREAS

11.1 **Control of Common Areas**: The common areas shall, at all times, be subject to the exclusive control and management of Landlord, and Landlord shall have the right to operate and maintain the common areas in substantially the same manner as such areas have previously been operated and maintained by Landlord and Landlord shall have the right, in its discretion, to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the common areas and facilities. Landlord shall have the exclusive right at any and all times to close any portion of the common areas for the purpose of making repairs, changes or additions thereto, and to change the size, area or arrangement of the parking areas or the lighting thereof within or adjacent to the existing areas, and to enter into agreements with adjacent owners for cross-easements for parking, ingress, egress, delivery, and the installation of utility lines; provided, however, Landlord shall not operate or maintain the common areas in a way that Materially Interferes with Tenant's use of or reasonable access to the Premises. Landlord, however, shall use reasonable efforts to minimize any such interruption. In the event that the lighting controls for the common areas shall be located in the Premises, then Landlord shall have the right to enter the Premises for the purpose of adjusting or otherwise dealing with the said controls as required.

11.2 **Parking Area**: Tenant is granted as an appurtenance to the Premises the nonexclusive right to use a minimum of three (3) monthly parking spaces per 1,000 rentable square feet at no cost to Tenant during the Base Term and any extension thereof. These spaces will be for the use of Tenant's employees, guests, clients, customers, and invitees and Landlord shall make available parking spaces for Tenant's use as required by applicable law. There shall be no loading or unloading of vehicles except in those areas designated by Landlord for such purpose. Such vehicles may not be parked in excess of the time reasonably required to load/unload. Tenant agrees that there will be no outside storage by Tenant without the prior written consent of Landlord. Tenant agrees to supervise the use of all such loading/unloading, parking areas and parking spaces by its employees, guests, customers, clients and invitees in accordance with the rules, regulations and requirements of Landlord. Tenant for itself, its employees, guests, customers, clients and invitees agrees that Landlord shall have the right to take, move, impound and tow off vehicles violating Landlord's rules and regulations, blocking streets and aisles, parked in unauthorized areas, parked in unauthorized spaces or otherwise improperly parked.

ARTICLE XII: EMINENT DOMAIN

12.1 **Eminent Domain**: If all or any material part of the Premises, the Building of which it is a part, or the Property shall be condemned or taken in any manner, then Landlord may, at its option, terminate this Lease as of the date of the taking of possession for such use or purpose by notifying the Tenant in writing of such termination. Upon any such material taking or condemnation and the continuing in force of this Lease as to any part of the Premises, the Base Rent shall be diminished by an amount representing the part of the said rent properly applicable to the portion of the Premises which may be so condemned or taken and Landlord shall, at its expense, proceed with reasonable diligence to repair, alter and restore the remaining part of the Building and the Premises to its prior condition to the extent that the same may be feasible. Landlord shall be entitled to receive the entire award in any condemnation proceeding, including any award for the value of any unexpired term of this Lease, and Tenant shall have no claim against Landlord or against the proceeds of the condemnation; provided, however, Tenant shall have the right to attempt to recover its relocation or moving expenses from the condemning authority.

ARTICLE XIII: GENERAL PROVISIONS

13.1 **Landlord's Right of Entry**: Landlord reserves the right at all reasonable times during the term of this Lease for Landlord or Landlord's agents to enter the Premises for the purpose of inspecting and examining the same, and (during the last ninety (90) days prior to the expiration of the term of this Lease or any renewal term) show the same to prospective purchasers or tenants, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable; provided, however, Landlord will endeavor to provide notice to Tenant prior to such entry and limit entry to normal business hours when practicable. During the ninety (90) days prior to the expiration of the term of this Lease or any renewal term, Landlord may place upon the Premises notices advertising the Premises for sale or lease, which notices Tenant shall permit to remain thereon without interference; provided, however, Landlord will place such signs or advertisements in a location that does not Materially Interfere with Tenant's actual business operations. If Tenant shall not be personally present to open and permit an entry into the Premises, at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or Landlord's agents may enter the same, or may forcibly enter same, without rendering Landlord or such agents liable therefor, and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever for the care, maintenance or repair of the Premises or any part thereof, except as otherwise herein specifically provided.

13.2 **Quiet Enjoyment**: Landlord agrees that if the covenants and obligations of the Tenant are being all and singularly kept, fulfilled and performed, Tenant shall lawfully and peaceably have, hold, possess, use and occupy and enjoy the Premises so long as this Lease remains in force, without disturbance from Landlord, subject to the specific provisions of this Lease. As of the Commencement Date, Landlord agrees that the Premises shall be in compliance with all applicable laws, rules, regulations, and ordinances.

13.3 **Relocation**: Once during the term of this Lease or any renewal term, Landlord may relocate Tenant to other substantially equivalent space in the Building. Landlord at its sole expense will be responsible for the cost of the relocation of

Tenant's tangible business property, reprinting of marketing and stationary, all costs associated with licenses of any kind, and the movement, replacement and installation of Tenant's telecommunications and data infrastructure. Landlord will also, at its expense, make renovations or alternations which are required to make the new space conform generally in arrangement and décor as the initial Premises.

13.4 **Waiver**: Waiver by Landlord of any default, breach or failure of Tenant under this Lease shall not be constituted as a waiver of any subsequent or different default, breach or failure. In case of a breach by Tenant of any of the covenants or undertakings of Tenant, Landlord nevertheless may accept from Tenant any payment or payments hereunder without in any way waiving Landlord's right to exercise the remedies hereinbefore provided for by reason of any other breach or lapse which was in existence at the time such payment or payments were actually accepted by Landlord.

13.5 **Subordination**: Upon request from Landlord, Tenant shall execute and deliver to Landlord a subordination, non-disturbance and attornment agreement between the parties and Landlord's lender. In such agreement, Tenant shall subordinate all of its right, title and interest in and under this Lease to the lien of any mortgage or mortgages, or the lien resulting from any other method of financing or refinancing, now or hereafter in force against the real estate and/or buildings hereafter placed upon real estate of which the Premises are a part. Tenant further agrees to execute other documents reasonably requested by Landlord or Landlord's lender to evidence such subordination or otherwise effectuate the intent and purpose of this Lease. In the event of any act or omission by Landlord which would give Tenant the right to terminate this Lease or to claim a partial or total eviction, Tenant will not exercise any such right until (a) it has notified in writing the mortgagee(s) of such act or omission, and (b) a reasonable period, not exceeding thirty (30) days, for commencing the remedying of such act or omission shall have elapsed following the giving of such notice, and (c) the mortgagee(s), with reasonable diligence, shall not have so commenced and continued to remedy such act or omission, or to cause the same to be remedied. The mortgagee(s) shall have the right, at its election (which election may be exercised unilaterally by mortgagee filing a notice thereof for record with the applicable Register's Office at any time prior to mortgagee's commencing foreclosure proceedings pursuant to the deed(s) of trust or instituting sale procedures pursuant to the power of sale therein contained), to subordinate the lien of the deed of trust to this Lease. Tenant shall attorn to any purchaser of the Premises at foreclosure and the Lease shall continue in full force and effect as a direct lease between Tenant and Landlord's lender or any purchaser at foreclosure. In such event, neither the mortgagee nor any purchaser at foreclosure shall be responsible for any defaults by the Landlord or for the return of any security deposit (unless such deposit has actually been received by Landlord's lender). In no event shall Landlord's lender or a purchaser at foreclosure be bound by any payment of rent made more than one (1) month in advance, bound by an amendment or modification or termination of the Lease made without the written consent of Landlord's lender (if any), liable for any act or omission of any prior landlord (including Landlord), or liable for any offsets, credits, or other claims against rentals for any prior periods and/or against any other party or landlord. Notwithstanding anything else in this paragraph, upon any termination of Landlord's interest in the Building in which the Premises are a part, such person or organization then acquiring title to the Building or Premises ("Successor Landlord") shall, in a commercially reasonable period of time, notify Tenant whether such Successor Landlord or any controlling member of Successor Landlord is a physician or other medical professional. If such is the case, Tenant and Successor Landlord will enter into an amendment to the Lease addressing any Tenant Anti-kickback, Stark Law, or other regulatory requirements.

13.6 **Amendment**: Any amendment(s) to this Lease must be in writing and executed by the parties or their respective successors in interest.

13.7 **Holding Over**: Any holding over after (a) an Event of Default, or (b) notice of non-renewal provided by either party pursuant to Paragraph 2.1 above and expiration of the term then in effect, shall be deemed to be a month-to-month, tenancy at will and rent payable during any hold-over period shall be at a rate equal to the Base Rent payable at the expiration of the term multiplied by one hundred fifty percent (150%), plus all other amounts payable pursuant to this Lease, including but not limited to those amounts described in Article IV. All other obligations of Tenant under this Lease shall survive during any hold-over period.

13.8 **Miscellaneous**: TIME IS OF THE ESSENCE. This Lease shall inure to the benefit of all and shall be binding, upon Landlord, Tenant, and their respective heirs, executors, administrators, successors, and assigns, subject to all the terms, conditions, and contingencies set forth. If any provision of this Lease be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not operate to invalidate any other provision hereof. This Lease shall be construed without reference to titles of sections or clauses, which are inserted for convenient reference only. This Lease contains the entire agreement between the parties hereto with respect to the transactions contemplated by this Lease and supersedes all prior written or unwritten arrangements or understandings with respect thereto. All parties represent that they are not relying on any representation, statement, or action by any other party except as expressly set forth herein. The descriptive headings of this Lease are for convenience only. This Lease may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument. This Lease shall be governed by and in accordance with the substantive, internal laws of the State of Tennessee. This Lease may not be modified, amended or revoked, except in a writing signed by all parties. This provision may not be orally waived. Landlord shall not be bound by this Lease and shall have no duty to Tenant until this Lease has been duly executed by Landlord. The person executing this Lease on behalf of Tenant warrants and represents that he or she is duly authorized and empowered to bind and obligate Tenant.

13.9 **Landlord's Lien: Intentionally Omitted.**

13.10 **Force Majeure**: During the term of this Lease, neither Landlord nor Tenant shall be considered in breach or default of the obligations (other than obligations of the Tenant to pay rents payable hereunder) under this Lease in the event of any delay in the performance of or inability to perform such obligation due to unforeseeable causes beyond the control and without the fault or negligence thereof, including, but not limited to, acts of God, acts of the public enemy, acts of the other party, fires, floods, epidemics, terrorist activities, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of the contractor or subcontractors due to such causes; it being the purpose and intent of this Paragraph 13.10 that in the event of the occurrences of any such delay, the time or times for performance of the obligations of Landlord or Tenant, as the case may be, with respect to this Lease shall be extended, for the period of the enforced delay; provided that except as otherwise provided herein, the parties seeking benefit of this Paragraph 13.10 shall, within ten (10) days after the beginning of any such delay, have first notified the other party in writing of the cause or causes thereof, and requested an extension for the period of the delay.

13.11 **Documentation**: Consistent with Paragraph 13.5 above, Tenant shall execute and deliver to Landlord, within ten (10) business days from date of request, estoppel certificates and similar documents as may be required by any current or subsequent lender of the Landlord in connection with this Lease, in such form as may be reasonably required by Landlord's lender, which certificate may include information as to any modifications of this Lease, dates of commencement of term and termination date of Lease, and whether or not Landlord is in default hereunder (Tenant shall not claim Landlord is in default unless written notice has been previously provided to Landlord and such alleged default remains uncured). Any such certificate may be relied upon by any prospective purchaser or lessee of the Premises or any mortgagee or prospective mortgagee, or any prospective assignee of any mortgagee thereof. If Tenant fails to execute and deliver the estoppel certificates or similar documents within five (5) days after the time provided, Landlord shall notify Tenant that Tenant shall have five (5) additional days. Failure to deliver such documents within such additional time shall be deemed to be an acknowledgment that the Lease is in full force and effect and in accordance with the terms of this written agreement. Provided, however, such documentation may not materially change any term of this Lease except with the express written consent of both parties hereto.

13.12 **Agency**: The parties stipulate and agree that there is no agent or broker entitled to any fee or commission in connection with this Lease and Landlord and Tenant each agree to indemnify and hold the other harmless from and against any and all costs, expenses or liability, including reasonable attorney's fees, as to any claim for commissions, fees or compensation asserted by any person or entity which otherwise claims to represent Landlord or Tenant, as the case may be.

13.13 **Exception and Reservation**: Landlord reserves and excepts the roof from the Premises and further reserves the right to install, maintain, use, repair and replace pipes, duct work, conduits, utility lines and wires through the space above the suspended ceiling, column space, and partitions in or beneath the floor slab or about or below the Premises or other part of

the Building, and such right in, over and upon the Premises or other parts of the Building as may be reasonably necessary for the servicing of the Premises or of other portions of the Building. Provided, however, in using or enjoying such excepted or reserved property rights, Landlord will not Materially Interfere with Tenant's intended use of the Premises.

13.14 **Transfer by Landlord; Limitations on Liability:**

(a) Landlord shall have the right to transfer and assign, in whole or in part, all and every feature of its rights and obligations under this Lease, in the Building and/or in the Property. Such transfers or assignments may be made to any person, and howsoever made, are to be in all things respected and recognized by Tenant; and upon such transfer or assignment the Landlord who is the Landlord immediately prior to said transfer or assignment shall be relieved of all future liabilities and obligations under this Lease. The Property may be transferred and made subject to the benefits and restrictions of a planned unit development or condominium association, provided that Tenant's obligations are not increased and Tenant not be required to pay rent to multiple landlords.

(b) It is expressly understood and agreed by Tenant that none of Landlord's covenants, undertakings, agreements or obligations under this Lease are made or intended as personal covenants, undertakings, agreements or obligations by Landlord or its partners, members, shareholders, directors, governors, agents, managers, or trustees, or any of their respective partners, members, shareholders, directors, governors, agents, managers, or trustees (collectively "**Releasees**"), and any liability for damage or breach or non-performance by Landlord shall be collectible only out of Landlord's interest in the Premises, and no personal liability is assumed by, nor at any time may be asserted against, Landlord or Releasees, and such liability, if any, is hereby expressly waived and released by Tenant.

13.15 **Notices:** All notices required or permitted under this Lease shall be in writing and shall be deemed properly served if: delivered in person; sent by registered or certified mail, with postage prepaid, return receipt requested; sent by facsimile or email (provided a copy is also simultaneously sent by first class mail or a method described herein); or sent by a nationally recognized overnight courier service, to the address of the other party, as shown on the signature page(s) hereof, or to such other addresses as the parties may subsequently designate in writing to the other party. For purposes of this Lease, all notices, demands, deliveries, or other communications required hereunder shall be deemed made: on the date actually delivered in person, as evidenced by a receipt by the recipient or an affidavit of the courier; three (3) days after mailing, if mailed in the manner specified above; on the date of delivery, if sent by overnight courier; or on the date of delivery, if sent by facsimile or email (provided the sender also sends a copy by first class mail or a method permitted hereunder). Notices shall be provided to the addresses, shown on the signature pages below, unless modified by subsequent written notice.

13.16 **USA Patriot Act and Prohibited Persons:** Landlord and Tenant (each, a "Representing Party") each represents and warrants to the other that: (a) neither the Representing Party nor any person or entity who directly owns a ten percent (10%) or greater equity interest in it, nor any of its officers, directors or managing members, is a person or entity with whom United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control of the Department of the Treasury (including those named on the Office of Foreign Asset Control's "Specially Designated Nationals and Blocked Persons" list, found at http://www.treas.gov/offices/enforcement/ofac) or under any statute, Executive Order (including Executive Order 13224 signed on September 24, 2001 and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action; and (b) the Representing Party's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time). Each Representing Party covenants that, throughout the Lease Term, it shall comply with Executive Order 13224 and with the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 and the regulations or orders promulgated thereunder (as amended from time to time).

13.17 **HIPPA:** Tenant is a health care provider that owns and operates licensed home health care agencies and other providers of health care items and services. In connection with the operation of its business, Tenant electronically transmits Protected Health Information ("PHI"), as defined in the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended from time to time ("HIPAA"). As such, Tenant is a "Covered Entity" within the meaning

of HIPAA. Landlord and Tenant acknowledge that Tenant has certain obligations with regard to the PHI of its customers, including PHI located at and within the Leased Premises.

The parties agree that neither Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI located at and within the Leased Premises. However, in the event PHI is disclosed by Tenant or its agents to Landlord, its contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain, and agrees to take reasonable steps to require its contractors, subcontractors, and agents to maintain, as the case may be, the privacy, security and confidentiality of such PHI. Landlord agrees to promptly notify Tenant upon learning of any disclosure of PHI to Landlord or Landlord's contractors, subcontracts or agents. Landlord agrees to take reasonable steps to mitigate any adverse consequences of the disclosure.

The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term is defined by HIPAA.

13.18 **Hazardous Materials:** Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to such hazardous or biohazard materials. Tenant is responsible for the cost of proper storage, removal, disposal, and remediation, or any clean-up of any contamination caused by Tenant.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the day and date first above written.

LANDLORD:

SUNSET DEVELOPMENT, LLC, a Tennessee limited liability company
By: WOODFAM CORP, a Tennessee Corporation
Its: MANAGING MEMBER
By: _____
Name: BRAD BLACKWELL
Title: VICE PRESIDENT

Landlord's Address for Notice Purposes:

SUNSET DEVELOPMENT, LLC
c/o Wood Properties, Inc.
900 South Gay Street, Suite 1600
Knoxville, Tennessee 37902-1857

with a courtesy copy to:

Timothy M. McLemore, Esq.
Gentry, Tipton & McLemore, P.C.
P.O. Box 1990
Knoxville, Tennessee 37901

TENANT:

MAXIM HEALTHCARE SERVICES, INC
A Maryland Corporation

By: _____
Name: Robert Teaff
Title: Regional Controller

Tenant's Address for Notice Purposes:

MAXIM HEALTHCARE SERVICES, INC
7227 Lee Deforest Drive
Columbia, Maryland 21046
Attn: Real Estate Department #JC
Email: Realestate@Maxhealth.com

JST:mlw A-Lease Agreement Maxim Healthcare 4-29-14

MAXIM HEALTHCARE SERVICES

SQUARE FOOTAGE

~ 3,040 USF
~ 3,438 RSF

LEASE CODE – CITY, STATE

JOHNSON CITY, TN

DWG DESCRIPTION

208 SUNSET DRIVE
SUITE 503
JOHNSON CITY, TN

ADDITIONAL INFORMATION

CONCEPTUAL PLAN, OPTION A
OPTION A, r2

FILE NAME

20140319_208 SUNSET

SHEET 1 OF 1

EXHIBIT B

Uses Not Permitted (Per Section 5.1)

- Retail banking (including, without limitation, the operation of an automatic teller machine or similar device and/or the operation of a drive-through teller window)
- A.G. Edwards
- American Express Securities
- Bear, Stearns
- Charles Schwab
- Chase Securities
- RBC Dain Rauscher
- Edward Jones
- Goldman Sachs
- Deutsche Banc Alex Brown
- Fidelity Investments
- Goldman, Sachs & Co.
- Hilliard Lyons
- J.P. Morgan Securities
- Janney Montgomery Scott
- Legg Mason
- McDonald Investments
- Merrill Lynch
- Morgan Stanley Dean Witter
- Prudential Securities
- UBS Paine Weber
- Raymond James
- Robert W. Baird
- Salomon Smith Barney Inc.
- Robinson Humphrey, Co.
- Waterhouse Securities
- Stifel Nicolaus
- Wachovia Securities

EXHIBIT C

RULES AND REGULATIONS

1. No smoking shall be permitted in the Building, including tenant spaces and common areas.

2. Landlord will provide and maintain a directory for all tenants of the Building. No signs, advertisements or notices visible to the general public shall be permitted within the Building unless first approved in writing by Landlord.

3. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by tenants or used by any tenant for any purpose other than ingress and egress to and from the leased premises and for going from one to another part of the Building.

4. Corridor doors, when not in use, shall be kept closed.

5. Plumbing fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed therein. Damage resulting to any such fixtures or appliances from misuse by a tenant shall be paid by tenant.

6. Landlord shall provide all locks for doors into each tenant's leased area, and no tenant shall place any additional lock or locks on any door in its leased area without Landlord's prior written consent. Two keys for each lock on the doors in each tenant's leased area shall be furnished by Landlord. Additional keys shall be made available to tenants at tenant's cost. Tenant shall not have any duplicate keys made except by Landlord.

7. Except for microwave ovens, electric current shall not be used for cooking, or heating without Landlord's prior written permission.

8. All tenants will refer all contractors, contractors' representatives and installation technicians who are to perform any work within the Building to Landlord for Landlord's supervision, approval and control before the performance of any such work. This provision shall apply to all work performed in the Building including, but not limited to installation of telephones, medical type equipment, telegraph equipment, electrical devices and attachments, and any and all installations of every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment and any other physical portion of the Building.

9. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by tenants of any heavy equipment, bulky material or merchandise shall be performed only in such manner, during such hours and using such elevators and passageways as the Building Manager may designate and approve in advance and, if reasonable, necessary or appropriate in view of all the circumstances, then only upon having been scheduled in advance with the Building Manager.

10. The location, weight and supporting devices for any libraries, central filing areas, medical type equipment, safes and other heavy equipment shall in all cases be approved by Landlord prior to initial installation or relocation.

11. No portion of any tenant's leased area shall at any time be used for cooking, sleeping or lodging quarters. No birds, animals or pets of any type, with the exception of guide dogs accompanying visually handicapped persons, shall be brought into or kept in, on or about tenant's leased area.

12. Tenants shall not make or permit any loud or improper noises in the Building or otherwise interfere in any way with other tenants or persons having business with them.

13. Each tenant shall endeavor to keep its leased area neat and clean. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways, nor shall tenants place any trash receptacles in these areas.

14. Tenants shall not employ any person for the purpose of cleaning other than the authorized cleaning and maintenance personnel for the Building unless otherwise approved in writing by Landlord.

15. To insure orderly operation of the Building, Landlord reserves the right to approve all concessionaires, vending machine operators or other distributors of cold drinks, coffee, food or other concessions, water, towels or newspapers.

16. Landlord shall not be responsible to the tenants, their agents, patients, employees or invitees for any loss of money, jewelry or other personal property from the leased premises or public areas or for any damages to any property therein from any cause whatsoever whether such loss or damage occurs when an area is locked against entry or not.

17. Tenants shall exercise reasonable precautions in protection of their personal property from loss or damage by keeping doors to unattended areas locked. Tenants shall also report any thefts or losses to the Management Agent as soon as reasonably possible after discovery and shall also notify the Management Agent of the presence of any persons whose conduct is suspicious or causes a disturbance.

18. Tenants, their employees, patients, guests and invitees may be called upon to show suitable identification and sign a building register when entering or leaving the Building at times other than normal Building operating hours, and all tenants shall cooperate fully with Building personnel in complying with such requirements.

19. Tenants shall not solicit from or circulate advertising material among other tenants of the Building except through the regular use of the U.S. Postal Service. Tenants shall notify the Building Manager or the Building personnel promptly if it comes to their attention that any unauthorized persons are soliciting from or causing annoyance to tenants, their employees, guests or invitees.

20. Tenant shall not cause or permit to be brought into the Property and/or the premises any Hazardous Materials. **"Hazardous Materials"** shall mean collectively: any article deemed hazardous because of flammability; any explosive; and all hazardous waste, hazardous substances, contaminants, hazardous materials, pollutants or toxic substances, including, but not limited to, asbestos, polychlorinate biphenois (PCBs), urea formaldehyde, petroleum containing substances, and radio-active materials.

21. Tenant shall not tamper with or attempt to adjust temperature control thermostats in the Building. Landlord shall adjust thermostats as required to maintain the Building standard temperature.

22. All requests for overtime air conditioning or heating must be submitted in writing to the Building management office by 12:00 p.m. on the day desired for weekday requests, by 12:00 p.m. Friday for weekend requests, and by 12:00 p.m. on the preceding Business Day for Holiday requests.

23. No flammable or explosive fluids or materials shall be kept or used within the Building except in areas approved by Landlord, and Tenant shall comply with all applicable building and fire codes relating thereto.

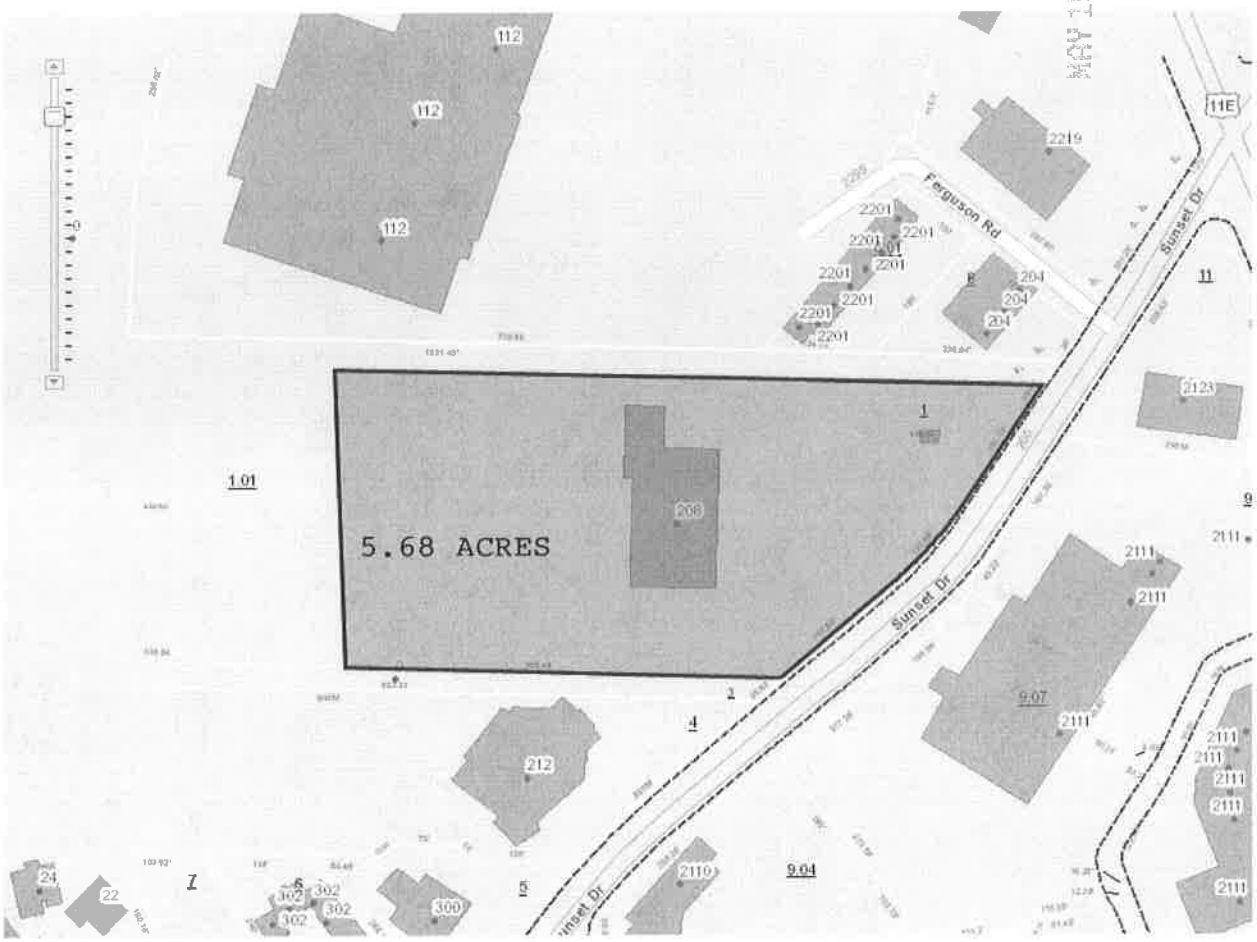
24. Parking in the parking lot shall be in compliance with all parking rules and regulations including any sticker or other identification system established by Landlord. Vehicles must be parked entirely within the stall lines and all directional signs, arrows and posted speed limits must be observed. Parking is prohibited in areas not striped for parking, in aisles, where "No parking" signs are posted, on ramps in cross hatched areas and in other areas as may be designated by Landlord. If Landlord implements parking stickers or other forms of identification supplied by Landlord shall remain the property of Landlord and not the property of Tenant and are not transferable. Every person is required to park and

lock his vehicle. All responsibility for damage to vehicles or persons is assumed by the owner of the vehicle or its driver.

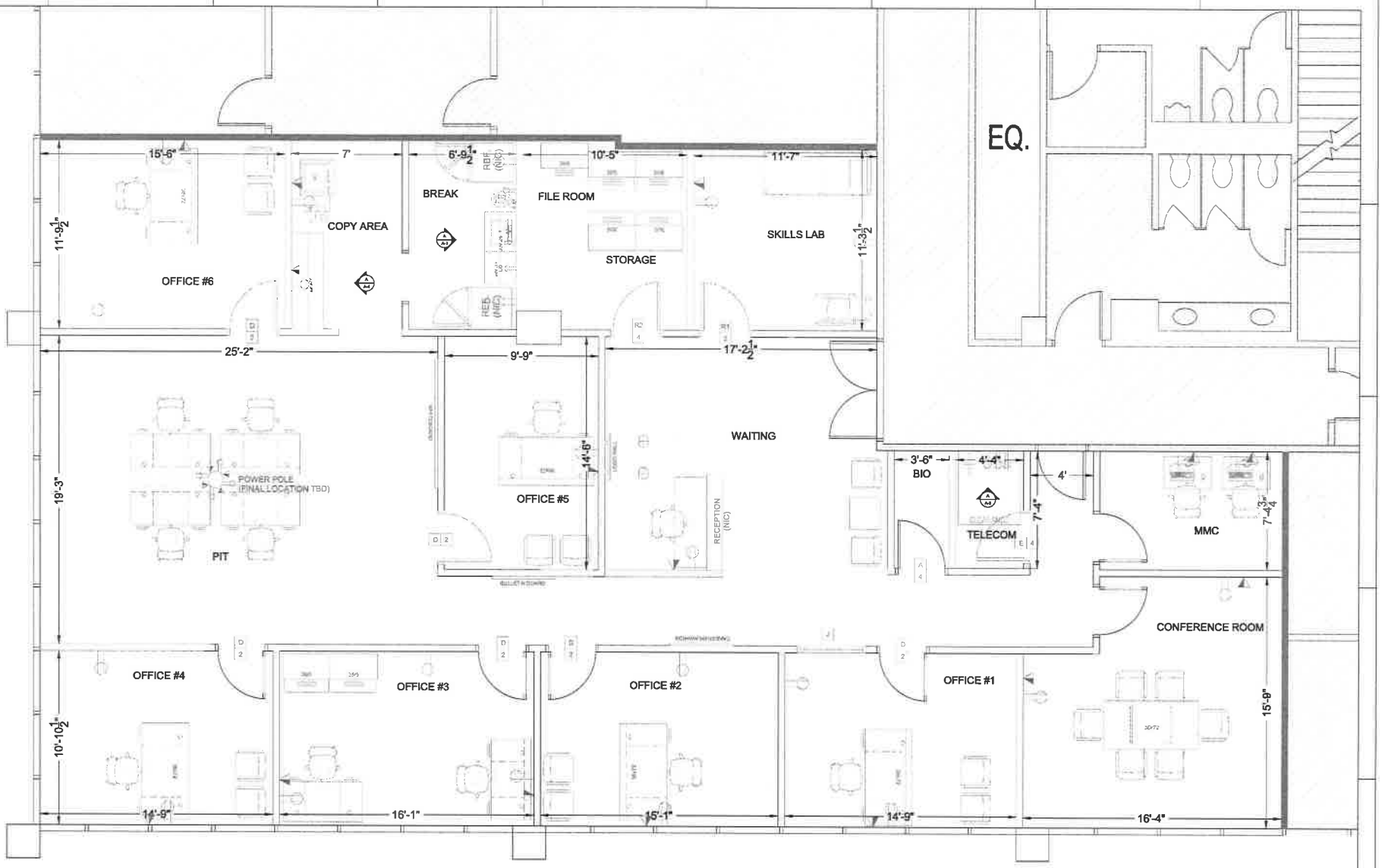
25. Landlord reserves the right to rescind any of these rules and regulations and to make such other and further rules and regulations as in its judgment shall from time to time be needful for the safety, protection, care and cleanliness of the Building, the operation thereof, the preservation of good order therein and the protection and comfort of the tenants and their agents, employees and invitees, which rules and regulations, when made and written notice thereof is given to a tenant, shall be binding upon it in like manner as if originally herein prescribed.

B.III.--Plot Plan

MAY 15 '14 PM2:18



B.IV.--Floor Plan



MAXIM HEALTHCARE SERVICES

SQUARE FOOTAGE

~ 3,040 USF
~ 3,438 RSF

LEASE CODE – CITY, STATE

JOHNSON CITY, TN

DWG DESCRIPTION

208 SUNSET DRIVE
SUITE 503
JOHNSON CITY, TN

ADDITIONAL INFORMATION

CONCEPTUAL PLAN, OPTION A
OPTION A, r2

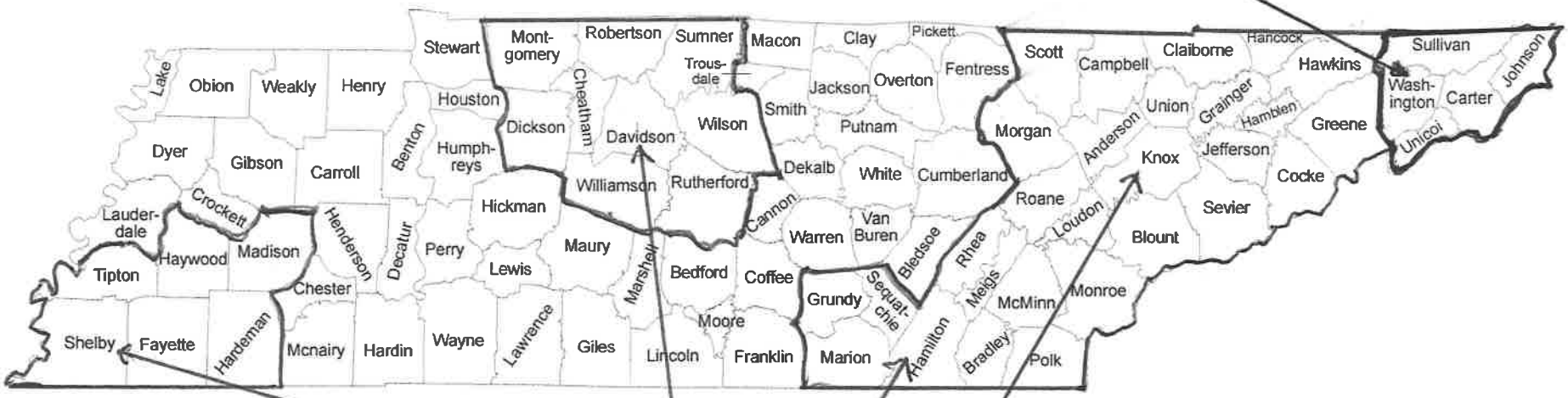
FILE NAME

20140319_208 SUNSET

SHEET 1 OF 1

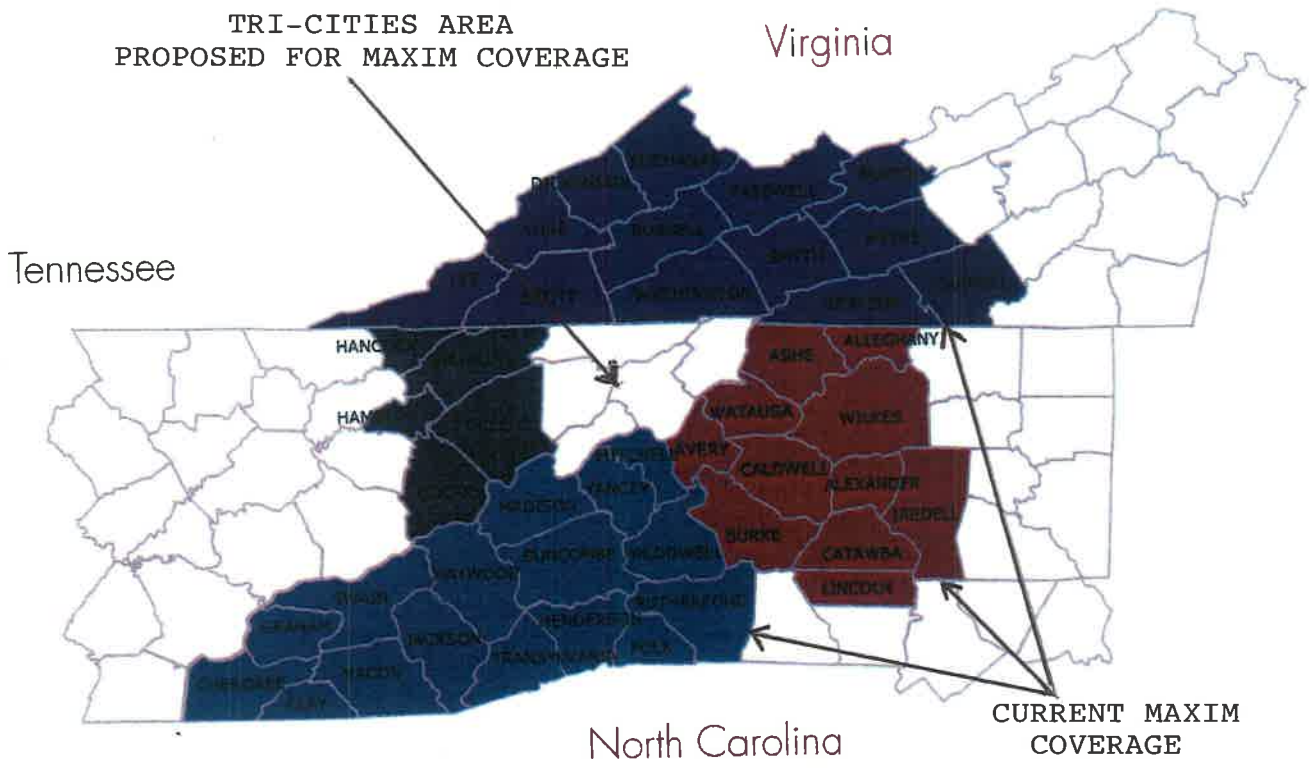
C, Need--3
Service Area Maps

MAXIM HEALTH SERVICES
PROPOSED SERVICE AREA



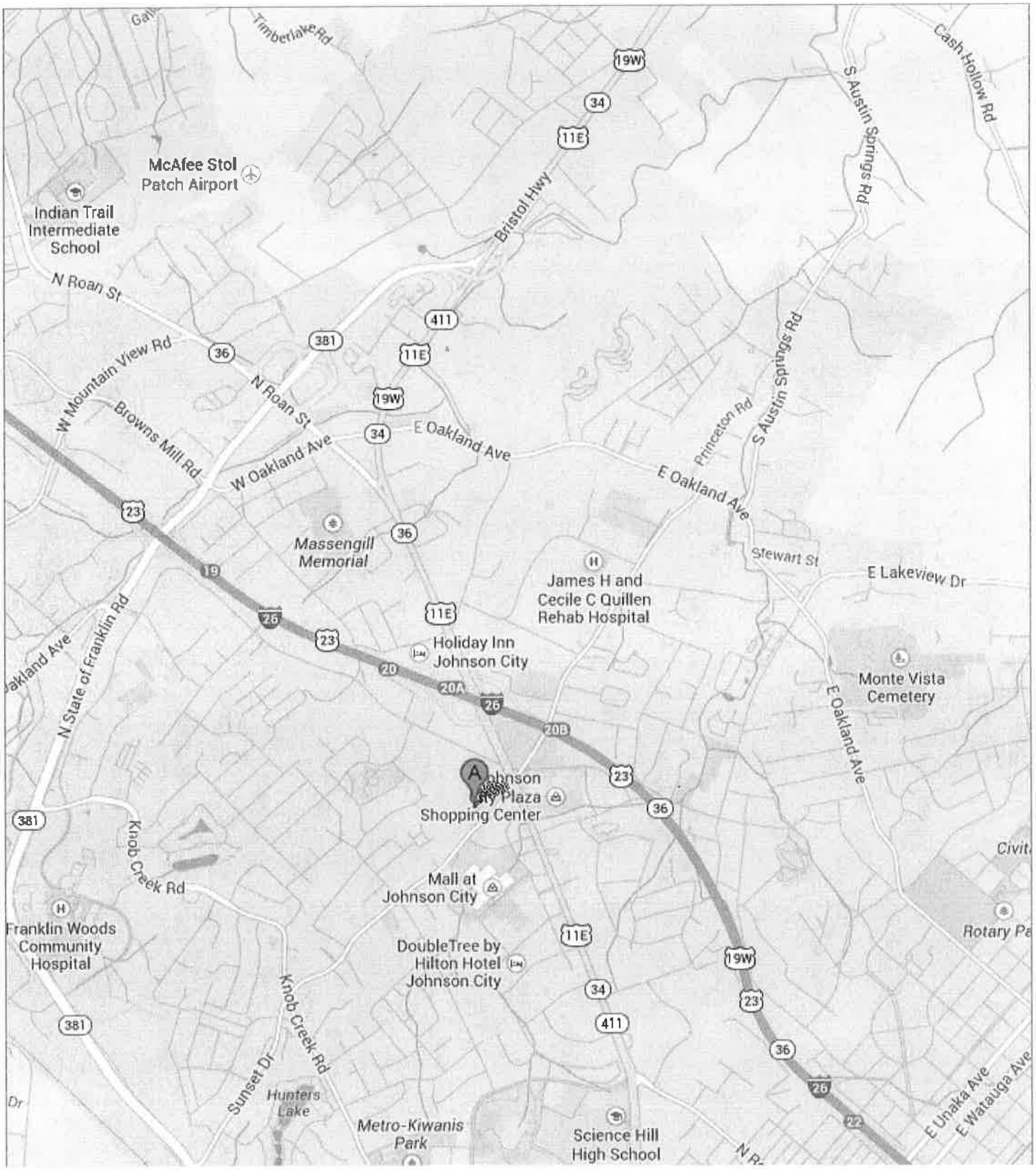
Get Printable Maps From:
Waterproof Paper.com

CURRENT MAXIM COUNTIES


TRI-CITIES AREA
PROPOSED FOR MAXIM COVERAGE
Virginia
Tennessee
North Carolina
CURRENT MAXIM
COVERAGE
ASHE
ALLEGHANY
WATAUGA
WILKES
AVERY
CALDWELL
ALEXANDER
IREDELL
BURKE
CATAWBA
LINCOLN
MADISON
YANCEY
BUNCOMBE
HENDERSON
POLK
JACKSON
MACON
CLAY

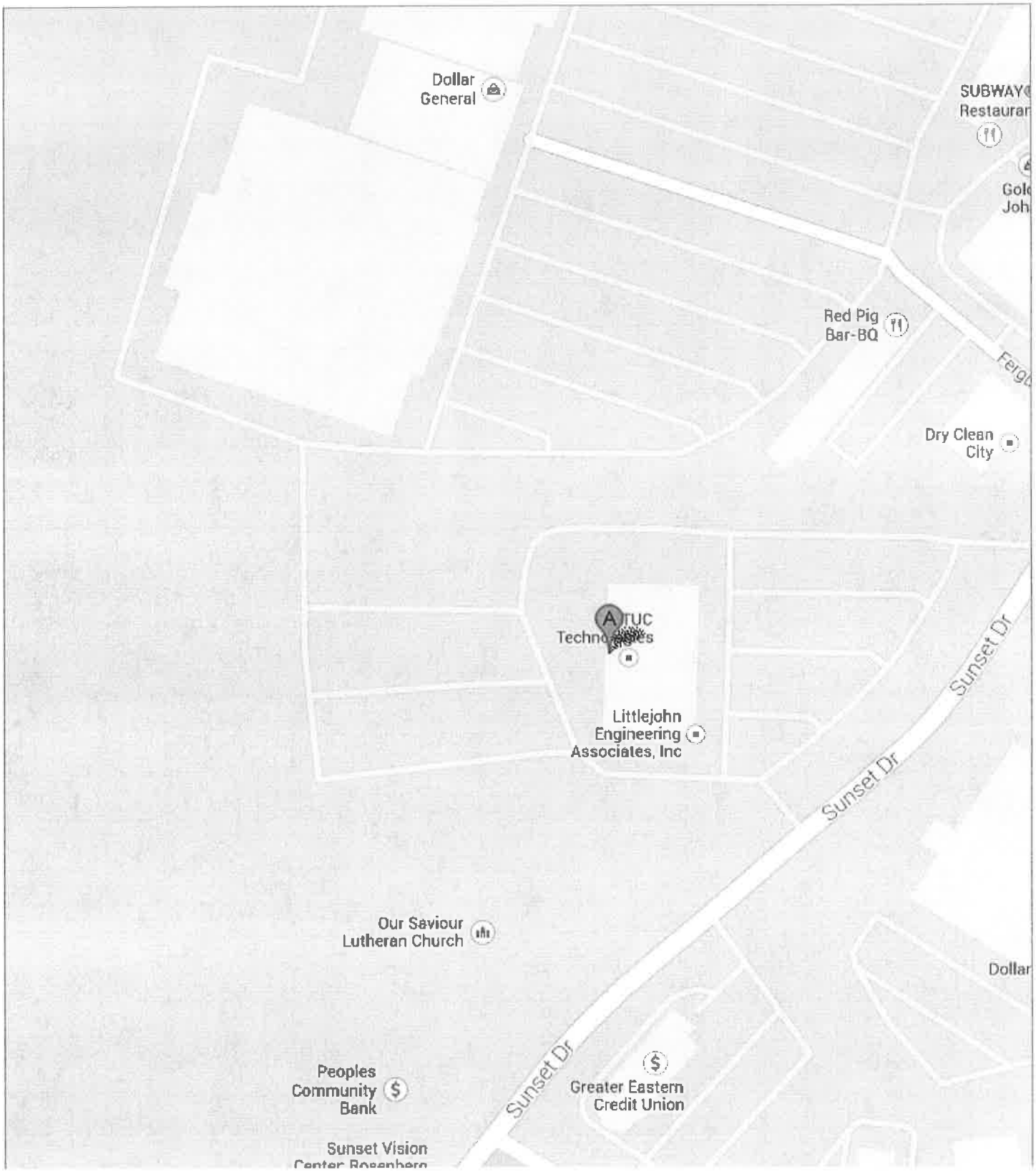
To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



C, Economic Feasibility--1
Documentation of Construction Cost Estimate

C, Economic Feasibility--2
Documentation of Availability of Funding

7227 LEE DEFOREST DRIVE
COLUMBIA, MD 21046
TOLL FREE: 800 ▲ 796 ▲ 2946

MAXIM
HEALTHCARE SERVICES®

May 2, 2014

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, 9th Floor
500 Deaderick Street
Nashville, Tennessee 37243

RE: Maxim Healthcare Services, Johnson City, Tennessee

Dear Mrs. Hill:

Maxim Healthcare Services, Inc. is applying for a Certificate of Need to establish its fifth principal home health office in Tennessee, in Washington County.

As Chief Financial Officer of Maxim Healthcare Services, Inc., the owner of the proposed new agency, I am writing to confirm that Maxim will provide the approximately $154,000 of capital expenditures needed to implement this project. Maxim Healthcare Services, Inc.'s financial statements are provided in the application to demonstrate the company's capacity to fund this project.

Sincerely,

Raymond Carbone

Raymond Carbone
Chief Financial Officer

C, Economic Feasibility--10
Financial Statements

Maxim Healthcare Services, Inc. and Subsidiaries

Consolidated Financial Statements- UNAUDITED
December 31, 2013 and 2012

PROPRIETARY & CONFIDENTIAL

Maxim Healthcare Services, Inc. and Subsidiaries
Consolidated Balance Sheets (in thousands)
December 31, 2013 and 2012

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 15,918	$ 6,620
Accounts receivable, less allowance for doubtful accounts of $16,353 and $18,312 in 2013 and 2012, respectively	195,119	189,346
Inventory	1,461	578
Prepaid expenses	3,909	5,336
Other current assets	5,019	6,073
Total current assets	221,426	207,953
Property and equipment, net	4,925	9,728
Other assets, net	25,178	37,186
Total assets	$ 251,529	$ 254,867
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 5,623	$ 7,886
Accrued compensation and related costs	59,726	51,864
Due to affiliate	149	1
Deferred compensation	18,641	14,218
Other accrued expenses	28,410	36,876
Credit facility	21,500	12,502
Total current liabilities	134,049	123,347
Other accrued expenses	70,607	70,889
Deferred compensation	36,757	49,622
Total liabilities	241,413	243,858
Stockholders' equity		
Common stock	4	4
Additional paid-in capital	152	152
Retained earnings	12,239	13,645
Stockholder tax advances	(2,279)	(2,792)
Total stockholders' equity	10,116	11,009
Total liabilities and stockholders' equity	$ 251,529	$ 254,867

PROPRIETARY & CONFIDENTIAL

The accompanying notes are an integral part of these consolidated financial statements.

Maxim Healthcare Services, Inc. and Subsidiaries
Consolidated Statements of Operations (in thousands)
Years Ended December 31, 2013 and 2012

	2013	2012
Revenues	$ 1,226,911	$ 1,241,536
Operating expenses	1,214,161	1,248,226
Goodwill and intangible impairment loss	12,313	11,376
Gain (Loss) from operations	437	(18,066)
Investment income	488	186
Interest expense	(2,331)	(3,593)
Loss before provision for income taxes	(1,406)	(21,473)
Provision for income taxes	-	(420)
Net loss	$ (1,406)	$ (21,893)

PROPRIETARY & CONFIDENTIAL

The accompanying notes are an integral part of these consolidated financial statements.

Maxim Healthcare Services, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity (in thousands)
Years Ended December 31, 2013 and 2012

	Common Stock	Additional Paid-in Capital	Retained Earnings	Stockholder Tax (Advances) Repayments	Total
Balance, December 31, 2011	$ 4	$ 152	$ 35,538	$ (3,548)	$ 32,146
Repayments of stockholder advances	-	-	-	756	756
Net loss	-	-	(21,893)	-	(21,893)
Balance, December 31, 2012	4	152	13,645	(2,792)	11,009
Repayments of stockholder advances	-	-	-	513	513
Net loss	-	-	(1,406)	-	(1,406)
Balance, December 31, 2013	$ 4	$ 152	$ 12,239	$ (2,279)	$ 10,116

PROPRIETARY & CONFIDENTIAL

The accompanying notes are an integral part of these consolidated financial statements.

Maxim Healthcare Services, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (in thousands)
Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Net loss	$ (1,406)	$ (21,893)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	5,901	10,010
Stock-based compensation	8,387	(932)
Loss (gain) on sale of fixed assets	400	(1,126)
Impairment loss on disposal of fixed assets	-	7,458
Goodwill and intangible impairment	12,313	11,376
Bad debt expense	10,149	11,813
Changes in operating assets and liabilities		
Decrease (increase) in:		
Accounts receivable, net	(15,922)	9,530
Inventory	(883)	311
Prepaid expenses	1,427	(146)
Other current assets	1,054	4,820
(Decrease) increase in:		
Accounts payable	(2,263)	(4,543)
Accrued compensation and related costs	7,862	9,228
Deferred compensation	(16,829)	(13,667)
Due to affiliate	148	(114)
Other accrued expenses	(8,748)	(21,414)
Net cash provided by (used in) operating activities	1,590	711
Cash flows from investing activities		
Purchases of fixed assets, net	(938)	(2,871)
Increase in other assets	(950)	(49)
Proceeds from sale of assets	85	1,386
Net cash used in investing activities	(1,803)	(1,534)
Cash flows from financing activities		
Borrowings under credit facility	256,333	1,239,916
Payments under credit facility	(247,335)	(1,243,322)
Repayments of stockholder tax advances	513	756
Net cash (used in) provided by financing activities	9,511	(2,650)
Net decrease in cash and cash equivalents	9,298	(3,473)
Cash and cash equivalents		
Beginning of year	6,620	10,093
End of year	$ 15,918	$ 6,620
Supplemental cash flow information		
Cash paid for		
Interest	$ 2,368	$ 3,732
Taxes	92	117

The accompanying notes are an integral part of these consolidated financial statements.

PROPRIETARY & CONFIDENTIAL

C, Orderly Development--7(C)
Licensing & Accreditation Inspections

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975C Hwy. 45 ByPass
JACKSON, TENNESSEE 38305

May 1, 2014

Mr. Jimmy Nichols, Administrator
Maxim Healthcare Services, Inc.
2416 Hillsboro Road, Suite 208
Nashville, Tennessee 37212

RE: Recertification Survey 04/09/2014 – Provider #447580

Dear Mr. Nichols:

We are pleased to advise you that no deficiencies were cited as a result of the recertification survey conducted at your facility on April 09, 2014. The enclosed form is for your records.

Thank you for the courtesy shown during this survey. If this office may be of any assistance to you, please do not hesitate to call (731) 421-5113.

Sincerely,

P. Diane Carter

P. Diane Carter RN, LNCC
Public Health Nurse Consultant 2

PDC/gk

Enclosure

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

PRINTED: 05/01/2014
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
	447580		04/09/2014

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
MAXIM HEALTHCARE SERVICES, INC	2416 HILLSBORO ROAD, SUITE 208 NASHVILLE, TN 37212

(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
G9999	FINAL OBSERVATIONS No deficiencies were cited as a result of the Recertification Survey conducted 4/9/14.	G9999		

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: _____ B. WING _____	(X3) DATE SURVEY COMPLETED
	TNH213		08/22/2013

NAME OF PROVIDER OR SUPPLIER

MAXIM HEALTHCARE SERVICES

STREET ADDRESS, CITY, STATE, ZIP CODE

6142 SHALLOWFORD ROAD, SUITE 103
CHATTANOOGA, TN 37421

(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
H 002	1200-8-26 No Deficiencies. A Licensure survey was conducted from August 20, 2013, to August 22, 2013, at Maxim Healthcare Services. No deficiencies were cited under Chapter 1200-8-26 Standards for Home Care Organizations Providing Home Health Care.	H 002		

Division of Health Care Facilities
LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE [signature] TITLE Administrative Officer (X6) DATE 8/23

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

December 5, 2013

Mr. Ian Phillips, Administrator
Maxim Healthcare Services, Inc.
7417 Kingston Pike, Suite 105
Knoxville, TN 37919

Re CMS Certification Number: 447579

Dear Mr. Phillips:

The East Tennessee Regional Office of Health Care Facilities conducted a licensure survey/complaint investigation at your facility on November 25-26, 2013. As a result of the survey, no deficient practice was found.

If our office may be of assistance to you, please feel free to call (865) 588-5656.

Sincerely,

Karen B. Kirby /dt

Karen B. Kirby, RN
Regional Administrator

KBK/dt

Enclosure

#32396

PRINTED: 12/04/2013
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
	TNH220		11/26/2013

NAME OF PROVIDER OR SUPPLIER: MAXIM HEALTHCARE SERVICES, INC

STREET ADDRESS, CITY, STATE, ZIP CODE: 7417 KINGSTON PIKE SUITE 105, KNOXVILLE, TN 37919

(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
H 001	1200-8-26 Initial. A licensure survey was conducted at Maxim Healthcare Services, Inc., on November 26, 2013. No deficiencies were cited under 1200-8-26 Standards for Homecare Organizations Providing Home Health Services.	H 001		

Division of Health Care Facilities

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

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

PRINTED: 12/03/2013
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
	447579		C 11/26/2013

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
MAXIM HEALTHCARE SERVICES, INC	7417 KINGSTON PIKE SUITE 105 KNOXVILLE, TN 37919

(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
G 000	INITIAL COMMENTS Complaint investigation #32396 was completed on November 26,2013, at Maxim Healthcare Services, Inc. No deficiencies were cited related to the complaint under 42 CFR Part 484, Requirements for Home Care Organizations providing Home Health Services.	G 000		

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

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

Miscellaneous Information

Midmonth Report for January 2014

* This report is a count of people taken in the middle of the month for which the report was run.
* This report is run three months after the month of the report in an effort to reduce fluctuations in the results.

MCO	REGION	Total
Awaiting MCO assignment		300
AMERIGROUP COMMUNITY CARE	Middle Tennessee	196,255
BLUECARE	East Tennessee	209,356
BLUECARE	West Tennessee	174,466
TENNCARE SELECT	All	45,497
UnitedHealthcare Community Plan	East Tennessee	195,258
	Middle Tennessee	196,612
	West Tennessee	173,022
Grand Total		**1,190,766**

	Female				Female	Male					
COUNTY	0 - 18	19 - 20	21 - 64	65 ->	Total	0 - 18	19 - 20	21 - 64	65 ->	Male Total	Grand Total
ANDERSON	3,778	260	3,214	585	7,837	3,873	187	1,614	261	5,934	13,771
BEDFORD	3,301	213	2,265	252	6,031	3,483	122	955	106	4,666	10,698
BENTON	858	78	802	136	1,875	962	52	434	69	1,517	3,392
BLEDSOE	722	50	629	118	1,518	834	39	368	48	1,288	2,806
BLOUNT	5,249	376	4,443	658	10,726	5,336	261	2,033	290	7,920	18,646
BRADLEY	4,998	371	4,307	622	10,298	5,346	216	1,912	263	7,737	18,036
CAMPBELL	2,629	225	2,976	639	6,470	2,762	175	1,666	362	4,965	11,435
CANNON	658	47	623	123	1,451	741	45	283	51	1,120	2,571
CARROLL	1,616	166	1,616	340	3,738	1,823	104	817	139	2,882	6,621
CARTER	2,884	213	2,589	702	6,387	3,032	156	1,358	260	4,807	11,194
CHEATHAM	1,780	130	1,439	179	3,527	1,866	97	652	73	2,688	6,215
CHESTER	908	70	822	148	1,948	942	64	332	61	1,399	3,347
CLAIBORNE	1,817	157	1,855	536	4,365	1,933	105	1,165	241	3,444	7,809
CLAY	488	35	407	103	1,033	497	28	261	80	866	1,899
COCKE	2,513	185	2,348	439	5,486	2,586	133	1,339	222	4,280	9,766
COFFEE	3,113	198	2,617	369	6,297	3,158	108	1,153	169	4,588	10,884
CROCKETT	1,004	79	741	204	2,028	961	50	359	75	1,445	3,473
CUMBERLAND	2,812	212	2,307	503	5,834	2,956	143	1,204	211	4,515	10,349
DAVIDSON	36,005	2,231	27,032	3,182	68,449	37,028	1,641	10,303	1,472	50,445	118,894
DECATUR	575	60	537	201	1,373	661	24	330	68	1,084	2,458
DEKALB	1,231	62	1,014	186	2,493	1,260	52	527	99	1,938	4,431
DICKSON	2,475	187	2,181	288	5,131	2,689	134	885	109	3,817	8,948
DYER	2,419	229	2,218	421	5,287	2,545	158	931	144	3,778	9,065
FAYETTE	1,607	120	1,237	291	3,255	1,732	86	576	135	2,528	5,784
FENTRESS	1,230	108	1,200	360	2,899	1,341	93	782	172	2,388	5,287
FRANKLIN	1,721	149	1,496	257	3,624	1,816	95	695	105	2,711	6,335
GIBSON	2,923	231	2,739	597	6,490	3,123	174	1,191	259	4,748	11,238
GILES	1,389	108	1,191	241	2,929	1,379	81	588	101	2,149	5,078
GRAINGER	1,286	94	1,086	284	2,750	1,281	75	662	147	2,164	4,915
GREENE	3,125	235	3,109	728	7,197	3,352	145	1,638	357	5,491	12,688
GRUNDY	1,050	86	1,037	218	2,390	1,151	70	594	135	1,950	4,340
HAMBLEN	3,927	229	2,721	513	7,390	4,006	150	1,233	216	5,605	12,995
HAMILTON	15,245	1,103	13,226	2,204	31,778	15,999	769	5,382	851	23,001	54,779
HANCOCK	487	49	510	155	1,201	548	47	295	71	961	2,162
HARDEMAN	1,569	125	1,498	328	3,520	1,580	82	745	157	2,565	6,085
HARDIN	1,556	115	1,453	380	3,505	1,628	83	756	200	2,667	6,171
HAWKINS	3,007	234	2,820	575	6,635	3,102	163	1,428	264	4,957	11,593
HAYWOOD	1,385	100	1,329	279	3,092	1,508	82	430	113	2,132	5,224
HENDERSON	1,609	122	1,477	273	3,482	1,678	84	635	104	2,501	5,983
HENRY	1,855	148	1,619	283	3,906	1,975	116	787	98	2,976	6,882

	Female				Female	Male					
COUNTY	0 - 18	19 - 20	21 - 64	65 -->	Total	0 - 18	19 - 20	21 - 64	65 -->	Male Total	Grand Total
HICKMAN	1,360	123	1,214	186	2,883	1,529	101	671	81	2,381	5,264
HOUSTON	376	22	378	117	892	437	22	194	69	722	1,614
HUMPHREYS	917	82	811	151	1,961	967	33	400	67	1,466	3,427
JACKSON	600	50	586	138	1,374	659	37	351	93	1,140	2,513
JEFFERSON	2,820	186	2,267	496	5,769	2,958	125	1,114	195	4,392	10,161
JOHNSON	912	75	867	288	2,143	966	51	571	148	1,737	3,879
KNOX	17,201	1,123	15,379	2,371	36,073	17,863	755	6,637	1,002	26,257	62,331
LAKE	414	45	504	149	1,112	508	34	227	67	836	1,948
LAUDERDALE	1,884	158	1,699	306	4,046	1,924	115	690	124	2,852	6,899
LAWRENCE	2,254	184	1,918	397	4,754	2,489	130	929	154	3,702	8,455
LEWIS	668	53	556	113	1,390	713	49	253	52	1,067	2,458
LINCOLN	1,714	128	1,361	291	3,494	1,784	100	682	113	2,679	6,173
LOUDON	2,076	142	1,511	275	4,004	2,119	85	705	112	3,022	7,026
MACON	1,641	117	1,336	243	3,336	1,681	76	653	111	2,522	5,858
MADISON	5,903	449	5,352	832	12,537	5,825	285	1,865	329	8,305	20,841
MARION	1,598	138	1,532	242	3,510	1,630	84	679	128	2,521	6,031
MARSHALL	1,523	96	1,260	160	3,039	1,610	78	522	63	2,273	5,312
MAURY	4,154	280	3,387	532	8,353	4,421	198	1,332	183	6,134	14,487
MCMINN	2,754	199	2,385	510	5,848	2,895	138	1,110	202	4,346	10,194
MCNAIRY	1,638	148	1,607	385	3,778	1,718	120	889	185	2,913	6,690
MEIGS	686	64	588	87	1,425	711	47	317	43	1,118	2,543
MONROE	2,549	205	2,262	505	5,521	2,796	124	1,179	251	4,350	9,871
MONTGOMERY	7,102	508	5,843	633	14,086	7,404	301	1,971	212	9,887	23,974
MOORE	195	21	138	46	399	246	13	71	16	346	745
MORGAN	1,148	85	917	188	2,338	1,187	63	505	103	1,858	4,196
OBION	1,795	124	1,620	294	3,834	1,905	71	629	105	2,711	6,545
OVERTON	1,131	93	948	258	2,430	1,244	73	551	136	2,004	4,434
PERRY	500	38	381	80	999	513	30	234	43	820	1,819
PICKETT	224	17	206	93	540	284	7	125	37	453	993
POLK	873	63	797	141	1,874	932	58	413	75	1,477	3,352
PUTNAM	3,709	327	3,167	743	7,946	3,855	194	1,681	313	6,043	13,990
RHEA	2,248	132	1,775	328	4,482	2,261	125	867	124	3,377	7,859
ROANE	2,323	180	2,321	533	5,356	2,621	112	1,292	209	4,234	9,590
ROBERTSON	3,340	198	2,272	359	6,169	3,520	123	896	154	4,693	10,862
RUTHERFORD	11,370	831	7,979	970	21,150	11,778	514	2,859	393	15,543	36,694
SCOTT	1,746	131	1,658	386	3,920	1,814	97	939	192	3,043	6,963
SEQUATCHIE	931	68	790	148	1,937	934	58	437	52	1,481	3,417
SEVIER	4,621	290	3,165	453	8,528	4,965	171	1,303	153	6,592	15,120
SHELBY	67,752	5,364	54,646	6,550	134,312	69,404	3,849	16,594	2,492	92,339	226,651
SMITH	993	83	852	161	2,089	999	46	404	62	1,511	3,600
STEWART	644	62	614	112	1,432	708	32	304	54	1,098	2,530
SULLIVAN	7,018	516	6,821	1,298	15,652	7,426	373	3,444	577	11,819	27,472
SUMNER	6,657	444	5,355	771	13,227	6,995	331	2,074	308	9,708	22,935
TIPTON	3,363	286	2,656	361	6,667	3,526	202	972	147	4,847	11,514
TROUSDALE	477	39	390	85	991	456	35	182	41	714	1,705
UNICOI	859	54	806	258	1,976	969	40	370	115	1,494	3,470
UNION	1,280	81	911	164	2,436	1,248	65	533	82	1,929	4,364
VAN BUREN	290	16	254	61	621	320	16	163	45	544	1,165
WARREN	2,520	191	2,087	430	5,229	2,634	125	1,028	177	3,965	9,193
WASHINGTON	4,930	377	4,863	952	11,122	5,103	277	2,316	401	8,097	19,219
WAYNE	728	55	664	178	1,625	779	47	337	76	1,239	2,864
WEAKLEY	1,660	200	1,565	318	3,743	1,733	117	756	108	2,715	6,458
WHITE	1,547	113	1,329	303	3,293	1,626	92	755	115	2,588	5,882
WILLIAMSON	2,609	143	1,768	330	4,851	2,760	106	690	138	3,693	8,544
WILSON	4,196	286	3,407	480	8,369	4,314	194	1,374	178	6,061	14,430
Grand Total	335,229	24,673	280,455	46,137	686,493	349,138	17,231	118,335	19,568	504,272	1,190,766

Carter County, Tennessee

People QuickFacts	Carter County	Tennessee
Population, 2013 estimate	57,338	6,495,978
Population, 2012 estimate	57,341	6,454,914
Population, 2010 (April 1) estimates base	57,424	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	-0.1%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	-0.1%	1.7%
Population, 2010	57,424	6,346,105
Persons under 5 years, percent, 2012	5.2%	6.3%
Persons under 18 years, percent, 2012	19.9%	23.1%
Persons 65 years and over, percent, 2012	18.5%	14.2%
Female persons, percent, 2012	51.1%	51.2%
White alone, percent, 2012 (a)	96.9%	79.3%
Black or African American alone, percent, 2012 (a)	1.4%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.2%	0.4%
Asian alone, percent, 2012 (a)	0.3%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.1%	1.6%
Hispanic or Latino, percent, 2012 (b)	1.7%	4.8%
White alone, not Hispanic or Latino, percent, 2012	95.4%	75.1%
Living in same house 1 year & over, percent, 2008-2012	86.7%	84.4%
Foreign born persons, percent, 2008-2012	0.8%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	2.2%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	79.0%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	15.5%	23.5%
Veterans, 2008-2012	5,258	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	22.8	24.1
Housing units, 2012	27,817	2,834,620
Homeownership rate, 2008-2012	73.3%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	12.0%	18.2%
Median value of owner-occupied housing units, 2008-2012	$98,800	$138,700
Households, 2008-2012	23,998	2,468,841
Persons per household, 2008-2012	2.33	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	$18,394	$24,294
Median household income, 2008-2012	$32,908	$44,140
Persons below poverty level, percent, 2008-2012	22.8%	17.3%

Business QuickFacts	Carter County	Tennessee
Private nonfarm establishments, 2011	710	129,489[1]
Private nonfarm employment, 2011	8,719	2,300,542[1]
Private nonfarm employment, percent change, 2010-2011	-3.5%	1.6%[1]
Nonemployer establishments, 2011	3,366	473,451
Total number of firms, 2007	3,938	545,348
Black-owned firms, percent, 2007	S	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

Johnson County, Tennessee

People QuickFacts	Johnson County	Tennessee
Population, 2013 estimate	17,977	6,495,978
Population, 2012 estimate	18,107	6,454,914
Population, 2010 (April 1) estimates base	18,244	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	-1.5%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	-0.8%	1.7%
Population, 2010	18,244	6,346,105
Persons under 5 years, percent, 2012	4.6%	6.3%
Persons under 18 years, percent, 2012	18.1%	23.1%
Persons 65 years and over, percent, 2012	19.4%	14.2%
Female persons, percent, 2012	46.4%	51.2%
White alone, percent, 2012 (a)	96.3%	79.3%
Black or African American alone, percent, 2012 (a)	2.2%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.2%	0.4%
Asian alone, percent, 2012 (a)	0.2%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.0%	1.6%
Hispanic or Latino, percent, 2012 (b)	1.6%	4.8%
White alone, not Hispanic or Latino, percent, 2012	94.9%	75.1%
Living in same house 1 year & over, percent, 2008-2012	90.5%	84.4%
Foreign born persons, percent, 2008-2012	0.7%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	2.0%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	71.5%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	10.5%	23.5%
Veterans, 2008-2012	1,604	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	25.3	24.1
Housing units, 2012	8,936	2,834,620
Homeownership rate, 2008-2012	77.4%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	4.6%	18.2%
Median value of owner-occupied housing units, 2008-2012	$101,300	$138,700
Households, 2008-2012	7,233	2,468,841
Persons per household, 2008-2012	2.27	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	$16,929	$24,294
Median household income, 2008-2012	$30,063	$44,140
Persons below poverty level, percent, 2008-2012	25.4%	17.3%

Business QuickFacts	Johnson County	Tennessee
Private nonfarm establishments, 2011	228	129,489[1]
Private nonfarm employment, 2011	2,639	2,300,542[1]
Private nonfarm employment, percent change, 2010-2011	9.2%	1.6%[1]
Nonemployer establishments, 2011	1,099	473,451
Total number of firms, 2007	1,364	545,348
Black-owned firms, percent, 2007	F	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

Sullivan County, Tennessee

People QuickFacts	Sullivan County	Tennessee
Population, 2013 estimate	156,595	6,495,978
Population, 2012 estimate	156,655	6,454,914
Population, 2010 (April 1) estimates base	156,823	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	-0.1%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	-0.1%	1.7%
Population, 2010	156,823	6,346,105
Persons under 5 years, percent, 2012	5.1%	6.3%
Persons under 18 years, percent, 2012	20.1%	23.1%
Persons 65 years and over, percent, 2012	19.5%	14.2%
Female persons, percent, 2012	51.6%	51.2%
White alone, percent, 2012 (a)	95.4%	79.3%
Black or African American alone, percent, 2012 (a)	2.3%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.3%	0.4%
Asian alone, percent, 2012 (a)	0.6%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.3%	1.6%
Hispanic or Latino, percent, 2012 (b)	1.6%	4.8%
White alone, not Hispanic or Latino, percent, 2012	94.1%	75.1%
Living in same house 1 year & over, percent, 2008-2012	85.7%	84.4%
Foreign born persons, percent, 2008-2012	1.5%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	2.6%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	83.8%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	20.6%	23.5%
Veterans, 2008-2012	14,815	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	21.2	24.1
Housing units, 2012	73,878	2,834,620
Homeownership rate, 2008-2012	74.7%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	13.7%	18.2%
Median value of owner-occupied housing units, 2008-2012	$118,100	$138,700
Households, 2008-2012	66,595	2,468,841
Persons per household, 2008-2012	2.31	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	$23,823	$24,294
Median household income, 2008-2012	$40,025	$44,140
Persons below poverty level, percent, 2008-2012	16.9%	17.3%

Business QuickFacts	Sullivan County	Tennessee
Private nonfarm establishments, 2011	3,339	129,489[1]
Private nonfarm employment, 2011	64,241	2,300,542[1]
Private nonfarm employment, percent change, 2010-2011	1.5%	1.6%[1]
Nonemployer establishments, 2011	9,543	473,451
Total number of firms, 2007	12,859	545,348
Black-owned firms, percent, 2007	S	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	0.3%	0.5%

Unicoi County, Tennessee

People QuickFacts	Unicoi County	Tennessee
Population, 2013 estimate	18,082	6,495,978
Population, 2012 estimate	18,247	6,454,914
Population, 2010 (April 1) estimates base	18,313	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	-1.3%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	-0.4%	1.7%
Population, 2010	18,313	6,346,105
Persons under 5 years, percent, 2012	4.7%	6.3%
Persons under 18 years, percent, 2012	19.8%	23.1%
Persons 65 years and over, percent, 2012	20.6%	14.2%
Female persons, percent, 2012	51.0%	51.2%
White alone, percent, 2012 (a)	98.1%	79.3%
Black or African American alone, percent, 2012 (a)	0.4%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.3%	0.4%
Asian alone, percent, 2012 (a)	0.2%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.0%	1.6%
Hispanic or Latino, percent, 2012 (b)	4.2%	4.8%
White alone, not Hispanic or Latino, percent, 2012	94.0%	75.1%
Living in same house 1 year & over, percent, 2008-2012	86.8%	84.4%
Foreign born persons, percent, 2008-2012	3.0%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	5.0%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	75.8%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	11.3%	23.5%
Veterans, 2008-2012	1,518	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	24.4	24.1
Housing units, 2012	8,809	2,834,620
Homeownership rate, 2008-2012	76.5%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	6.9%	18.2%
Median value of owner-occupied housing units, 2008-2012	$117,500	$138,700
Households, 2008-2012	7,520	2,468,841
Persons per household, 2008-2012	2.36	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	$20,542	$24,294
Median household income, 2008-2012	$35,415	$44,140
Persons below poverty level, percent, 2008-2012	22.1%	17.3%

Business QuickFacts	Unicoi County	Tennessee
Private nonfarm establishments, 2011	248	129,489[1]
Private nonfarm employment, 2011	3,990	2,300,542[1]
Private nonfarm employment, percent change, 2010-2011	-1.8%	1.6%[1]
Nonemployer establishments, 2011	786	473,451
Total number of firms, 2007	1,233	545,348
Black-owned firms, percent, 2007	F	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

Washington County, Tennessee

People QuickFacts	Washington County	Tennessee
Population, 2013 estimate	125,546	6,495,978
Population, 2012 estimate	124,924	6,454,914
Population, 2010 (April 1) estimates base	122,979	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	2.1%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	1.6%	1.7%
Population, 2010	122,979	6,346,105
Persons under 5 years, percent, 2012	5.3%	6.3%
Persons under 18 years, percent, 2012	19.8%	23.1%
Persons 65 years and over, percent, 2012	16.0%	14.2%
Female persons, percent, 2012	51.1%	51.2%
White alone, percent, 2012 (a)	92.6%	79.3%
Black or African American alone, percent, 2012 (a)	4.1%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.4%	0.4%
Asian alone, percent, 2012 (a)	1.3%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.6%	1.6%
Hispanic or Latino, percent, 2012 (b)	3.1%	4.8%
White alone, not Hispanic or Latino, percent, 2012	90.0%	75.1%
Living in same house 1 year & over, percent, 2008-2012	83.6%	84.4%
Foreign born persons, percent, 2008-2012	3.4%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	4.6%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	85.7%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	28.9%	23.5%
Veterans, 2008-2012	11,787	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	20.3	24.1
Housing units, 2012	57,926	2,834,620
Homeownership rate, 2008-2012	66.7%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	22.2%	18.2%
Median value of owner-occupied housing units, 2008-2012	$145,800	$138,700
Households, 2008-2012	51,260	2,468,841
Persons per household, 2008-2012	2.31	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	$25,381	$24,294
Median household income, 2008-2012	$42,995	$44,140
Persons below poverty level, percent, 2008-2012	17.3%	17.3%

Business QuickFacts	Washington County	Tennessee
Private nonfarm establishments, 2011	2,814	129,489[1]
Private nonfarm employment, 2011	49,087	2,300,542[1]
Private nonfarm employment, percent change, 2010-2011	-0.3%	1.6%[1]
Nonemployer establishments, 2011	7,696	473,451
Total number of firms, 2007	10,153	545,348
Black-owned firms, percent, 2007	2.0%	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

Joint Annual Report of Home Health Agencies - 2013 Final*
Comparison of Population Based Need Projection vs. Actual Utilization (2018 vs. 2013)**

Service Area	Agencies Licensed to Serve	Agencies Report Serving	Total Patients Served	Estimated 2013 Pop.	Use Rate	Projected 2018 Pop.	Projected Capacity	Projected Need (.015 x 2018 Pop.)	Need or (Surplus) for 2018
Tennessee	1,619	1,457	175,924	6,528,014	0.0269	6,833,509	184,157	102,503	(81,654)
Anderson	22	19	2,893	76,182	0.0380	77,851	2,956	1,168	(1,789)
Bedford	20	19	1,120	46,700	0.0240	50,566	1,213	758	(454)
Benton	11	10	667	16,315	0.0409	16,104	658	242	(417)
Bledsoe	10	8	462	12,698	0.0364	12,599	458	189	(269)
Blount	18	18	2,507	126,809	0.0198	135,171	2,672	2,028	(645)
Bradley	16	14	2,021	102,235	0.0198	107,481	2,125	1,612	(512)
Campbell	21	18	1,715	41,163	0.0417	42,566	1,773	638	(1,135)
Cannon	19	16	423	14,013	0.0302	14,540	439	218	(221)
Carroll	13	13	1,246	28,213	0.0442	27,831	1,229	417	(812)
Carter	12	11	2,072	57,228	0.0362	57,680	2,088	865	(1,223)
Cheatham	24	25	772	39,603	0.0195	40,765	795	611	(183)
Chester	14	13	563	17,355	0.0324	17,999	584	270	(314)
Claiborne	19	15	2,002	32,457	0.0617	33,280	2,053	499	(1,554)
Clay	8	6	250	7,719	0.0324	7,673	249	115	(133)
Cocke	16	14	1,467	36,330	0.0404	38,615	1,559	579	(980)
Coffee	20	16	1,874	53,784	0.0348	56,841	1,981	853	(1,128)
Crockett	13	12	537	14,568	0.0369	14,683	541	220	(321)
Cumberland	15	13	1,601	57,370	0.0279	60,292	1,683	904	(778)
Davidson	32	32	14,912	649,507	0.0230	682,330	15,666	10,235	(5,431)
Decatur	17	14	638	11,773	0.0542	12,080	655	181	(473)
DeKalb	21	16	469	18,918	0.0248	19,125	474	287	(187)
Dickson	25	24	1,617	50,596	0.0320	51,964	1,661	779	(881)
Dyer	11	10	1,671	38,205	0.0437	38,427	1,681	576	(1,104)
Fayette	26	23	713	40,081	0.0178	44,888	799	673	(125)
Fentress	10	7	1,015	18,290	0.0555	18,987	1,054	285	(769)
Franklin	17	12	1,424	41,099	0.0346	42,122	1,459	632	(828)
Gibson	15	14	1,924	50,748	0.0379	52,163	1,978	782	(1,195)
Giles	12	11	1,001	29,325	0.0341	29,285	1,000	439	(560)
Grainger	22	20	886	22,994	0.0385	23,675	912	355	(557)
Greene	20	17	2,454	69,888	0.0351	71,594	2,514	1,074	(1,440)
Grundy	18	16	529	13,396	0.0395	13,293	525	199	(326)
Hamblen	19	17	2,835	63,763	0.0445	65,570	2,915	984	(1,932)
Hamilton	16	16	8,038	345,447	0.0233	353,577	8,227	5,304	(2,924)
Hancock	14	11	682	6,652	0.1025	6,640	681	100	(581)
Hardeman	17	15	917	26,492	0.0346	26,067	902	391	(511)
Hardin	16	14	1,157	25,968	0.0446	26,244	1,169	394	(776)
Hawkins	21	18	2,148	57,273	0.0375	58,164	2,181	872	(1,309)
Haywood	15	13	612	18,199	0.0336	18,009	606	270	(335)
Henderson	14	13	1,015	28,080	0.0361	28,631	1,035	429	(605)
Henry	10	10	1,283	32,595	0.0394	32,956	1,297	494	(803)
Hickman	18	17	725	24,393	0.0297	24,698	734	370	(364)
Houston	12	11	281	8,358	0.0336	8,447	284	127	(157)
Humphreys	16	14	803	18,488	0.0434	18,561	806	278	(528)
Jackson	12	11	402	11,355	0.0354	11,495	407	172	(235)
Jefferson	20	19	1,749	53,006	0.0330	56,872	1,877	853	(1,023)
Johnson	5	5	907	18,126	0.0500	18,127	907	272	(635)
Knox	24	23	9,976	448,093	0.0223	475,569	10,588	7,134	(3,454)
Lake	6	5	325	9,795	0.0332	9,468	314	142	(172)

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

May 2014

Joint Annual Report of Home Health Agencies - 2013 Final*
Comparison of Population Based Need Projection vs. Actual Utilization (2018 vs. 2013)**

Service Area	Agencies Licensed to Serve	Agencies Report Serving	Total Patients Served	Estimated 2013 Pop.	Use Rate	Projected 2018 Pop.	Projected Capacity	Projected Need (.015 x 2018 Pop.)	Need or (Surplus) for 2018
Lauderdale	14	11	857	27,465	0.0312	27,125	846	407	(440)
Lawrence	15	12	1,667	42,280	0.0394	42,387	1,671	636	(1,035)
Lewis	12	10	402	12,111	0.0332	12,224	406	183	(222)
Lincoln	14	12	1,062	33,979	0.0313	35,697	1,116	535	(580)
Loudon	23	21	1,572	50,356	0.0312	53,192	1,661	798	(863)
McMinn	17	17	1,807	53,004	0.0341	54,203	1,848	813	(1,035)
McNairy	15	13	1,089	26,408	0.0412	27,299	1,126	409	(716)
Macon	17	15	849	22,957	0.0370	24,121	892	362	(530)
Madison	16	15	3,121	99,153	0.0315	101,001	3,179	1,515	(1,664)
Marion	16	15	729	28,448	0.0256	28,992	743	435	(308)
Marshall	21	17	816	31,159	0.0262	32,015	838	480	(358)
Maury	23	21	2,412	82,029	0.0294	83,256	2,448	1,249	(1,199)
Meigs	18	16	346	12,064	0.0287	12,643	363	190	(173)
Monroe	19	19	1,517	45,664	0.0332	48,088	1,598	721	(876)
Montgomery	19	20	2,903	184,087	0.0158	200,561	3,163	3,008	(154)
Moore	13	10	97	6,369	0.0152	6,401	97	96	(1)
Morgan	21	21	472	21,826	0.0216	22,004	476	330	(146)
Obion	12	12	1,280	31,536	0.0406	31,222	1,267	468	(799)
Overton	14	11	742	22,376	0.0332	22,967	762	345	(417)
Perry	11	6	258	7,971	0.0324	8,096	262	121	(141)
Pickett	8	6	271	5,045	0.0537	4,943	266	74	(191)
Polk	11	11	427	16,654	0.0256	16,588	425	249	(176)
Putnam	16	14	2,405	75,646	0.0318	82,623	2,627	1,239	(1,387)
Rhea	16	15	927	32,966	0.0281	34,790	978	522	(456)
Roane	24	22	2,354	53,918	0.0437	54,457	2,378	817	(1,561)
Robertson	26	26	1,739	69,336	0.0251	74,371	1,865	1,116	(750)
Rutherford	29	29	5,503	285,141	0.0193	329,446	6,358	4,942	(1,416)
Scott	18	15	835	21,986	0.0380	21,969	834	330	(505)
Sequatchie	14	11	413	14,756	0.0280	16,004	448	240	(208)
Sevier	19	18	2,452	93,637	0.0262	100,362	2,628	1,505	(1,123)
Shelby	27	27	18,064	940,972	0.0192	954,012	18,314	14,310	(4,004)
Smith	17	14	708	19,445	0.0364	20,281	738	304	(434)
Stewart	10	10	339	13,436	0.0252	13,941	352	209	(143)
Sullivan	14	13	5,259	158,451	0.0332	161,136	5,348	2,417	(2,931)
Sumner	26	27	4,160	169,409	0.0246	183,406	4,504	2,751	(1,753)
Tipton	26	22	1,298	63,001	0.0206	67,545	1,392	1,013	(378)
Trousdale	16	14	431	8,046	0.0536	8,582	460	129	(331)
Unicoi	13	11	659	18,334	0.0359	18,511	665	278	(388)
Union	21	18	371	19,231	0.0193	19,605	378	294	(84)
Van Buren	12	11	240	5,456	0.0440	5,474	241	82	(159)
Warren	20	15	2,266	40,299	0.0562	41,155	2,314	617	(1,697)
Washington	16	14	4,181	128,537	0.0325	138,370	4,501	2,076	(2,425)
Wayne	11	9	640	16,887	0.0379	16,724	634	251	(383)
Weakley	13	11	1,180	38,255	0.0308	39,491	1,218	592	(626)
White	14	9	962	26,612	0.0361	27,974	1,011	420	(592)
Williamson	32	32	2,815	198,045	0.0142	223,333	3,174	3,350	176
Wilson	28	31	3,727	121,626	0.0306	133,357	4,086	2,000	(2,086)

*Most recent year of Joint Annual Report data for Home Health Agencies

Data is projected four years from the year the Home Health data was **finalized, not the actual year of Home Health data.

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics May 2014

County Names	Draft 2015 Need Projections				
	Projected Population 2015	Projected HH Patients 2015	Possible Expansion of Existing HHOs	Actual 2012 HH Patients From JAR	Projected Need (Surplus)
STATE/TOTAL	*6,649,438*	*186,775*	*13,408*	*172,926*	*441*
Anderson	76,949	2,368	176	2,955	(763)
Bedford	48,099	1,349	136	965	248
Benton	16,208	747	88	680	(21)
Bledsoe	12,610	486	64	381	41
Blount	129,973	3,734	184	2,838	712
Bradley	104,364	3,210	176	2,990	44
Campbell	41,783	1,405	160	1,593	(348)
Cannon	14,218	551	128	509	(86)
Carroll	28,012	1,172	112	1,224	(164)
Carter	57,359	2,046	112	1,980	(46)
Cheatham	40,088	958	192	803	(37)
Chester	17,593	631	104	565	(38)
Claiborne	32,765	1,255	152	2,067	(964)
Clay	7,681	347	48	219	80
Cocke	37,207	1,402	112	1,373	(83)
Coffee	54,817	1,564	160	1,729	(325)
Crockett	14,611	558	88	486	(16)
Cumberland	58,340	2,698	136	1,782	780
Davidson	663,151	13,955	464	13,874	(383)
Decatur	11,883	530	96	545	(111)
DeKalb	18,996	721	136	582	3
Dickson	51,127	1,333	192	1,427	(286)
Dyer	38,246	1,379	104	1,828	(553)
Fayette	41,835	1,327	192	631	504
Fentress	18,553	733	88	1,060	(415)
Franklin	41,391	1,383	112	1,105	166
Gibson	51,412	1,709	152	1,961	(404)
Giles	29,293	1,163	112	1,336	(285)
Grainger	23,236	885	144	770	(29)
Greene	70,520	2,532	184	2,191	157
Grundy	13,322	547	112	599	(164)
Hamblen	64,438	2,139	160	2,502	(523)
Hamilton	349,273	9,472	240	8,732	500
Hancock	6,645	276	88	575	(387)
Hardeman	26,231	946	120	809	17
Hardin	26,075	1,122	112	1,035	(25)
Hawkins	57,741	2,073	160	2,050	(137)
Haywood	18,044	631	88	626	(83)
Henderson	28,279	1,035	120	1,055	(140)
Henry	32,766	1,432	112	1,262	58
Hickman	24,465	888	128	607	153
Houston	8,413	347	88	261	(2)
Humphreys	18,519	758	96	736	(74)
Jackson	11,383	473	96	319	58
Jefferson	54,482	1,844	152	1,569	123
Johnson	18,090	774	80	824	(130)
Knox	459,124	11,508	304	9,726	1,478
Lake	9,676	299	40	361	(102)
Lauderdale	27,264	882	112	637	133
Lawrence	42,373	1,427	104	1,456	(133)

County Names	Draft 2015 Need Projections				
	Projected Population 2015	Projected HH Patients 2015	Possible Expansion of Existing HHOs	Actual 2012 HH Patients From JAR	Projected Need (Surplus)
Lewis	12,112	471	72	414	(15)
Lincoln	34,624	1,139	112	1,099	(72)
Loudon	51,495	2,199	176	1,839	184
McMinn	53,476	1,856	136	837	883
McNairy	26,755	1,076	112	3,049	(2,085)
Macon	23,419	806	104	973	(271)
Madison	99,971	2,903	176	772	1,955
Marion	28,652	1,123	120	2,415	(1,412)
Marshall	31,413	1,064	128	1,921	(985)
Maury	82,526	2,442	200	1,038	1,204
Meigs	12,331	497	120	381	(4)
Monroe	46,563	1,611	168	1,594	(151)
Montgomery	191,068	3,949	200	2,892	857
Moore	6,364	260	64	95	101
Morgan	21,870	764	136	508	120
Obion	31,365	1,262	112	1,400	(250)
Overton	22,593	899	88	771	40
Perry	8,025	353	72	244	37
Pickett	4,998	255	56	269	(70)
Polk	16,570	673	88	578	7
Putnam	78,416	2,329	144	2,294	(109)
Rhea	33,767	1,292	112	832	348
Roane	54,079	2,066	184	2,211	(329)
Robertson	71,437	1,606	216	1,781	(391)
Rutherford	302,237	5,478	296	4,841	341
Scott	21,915	780	128	763	(111)
Sequatchie	15,246	597	104	382	111
Sevier	96,116	3,143	200	2,315	628
Shelby	946,559	19,826	456	18,411	959
Smith	19,771	674	120	610	(56)
Stewart	13,659	528	88	393	47
Sullivan	159,494	6,188	160	5,562	466
Sumner	175,054	4,274	240	3,925	109
Tipton	64,759	1,431	192	1,067	172
Trousdale	8,275	278	112	312	(146)
Unicoi	18,419	834	72	440	322
Union	19,347	689	120	712	(143)
Van Buren	5,433	225	88	211	(74)
Warren	40,662	1,293	184	1,936	(827)
Washington	132,599	4,232	152	3,920	160
Wayne	16,815	661	80	547	34
Weakley	38,790	1,365	96	1,241	28
White	27,132	1,085	112	1,096	(123)
Williamson	207,872	4,248	248	2,730	1,270
Wilson	126,472	3,046	248	3,115	(317)

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

SUPPORT LETTERS

QUILLEN
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Office of Pediatrics

David K. Kalwinsky, MD
Chairman

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Rajani Anand, MD
Otto Teixeira, MD
423-433-6839

CRITICAL CARE/PULMONOLOGY
Ricky Mohon, MD

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Todd Aiken, MD
Gayatri Jaishankar, MD
Demetrio Macariola, MD
Debra Q. Mills, MD
Karen Schetzina, MD
Dawn Tuell, MD

GENETICS
Arthur Garrett, MD, PhD
Apostolos Psychogios, MD, FACMG
Jack M. Rary, PhD, FACMG
423-439-8714

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Kathryn Klopfenstein, MD
Marcela Popescu, MD
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Ricky Mohon, MD
Karen Schetzina, MD

INFECTIOUS DISEASE
Demetrio Macariola, MD

NEONATOLOGY
William M. DeVoe, MD
Dea R. Bharti, MD
Bedford W. Bonta, MD
Darshan Shah, MD

NEPHROLOGY
Ahmad Wattad, MD

NEUROLOGY
Pyar Noorani, MD

RESEARCH LABORATORY
William L. Stone, PhD
423-439-6186

April 2, 2014

Tennessee Health Services and Development Agency,

I currently am serving as a General Pediatrician and Hospitalist with ETSU Pediatrics and Niswonger Children's Hospital. I often take care of patient with multiple medical problems and patient that are in need of home health services and medical equipment services. We currently have limited agencies available for these services in children. There have been several instances in which availability of services was not available and this has adversely affected appropriate and timely care of patients that I have been a part of their care.

I strongly support these having additional agencies and services in the area and feel that this would be a tremendous help to the area. Maxim has recently helped me with a patient and has done a great job and helped me out with a patient in Greeneville. They have been very professional and have assisted in giving this particular child a better shot at life. I believe this agency or another of similar quality would greatly improve the health of children with special needs in this area.

If you have any questions or would like to get additional information please feel free to call me at my office.

Sincerely,

Todd Aiken, MD

Todd Aiken, MD, FAAP, Pediatric Hospitalist

ETSU Physicians and Associates

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Caring for gynecologic cancers with skill & compassion...
- Cancers & precancerous conditions
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- Diagnosis/treatment, monitoring & management
- Follow-up after treatment

April 10, 2014

Tennessee Health Services and Development Agency,

This letter is in strong support of Maxim Healthcare for a certificate of need in the Tri Cities area. I am an Obstetrician Gynecologist with East Tennessee State University and have been here in East Tennessee for almost twelve years. Working with the university, we are involved in a multitude of high risk pregnancies and deliveries, and I have witnessed premature babies and children with special needs, requiring home health care. It is essential for these families to have the support they need.

A strong, dedicated and excellent corporation like Maxim can provide care to these children, who otherwise might have to remain hospitalized or in long-term care facilities. This expense to the family and the emotional toll it takes can be traumatic and devastating. Maxim can help diminish this burden and help keep these children at home with their families while still providing the excellent health care that they need.

The nurses and management at Maxim are very professional and hardworking, and I have heard nothing but great things about them and their patient care. Patients, families, and medical providers all seem very satisfied with the care and support given by Maxim and its employees.

Please consider this need in our community and don't hesitate to let me know if there is anything else I can do or if you have any other questions.

Sincerely,

BEFoulk

Brooke E. Foulk, M.D.
Assistant Professor
Department of Obstetrics and Gynecology
ETSU Quillen College of Medicine
Johnson City, TN

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NEUROLOGY
Pyar Noorani, MD

RESEARCH LABORATORY
William L. Stone, PhD
423-439-6186

January 20th, 2014

Tennessee Health Services and Development Agency,

I currently serve as the primary Pediatric Pulmonologist in the Tri Cities, TN area. I see several patients that require around the clock skilled pediatric nursing care. I feel there is a strong need for another agency to provide these critical services in our area. There are few providers in the Tri Cities area that not only provide PDN services, but specifically services to pediatric patients with Trachs and Ventilators.

We have seen examples of patients that have had to stay in the hospital for an extended period of time because there are limited resources available for homecare services.

I strongly recommend approval of another agency that can provide these services timely and effectively to many of our patients who either currently go without or must settle for fewer hours then they are eligible to receive.

Thank you for your time and attention.

Sincerely,

Dr. Ricky Mohon, Pediatric Pulmonologist
ETSU Physicians and Associates

325 North State of Franklin Road, Johnson City, TN 37604 • Phone: (423) 439-7320

Independence On Wheels *kids*

February 14, 2014

Tennessee Health Services and Development Agency,

My name is Lynn Pollard, Pediatric Nurse Practitioner with Independence on Wheels. I am writing in support for the addition of another pediatric PDN provider in the Tri Cities area. I have worked for many years with the pediatric population for both the Tennessee Department of Children's Services and now with Independence On Wheels and can honestly say there is a strong need for an agency that can not only provide Pediatric Homecare, but can provide services that our families and patients deserve and need.

We are in the home of patients on a daily basis that currently receive these types of services and hear over and over again about the lack of consistent care being provided by current agencies.

Maxim Healthcare is a nationally accredited agency that has proven for many years to be a leading homecare provider throughout Tennessee. They are a strong example of the type of agency needed in the Tri Cities Area.

Thank you for your time and consideration.

Sincerely,

Lynn Pollard, MSN, RN, CPNP

Lynn Pollard, MSN, RN, CPNP
Independence On Wheels *kids*
Phone (877) 849-0775 x 407
Fax (855) 242-4778

Muscular Dystrophy Association
412 North Cedar Bluff Road #402 Knoxville, TN 37923
Phone: 865-588-1632 Fax: 865-588-1616
email: 460.office@mdausa.org

Fighting Muscle Disease

January 27th, 2014

Tennessee Health Services and Development Agency,

I serve as the Executive Director for the Muscular Dystrophy Association in East Tennessee which covers the Tri Cities area. Many of our families are in need of a quality homecare provider specifically for PDN hourly care.

I would like to support the Maxim Healthcare Application for a Certificate of Need in the Tri Cities Area. They are a well respected and high quality provider in Knoxville and I am confident those same services will be needed and provided in the Tri Cities area.

Thank you for your time and consideration of this important request.

Sincerely,

Erick Hendrick
Executive Director
Muscular Dystrophy Association

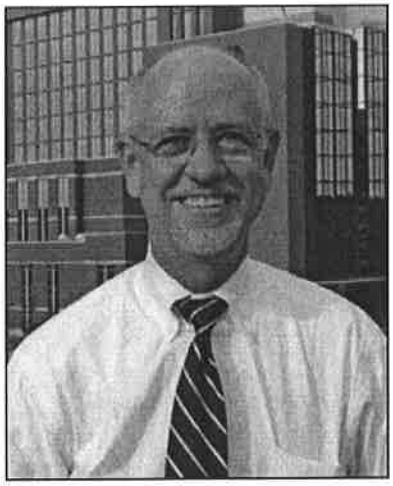
Pediatric Consultants, P.C.

Serving Children in Memphis and the Mid-South

Meet Our Physicians

» Meet Our Physicians
» Meet Our Staff

Noel K. Frizzell, M.D.



Family:
Married with two children and one granddaughter

Undergraduate:
The University of Tennessee, Knoxville, B.S., 1974

Medical School:
The University of Tennessee, Memphis, M.D., 1977

Pediatric Taining:
LeBonheur Children's Medical Center, 1978-1980

Board Certified:
American Board of Pediatrics, 1983

Practice Experience: Dr. Frizzell started practice in 1981 as a faculty member in the University of Tennessee Department of Pediatrics. During the ten years with UTMG, he built the General Pediatric Practice and taught students and residents for approximately 3 months a year. In 1991, he left the University and UTMG to form his current practice corporation, Pediatric Consultants, P.C. Dr. Frizzell has remained active in the teaching program and serves as volunteer faculty in the Department of Pediatrics.

» Chief of Staff at LeBonheur: 1995-1996
» Chief of Medicine at LeBonheur: 1991-1992
» Etteldorf Alumni Award: 2005
» Resident Teaching Awards 2007, 2003, 1999, 1991
» Medical Director of LeBonheur Cordova Urgent Care July: 1993 to present
» President of *Memphis Pediatric Society:* 1990

Medical Interests: Traumatic Brain Injury Rehabilitation, Chronic Childhood Illness.

Hobbies and Other Interests: Banjo playing, bluegrass music, golf, biking.

Monday	Tuesday	Wednesday	Thursday	Friday
8-9:30 a.m. Hospital rounds	8-9:30 a.m. Hospital rounds		8-9:30 a.m. Hospital rounds	8-9:30 a.m. Hospital rounds
9:30 a.m.- LeBonheur	9:30 a.m.- LeBonheur		9:30 a.m.- LeBonheur	9:30 a.m.- LeBonheur

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(Fax) 901-523-8488
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Collierville Office
1458 West Poplar Ave. Suite 201
Collierville, TN 38017
(Phone) 901-457-2880
(Fax) 901-457-2881
Mon-Fri 8:30-5:00

Baptist Women's Office
6215 Humphreys Blvd, Suite 200
Memphis, TN 38120
(Phone) 901-821-9990
(Fax) 901-821-9991
Mon-Fri 8:30-5:00 & Sat 8:30-11:00

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CHRISTOPHER L. MATHIS, M.D.
LEON D. LIVINGSTON, M.D.
DAWN H. SCOTT, M.D.

JARA L. BEST, M.D.
MARYBETH H. HUGGINS, M.D.
ANN C. LANKFORD, M.D.
C. BLAKE BERGERON, M.D.
KATHERINE M. ALVORD, M.D.
MARGARET H. WEST, M.D.

February 11, 2014

RE: Maxim Healthcare

To Whom It May Concern:

I am a pediatrician with Pediatric Consultants in Memphis, TN. Our practice sees a large number of special needs patients who require home health nursing. We have worked closely with Maxim Healthcare and have received excellent service. Their nurses are professional and are prompt in calling the office when a problem arises. All of our patients that use Maxim Healthcare have been very satisfied with the service they receive.

Thank you for your consideration in this matter. Should you have any further questions, please feel free to call my office.

Sincerely,

Noel K. Frizzell, M.D.

NKF/mm

www.pediatricians.com

51 N. DUNLAP • SUITE 410 • MEMPHIS, TN 38105 • PHONE (901) 523-2945 • FAX (901) 523-0488

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1458 WEST POPLAR AVE. • SUITE 201 • COLLIERVILLE, TN 38017 • PHONE (901) 457-2880 • FAX (901) 457-2881

Khristine M. Jones, RN, BSN

175 Capital Way, Apt. B12

Atoka, TN 38004 (Memphis Area)

1/29/14

To Whom It May Concern,

I have been a customer of Maxim Home Health for several years. As a case manager for a local NICU, I have made many & varied requests of them, usually with excellent results.

Finding a home health company with reliable pediatric nurses is like finding gold in the gravel; you don't let go. I have used their services for patients needing everything from simple visits to check weight to complex private duty for ventilator dependent children. Only rarely have I been turned down & that was usually because they were too busy.

I highly recommend Maxim Home Health & would indeed call on them if there were a need in my own family.

Sincerely

Khristine M. Jones, RN

Case Manager

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published on or before May 10th, 2014, for one day, in both (a) the Johnson City Press, which is a newspaper of general circulation in Carter, Johnson, Sullivan, and Unicoi Counties, Tennessee, and (b) the Kingsport Times-News, which is a newspaper of general circulation in Sullivan County,

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This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Maxim Healthcare Services (a home health agency), owned and managed by Maxim Healthcare Services, Inc. (a corporation), intends to file an application for a Certificate of Need to establish a licensed home health agency and to provide home health agency services (primarily hourly services) in Carter, Johnson, Sullivan, Unicoi, and Washington Counties, at a cost estimated at $464,000 for CON purposes. Its principal office will be located at 208 Sunset Drive, Suite 503, Johnson City, Tennessee 37604.

The proposed agency will be licensed as a home health agency by the Board for Licensing Health Care facilities. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

John L Wellborn 5-6-14 jwdsg@comcast.net

(Signature) (Date) (E-mail Address)

MAY 15 '14 PM 2:1

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he/she is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent 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 to the best of the agent's knowledge.

SIGNATURE/TITLE

Sworn to and subscribed before me this 14th day of May (Month), 2014 (Year) a Notary

Public in and for the County/State of Davidson / Tennessee

NOTARY PUBLIC

My commission expires November 5 (Month/Day), 2014 (Year).

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires November 5, 2014

MAY 6 '14 PM 12:32

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

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John L. Wellborn 5-6-14 jwdsg@comcast.net

(Signature) (Date) (E-mail Address)

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:615/532-9940

May 22, 2014

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, Tennessee 37215

RE: Certificate of Need Application CN1405-015
Maxim Health Services

Dear Mr. Wellborn:

This will acknowledge our May 15, 2014 receipt of your application for a Certificate of Need to provide home health agency services in Carter, Johnson, Sullivan, Unicoi, and Washington Counties. The principle office will be located at 208 Sunset Drive, Suite 503, Johnson City (Washington County), TN 37604.

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 4:00 p.m., Wednesday, May 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. **Applicant Profile, Item 13**

   In Section A. 12, the applicant indicated certification will be sought for both Medicare and TennCare/Medicaid. However, in Table One on the same page the applicant indicates Maxim Health Services is already contracted with all available TennCare MCO's in the proposed service area. Please clarify.

   What are the TennCare private duty benefits for patients under the age of 18?

2. **Section A, Applicant Profile, Item 4**

Ownership by Maxim Healthcare Services, Inc., a Maryland Corporation registered to conduct business in Tennessee, is noted. The owner has financial interests in several licensed HHAs in Tennessee. As such, please provide the following information:

Name of HHA (license #)	Location of parent office	Location of branch offices	Counties covered in license	Medicare Provider #	Medicaid/TNCare Provider #	Services (specify any limitations from CON)
Nashville						
Knoxville						
Chattanooga						
Memphis						
Other						

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

In Exhibit C of the Lease Agreement, Rules and Regulations #6, it states two keys for each lock on the doors in each tenant's leased area shall be furnished by the landlord. Please clarify how patient records and confidential information will be maintained with this arrangement.

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

The applicant states Maxim averaged 4.3 home visits per week in each county Maxim served in 2013. Please clarify if the referenced home health visits were intermittent or private duty.

The applicant states a similar commitment to the CON board in its market was made in referring to providing only token Medicare visits (.05%). Please confirm if the applicant is referring to Maxim Healthcare Services, Inc., CN0704-029A. If so, please confirm the applicant's affiliated agency, Maxim Healthcare Services, Inc. has reported annually to the Agency as requested during the November 17, 2010 Agency meeting. This reporting request regarding was made regarding the removal of a condition on the Certificate of Need CN0704-029A.

It is noted Maxim serves large regions of Tennessee, Virginia, and North Carolina and seeks to close the "doughnut hole"(referring to proposed service area). However, the applicant withdrew similar applications, CN0507-060W and CN0704-028W. Please clarify why the former applications were withdrawn and why now is the right time to pursue this proposed project.

Please clarify if the applicant or affiliated entities provide services to residents in the proposed service area through a Personal Support Services Agency or Professional Support Services Facility, or similar service.

On the bottom of page 6 the applicant states Maxim will not be caring for Medicare patients. Please clarify if the applicant will need to provide services to Medicare patients in order to be Medicare certified.

Please describe a typical home health private duty patient the applicant is seeking to serve.

What home health services are provided by the applicant that is not already available in the proposed service area?

5. **Section B, Project Description, Item II B.---Home Health Agencies**

Please verify the applicant has reviewed the document from the Tennessee Department of Finance and Administration, Bureau of TennCare, titled "Are you thinking about applying for a CON to provide home health or Private Duty Nursing in Tennessee" located at **www.tennessee.gov/hsda/news/APPLYC~1.PDF**. This document is located at the Tennessee Health Services and Development Agency (HSDA) web-site. Please include the following in your response:

- Please verify the applicant intends to seek Medicare certification.
- Please verify the applicant understands even if a home agency is certified for Medicare participation and thus, eligible for participation as a TennCare provider of home health or PDN services, it does not obligate the MCO to contract with such provider.
- The document recommends talking with TennCare MCOs about their need for additional providers before you plan on TennCare reimbursements for these services. Please verify the applicant has contacted each TennCare MCO in the proposed service area and has discussed if there is an interest in contracting with another home health agency as well as TennCare reimbursement for home health services as recommended. If applicable, please provide a summary of TennCare reimbursement MCO discussions.

Since the applicant is projecting 90% revenue from TennCare, please provide a letter from each TennCare Managed Care Organization of their intent to contract with the applicant for home health services in the proposed project service area.

6. **Section B, Project Description, Item III (Plot Plan)**

The plot plan is noted. Please clarify if the applicant will occupy the entire building, or will be only occupying suite 503. In addition, it would be helpful to provide a general description of the building.

7. **Section C, Need, Item 1.a. (Project Specific Criteria-Home Health Services) (1.-4.) and Section C, Need, Item 5**

Please complete the following table:

Exiting Licensed HHAS & Their Utilization in the 5-County Declared Service Area

Agency (license #)	County of Parent Office	Date Licensed	Total Counties authorized in license (# counties in PSA) *	2011 JAR Total patients served	2012 JAR Total patients served	2013 JAR Total patients served

8. **Section C. Need, Item 1.a. (Specific Criteria: Home Health Services, Item 5 Documentation of Referral Sources) 5 (a)- 5 (d)**

5 (a)-The letters of intent from physicians and other sources pertaining to patient referral is noted. However, please provide support letters that include specific examples of unmet need and number of possible referrals.

Please note examples of poor quality of care provided by existing private duty home health providers should be reported to the appropriate licensing agency.

5 (b)-Table five on page 25 is noted. Are all the 18 projected patients in Year One pediatric? Please clarify.

5 (c)-Please provide specific examples from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been successful in securing such services.

Is there a home health or private duty waiting list of patients from any referral source? If so, please provide details.

9. **State Health Plan (3) Economic Efficiencies**

The applicant states there are insufficient provider choices in the proposed service area. What criteria or standards did the applicant apply to come to this conclusion? Currently how many providers are available, and how many additional providers are needed to encourage innovation and competition?

10. Section C, Need, Item 4.A.

Table Twelve on page 39 is noted. If possible, please provide the median household income for the 5 counties and the PSA.

11. Section C, Need, Item 6

The applicant allocated private duty patients in Year One and Year Two based on Maxim's experience. Please briefly discuss the experience the applicant is referencing.

On page 53 of the application, the applicant states one Medicare patient who also has commercial insurance will be served in order to be granted a Medicare provider number. In addition, the applicant states Medicare will not reimburse anything for that patient. Please clarify if this arrangement has worked at the applicant's other four home health agencies located in Tennessee. In addition, please clarify if claims will be submitted to Medicare for any copay or coinsurance.

Please clarify if the applicant can be Medicare certified without billing Medicare for services.

Please clarify if Medicare is primary or secondary insurance for a patient who has both commercial and Medicare insurance.

Please breakdown the projected utilization by discipline and payor source using the following charts:

Private Duty

Projected Private Duty Utilization by Discipline

Discipline	Patients Year 1	Hours Year 1	Patient Ages			
			0-17	18-64	65-74	75+
Skilled nursing						
Home health aide						
Medical social						
Therapies (PT,OT,ST)						
Other (specify)						
Total						

Projected Private Duty Utilization by Discipline

Discipline	Patients Year 2	Hours Year 2	Patient Ages			
			0-17	18-64	65-74	75+
Skilled nursing						
Home health aide						
Medical social						
Therapies (PT,OT,ST)						
Other (specify)						
Total						

Projected Private Duty Utilization by Payor Source

Payor Source	Patients Year 1	Hours Year 1	Patients Year 2	Hours Year 2
TennCare				
Medicare				
Medicare HMO				
Private Pay				
Commercial				
TRICARE				
Home and Community Based Waiver Programs				
Other Pay Source (specify)				
Total				

Intermittent

Projected Intermittent Utilization by Discipline

Discipline	Patients Year 1	Visits Year 1	Patient Ages			
			0-17	18-64	65-74	75+
Skilled nursing						
Home health aide						
Medical social						
Therapies (PT,OT,ST)						
Other (specify)						
Total						

Projected Intermittent Utilization by Discipline

Discipline	Patients Year 2	Visits Year 2	Patient Ages			
			0-17	18-64	65-74	75+
Skilled nursing						
Home health aide						
Medical social						
Therapies (PT,OT,ST)						
Other (specify)						
Total						

Projected Intermittent Utilization by Payor Source

Payor Source	Patients Year 1	Visits Year 1	Patients Year 2	Visits Year 2
TennCare				
Medicare				
Medicare HMO				
Private Pay				
Commercial				
TRICARE				
Home and Community Based Waiver Programs				
Other Pay Source (specify)				
Total				

12. Section C, Economic Feasibility, Item 4 Projected Data Chart

The applicant projects 67,060 hours provided in Year Two in the Projected Data Chart. If there are 2,785 visits, the hours per visit equal 24.07 hours (67,060 hours/2,785 visits=24.07 hours). Please clarify.

Also, on page five of the application, the applicant states a typical private duty visits is from 4 to 24 hours. The applicant is projecting an average of 24.07 hours per private duty home health visit in Year Two. Please clarify.

There are no funds allocated for charity care in Year One and Year Two. Are there any instances where a pediatric child would not qualify for TennCare or is uninsured? Please clarify.

Why does the administrative overhead expense increase from $72,338 in Year One to $201,341 in Year Two?

13. Section C, Economic Feasibility, Item 9.

The applicant projects 2% Medicare and 90% TennCare/Medicaid. What is the revenue source for the remaining 8%?

On page 53 of the application there is no Medicare revenue projected in the payor mix. In Table 26 on page 68, $18,085 is listed as Medicare Revenue. Please clarify.

14. Section C, Economic Feasibility, Item 10.

The latest unaudited balance sheet and income statement for the applicant noted as "Proprietary and Confidential" is noted. However, the application is public information. Please clarify.

Please provide a copy of the latest audited Consolidated Financial Statements for Maxim Healthcare Services, Inc. and Subsidiaries.

As indicated by the applicant, Maxim Healthcare Services, Inc. has entered into a Deferred Prosecution Agreement between Maxim and the United States Attorney's Office for the District of New Jersey and a Corporate Integrity Agreement (CIA) with the Office of Inspector General, US Department of Health and Human Services regarding allegations of false claims related to Medicaid payments. Please discuss how these two agreements have impacted the financial condition of Maxim Healthcare Services, Inc. and Subsidiaries.

15. Section C, Orderly Development, Item 2

It appears there are two agencies that rely on pediatric patient's ages 0-17 for over 25% of their total agency patients in the proposed service area; Procare Home Health Services and Elk Valley Health Services, Inc. Collectively, both home health agencies provide 48% of private duty pediatric care for patients 0-17 years of age in the proposed service area. If approved, please discuss how utilization rates of these two providers in the proposed service area will be affected.

16. Section C, Orderly Development, Item 3

The projected staffing of 45 FTE direct staff in Year One of the proposed project is noted. On average, how many direct staff FTE's are needed per patient?

The applicant needs to fill 30 LPN and 10 RN positions in Year One. Please clarify if the applicant will be able to recruit 40 nurses with the qualifications to fill those vacancies.

Please briefly describe the Accreditation Commission for Health Care.

17. Section C, Orderly Development, Item 9

The Deferred Prosecution Agreement between Maxim and the United States Attorney's Office for the District of New Jersey and a Corporate Integrity Agreement (CIA) with the Office of Inspector General, US Department of Health and Human Services regarding allegations of false claims related to Medicaid payments are noted. Please address the following questions pertaining to these agreements:

- What is the false claims act?
- Please describe an overview of the Deferred Prosecution Agreement and the Corporate Integrity Agreement including terms and time period.
- Please clarify if the two agreements also involve the United State Veterans Administration.
- What was the total amount allegedly billed to Medicaid programs and in how many states?
- Please discuss if Maxim providers in Tennessee were involved in the Deferred Prosecution Agreement, Corporate Integrity Agreement, or allegations of false claims. Please include the total amount billed, time period, and civil penalties.
- What was the total settlement charges as a result of the both the Deferred Prosecution Agreement and the Corporate Integrity Agreement?
- Has the company brought in new leadership since these two agreements?
- What changes has Maxim initiated in terms of compliance, ethics, and the training of employees?
- Please identify any special monitor that has been appointed to ensure Maxim's activities adhere to the Deferred Prosecution Agreement.
- Did the Deferred Prosecution Agreement, Corporate Integrity Agreement, or false claims allegations involve services to home health and private duty patients? If so, how?
- Is Maxim still allowed to participate in state and federally funded health programs?
- Please indicate if the Deferred Prosecution Agreement and the Corporate Integrity Agreement will prevent Maxim from contracting with TennCare Managed Care Organizations.

18. Proof Of Publication

Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

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 July 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. ɔ 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 contact this office.

Sincerely,

Phillip Earhart

HSD Examiner
PME
Enclosure

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:615/532-9940

May 29, 2014

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, Tennessee 37215

RE: Certificate of Need Application CN1405-015
Maxim Health Services

Dear Mr. Wellborn:

This will acknowledge our May 28, 2014 receipt of supplemental information to your application for a Certificate of Need to provide home health agency services in Carter, Johnson, Sullivan, Unicoi, and Washington Counties. The principle office will be located at 208 Sunset Drive, Suite 503, Johnson City (Washington County), TN 37604.

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

Please submit responses in triplicate by 12:00 noon, Friday, May 30, 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 1.a. (Specific Criteria: Home Health Services, Item 5 (Documentation of Referral Sources) 5 (a)- 5 (d)**

Your response to this item is noted. All four standards in this criterion indicate that the information being requested "shall" (also interpreted as must) be provided. This indicates that the information being requested is not optional.

- The information being requested for Standards 5(a. and b.) are letters from physicians and other referral sources pertaining to referral and specifically refers to number of cases projected by category in the initial year of operation. None of the support letters provided address the number of potential cases either in total or by service category that physicians proposed to refer. Please provide the requested letters.
- With regards to Standard 5 (c.) providing letters from potential patients or providers indicating that that they have attempted to find appropriate home health services but have not been able to secure such services would not be an indictment

of the services provided by existing agencies but rather would speak to the availability and accessibility to similar services in the service area. Please provide the requested letters.

- According to the application the applicant is expecting too see18 pediatric patients and 15 adult patients by the second year of operation. According to tables provided by the applicant there were five agencies in the service area that served 10 or more patients according to the 2013 JAR. The applicant reports that there are ten agencies that have an 80% or greater dependence on patients residing in the proposed service area. Standard 5 (d) states that the applicant shall (or must) provide information that the applicant will provide services different from services being provided by existing agencies. Please address this standard.

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 July 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.

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Should you have any questions or require additional information, please contact this office.

Sincerely,

Mark A. Farber
Deputy Director

MAF
Enclosure

COPY
SUPPLEMENTAL-1

Maxim Health Services

CN1405-015

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

DSG Development Support Group

May 28, 2014

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CN1405-015
Maxim Health Services (Johnson City Principal Office)

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. **Applicant Profile, Item 13**
   a. In Section A. 12, the applicant indicated certification will be sought for both Medicare and TennCare/Medicaid. However, in Table One on the same page the applicant indicates Maxim Health Services is already contracted with all available TennCare MCO's in the proposed service area. Please clarify.

They are both correct. The CON applicant Maxim Healthcare Services, Inc. is already contracted with these three MCO's (United CHP, AmeriGroup, Bluecare Select). But those contracts only apply to Maxim's current offices and service areas. Each new office will require its own MCO contract, TennCare certification, and TennnCare provider number. So if this application is approved, Maxim Healthcare Services, Inc. will seek TennCare certification, provider numbers, and contracts for the Johnson City office from each of these three MCO's, with whom it already has contracts for other areas of Tennessee. The Johnson City area will be simply an extension of pre-existing relationships.

b. What are the TennCare private duty benefits for patients under the age of 18?

Attached after this page is a copy of page 16 of TennCare Rule 1200-13-14-.01, Sections (108) d, e, and f, which define private duty benefits for "children under the age of 21 in accordance with EPSDT requirements It is best not to paraphrase the rule here except to say that children must generally be dependent on ventilators or other medical equipment to be eligible.

4219 Hillsboro Road, Suite 203
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

(Rule 1200-13-14-.01, continued)

I. Receiving medication via a gastrostomy tube (G-tube); or

II. Receiving medication via a Peripherally Inserted Central Catheter (PICC) line or central port; and

(II) Nutrition:

I. Receiving bolus or continuous feedings via a permanent access such as a G-tube, Mickey Button, or Gastrojejunostomy tube (G-J tube); or

II. Receiving total parenteral nutrition.

(d) Private duty nursing services are covered as medically necessary for children under the age of 21 in accordance with EPSDT requirements. As a general rule, only a child who is dependent upon technology-based medical equipment requiring constant nursing supervision, visual assessment, and monitoring of both equipment and child will be determined to need private duty nursing services. However, determinations of medical necessity will continue to be made on an individualized basis.

(e) A child who needs less than eight (8) hours of continuous skilled nursing care during a 24-hour period or an adult who needs nursing care but does not qualify for private duty nursing care per the requirements of these rules may receive medically necessary nursing care as an intermittent service under home health.

(f) General childcare services and other non-hands-on assistance such as cleaning and meal preparation shall not be provided by a private duty nurse. Because children typically have non-medical care needs which must be met, to the extent that private duty nursing services are provided to a person or persons under 18 years of age, a responsible adult (other than the private duty nurse) must be present at all times in the home during the provision of private duty nursing services unless all of the following criteria are met:

1. The child is non-ambulatory; and

2. The child has no or extremely limited ability to interact with caregivers; and

3. The child shall not reasonably be expected to have needs that fall outside the scope of medically necessary TennCare covered benefits (e.g., the child has no need for general supervision or meal preparation) during the time the private duty nurse is present in the home without the presence of another responsible adult; and

4. No other children shall be present in the home during the time the private duty nurse is present in the home without the presence of another responsible adult, unless these children meet all of the criteria stated above and are also receiving TennCare-reimbursed private duty nursing services.

(109) Provider shall mean an appropriately licensed institution, facility, agency, person, corporation, partnership, or association that delivers health care services. Providers are categorized as either TennCare Providers or Non-TennCare Providers. TennCare Providers may be further categorized as being one of the following:

(a) Participating Providers or In-Network Providers

(b) Non-Participating Providers or Out-of-Network Providers

2. Section A, Applicant Profile, Item 4
Ownership by Maxim Healthcare Services, Inc., a Maryland Corporation registered to conduct business in Tennessee, is noted. The owner has financial interests in several licensed HHAs in Tennessee. As such, please provide the following information:

Name of HHA (license #)	Location of parent office (county)	Location of branch offices	Counties covered in license	Medicare Provider #	Medicaid/TN Care Provider #	Services (specify any limitations from CON)
Maxim Healthcare Services, Inc. (#615)	Nashville (Davidson)	Clarksville (Montgomery)	9	44-7580	NV-5441953 CV-1515485	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.
Maxim Healthcare Services, Inc. (#2)	Knoxville (Knox)	Lafollette (Campbell) Greeneville (Greene)	18	44-7579	KV-5441956 GV-1513175 LaF-1515484	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.
Maxim Healthcare Services, Inc. (#613)	Chattagnooga (Hamilton)	None	8	44-7571	5441954	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.
Maxim Healthcare Services, Inc. (#618)	Memphis (Shelby)	Jackson (Madison)	6	44-7582	M-5441955 JS-447582	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.
Other (None)						

Attached after this page is a listing of all 41 counties Maxim now serves through its eight existing principal and branch offices.

Please note that the applicant hereby amends statements in the application that Maxim is licensed to serve 42 counties in Tennessee. The correct number as of today is 41 counties.

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Maxim Healthcare Services Tennessee Principal Offices--Authorized Counties (41)			
Chattanooga	Knoxville	Memphis	Nashville
Hamilton	Morgan	Tipton	Davidson
Grundy	Roane	Shelby	Wilson
Marion	Loudon	Fayette	Sumner
Sequatchie	Blount	Haywood	Williamson
Bradley	Sevier	Madison	Dickson
McMinn	Jefferson	Hardeman	Cheatham
Rhea	Knox	6	Montgomery
Meigs	Cocke		Robertson
8	Greene		Rutherford
	Hamblen		9
	Hawkins		
	Hancock		
	Scott		
	Anderson		
	Campbell		
	Claiborne		
	Grainger		
	Union		
	18		

3.Section A, Applicant Profile, Item 6
In Exhibit C of the Lease Agreement, Rules and Regulations #6, it states two keys for each lock on the doors in each tenant's leased area shall be furnished by the landlord. Please clarify how patient records and confidential information will be maintained with this arrangement.

They will be maintained in the way that other healthcare institutions maintain confidentiality. Maxim complies with all HIPPA and HiTech (Electronic Medical Records) standards. Hard-copy patient records and other confidential information are kept in locked file cabinets accessible only to employees with authorization and their own keys. Electronic records are kept in Maxim's secure computer system, which requires an individualized log-in and password for each authorized user.

4.Section B., Project Description, Item I
a. The applicant states Maxim averaged 4.3 home visits per week in each county Maxim served in 2013. Please clarify if the referenced home health visits were intermittent or private duty.

The referenced visits were non-Medicare intermittent.

b. The applicant states a similar commitment to the CON board in its market was made in referring to providing only token Medicare visits (.05%). Please confirm if the applicant is referring to Maxim Healthcare Services, Inc., CN0704-029A. If so, please confirm the applicant's affiliated agency, Maxim Healthcare Services, Inc. has reported annually to the Agency as requested during the November 17, 2010 Agency meeting. This reporting request regarding was made regarding the removal of a condition on the Certificate of Need CN0704-029A.

The Joint Annual Reports for Maxim principal offices show their Medicare visit data each year. Maxim's recollection is that it was the Agency's staff who were to report that data annually to Agency Board members. Attached following this page is a copy of the first such report to the Board from Mr. Mark Farber of the Agency. Its 2014 date appears to be a typographical error because the letter concerns 2011 JAR data and was copied to Maxim's legal counsel several years ago.

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Memorandum

To: Health Services and Development Agency Members

From: Mark Farber, Assistant Executive Director

Date: 5/27/14

Re: Reporting on Maxim Healthcare Services-Nashville; Maxim Healthcare Services-Memphis, and Friendship Private Duty

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During the November 2010 Agency meeting Maxim Healthcare Services-Nashville (CN0506-045A), Maxim Healthcare Services-Memphis (CN0704-029A), and Friendship Private Duty (CN0802-009A) requested the lifting of conditions "Limiting their home health services to private duty." The reason for this request was to obtain Medicare certification in order to obtain TennCare/Medicaid certification for private duty patients.

The Agency approved all three requests and asked HSDA staff to report annually on these home health agencies' utilization data as documentation of their intent to primarily serve private duty patients.

Based on the 2011 Joint Annual Reports (JAR)-Provisional a summary of each Agency's utilization follows:

Maxim Healthcare-Memphis- 173,952 TennCare hours, 2,253 Private Pay hours, 20,010 Commercial hours, 170 Other hours, and 37 TRICARE visits. There was no Medicare utilization reported.

Maxim Healthcare-Nashville- 291,049 TennCare hours, 6,387 Private Pay hours, 142,747 Commercial hours, and 8,337 TRICARE visits. There was no Medicare utilization reported.

Friendship Private Duty-288 Private Pay Visits. There was no Medicare utilization reported.

c. It is noted Maxim serves large regions of Tennessee, Virginia, and North Carolina and seeks to close the "doughnut hole"(referring to proposed service area). However, the applicant withdrew similar applications, CN0507-060W and CN0704-028W. Please clarify why the former applications were withdrawn and why now is the right time to pursue this proposed project.

Those applications were withdrawn seven and nine years ago, respectively. They were withdrawn because opposition from the area's two hospital systems (who were then competitors) limited Maxim's ability to provide the CON Agency with sufficient documentation of physician and nurse support, those systems being the employers of area physicians and nurses.

The market and its needs have changed since then. Fewer home health agencies are now providing private duty services, especially to pediatric patients. Maxim has now received and filed strong physicians' and nurses' letters stating that additional provider resources are needed. Maxim feels it is timely now to move forward with this application to serve Tri-Cities.

d. Please clarify if the applicant or affiliated entities provide services to residents in the proposed service area through a Personal Support Services Agency or Professional Support Services Facility, or similar service.

No such services are provided by Maxim or its affiliated entities.

e. On the bottom of page 6 the applicant states Maxim will not be caring for Medicare patients. Please clarify if the applicant will need to provide services to Medicare patients in order to be Medicare certified.

That statement is made on application pages 6 and 15. It refers to Medicare patients <u>as a group</u>. Maxim does not serve that <u>group</u> of patients. Attached after this page is revised page 53R of the application, addressing this matter. As it explains, TennCare requires its home health providers to have Medicare provider numbers. To have and to maintain a Medicare provider number, an agency must serve one Medicare patient a year. Maxim will do that in all its offices, every year. So the only reason one Tri-Cities Medicare patient will be served by Maxim is to obtain the Medicare provider number so Maxim can serve TennCare MCO patients, not Medicare patients.

C(I).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.

This is for a new agency without historical utilization. Its projected utilization is provided on the tables following this page.

Table Twenty projects Maxim's patients (intermittent and private duty), visits, and hours. Maxim management estimated the totals for Years One and Two based on startup experiences. Total visits and total hours were allocated to counties based on county shares of service area population (TDH May 2013 projections). Patients were allocated between intermittent and private duty based on Maxim's Tennessee experience.

Table Twenty-One projects the agency's utilization by discipline. Maxim provides only skilled nursing and home health aide services, on an 80% / 20% ratio. The patients, visits, and hours from Table Twenty were allocated between those two disciplines based on Maxim's overall 80% / 20% ratio.

Table Twenty-Two, building on Table Twenty-One, allocates projected visits by discipline among five age cohorts, based on Maxim's Statewide averages, which are provided in the resource tables below the Table.

Tables Twenty-Three-A and -B project the new agency's payor mix. Please note the special circumstances footnoted with respect to Medicare. TennCare requires its home health providers to have a Medicare number. To have and maintain it, a home health agency must serve one Medicare patient a year. Maxim will serve one Medicare patient each year, but one with commercial secondary insurance. Medicare, upon being billed, will deny the claim and the bill will then go to the secondary insurer. So there is no Medicare revenue projected in the payor mix, although Medicare will receive one nominal billing a year (which it will decline to pay).

f. Please describe a typical home health private duty patient the applicant is seeking to serve.

The patients are pediatric patients approximately half the time. They are dependent on technology-based medical equipment requiring constant nursing supervision, visual assessment, and monitoring of both equipment and child. Services provided to private duty patients include:

- Ventilator and tracheotomy care;
- Feeding tube care and management, including flushes, feedings, and administration of medication;
- Diabetes management
- Seizure management, including administering medications and safety precautions;
- Ostomy care;
- Administering medications and/or therapies;
- Coordinating home medical equipment, pharmacy, and supplies;
- Educating, training, and supporting the family;
- Assisting with range-of-motion exercises;
- Performing personal care (bathing; grooming; etc.);
- Developmental activities (games, crafts, reading, etc.)

g. What home health services are provided by the applicant that is not already available in the proposed service area?

Based on conversations with area physicians, nurses, and case managers, it appears that the service area needs another provider not for a category of care that is unavailable now, but rather for care of superior expertise, that can be delivered more quickly and dependably. Speed of availability and breadth of competence in complex cases are what area physicians, nurses, and families have asked for.

5. Section B, Project Description, Item II B.---Home Health Agencies
Please verify the applicant has reviewed the document from the Tennessee Department of Finance and Administration, Bureau of TennCare, titled "Are you thinking about applying for a CON to provide home health or Private Duty Nursing in Tennessee" located at www.tennessee.gov/hsda/news/APPLYC~1.PDF. This document is located at the Tennessee Health Services and Development Agency (HSDA) web-site. Please include the following in your response:

a. Please verify the applicant intends to seek Medicare certification.

Yes, the applicant will seek Medicare certification.

b. Please verify the applicant understands even if a home agency is certified for Medicare participation and thus, eligible for participation as a TennCare provider of home health or PDN services, it does not obligate the MCO to contract with such provider.

The applicant is aware of that. However, the applicant is understandably optimistic that all three MCO's will contract with Maxim based on (a) needs in the market, (b) Maxim's good reputation with MCO's in the care of complex patients, and (c) the fact that all three MCO's in the Tri-Cities area already contract with Maxim in other areas of the State.

c. The document recommends talking with TennCare MCOs about their need for additional providers before you plan on TennCare reimbursements for these services. Please verify the applicant has contacted each TennCare MCO in the proposed service area and has discussed if there is an interest in contracting with another home health agency as well as TennCare reimbursement for home health services as recommended. If applicable, please provide a summary of TennCare reimbursement MCO discussions.

The applicant has contacted all three MCO's to make them aware of this proposal. The applicant understands that TennCare reimbursement for the proposed services is available from all three, after appropriate contracts are in place.

d. Since the applicant is projecting 90% revenue from TennCare, please provide a letter from each TennCare Managed Care Organization of their intent to contract with the applicant for home health services in the proposed project service area.

Following this page, Maxim has attached several emails from the three area MCO's, indicating their intent to contract with Maxim and Maxim's good standing with them.

The email from Blue Cross is from Phillip Morrison, Network Manager. The United Healthcare email is from Ms. Cheryl Zeoll, who is on United's national contracting team. The AmeriGroup email is from Ms. LaWanda Mayes, Network Manager for Amerigroup.

6. Section B, Project Description, Item III (Plot Plan)
The plot plan is noted. Please clarify if the applicant will occupy the entire building, or will be only occupying suite 503. In addition, it would be helpful to provide a general description of the building.

The applicant will occupy only the designated suite shown in the submitted floor plan for the project. The building is a Regions Bank building, on its own property. It is a rectangular five-story structure.

7. Section C, Need, Item 1.a. (Project Specific Criteria-Home Health Services) (1.-4.) and Section C, Need, Item 5

Please complete the following table:

Exiting Licensed HHAS & Their Utilization in the 5-County Declared Service Area

Agency (license #)	(County) of Parent Office	Date Licensed	Total Counties authorized in license (# counties in PSA) *	2011 JAR Total patients served	2012 JAR Total patients served	2013 JAR Total patients served

Please see the table attached after this page.

SUPPLEMENTAL- # 1

May 28, 2014

Jimmy Nichols **9:40am**

From: Jimmy Nichols
Sent: Tuesday, May 27, 2014 12:38 PM
Subject: RE: Maxim Urgent Request

From: Morrison, Phillip [mailto:Phillip_Morrison@BCBST.com]
Sent: Friday, May 23, 2014 12:34 PM
To: Jimmy Nichols; Dockery, Kit
Subject: RE: Maxim Urgent Request

Network Manager
Blue Cross / Blue Shield of TN

Jimmy,
Good afternoon. Kit is out till Tuesday. I am not aware of any outstanding issues regarding Maxim. Also we would be willing to add the new location to your existing agreements. Just let me know if you have any additional questions.
Thanks,
Phillip

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Jimmy Nichols

From: Gary Boldizsar
Sent: Tuesday, May 27, 2014 10:37 AM
To: Jimmy Nichols
Subject: FW: United Healthcare Community and State in TN

Hi Jimmy, see below from UHC. We are a delegated credentialing entity with UHC meaning if we open a new location, we do as she indicates below, they go on the UHC demographic spreadsheet we send to them and then we are loaded as part of the national contract for all lines of business including TennCare. Let me know if you have questions.

Gary Boldizsar | Maxim Healthcare Services | National Accounts Executive

Phone: (443) 860-5565 | E-mail: gaboldiz@maxhealth.com | www.maximhomecare.com

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From: Zeoli, Cheryl M [mailto:cheryl_zeoli@uhc.com]
Sent: Tuesday, May 27, 2014 11:31 AM
To: Gary Boldizsar
Subject: RE: United Healthcare Community and State in TN

Hi Gary,

All that you would need to do is add them to the demographic spreadsheet and Elizabeth will load the location(s).

Thanks!
Cheryl

From: Gary Boldizsar [mailto:gaboldiz@maxhealth.com]
Sent: Friday, May 23, 2014 4:26 PM
To: Zeoli, Cheryl M
Subject: United Healthcare Community and State in TN

Hi Cheryl,

We are working on finalizing our Johnson City, TN CON application (TN is a Certificate of Need state) and we have to address a few key areas involving the Tenncare MCO's. They want to know if each MCO would plan to contract with us if the CON is awarded and they also want to know if Maxim Healthcare is currently in good standing with each MCO.

Are you able to answer both of those questions in regards to UHC of TN for us? Essentially would/could this office be added to the UHC agreement that includes UHC C&S in TN and are we in good standing with UHC as a provider?

Thank you, Cheryl.

SUPPLEMENTAL- # 1
May 28, 2014
~~9:40~~am

Jimmy Nichols

From: Gary Boldizsar
Sent: Tuesday, May 27, 2014 11:20 AM
To: Jimmy Nichols
Subject: RE: United Healthcare Community and State in TN

Cheryl Zeoli
Unitedhealthcare-National Ancillary Contracting & Strategy
P (845) 226-4654 F (845) 226-3361

Here is what is on her emails as her signature. She is in on their national contracting team.

Gary Boldizsar | Maxim Healthcare Services | National Accounts Executive

Phone: (443) 860-5565 | E-mail: gaboldiz@maxhealth.com | www.maximhomecare.com

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From: Jimmy Nichols
Sent: Tuesday, May 27, 2014 12:17 PM
To: Gary Boldizsar
Subject: RE: United Healthcare Community and State in TN

Gary,

Do you know Cheryl's title?

Jimmy Nichols
Area Vice President
Maxim Healthcare
Office: 615-386-0100
Patient Care | Compliance | Employee Engagement | Customer Service | Operational Efficiency

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From: Gary Boldizsar
Sent: Tuesday, May 27, 2014 10:37 AM
To: Jimmy Nichols
Subject: FW: United Healthcare Community and State in TN

SUPPLEMENTAL- # 1
May 28, 2014
~~9:19~~am

Jimmy Nichols

To: Shannon Bell
Subject: RE: Amerigroup of TN- revised language

From: Mayes, LaWanda [mailto:Karen.Mayes2@amerigroup.com]
Sent: Tuesday, May 27, 2014 12:41 PM
To: Shannon Bell
Cc: Nichols, Melissa
Subject: RE: Maxim Healthcare Services Status

Due to Maxim Healthcare is in good standings with Amerigroup at this time, our plan is to continue to contract with this entity to expand services in the Tri Cities area of TN. If you have additional questions or concerns, please feel free to reach out to me via email or phone.

Thanks!

LaWanda Mayes
Provider Network Manager I
Amerigroup Community Care
22 Century Blvd, Suite 310
Nashville, TN 37214
Cell: (615)913-7323
Karen.Mayes@amerigroup.com
www.amerigroup.com

Shannon Bell
National Accounts Executive
Maxim Healthcare Services
Cell: (561)542-5441
Fax: (855)373-4009
Email: shbell@maxhealth.com

"It is the philosophy and recognition that all Maxim team members, regardless of their division or role, are working toward the same goal: to become the most respected and admired healthcare services organization in the nation".

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Maxim Health Services--Response to Question #7, First Supplemental Questions							
Agency Name	Agency License Number	County of Parent Office	Date Agency Licensed	No. of Counties in Project PSA Authorized in Agency License	2011 JAR Total Patients Served	2012 JAR Total Patients Served	2013 JAR Total Patients Served
Advanced Home Care	249	Sullivan	4/9/85	2	2,825	2,583	2,245
Advanced Home Care, Inc.	86	Greene	8/31/83	2	385	526	762
Amedisys Home Health	273	Washington	7/6/84	5	2,496	2,384	1,821
Amedisys Home Health Care	23	Carter	1/20/84	5	1,240	1,147	1,171
Amedisys Home Health Care	150	Knox	8/2/84	4	5,267	5,420	5,354
Blount Memorial Hospital Home Health Services	213	Blount	6/6/84	2	1,357	1,308	1,224
Elk Valley Health Services Inc	42	Davidson	7/17/84	5	250	245	277
Gentiva Health Services	251	Sullivan	11/3/83	5	1,286	979	936
Home Care Solutions, Inc	56	Davidson	9/7/88	5	2,192	2,080	1,930
Johnson County Home Health	130	Johnson	6/29/84	2	403	396	446
Laughlin Home Health Agency	88	Greene	6/26/84	1	553	547	655
Medical Center Homecare - Kingsport	269	Washington	11/4/83	5	1,126	1,628	1,960
Medical Center Homecare Services	271	Washington	5/4/84	4	2,801	3,118	3,503
NHC Homecare	267	Washington	3/22/78	5	241	264	259
Premier Support Services, Inc	10	Hamblen	5/16/84	5	972	1,169	1,169
Procare Home Health Services	87	Greene	11/9/89	5	418	384	433
Smoky Mountain Home Health & Hospice	27	Cocke	11/9/89	3	1,622	1,535	1,296
Suncrest Home Health & Hospice	93	Claiborne	9/14/84	1	436	581	852
Unicoi County Home Health	355	Unicoi	5/12/97	1	206	209	206
TOTALS					26,076	26,503	26,499

Source: JAR page 10; HSDA Registry; Licensure Records

8. Section C. Need, Item 1.a. (Specific Criteria: Home Health Services, Item 5 Documentation of Referral Sources) 5 (a)- 5 (d)
a. The letters of intent from physicians and other sources pertaining to patient referral is noted. However, please provide support letters that include specific examples of unmet need and number of possible referrals.

The applicant has no additional letters to offer at this time. The applicant believes that more specific negative letters citing actual examples of unmet need will rarely be available from local persons who must utilize existing agencies continuously. Not only business relationship issues, and medical confidentiality issues, but also personal liability issues, are legitimate concerns to professionals when voicing their issues.

Please note examples of poor quality of care provided by existing private duty home health providers should be reported to the appropriate licensing agency.

b. Table five on page 25 is noted. Are all the 18 projected patients in Year One pediatric? Please clarify.

Maxim projects that 50% of the 18 patients will be pediatric, consistent with its Statewide average. Maxim's Statewide experience, and the 50% pediatric percentage, are shown in the tables on page 56 of the application.

c. Please provide specific examples from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been successful in securing such services.

All the applicant can provide at this time are the support letters that were submitted earlier. Those letters cite delays and difficulties in obtaining timely and appropriate complex care, using general language, which is all that most supporters think is appropriate to commit to paper, and which must considered in this review. As more letters are received, they will be forwarded as support letters during the review process.

d. Is there a home health or private duty waiting list of patients from any referral source? If so, please provide details.

Maxim is not aware of any such lists. However, in the support letter from Dr. Ricky Mohon, it appears that pediatric patients are having to stay in Niswonger Children's Hospital longer than necessary, because of limited availability of an agency with appropriate resources.

9. State Health Plan (3) Economic Efficiencies
a. The applicant states there are insufficient provider choices in the proposed service area. What criteria or standards did the applicant apply to come to this conclusion?

In this type of service industry, the applicant must rely on expressions of interest and requests from physicians, nurses, and families in the service area. Those were what convinced the applicant to request CON authorization.

In this project, a group of highly trained specialists and nurses, without any economic bias or self-interest, and with moral and legal responsibility for the care of very fragile pediatric patients, have stated to the Agency and Maxim in writing that (a) area patients and families need another specialty home health provider of demonstrated expertise and responsiveness, and that (b) Maxim would meet that need. Maxim is hopeful that the CON Agency will receive this expert advice as it has in the past, valuing consumer and professional input while also considering credible metrics and standards that may be available from health planners.

b. Currently how many providers are available, and how many additional providers are needed to encourage innovation and competition?

JAR data for 2013 shows that 220 pediatric patients were served in 2013. Only four out of the nineteen area agencies served more than 12 pediatric patients each. Two of the nineteen agencies serve approximately 74% of all area pediatric patients. See application Table Seventeen-B, page 49.

Only three of the nineteen agencies provide any significant level of private duty care (adult or pediatric), as reported in application Table Sixteen, page 47.

Maxim believes that in every area of home health care service, the public should have a wide range of choice, and enjoy high degrees of competition, because of the obvious differences between home health agencies and facility-based healthcare providers such as hospitals, nursing homes, and other capital-intense operations. There is no specific number as a guideline for what would encourage innovation and competition; but in this service area at least one more provider of private duty services with special skills in pediatric and complex cases would obviously be appreciated by consumers of such services, judging from expressions of interest and support for this project.

10. Section C, Need, Item 4.A.
Table Twelve on page 39 is noted. If possible, please provide the median household income for the 5 counties and the PSA.

Table Twelve (Revised), page 39R, showing the median county incomes, is attached following this page.

11. Section C, Need, Item 6
a. The applicant allocated private duty patients in Year One and Year Two based on Maxim's experience. Please briefly discuss the experience the applicant is referencing.

Maxim's Statewide experience is that on average, by the end of two years, its patients tend to be approximately 1/3 intermittent and 2/3 private duty, which is reflected in the projections.

b. On page 53 of the application, the applicant states one Medicare patient who also has commercial insurance will be served in order to be granted a Medicare provider number. In addition, the applicant states Medicare will not reimburse anything for that patient. Please clarify if this arrangement has worked at the applicant's other four home health agencies located in Tennessee. In addition, please clarify if claims will be submitted to Medicare for any copay or coinsurance.

Maxim does this regularly in Tennessee because maintaining the provider number requires serving at least one Medicare patient a year. No claims will be submitted to Medicare for copay or coinsurance.

c. Please clarify if the applicant can be Medicare certified without billing Medicare for services.

Maxim must serve a Medicare patient each year in order to maintain its Medicare provider number. It must bill Medicare for that service as documentation. Medicare denies payment for the claim if the patient has commercial secondary insurance. That documented denial then allows Maxim to submit the bill to the patient's secondary insuror (commercial) for payment.

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Table Twelve: Demographic Characteristics of Project Service Area
Maxim Home Healthcare--Johnson City
2014-2018 Revised on First Supplemental Responses

Demographic	CARTER County	JOHNSON County	SULLIVAN County	UNICOI County	WASHINGTON County	PSA	STATE OF TENNESSEE
Median Age-2010 US Census	42.2	43.3	43.6	44.9	39.3	42.7	38.0
Total Population-2014	57,284	18,094	158,975	18,376	130,586	383,315	6,588,698
Total Population-2018	57,680	18,127	161,136	18,511	138,370	393,824	6,833,509
Total Population-% Change 2014 to 2018	0.7%	0.2%	1.4%	0.7%	6.0%	2.7%	3.7%
Age 65+ Population-2014	11,049	3,748	33,325	3,945	21,731	73,798	981,984
% of Total Population	19.3%	20.7%	21.0%	21.5%	16.6%	19.3%	14.9%
Age 65+ Population-2018	12,027	3,965	37,365	4,264	24,152	81,773	1,102,413
% of Total Population	20.9%	21.9%	23.2%	23.0%	17.5%	20.8%	16.1%
Age 65+ Population-% Change 2014-2018	8.9%	5.8%	12.1%	8.1%	11.1%	10.8%	12.3%
Age 18-64 Population-2014	35,013	11,143	96,231	10,822	82,641	235,850	4,101,723
% of Total Population	61.1%	61.6%	60.5%	58.9%	63.3%	61.5%	62.3%
Age 18-64 Population-2018	34,504	11,027	98,890	10,775	85,513	240,709	4,204,944
% of Total Population	59.8%	60.8%	61.4%	58.2%	61.8%	61.1%	61.5%
Age18-64 Population-% Change 2014-2018	-1.5%	-1.0%	2.8%	-0.4%	3.5%	2.1%	2.5%
Age 0-17 Population-2014	11,222	3,203	29,419	3,609	26,214	73,667	1,504,991
% of Total Population	19.6%	17.7%	18.5%	19.6%	20.1%	19.2%	22.8%
Age 0-17 Population-2018	11,149	3,135	24,881	3,472	28,705	71,342	1,526,512
% of Total Population	19.3%	17.3%	15.4%	18.8%	20.7%	18.1%	22.3%
Age 0-17 Population-% Change 2014-2018	-0.7%	-2.1%	-15.4%	-3.8%	9.5%	-3.2%	1.4%
Median Household Income	$32,908	$30,063	$40,025	$35,415	$42,995	$36,281	$44,140
TennCare Enrollees (01/14)	11,194	3,879	27,472	3,470	19,219	65,234	1,190,766
Percent of 2014 Population Enrolled in TennCare	19.5%	21.4%	17.3%	18.9%	14.7%	17.0%	18.1%
Persons Below Poverty Level	13,061	4,596	26,867	4,061	22,591	71,176	1,139,845
Persons Below Poverty Level As % of Population (US Census)	22.8%	25.4%	16.9%	22.1%	17.3%	20.9%	17.3%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts and FactFinder2; TennCare Bureau. PSA data is unweighted average or total of county data. NR means not reported in U.S. Census source document.

d. Please clarify if Medicare is primary or secondary insurance for a patient who has both commercial and Medicare insurance.

Medicare is always primary insurance. However, this is not relevant to most of what Maxim does because Medicare does not pay for private duty homecare.

e. Please breakdown the projected utilization by discipline and payor source using the following charts:

Private Duty

Projected Private Duty Utilization by Discipline

Discipline	Patients Year 1	Hours Year 1	Patient Ages			
			0-17	18-64	65-74	75+
Skilled nursing	14.4	18,816	7.2	6.0	0.4	0.8
Home health aide	3.6	4,704	1.8	1.5	0.1	0.2
Medical social	0	0	0	0	0	0
Therapies (PT,OT,ST)	0	0	0	0	0	0
Other (specify)	0	0	0	0	0	0
Total	18.0	23,520	9.0	7.5	0.5	1.0

Projected Private Duty Utilization by Discipline

Discipline	Patients Year 2	Hours Year 2	Patient Ages			
			0-17	18-64	65-74	75+
Skilled nursing	28.8	53,648	14.4	11.9	0.8	1.6
Home health aide	7.2	13,412	3.6	3.0	0.2	0.4
Medical social	0	0	0	0	0	0
Therapies (PT,OT,ST)	0	0	0	0	0	0
Other (specify)	0	0	0	0	0	0
Total	36.0	67,060	18.0	14.9	1.0	2.1

Projected Private Duty Utilization by Payor Source

Payor Source	Patients Year 1	Hours Year 1	Patients Year 2	Hours Year 2
TennCare	10.80	21,168	21.60	60,354
Medicare	0	0	0	0
Medicare HMO	0	0	0	0
Private Pay	0.24	470	0.48	1,341
Commercial	0.96	1,882	1.92	5,365
TRICARE	0	0	0	0
Home and Community Based Waiver Programs	0	0	0	0
Other Pay Source (specify)	0	0	0	0
Total	12	23,520	24	67,060

Intermittent

Projected Intermittent Utilization by Discipline

Discipline	Patients Year 1	Visits Year 1	Patient Ages			
			0-17	18-64	65-74	75+
Skilled nursing	4.8	984	2.40	1.99	0.14	0.27
Home health aide	1.2	246	0.60	0.50	0.03	0.07
Medical social	0	0	0	0	0	0
Therapies (PT,OT,ST)	0	0	0	0	0	0
Other (specify)	0	0	0	0	0	0
Total	6	1,230	3.0	2.49	0.17	0.34

Projected Intermittent Utilization by Discipline

Discipline	Patients Year 2	Visits Year 2	Patient Ages			
			0-17	18-64	65-74	75+
Skilled nursing	9.6	2,228	4.80	3.98	0.28	0.54
Home health aide	2.4	557	1.20	1.00	0.06	0.14
Medical social	0	0	0	0	0	0
Therapies (PT,OT,ST)	0	0	0	0	0	0
Other (specify)	0	0	0	0	0	0
Total	12	2,785	6.0	4.98	0.34	0.68

Projected Intermittent Utilization by Payor Source

Payor Source	Patients Year 1	Hours Year 1	Patients Year 2	Hours Year 2
TennCare	5.4	1,107	10.8	2,506.5
Medicare	0	0	0	0
Medicare HMO	0	0	0	0
Private Pay	0	0	0	0
Commercial	0.6	123	1.2	278.5
TRICARE	0	0	0	0
Home and Community Based Waiver Programs	0	0	0	0
Other Pay Source (specify)	0	0	0	0
Total	6	1,230	12	2,785

12. Section C, Economic Feasibility, Item 4 Projected Data Chart
a. The applicant projects 67,060 hours provided in Year Two in the Projected Data Chart. If there are 2,785 visits, the hours per visit equal 24.07 hours (67,060 hours/2,785 visits=24.07 hours). Please clarify.

Hours and visits as compiled in home health statistics in the JAR are not related to one another; they are categories of service that reflect what is billed to Medicare. Hours are kept for private duty nursing patients who receive 4 or more hours of care per day; for that care, insurors are billed by the hour. Visits reflect intermittent visit patients, with a visit being 2 or fewer hours. A visit is reimbursed at a fixed rate by the insurors. So hours cannot be divided by visits to identify hours per visit.

b. Also, on page five of the application, the applicant states a typical private duty visits is from 4 to 24 hours. The applicant is projecting an average of 24.07 hours per private duty home health visit in Year Two. Please clarify.

Please see the response to 12a immediately above. It is not correct to calculate hours per visit by dividing these two different types of statistics.

c. There are no funds allocated for charity care in Year One and Year Two. Are there any instances where a pediatric child would not qualify for TennCare or is uninsured? Please clarify.

When developing this application, Maxim management researched all its Tennessee agencies back to January of 2013, and found no instance of a pediatric patient who was uninsured or unable to be insured.

d. Why does the administrative overhead expense increase from $72,338 in Year One to $201,341 in Year Two?

Administrative overhead is projected by Maxim corporate staff at 8% of gross revenues per year.

13. Section C, Economic Feasibility, Item 9.

a. The applicant projects 2% Medicare and 90% TennCare/Medicaid. What is the revenue source for the remaining 8%?

In terms of revenue, application Table 23 on page 57 shows the payor mx. The 8% is the total of commercial and private pay. The projection is 0% Medicare, 90% TennCare, 8% commercial, and 2% private or self pay. *Note: attached after this page is revised page 57R, Table 23. The applicant has amended some entries in that table to clarify that for practical purposes there will be no Medicare utilization of this agency.*

b. On page 53 of the application there is no Medicare revenue projected in the payor mix. In Table 26 on page 68, $18,085 is listed as Medicare Revenue. Please clarify.

Table 26 on page 68 was in error. Attached following this page is revised page 68R, showing zero Medicare revenue.

Table Twenty-Three-A: Maxim Projected Payor Mix on Gross Revenues (Billilngs) Year One REVISED ON FIRST SUPPLEMENTAL RESPONSES											
	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other	%$	Total (100%)
Patients	0	0.0%	16.20	90.0%	1.44	8.0%	0.36	2.0%	0.0	0.0%	18
Visits	0	0.0%	1,107	90.0%	123	10.0%	0	0.0%	0.0	0.0%	1,230
Hours	0	0.0%	21,168	90.0%	1,882	8.0%	470	2.0%	0.0	0.0%	23,520
Gross Revenue	$0	0.0%	$813,807	90.0%	$72,338	8.0%	$18,085	2.0%	$0	0.0%	$904,230
Gross Rev/Hr	$0		$34		$34		$20		$0		$36.92
Gross Revenue/Pat	$0		$29,065		$24,112		$18,085		$0		$50,235

Source: Maxim management.

13-May

Table Twenty-Three-B: Maxim Projected Payor Mix on Gross Revenues (Billings) Year Two REVISED ON FIRST SUPPLEMENTAL RESPONSES											
	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other	%$	Total (100%)
Patients	0	0.0%	32	90.0%	3.00	8.0%	1.00	2.0%	0.0	0.0%	36
Visits	0	0.0%	2,507	90.0%	279	10.0%	0	0.0%	0.0	0.0%	2,785
Hours	0	0.0%	60,354	90.0%	5,365	8.0%	1,341	2.0%	0.0	0.0%	67,060
Gross Revenue	$0	0.0%	2,265,089	90.0%	$201,341	8.0%	49,832.00	2.0%	$0	0.0%	$2,516,765
Gross Rev/Hr	$0		34		$34		$20		$0		$37.44
Gross Revenue/Pat	$0		62,919		$40,268		$49,832		$0		$69,910

Source: Maxim management. Very small numbers are shown to two decimal places to clarify that they add to the total columns.

15-May

Note: TennCare requires its TennCare providers to have a Medicare provider number. But Maxim is a private duty company that has committed not to compete with other home health agencies for Medicare patients. ***Maxim will serve one Medicare-age patient per year (one with commercial insurance)*** *to maintain a Medicare provider number; but the secondary insurance will pay and Medicare will not--hence no Medicare revenue is projected in the P&L. The single Medicare eligible patient is in the "commercial" columns in the tables above.*

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

The project will serve TennCare/Medicaid patients. Its service to Medicare patients will be to an estimated single patient, to secure a Medicare provider number (which the State now requires in order for a home health agency to participate in TennCare). As explained in Table Twenty-Three above, no actual NET revenue will be received from Medicare.

Table Twenty-Six: Medicare and TennCare/Medicaid Revenues, Year One

	Medicare	TennCare/Medicaid
Revenue	none	$813,807
Percent of Revenue	none	90.0%

Source: Table Twenty-Three above.

Charity patient care is not financially feasible for this small agency, which in Year Two will serve only 36 patients, and will have a positive margin of only $10,621. Private duty agencies care for very costly patients and do not know in advance the extent of loss that will be incurred, if a patient is accepted. The private duty agencies now serving these counties reported no charity care in their 2013 Joint Annual Reports. The TDH 2013 Summary Report for Tennessee shows that charity care provided by home health agencies Statewide last year was only one-fifth of one percent of their total revenues (Report 2, page 1).

14. Section C, Economic Feasibility, Item 10.
a. The latest unaudited balance sheet and income statement for the applicant noted as "Proprietary and Confidential" is noted. However, the application is public information. Please clarify.

The document was forwarded by Maxim's corporate office to Maxim in Tennessee with that pre-printed marking. It is not intended to restrict its use in this application process. The applicant fully understands that its submission makes it public information.

b. Please provide a copy of the latest audited Consolidated Financial Statements for Maxim Healthcare Services, Inc. and Subsidiaries.

The most recent audited financial statements (income statement and balance sheet) are attached at the end of this response. They too had a preprinted marking as "Proprietary and Confidential" when received by Maxim in Tennessee. It is not intended to restrict its use in this application process. The applicant fully understands that its submission makes it public information.

c. As indicated by the applicant, Maxim Healthcare Services, Inc. has entered into a Deferred Prosecution Agreement (DPA) between Maxim and the United States Attorney's Office for the District of New Jersey and a Corporate Integrity Agreement (CIA) with the Office of Inspector General, US Department of Health and Human Services regarding allegations of false claims related to Medicaid payments. Please discuss how these two agreements have impacted the financial condition of Maxim Healthcare Services, Inc. and Subsidiaries.

The DPA Settlement Agreement calls for payments over the course of a five-year period. The payments may extend for a period of eight years, if necessary. The Company has met all payment obligations to date, including fees relating to the costs of the monitors under the DPA and CIA. The care that Maxim renders has not in any way been compromised as a result of the Settlement Agreement, DPA, or CIA. Maxim Healthcare Services, Inc. has a sound financial statement now, as demonstrated in attachments to this application.

15. **Section C, Orderly Development, Item 2**
It appears there are two agencies that rely on pediatric patient's ages 0-17 for over 25% of their total agency patients in the proposed service area; Procare Home Health Services and Elk Valley Health Services, Inc. Collectively, both home health agencies provide 48% of private duty pediatric care for patients 0-17 years of age in the proposed service area. If approved, please discuss how utilization rates of these two providers in the proposed service area will be affected.

Maxim's attraction of 18 of the 220 service area pediatric patients may not have any significant adverse impact on those two agencies. As application Table 17-A, page 48 showed, those two agencies together served 106 of the area's 220 patients last year. But seven other agencies also served a total of 114 pediatric patients, varying in volume from 3 to 64 pediatric patients.

Maxim's entry into this market likely would have the most impact on low-volume pediatric providers who have less expertise and staffing depth in this special patient category. In fact, the four agencies with only single-digit annual pediatric patient cases collectively served only 18 pediatric patients last year--enough to entirely supply Maxim's Year Two projected utilization without taking any cases from agencies highly dependent on pediatric patients.

	Area Pediatric Patients Served
Elk Valley	12
ProCare	94
7 Other Agencies	114*
	220 Total

* *Four of the seven agencies cared for only 3-8 pediatric cases each (18 in total).*

16. **Section C, Orderly Development, Item 3**
a. The projected staffing of 45 FTE direct staff in Year One of the proposed project is noted. On average, how many direct staff FTE's are needed per patient?

That depends on the number of hours per care that the patient receives. For a patient with 40-50 hours of care a week, only 1 nurse/aide would be required. For a patient requiring 24-hour around the clock care daily, there would likely be 5 to 6 direct FTE's per patient.

b. The applicant needs to fill 30 LPN and 10 RN positions in Year One. Please clarify if the applicant will be able to recruit 40 nurses with the qualifications to fill those vacancies.

Maxim feels confident of recruiting the projected field staff. Maxim offices employ full-time professional recruiters whose primary responsibility is to recruit and employ field staff such as these RN's. Maxim also advertises heavily, and offers specific nurse training programs that enhance recruitment efforts--such as a highly regarded Ventilator Training program, and an "Adults to Peds" courses that strengthen pediatric skills of experienced nurses who have primarily served adults before coming to Maxim.

c. Please briefly describe the Accreditation Commission for Health Care.

It is a 25-year-old nonprofit organization, founded to bring expertise to the accreditation of home health care organizations. CMS (Center for Medicare and Medicaid Services) has approved ACHC for "Deeming Authority" for Home Health (and other types of) companies. Attached following this page are materials from their website describing their scope and history.

SUPPLEMENTAL- # 1

May 28, 2014
9:40am

ABOUT ACHC

MISSION. VALUES.

ACHC: FOR PROVIDERS. BY PROVIDERS.

Welcome to the Accreditation Commission for Health Care (ACHC), a national organization developed by homecare and alternate-site healthcare industry providers. Our board, advisors, surveyors and staff are committed to providing the industry with an accreditation program that helps organizations improve business operations, quality of patient care and services.

ACHC is an independent, private, not-for-profit corporation established in 1986. The Association for Home & Hospice Care (AHHC) of North Carolina established ACHC to ensure quality, patient-focused, clearly written accreditation standards for in-home aide services. The values that guided our initial standards continue to lead our organization today.

ACHC has gained respect and recognition as an accrediting organization uniquely committed to health care providers. We have adopted a participatory approach to standards development that actively solicits the input of those most knowledgeable about current approaches to care. The result is a set of practical standards that promotes quality services and ensures optimum care for the patient. The entire accreditation process is a collaborative, educational, and genuinely patient-focused approach.

Mission

The Accreditation Commission for Health Care (ACHC) is dedicated to delivering the best possible experience and to partnering with organizations and healthcare professionals that seek accreditation and related services.

Values

1. Committed to successful collaborative relationships

2. Flexibility without compromising quality

3. Every employee is accountable for their contribution to providing the best possible experience

4. We will conduct ourselves in an ethical manner in everything we do

ACHC Specializes in Accreditation.

- Home Health
- Hospice
- DMEPOS
- Pharmacy
- Private Duty
- Sleep Lab/Center
- Behavioral Health

SUPPLEMENTAL- # 1

May 28, 2014
9:40am

Why ACHC
History
Board of Commissioners
Leadership Team
Management Team
ACHC in the Community
Employment

ACHC *history*

ACHC HISTORY

ACHC is the only national healthcare accrediting organization started at the grass-roots level by a few home care providers endeavoring to create a viable option of accreditation sensitive to the needs of small providers. The model was to "ensure a voice for providers." We have grown a lot since then, but continue to place importance on the provider, customer service and quality patient care.

Here are a few historical highlights along the way:

2010-2014

- ACHC launches Pharmacy Certification programs for Non-Sterile Compounding (ref. USP <795>) and Sterile Compounding (ref. USP <797>).
- ACHC Hospice Accreditation receives continued recognition by CMS.
- ACHC partners with DNV healthcare, Inc., to provide hospitals with a total accreditation solution.
- Board approves accreditation standards for Home Sleep Testing.
- ACHC moved headquarters to Cary, NC.
- The Behavioral Health standards are launched.
- ACHC celebrates 25 years of service.
- ACHC wins Ovation Award for HR Excellence.

2005-2009

- ACHC announces agreement with Option Care, Inc., the country's largest home infusion company with 50 corporate and 55 franchise locations.
- The Centers for Medicare and Medicaid Services (CMS) approves ACHC for "Deeming Authority" for Home Health and DMEPOS companies.
- ACHC receives 85 new applications for accreditation in one month and surpasses 1,000 accredited locations nationwide.
- ACHC is selected to appear on Inc. Magazine's "Inc. 5000" list of the nation's fastest growing private companies in America.
- ACHC elects to adopt the Malcolm Baldridge Criteria in its continued efforts to promote performance excellence.
- Wal-Mart Inc., the nation's largest employer chooses ACHC.
- ACHC's QMS is certified to ISO 9001:2008.
- ACHC receives the commitment level 2 for Malcolm Baldrige standards from the North Carolina Awards for Excellence program.
- The Centers for Medicare and Medicaid Services (CMS) approves ACHC for deeming authority for Hospice, Home Health and DMEPOS companies.
- Sleep Lab/Center standards are developed.

2000-2004

- The Accreditation Commission for Home Care, Inc. accredits Priority Healthcare, a national specialty pharmacy.
- The Accreditation Commission for Home Care, Inc. has accredited 178 sites in 22 states from coast to coast.
- The name of the organization is changed to the Accreditation Commission for Health Care, Inc. (ACHC)
- ACHC announces agreement with Coram Healthcare, one of the nation's largest home infusion companies with 75 locations.
- Respiratory Nebulizer Medications and Mail Order Medical Supply Services standards are developed.
- Liberty Home Pharmacy, the largest medical home delivery company in the country agrees to be a beta test site for Respiratory Nebulizer Medications and Mail Order Medical Supply Services.
- Walgreens Health Initiatives Home Care becomes ACHC accredited.
- ACHC elects to become certified to the International Organization for Standardization (ISO 9001:2000)
- ACHC's Quality Management System (QMS) is certified to ISO 9001:2000.
- ACHC has accredited companies in 45 states with patients being served in all 50 states, Puerto Rico, and

SUPPLEMENTAL- # 1

May 28, 2014
9:40am

Guam.

1995-1999

- The first Medicare certified home health agency is accredited.
- Preparation for national expansion is initiated through recognition from the National Commission for Quality Assurance (NCQA).
- Hospice standards are developed.
- A press release is sent to national and state associations and publishers announcing that the Accreditation Commission for Home Care, Inc. would begin offering national accreditation services.
- Standards are developed for Women's Health Care Products and Services (Fitter Services)
- The Accreditation Commission for Home Care, Inc. has surveyed in 17 states from coast to coast.
- Specialty Pharmacy standards are developed.

1990-1994

- Nursing standards for homecare aide organizations are developed.
- The name of the organization is changed to the Accreditation Commission for Home Care, Inc.
- Blue Cross Blue Shield of North Carolina announces that contract providers have one year to become accredited and names the Accreditation Commission for Home Care, Inc. as an accreditation option for home health and home infusion.
- The Accreditation Commission for Home Care, Inc. board approves standards for home health, home infusion, and home medical equipment.

1986-1989

- A few homecare aide organizations determine the need for a new accrediting program for the state of North Carolina.
- The North Carolina Accreditation Commission for In-Home Aide Services (NCACIAS) is incorporated.

CMS Deeming Authority For: Home Health, Hospice & DMEPOS | Certified to ISO 9001:2008 | © Accreditation Commission for Health Care, Inc.
Contact us at: customerservice@achc.org | Phone: 919-785-1214 | Fax: 919-785-3011 | Toll-Free: 855-937-2242 | www.achc.org

139 Weston Oaks Ct. | Cary, NC 27513

17. **Section C, Orderly Development, Item 9**
The Deferred Prosecution Agreement between Maxim and the United States Attorney's Office for the District of New Jersey and a Corporate Integrity Agreement (CIA) with the Office of Inspector General, US Department of Health and Human Services regarding allegations of false claims related to Medicaid payments are noted. Please address the following questions pertaining to these agreements:

The list of staff questions and Maxim legal counsel's responses to those questions are attached after this page.

17. Section C, Orderly Development, Item 9
The Deferred Prosecution Agreement between Maxim and the United States Attorney's Office for the District of New Jersey and a Corporate Integrity Agreement (CIA) with the Office of Inspector General, US Department of Health and Human Services regarding allegations of false claims related to Medicaid payments are noted. Please address the following questions pertaining to these agreements:

a. What is the False Claims Act?

The federal False Claims Act ("FCA"), 31 U.S.C. sec. 3729-3733, in general terms, imposes civil liability for any person who knowingly submits a false claim, or causes another to submit a false claim, to the United States government ("Government").

b. Please describe an overview of the Deferred Prosecution Agreement and the Corporate Integrity Agreement including terms and time period.

In September of 2011, Maxim entered into a Civil Settlement Agreement ("Settlement Agreement") with the United States of America, a Deferred Prosecution Agreement ("DPA") with the United States Attorney's Office for the District of New Jersey ("USAONJ"), and a Corporate Integrity Agreement ("CIA") with the Office of Inspector General of the Department of Health and Human Services, to resolve false Medicaid claims submitted by Maxim from approximately 1998 to 2009 to federal and state governments.

In September of 2013, Maxim successfully met the terms of its two-year DPA and was released from the agreement by court order shortly thereafter. The DPA required Maxim, among many other things, to pay a $20 million fine, undergo review by a court-appointed monitor (the law firm of Gallagher, Evelius & Jones), create and sustain a compliance program, draft and implement comprehensive policies and procedures, and immediately inform USAONJ of certain reportable events. The monitor submitted quarterly reports to USAONJ summarizing its review of Maxim's actions.

Maxim is in year three of its five-year CIA, which will end in September of 2016, if the Company meets all of the obligations of the document. Under the CIA, Maxim operates under an Independent Review Organization ("IRO") and a Compliance Consultant. The IRO reviews Maxim's billing practices, while the Compliance Consultant reviews Maxim's adherence to its policies and procedures. Both the IRO and the Compliance Consultant submit reports to OIG on their findings. In general, the CIA requires that Maxim adhere to all laws, among many other requirements, including the submission of reports of "Reportable Events", such as employing persons who are excluded from participating in any federally funded programs. Maxim is subject to monetary fines and, ultimately, exclusion, for failure to comply. To date, Maxim has not been fined.

c. Please clarify if the two agreements also involve the United States Veterans Administration.

United States of America, however, entered into the Civil Settlement Agreement on behalf of the Department of Justice and the VA.

d. What was the total amount allegedly billed to Medicaid programs and in how many states?

The Civil Settlement Agreement sets forth the amount that Maxim is required to pay back to 41 states as $55,957,209.63 (including interest).

e. Please discuss if Maxim providers in Tennessee were involved in the Deferred Prosecution Agreement, Corporate Integrity Agreement, or allegations of false claims. Please include the total amount billed, time period, and civil penalties.

Maxim's Civil Settlement Agreement included settlements with 41 state governments, including Tennessee. The settlement agreement with Tennessee includes a payment of $599,274 (including interest), paid out over the course of five years. The DPA and CIA are not specific to any state; rather, they cover the entire Company.

f. What was the total settlement charges as a result of the both the Deferred Prosecution Agreement and the Corporate Integrity Agreement?

$150,000,000 (including the $20,000,000 fine pursuant to the DPA).

g. Has the company brought in new leadership since these two agreements?

The entire senior leadership team in place during the time period at issue in the agreements is no longer with the Company. Maxim began restructuring its entire leadership group in 2009, after the Company's Board of Directors retained a Monitor to begin the process of rebuilding the Company while attempting to negotiate a settlement with the Government. The Monitor made several recommendations, including the separation of several lead clinicians as well as the Company's general counsel. It also recommended that Maxim hire W. Bradley Bennett, a seasoned CEO in the healthcare industry. Mr. Bennett started with Maxim in October of 2009.

Mr. Bennett quickly added members to his team, including a Chief Medical Officer, Chief Nursing Officer, Compliance Officer and General Counsel. In the past four years, the Company has replaced its Chief Financial Officer, Vice President of Human Resources, and

added a President and a Chief Information Officer. It has entirely revamped its regional structure, replacing almost all of the regional operation and clinical leadership.

h. What changes has Maxim initiated in terms of compliance, ethics, and the training of employees?

Maxim has implemented industry-leading compliance, ethics and training processes. Please see the attached timeline for detail. Please see the attached time line summarizing the actions that Maxim has taken as of October of 2009, when Mr. Bennett became CEO. Additionally, Maxim is required by its CIA to have compliance, ethics, and training of employees on an annual basis.

i. Please identify any special monitor that has been appointed to ensure Maxim's activities adhere to the Deferred Prosecution Agreement.

As described above in Response 2, USAONJ released Maxim from the DPA in September of 2013, after the Company successfully met with the terms of the agreement. Maxim continues to operate under a CIA, which includes two monitors, an IRO and a Compliance Consultant.

j. Did the Deferred Prosecution Agreement, Corporate Integrity Agreement, or false claims allegations involve services to home health and private duty patients?

Yes, the allegations involved conduct to home health and private duty patients in the 1998 – 2009 time period for billing for services (1) not rendered; (2) for which Maxim lacked appropriate documentation; and (3) in unlicensed offices.

k. Is Maxim still allowed to participate in state and federally funded health programs?

Yes, Maxim is allowed to participate in all state and federally funded health programs. There are no restrictions.

l. Please indicate if the Deferred Prosecution Agreement and the Corporate Integrity Agreement will prevent Maxim from contracting with TennCare Managed Care Organizations.

Neither agreement prohibits Maxim from entering into any contract.

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Maxim Healthcare Services - - Summary Timeline of Material Improvements

2009

- Review and revision of all existing home care policies
- OASIS-C and 485 Plan of Care training for all regional clinical leaders
- Reorganization of company structure: dividing company into four regions rather than two; each region overseen by a VP of Clinical, VP of Operations, and VP of Finance
- Implementing "Rapid Response" process to ensure patient safety by immediate response, assessment, and resolution of problems
- Development of internal Legal and Compliance Investigation process

2010

- Hiring of all regional VPs
- Transitioning from under-performing regional leaders to stronger regional leaders
- Development of an office-based Advisory Board consisting of the company's best office operational leaders
- Revision of all home care policies: formation of a policy committee with headquarter subject matter experts; release of policies sequentially giving a review time for field input
- Development of an electronic system to track employee requirements
- Development of an electronic incident reporting system
- Development of clinical metrics and analytics to trend incident reporting data
- Development of Quality Improvement office to analyze data and provide clinical guidelines for improving outcomes
- Marked enhancement of clinical training at headquarters for regional and office-based clinicians resulting in a decrease in attrition
- Standardizing orientation and onboarding of all clinicians for consistency and completeness
- Improved communication efforts: "Make it Your Business ("MIYB")" and "My Maxim Connect ("MMC")" information updates
- Enhanced access to online in-service training through "MyPDC"
- Completion of the Preliminary Evidence Review process for triennial accreditation through ACHC
- Healthcare Quality Metrics ("HQM") roll out
- Implementing Rapid Response process to ensure patient safety by immediate response, assessment, and resolution of problems
- Additional regional support added, including a Regional Compliance Officer and Regional Director of Education
- "ABC" office-ranking implemented to assist offices in need of help
- Formation of a Medical Utilization Review Board for quality improvement

2011

- Business Intelligence Scorecard implemented to give immediate access to operational and compliance status of each office

- Establishment of Key Clinical Indicators as quality measures on which to focus with outcomes available
- Hiring of a patient satisfaction company to develop a global home care patient satisfaction survey
- Revision of the incident reporting system with expansion to other company divisions
- Successful completion of triennial reaccreditation through ACHC
- Roll out of companion policies
- Caregiver of the Year award created to recognize the company's best caregiver.

2012

- Implementation of three patient satisfaction surveys: start of care, discharge, and random semi-annual
- Further revision of policies to meet accreditation standards using the policy Committee
- Development of multi-module ventilator training program as well as multi- modular pediatric training program
- Creation of Legal Billing Analysis Team as a join collaboration between Compliance and Legal to review compliance issues for potential repayment
- Care Transition and Disease Management (Gateway to Better Health adults and peds) created
- Roll out of evidenced based practice guidelines for certain disease states
- Quality outcomes management for Medicare offices (CASPER/HHCompare/HHCAHPS
- Clinical Indicators added to HQM
- Root cause analysis for protected investigations (with associated training)
- Self audit tool initiated (Human Resources, Admin, Medical Records, Home Visits)
- Satisfaction surveys outsourced
- Customer service calls implemented
- Adult and Pediatric Care Packages
- Caregiver Advisory Board established

2013

- Implementation of revised hiring policies
- Resource Center for policy questions created
- Customer Service Specialist position initiated
- Revision of competency assessment distinguishing competency assessment from skills validation; use of patient care scenarios in competency evaluation tools
- Revision of standard Orientation training program for all clinicians and included training on sleep deprivation and the workplace.
- Development of new electronic system to track clinician skills and competencies

- Completion of the Preliminary Evidence Review for the triennial accreditation process through ACHC
- Establishment of a pilot simulation lab for clinical training
- Development of a "Separate Entity" approach to various business lines
- Revision of policies to reflect various business lines through Separate Entity

- Creation of the Utilization Review Committee to review medical necessity, homebound, and other clinical documentation issues for discharge or repayment
- Continued refinement of surveys database and survey education to the field
- Therapy bulletins and training regarding therapy documentation
- Medicare University created for training on Medicare issues
- Quality and QI to summer meetings
  *Office self-audit tool updated and performed quarterly
  * Enhanced Quality and QI component of new DOCS and Clinical Supervisor trainings
- Started project to reevaluate replacing multiple operational, clinical & billing systems
- Evaluated multiple technologies and finalized on 3 vendors – Mckesson, HealthMedX, & Homecare/Homebase
- After extensive evaluation picked HealthMedX, due to cost and overall capabilities

2014

- Expansion of QI program to include Board and Corporate QI Committees
- Establishment of national Key Quality Indicators to include clinical and operational quality improvement initiatives
- Continued revision of policies to reflect various business lines through Separate Entity
- OASIS C training
- New Graduate Nursing Program Pilot
- Separate entity for PDN and Certified
- Revamp of policy committee

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Maxim Healthcare Services - - Information Security Timeline

2012

- Chartered Information Security Program, including:
  - Information Security Council (VP-level, bi-monthly)
  - Information Security Governance Committee (Director-level, monthly)
  - IS Security Committee (Manager-level, monthly)
- Validated branch office server backups to corporate disk backup array (and then to offsite tape).
- Validated security controls on branch office servers.

2013

- Updated computer antivirus systems.
- Re-established ITSM Change Management practice.
- Re-established computer systems patching practice.
- Re-established computer assets accounting / management practice.
- Re-established computer tracking controls for laptops (Absolute Computrace).
- Gathered / analyzed high-level Disaster Recovery requirements (including high-level BIA).
- Re-implemented corporate shared file storage with updated security controls.
- Tested mobile device security on tablets (AirWatch on iPads).

2014

- Establish multifunction printer security practice.
- Re-implement document scanning / digital imaging storage with updated security controls.
- Launch biometric screening services using secure tablets (AirWatch on iPads).
- Trial mobile device security for personal devices (AirWatch on "bring your own device" smartphones).
- Enhance network defenses: Implement intrusion detection / prevention system.
- Enhance network defenses: Upgrade / broaden web proxy controls.
- Upgrade desktop / laptop computing, including enhanced security controls:
  - Hard drive encryption.
  - Absolute Computrace on all computers (not just laptops).
  - Locally installed web proxy to control web browsing even on non-Maxim network.
- Establish internal security scanning / auditing function.
- Establish external security scanning / auditing function (will result in accreditation from Verizon Security).
- Started contract negotiations with HealthMedX
- Created Project charter and started planning to implement HealthMedX in 2014 (pilot offices only)

18. Proof Of Publication
Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

Attached after this page and other materials.

Contractor's Cost Attestation Letter

Attached after this page is the contractor's letter attesting to the reasonableness of the project cost. Its stated cost of $114,995 as the construction cost refers to the entire build-out, some of which is covered by the tenant improvement allowance built into the lease, and the balance of which will be paid for by Maxim.

The landlord has received a first construction bid of $114,995. The landlord's buildout allowance will be $5 per SF (lease Section 6.1.c) for each year of the 5-year lease term (lease Section 2.1). So the lease payment will include a "tenant improvement allowance" of $5 X 5 years X 3,438 SF = $85,950. The difference between what the lease includes ($85,950), and the renovation construction cost ($114,995) is $29,045. Not having the bid available when the application was filed, Maxim estimated its share of the buildout at $60,000 in line A.5 of the Project Cost Chart, about double what it may actually be under this bid. But nonetheless, Mr. Cox's letter clearly satisfies the CON requirement that estimates be sufficient to cover the cost, in a contractor's opinion.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please FAX or telephone me so that we can respond in time to be deemed complete.

Respectfully,

John Wellborn

John Wellborn
Consultant

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

MITCH COX
COMPANIES

May 22, 2014

Maxim Health Services
208 Sunset Drive
Suite 503
Johnson City, TN 37604

Subject: Verification of Construction Cost Estimate
Suite 503
Johnson City, Tennessee

I have reviewed the cost data for the above-referenced project. The stated renovation construction cost is approximately $114,095.00 [In providing opinions of probably construction cost, the Client understands that the Consultant has no control over the cost or availability of labor, equipment of materials, or over market conditions of the selected contractor's method of pricing, and that the Consultant's opinions of probable construction costs are made on the basis of the Consultant's professional judgment and experience. The Consultant makes no warranty, express or implied, that the bids of negotiated cost of the work will not vary from the Consultant's opinion of probable construction cost.]

It is our opinion that at this time, the projected renovated construction cost is reasonable for this type and size of project and compares appropriately with similar projects in this market.

The current building codes applicable to the project, as of the date of this letter, will be;

- 2012 International Building Codes (Bldg., Mechanical, Gas, Etc.)
- 2012 National Fire Protection Association Codes (including Life Safety Code).
- National Electric Code
- Americans with Disabilities Act (ADA)
- Tennessee Licensure Standards
- 2010 AIA Guidelines for Construction of Hospital and Healthcare Facilities (as applicable)

This listing is not entirely inclusive, but the intent is for all applicable codes and standards,Federal, State and local, to be addressed during the design process. The codes in effect at the time of submittal of plans and specifications shall be the codes to be used throughout the project.

Sincerely,

Odell Cash
Mitch Cox Construction
Project Manager

O 423.282.6582
F 423.282.5903
www.mitchcox.com
801 Sunset Drive, Suite D-1
Johnson City, TN 37604

KINGSPORT TIMES-NEWS

PUBLICATION CERTIFICATE

Kingsport, TN 5/12/14

This is to certify that the Legal Notice hereto attached was published in the Kingsport Times-News, a daily newspaper published in the City of Kingsport, County of Sullivan, State of Tennessee, beginning in the issue of May 10, 2014, and appearing 1 consecutive weeks/times, as per order of Maxim Heathcare Services

Signed Sheryl Edwards

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. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Maxim Healthcare Services (a home health agency), owned and managed by Maxim Healthcare Services, Inc. (a corporation), intends to file an application for a Certificate of Need to establish a licensed home health agency and to provide home health agency services (primarily hourly services) in Carter, Johnson, Sullivan, Unicoi and Washington Counties, at a cost estimated at $464,000 for CON purposes. Its principal office will be located at 208 Sunset Drive, Suite 503, Johnson City, Tennessee 37604.

The proposed agency will be licensed as a home health agency by the Board for Licensing Health Care facilities. The project does not contain major medical equipment or initiate or discontinue any other health service, and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Welborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

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

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

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection 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.

PUB1T: 5/10/14

STATE OF TENNESSEE, SULLIVAN COUNTY, TO WIT:

Personally appeared before me this 12th day of May

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

JOHNSON CITY PRESS
204 W. Main Street
Johnson City, TN 37604

AFFIDAVIT OF PUBLICATION

AD# 1155802

DATES: 5-10-2014

State of Tennessee
Carter County
Washington County

Teresa Hicks makes

newspaper publish

was published in sa

and ending on

NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED

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Teresa Hicks

Sworn to and Subscribed before me this 5 12 2014
Month Day Year

CONNIE N. GUINN
STATE OF TENNESSEE

SUPPLEMENTAL - # 1
May 28, 2014
9:40am

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Maxim Healthcare Services, Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2013 and 2012

Privileged and Confidential

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Maxim Healthcare Services, Inc. and Subsidiaries
Index
December 31, 2013 and 2012

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Statements of Operations	3
Statements of Changes in Stockholders' Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6-16

Privileged and Confidential

Independent Auditor's Report

To the Stockholders of
Maxim Healthcare Services, Inc. and Subsidiaries:

We have audited the accompanying consolidated financial statements of Maxim Healthcare Services, Inc. and its subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 our 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, we consider internal control relevant to the Company'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 Company'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 opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company at 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.

PricewaterhouseCoopers LLP

May 14, 2014

Privileged and Confidential

PricewaterhouseCoopers LLP, Captrust Tower, 4208 Six Forks Road, Raleigh, NC 27609
T: (919) 791 4000; F: (919) 791 4010, www.pwc.com/us

Maxim Healthcare Services, Inc. and Subsidiaries
Consolidated Balance Sheets (in thousands)
December 31, 2013 and 2012

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 15,918	$ 6,620
Accounts receivable, less allowance for doubtful accounts of $16,353 and $18,312 in 2013 and 2012, respectively	195,119	189,346
Inventory	1,461	578
Prepaid expenses	3,909	5,838
Other current assets	5,019	6,073
Total current assets	221,426	207,953
Property and equipment, net	4,925	9,728
Other assets, net	25,178	37,186
Total assets	$ 251,529	$ 254,867
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 5,623	$ 7,886
Accrued compensation and related costs	59,726	51,864
Due to affiliate	149	1
Deferred compensation	18,641	14,218
Other accrued expenses	28,410	36,876
Credit facility	21,500	12,502
Total current liabilities	134,049	123,347
Other accrued expenses	70,607	70,889
Deferred compensation	36,757	49,622
Total liabilities	241,413	243,858
Stockholders' equity		
Common stock	4	4
Additional paid-in capital	152	152
Retained earnings	12,239	13,645
Stockholder tax advances	(2,279)	(2,792)
Total stockholders' equity	10,116	11,009
Total liabilities and stockholders' equity	$ 251,529	$ 254,867

Privileged and Confidential

The accompanying notes are an integral part of these consolidated financial statements.

Maxim Healthcare Services, Inc. and Subsidiaries
Consolidated Statements of Operations (in thousands)
Years Ended December 31, 2013 and 2012

	2013	2012
Revenues	$ 1,226,911	$ 1,241,536
Operating expenses	1,214,161	1,248,226
Goodwill and intangible impairment loss	12,313	11,376
Gain (Loss) from operations	437	(18,066)
Investment income	488	186
Interest expense	(2,331)	(3,593)
Loss before provision for income taxes	(1,406)	(21,473)
Provision for income taxes	-	(420)
Net loss	$ (1,406)	$ (21,893)

Privileged and Confidential

The accompanying notes are an integral part of these consolidated financial statements.

SUPPLEMENTAL- # 1
May 28, 2014
9:40am

Maxim Healthcare Services, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity (in thousands)
Years Ended December 31, 2013 and 2012

	Common Stock	Additional Paid-in Capital	Retained Earnings	Stockholder Tax (Advances) Repayments	Total
Balance, December 31, 2011	$ 4	$ 152	$ 35,538	$ (3,548)	$ 32,146
Repayments of stockholder advances	-	-	-	756	756
Net loss	-	-	(21,893)	-	(21,893)
Balance, December 31, 2012	4	152	13,645	(2,792)	11,009
Repayments of stockholder advances	-	-	-	513	513
Net loss	-	-	(1,406)	-	(1,406)
Balance, December 31, 2013	$ 4	$ 152	$ 12,239	$ (2,279)	$ 10,116

Privileged and Confidential

The accompanying notes are an integral part of these consolidated financial statements.

Maxim Healthcare Services, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (in thousands)
Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Net loss	$ (1,406)	$ (21,893)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	5,901	10,010
Stock-based compensation	8,387	(932)
Loss (gain) on sale of fixed assets	400	(1,126)
Impairment loss on disposal of fixed assets	-	7,458
Goodwill and intangible impairment	12,313	11,376
Bad debt expense	10,149	11,813
Changes in operating assets and liabilities		
Decrease (increase) in:		
Accounts receivable, net	(15,922)	9,530
Inventory	(883)	311
Prepaid expenses	1,427	(146)
Other current assets	1,054	4,820
(Decrease) increase in:		
Accounts payable	(2,263)	(4,543)
Accrued compensation and related costs	7,862	9,228
Deferred compensation	(16,829)	(13,667)
Due to affiliate	148	(114)
Other accrued expenses	(8,748)	(21,414)
Net cash provided by operating activities	1,590	711
Cash flows from investing activities		
Purchases of fixed assets, net	(938)	(2,871)
Increase in other assets	(450)	(49)
Proceeds from sale of assets	85	1,386
Net cash used in investing activities	(1,303)	(1,534)
Cash flows from financing activities		
Borrowings under credit facility	257,333	1,239,916
Payments under credit facility	(248,335)	(1,243,322)
Payments made for financing fees	(500)	-
Repayments of stockholder tax advances	513	756
Net cash provided by (used in) financing activities	9,011	(2,650)
Net increase (decrease) in cash and cash equivalents	9,298	(3,473)
Cash and cash equivalents		
Beginning of year	6,620	10,093
End of year	$ 15,918	$ 6,620
Supplemental cash flow information		
Cash paid for		
Interest	$ 2,368	$ 3,732
Taxes	92	117

The accompanying notes are an integral part of these consolidated financial statements.

Privileged and Confidential

Maxim Healthcare Services, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2013 and 2012

1. Business Description

Maxim Healthcare Services, Inc. and Subsidiaries (collectively, "Maxim" or the "Company") provides temporary nursing and other medical personnel services to individuals, hospitals, nursing homes and other facilities throughout the United States. In addition, Maxim administers and delivers vaccination and wellness services.

Maxim's wholly-owned subsidiaries include the following: Maxim Health Systems, LLC; Maxim of New York, LLC; Care Focus, Inc.; Maxim Government Services, LLC; Professional Healthcare Associates, LLC; TimeLine Recruiting, LLC; Logix Healthcare Search Partners, LLC; Maxim Physician Resources, LLC; Centrus Premier Home Care, Inc.; Maxim Home Health Resources, LLC; Reflectxion Resources II, Inc.; Orbis Clinical, LLC; and StaffAssist Workforce Management, LLC. The accompanying consolidated financial statements include the accounts of Maxim Healthcare Services, Inc. and its subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies and Practices

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("USA").

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the USA requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Credit Risk
The Company's accounts receivable are primarily with third-party payor commercial insurance companies, individuals and the Medicare and Medicaid programs. At December 31, 2013 and 2012, the Medicare and Medicaid programs represented approximately $57.5 million (33%) and $63.3 million (36%), respectively, of gross accounts receivable balances. Management believes that its concentration of credit risk is limited due to the Company's number of payors as well as their dispersion across geographic regions.

Revenue Recognition
Services are provided to certain patients covered by third-party payor programs, including various managed care organizations and the Medicare and Medicaid programs. Services are also provided to certain patients on a private pay basis. Revenues are recognized on the accrual basis at the time services are provided and are reported net of provisions for contractual allowances from third-party payors. Sales are also recognized net of allowances for differences between the amounts billed to third party payors and estimated program payment amounts. Adjustments to the estimated payment amounts based on final settlement with the programs are recorded upon settlement as an adjustment to revenue. For services that are billed directly to the patient, the Company records revenues based on the net amount which is reasonably assured of collection at the outset. Revenues associated with unbilled receivables are recognized in the fiscal year that services are provided, so long as the related perfunctory supporting documentation is obtained prior to the financial statement issuance date.

Cash and Cash Equivalents
Cash and cash equivalents include demand deposits and short-term investments with maturities of three months or less.

Privileged and Confidential

Maxim Healthcare Services, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2013 and 2012

Accounts Receivable Net of Allowance for Doubtful Accounts
Accounts receivable are reported at net realizable value, net of contractual allowances and allowances for doubtful accounts. The Company has implemented a standardized approach to estimate the impact of such allowances based on a number of factors, including historical collection trends, the aging of accounts, current economic conditions, regulatory changes and payor reimbursement experience. The Company regularly assesses the state of its billing operations in order to identify issues which may impact the collectability of receivables or reserve estimates. Account balances are written off against the allowance when management believes it is probable the receivable will not be recovered.

Total unbilled trade accounts receivable as of December 31, 2013 and 2012 was $14.0 million and $13.1 million, respectively.

Inventory
Inventory consists of medical supplies and vaccines used to provide wellness services and are stated at the lower of cost, determined using the average cost method, or market.

Prepaid Expenses
Prepaid expenses consist primarily of prepayments made on insurance policies and lease obligations. Prepaid workers' compensation and general and professional liability insurance premiums were $0 thousand and $178 thousand for the years ended December 31, 2013 and 2012, respectively.

Other Current Assets
Other current assets include receivables due from employees and insurance companies, financing collateral and security deposits.

Long-lived Assets
Long-lived assets are reviewed for impairment annually for goodwill and indefinite-lived intangibles and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable for all other long-lived assets.

Property and Equipment
Property and equipment are stated at original cost, net of accumulated depreciation and amortization. Depreciation for all property and equipment other than leasehold improvements is calculated over the estimated useful lives of the assets, ranging from three to five years, using the straight-line method. Amortization of leasehold improvements is calculated using the straight-line method over the shorter of the lease term or the estimated life of the improvements.

Other Assets
Goodwill and indefinite-lived intangible assets are not amortized, but rather must be tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company elects to apply a two-step approach to determine if goodwill is impaired. The first step requires the Company to estimate the fair value of each reporting unit. The Company estimates fair value of each reporting unit by calculating the present value of its future cash flows using the income approach. If the recorded net assets of the reporting unit are less than the reporting unit's estimated fair value, no goodwill impairment loss is recognized. However, if the recorded net assets of the reporting unit exceed its estimated fair value, then goodwill is potentially impaired and the Company performs the second step in the goodwill impairment analysis. In the second step, the Company calculates the implied fair value of goodwill, which is determined by deducting the estimated fair value of all tangible and identifiable intangible net assets of the reporting unit from the estimated fair value of the reporting unit. If the recorded

Privileged and Confidential

amount of goodwill exceeds this implied fair value, the Company reports the difference as a Loss on impairment of assets in the Consolidated Statements of Operations.

Acquired intangibles, other than goodwill and indefinite-lived intangibles, are stated at original cost, net of accumulated amortization. Costs incurred in arranging financing agreements are deferred and amortized using the effective interest method over the term of the financing.

Capitalized Software Costs
The Company capitalizes certain internal-use software costs once certain criteria are met. Capitalized costs include external direct costs of materials and services consumed in developing or obtaining internal-use software, payroll costs for employees who are directly involved with the project and interest costs on qualifying expenditures. Capitalization of such costs ceases when the project is substantially complete and ready for its intended purpose. Capitalized software costs are amortized using the straight-line method over the estimated useful life of the underlying system. Preliminary project activities, training and post-implementation activities, such as maintenance, are expensed as incurred.

Other Comprehensive Income
The Company does not have any items of other comprehensive income, other than net income, for the years ended December 31, 2013 and 2012.

Fair Value Information
The carrying amounts of cash, accounts receivable, other receivables and accounts payable are considered to be representative of their respective fair values due to their short-term nature. The carrying value of the Company's debt approximates fair value given the variable nature of the interest rate.

Self-Insurance Reserves
The Company is self-insured (up to certain limits) for employee medical claims. Reserves are determined based on a number of assumptions and factors, including historical payment trends and claims history. These liabilities are not discounted.

Share-Based Compensation
The Company accounts for incentive investment units ("units") granted under its Incentive Investment Plan ("IIP Plan") and stock appreciation rights ("SARs") under its Incentive Appreciation Rights Plan ("SAR Plan") as liability awards. Units granted under the IIP Plan and SAR Plan are valued initially at their intrinsic value, subsequently valued each year end and recognized to expense on a straight-line basis over the service periods of each award (see Note 7).

Income Taxes
Maxim has elected to be treated as an S Corporation for federal and state income tax purposes, where available. As an S Corporation, the individual stockholders report their pro- rata share of the Company's taxable income on their individual income tax returns. The Company provides for income taxes in certain states that do not recognize the federal income tax status of S Corporations. The provision for state income taxes will vary based on income earned within these states.

Deferred taxes reflect the impact of temporary differences between the assets and liabilities recognized for financial reporting purposes and amounts recognized for state tax purposes based on tax laws currently enacted, as the Company prepares its tax returns using the cash method of accounting. The primary components of the Company's deferred tax assets and liabilities at December 31, 2013 and 2012 are accounts receivable, liabilities for its stock-based compensation plans and litigation matters (see Notes 7 and 8) which are not considered material for separate disclosure. The Company has recorded a non-current deferred tax asset of $1.7 million and a current deferred tax liability of $1.7 million associated with these timing differences and available state tax loss carryforwards, net of the valuation allowance described below.

Privileged and Confidential

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Due to the Company's current year loss and its cumulative three year loss position, management has determined that a full valuation allowance is required for the entire net deferred tax asset as of December 31, 2013 and 2012. The valuation allowance recorded as of December 31, 2013 and 2012 is $496 thousand and $543 thousand, respectively. The Company intends to maintain a valuation allowance until sufficient positive evidence exists to support a reversal.

Maxim generated a state tax net operating losses ("NOL") as of December 31, 2013 of $4.0 million, tax effected at approximately $236 thousand. Any unused state NOLs will begin to expire in 2019.

3. Accounts Receivable, Net of Allowance for Doubtful Accounts

Changes in the allowance for doubtful accounts during the years ended December 31, 2013 and 2012 consisted of the following (in thousands):

Balance, December 31, 2011	$ 21,181
Additions	11,813
Write offs, net of recoveries	(14,682)
Balance, December 31, 2012	18,312
Additions	10,149
Write offs, net of recoveries	(12,108)
Balance, December 31, 2013	$ 16,353

4. Property and Equipment

Property and equipment at December 31, 2013 and 2012 consisted of the following (in thousands):

	2013	2012
Computers and office equipment	$ 51,871	$ 52,016
Furniture and fixtures	9,927	10,777
Leasehold improvements	6,696	6,798
Vehicles	89	105
Total property and equipment	68,583	69,696
Less - accumulated depreciation and amortization	(63,658)	(59,968)
Property and equipment, net	$ 4,925	$ 9,728

In September, 2012, the Company performed an impairment review of a long-lived computer software asset, triggered by a change in the manner in which the asset was being used. The asset was deemed abandoned, resulting in a disposal loss of $7.5 million in 2012. In 2013, the Company re-evaluated the software and plans to modify certain components and move forward with development and implementation. In accordance with accounting principles generally accepted in the USA, the written off costs will remain as such despite recommencing with the development and implementation of the software.

Privileged and Confidential

Maxim Healthcare Services, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2013 and 2012

Depreciation and amortization expense on property and equipment totaled $5.3 million and $8.1 million for the years ended December 31, 2013 and 2012, respectively.

5. Other Assets

Other assets at December 31, 2013 and 2012 consisted of the following (in thousands):

	2013	2012
Goodwill	$ 22,145	$ 34,458
Intangible assets - non-amortizable	423	423
Intangible assets - amortizable	10,423	10,253
Deferred financing fees	2,585	2,085
Deferred tax asset	1,718	1,438
Total other assets	37,294	48,657
Less - accumulated amortization	(12,116)	(11,471)
Other assets, net	$ 25,178	$ 37,186

Amortization expense totaled $645 thousand and $1.9 million for the years ended December 31, 2013 and 2012, respectively.

Changes in carrying value of certain intangible assets are as follows (in thousands):

	Goodwill	Intangible assets non-amortizable	Intangible assets amortizable
Balance, December 31, 2011	$ 45,361	$ 423	$ 10,641
Additions, net	-	-	85
Impairment loss	(10,903)	-	(473)
Balance, December 31, 2012	$ 34,458	$ 423	$ 10,253
Additions, net	-	-	170
Impairment loss	(12,313)	-	-
Balance, December 31, 2013	$ 22,145	$ 423	$ 10,423

During the year ended December 31, 2013, the Company recorded a goodwill impairment loss of $9.4 million associated with the Reflectxion Resources II, Inc. acquisition and $2.9 million associated with TimeLine Recruiting, LLC.

During the year ended December 31, 2012, the Company recorded a goodwill impairment loss of $1.2 million associated with Carolina Habilitation Services (see Note 11), a $253 thousand goodwill impairment loss associated with Reflectxion Resources II, Inc., and goodwill and other intangible impairment losses of $8.5 million associated with the Orbis Clinical, LLC acquisition. In addition, during 2012, the Company recorded an out-of-period adjustment to reflect $1.4 million in goodwill impairment charges, which should have been recorded in 2009, associated with Colonial Home Care, LLC, a 2006 acquisition. The Company has determined that this error and out-of-period adjustment are not material to the 2009 and 2012 consolidated financial statements, respectively.

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Maxim Healthcare Services, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2013 and 2012

6. Credit Facility

Effective December 30, 2009, the Company executed a credit agreement ("Credit Agreement") with two lenders, each of which severally provided revolving commitments. The revolving commitments included a revolving line of credit and a letter of credit subfacility. In addition, one of the lenders provided a swingline loan subfacility.

Revolving Lines of Credit
Under the Credit Agreement, the lenders collectively committed to provide a maximum borrowing of $40.0 million to the Company in the form of a revolving line of credit. The revolving line of credit was comprised of alternate base rate loans and LIBOR Rate loans. At its option, the Company was able to convert Alternate Base Rate loans to LIBOR Rate loans subject to the provisions of the Credit Agreement.

Effective September 15, 2011, the Company entered into an amendment to the Credit Agreement. The amendment included modifications to financial covenants and interest rates and an increase in the maximum allowable indebtedness to $125.0 million. The amended Credit Agreement bore interest, at the borrower's election, at either (i) the prime rate plus 3% per annum ("the Alternate Base Rate") or (ii) LIBOR plus 4% per annum ("the LIBOR Rate"). In addition, the amendment included an extension of the Maturity Date to December 30, 2013. This amendment was accounted for as a modification.

Effective December 19, 2012, the Company entered into a second amendment to the Credit Agreement. The amendment included a reduction in the total available indebtedness from $125.0 to $75.0 million, which included the letters of credit and swingline loan subfacilities. The amended annual interest rates varied for the Alternate Base Rate loans (the prime rate plus 3% to 3.5% per annum) or the LIBOR Rate loans (LIBOR plus 4% to 4.5% per annum) depending on earnings before interest, income taxes, depreciation and amortization ("EBITDA") levels or other circumstances.

In connection with the second amendment to the Credit Agreement, the revolving loan commitments were assigned to a single lender. In addition, a related party provided a guarantee of $10.0 million and was also obligated to make up to two separate capital contributions of $10.0 million in the event liquidity, as defined in the Credit Agreement, fell below certain levels and a demand notice was issued by the lender or agent.

Effective September 19, 2013, the Company entered into a third amendment to the Credit Agreement ("Amended and Restated Credit Agreement"). Under the Amended and Restated Credit Agreement, total available indebtedness increased from $75.0 million to $125.0 million, which includes the letters of credit and swingline loan subfacilities. The amended interest rates vary, at the borrower's election, at either (i) the Alternate Base Rate (the prime rate plus 1.5% per annum), (ii) the LIBOR Rate (LIBOR plus 2.5% per annum), or (iii) LIBOR for a period of three months, with a daily reset of the interest rate ("the Daily LIBOR Rate"). The lender also suspended and revised certain financial covenants commencing with the quarter ended September 30, 2013.

The Amended and Restated Credit Agreement terminated the related party guarantee and obligation to make capital contributions. In addition, the amendment included an extension of the Maturity Date to January 10, 2019. This amendment was accounted for as a modification.

Total outstanding borrowings under the revolving lines of credit were $21.5 million and $12.5 million at an interest rate of 2.74% and 6.75%, as of December 31, 2013 and 2012, respectively.

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Letters of Credit
Letters of credit obligations were provided to the Company under a credit agreement executed on April 5, 2004. This credit agreement was terminated in November 2009, except for the letters of credit obligations. These letters of credit were assumed under the Amended and Restated Credit Agreement.

The Amended and Restated Credit Agreement provides for a $5.0 million letter of credit subfacility. The lender charges a fee of 2% of the average daily undrawn face amount of all letters of credit issued. The terms include a maximum maturity of one year from the date of issuance, with no minimum amount requirement.

Total letters of credit outstanding as of December 31, 2013 and 2012 were $1.4 million and $1.2 million, respectively.

Swingline Loans
The Amended and Restated Credit Agreement provides for a $7.5 million swingline loan subfacility. Swingline loan borrowings are due and payable on the Maturity Date. However, the swingline lender could, at any time, demand repayment of its swingline loan by way of revolving loan borrowings. Swingline loans bear interest at the same rate as the Alternate Base Rate loans on the revolving line of credit. There were no borrowings under the swingline loan subfacility as of December 31, 2013 and 2012.

Commitment Fees
The Amended and Restated Credit Agreement provides for an unused commitment fee for the line of credit, letters of credit and swingline loans of .40% per annum.

Covenants and Repayment Guarantees
Under the Amended and Restated Credit Agreement, the Company is required to maintain various affirmative and negative covenants of a financial and non-financial nature. As of December 31, 2013, the Company was in full compliance with such covenants.

Repayment of any outstanding borrowings is guaranteed by all of Maxim's subsidiaries.

Financing Fees
To secure the Credit Agreement, the Company incurred $1.2 million in financing fees. The fees were fully amortized as of December 31, 2010. Additional financing fees of $500 thousand and $250 thousand were incurred in 2013 and 2012, respectively, to amend the Credit Agreement. In 2012, a percentage of unamortized fees were written off in proportion to the decrease in borrowing capacity, totaling $326 thousand. The remaining fees are being amortized through the Maturity Date under the effective interest method.

The unamortized balance of deferred financing fees as of December 31, 2013 and 2012 was $697 thousand and $739 thousand, respectively. This balance is included within the Company's Other Assets in the accompanying consolidated balance sheets.

7. Deferred Compensation Plans

Stock-Based Compensation Plans
Maxim maintains an IIP Plan for certain key employees of the Company. Under the IIP Plan, each unit is deemed to have a value equivalent to the fair market value of one share of common stock of Maxim, as determined by the Board of Directors, plus the aggregate amount of all tax dividends declared and paid on the Company's common stock prior to December 31, 2012. The Company awards units that vest immediately and are expensed in the period the award is made. The Company also awards units that vest over defined periods of time. All units that are subject to time-

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based vesting are charged to expense over the period between the award date and final vesting date, based on the vesting schedule. Benefits under the IIP Plan are required to be paid only upon the retirement, death, permanent disability or termination of employment. Compensation expense totaled $8.4 million and $7.3 million for the years ended December 31, 2013 and 2012, respectively. Benefits paid to participants under the IIP Plan in 2013 and 2012 were $16.8 million and $12.3 million, respectively.

Effective December 31, 2012, the Board of Directors approved the revaluation of common stock (see Note 9) and the associated IIP unit price. The revaluation resulted in an $8.2 million reduction in share-based compensation expense. The net compensation benefit related to the IIP Plan was $2.1 million for the year ended December 31, 2012. In 2013, the value of common stock and IIP unit price remained consistent. Consequently, no net compensation benefit was recognized as of December 31, 2013.

In January, 2013, the Company, by action of the Board of Directors, amended its IIP Plan. The Company awarded certain IIP Plan participants units in consideration for the cancellation of any unvested previously awarded units. The awarded units vest ratably based on Company EBITDA levels, as determined by the Board of Directors, and participant performance.

In October 2004, the Company granted incentive appreciation rights ("IARs") to several members of senior management under Incentive Appreciation Rights Agreements ("IAR Agreements"). Each IAR entitles the holder to future cash benefits based on appreciation in the value of the units in the Company's IIP Plan. The appreciation for all IARs is based on the difference of the current IIP unit value and the IIP value of $10.04 at the date of the award. The IARs were scheduled to vest 20% each year end for the five years subsequent to the award date. Like the IIP Plan, payment for the IARs will be made only upon the retirement, death, permanent disability or termination of employment of the participants. All IARs awarded were made available to these employees at the same time and were vested concurrently through the final vesting date. The Company accounted for compensation expense under the IAR Agreements over the vesting period through December 2008 and subsequently recognized any changes in fair value as compensation expense since vesting is complete, so long as the associated cash benefits have not been paid. Compensation expense totaled $0 for the years ended December 31, 2013 and 2012. Benefits paid to participants were $4.7 million and $1.2 million in 2013 and 2012, respectively. At December 31, 2013 and 2012, the Company had 0 and 500 thousand IARs outstanding with a value of $0 and $4.7 million, respectively.

In January 2006, the Company created the SAR Plan for key employees not generally eligible to participate in the IIP Plan. Each SAR entitles the holder to future cash benefits based on appreciation in the value of the units in the Company's IIP plan. The appreciation for all SARs is based on the difference of the current IIP unit value and the IIP unit value at the date of the award. The SARs issued under the SAR Plan have various vesting periods. All SARs that are subject to vesting are charged to expense ratably over the period between the award date and final vesting date. Benefits under the SAR Plan are required to be paid only upon retirement, death, permanent disability or termination of employment.

Compensation expense with respect to SARs of $0 was recorded for the years ended December 31, 2013 and 2012. At December 31, 2013 and 2012, the Company had 61 thousand and 33 thousand SARs outstanding with a value of $0 and $13 thousand, respectively. Benefits paid to participants under the SAR Plan were $10 thousand and $43 thousand in 2013 and 2012, respectively.

Defined Contribution Plan
Maxim participates in a multi-employer defined contribution 401(k) savings and investment plan (the "401(k) Plan") which covers substantially all of its employees. The 401(k) Plan provides for an employer matching contribution. For the years ended December 31, 2013 and 2012, the Company incurred matching contributions of $1.6 million and $1.7 million, respectively.

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In January 2009, the Company created a Performance Award Plan, to supplement the employer match under its 401(k) Plan, for employees generally not eligible to participate in the IIP or SAR Plans. The Company contributes a fixed-dollar allocation equal to a specified percentage of the base award amount for the plan year, based on the participant's years of employment. The base award amount is specified by the Company at its discretion. The Company incurred contributions pursuant to the Performance Award Plan of $350 thousand and $0 for the years ended December 31, 2013 and 2012, respectively.

8. Commitments and Contingencies

Worker's Compensation Programs

The Company maintained a reserve of $1.1 million as of December 31, 2013 and 2012, related to the 2000-2002 policy years of its workers' compensation programs. This amount represented the actuarially determined amount of future obligations for certain losses in excess of per-claim deductible amounts and aggregate limits ("Excess Losses"). The Company determined that this reserve was necessary because the deteriorating financial condition of the original insurer on these Excess Losses, and the limited (if any) coverage available to the Company from state insurance guarantee funds if the original insurer fails to pay these Excess Losses, may force the Company to be responsible for paying these Excess Losses.

The Company has accrued a liability of $7.8 million and $8.0 million as of December 31, 2013 and 2012, respectively, related to its current workers' compensation programs.

Leases

Maxim conducts its operations in office facilities under operating leases expiring through 2020. The leases require the Company to assume a proportionate share of costs associated with the facilities, as defined in the lease. Several of the leases contain renewal options ranging from two to five years.

Future minimum annual lease payments under noncancelable operating leases consisted of the following at December 31, 2013 (in thousands):

2014	$ 16,198
2015	13,514
2016	9,849
2017	7,174
2018	2,156
Thereafter	483
	$ 49,374

Total rent expense was $17.4 million and $18.9 million for the years ended December 31, 2013 and 2012, respectively.

Litigation

Maxim is involved in various legal matters arising out of the normal course of business. In management's opinion, the Company's ultimate liability or loss, if any, resulting from such legal matters will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Notwithstanding the above, in May 2005, the U.S. Attorney's Office for the District of New Jersey (USAO), with assistance from the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) and in coordination with the United States Department of Justice Civil Division (DOJ), commenced a civil investigation of alleged improper billing, among other issues,

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under federal and state funded programs. USAO began a parallel criminal investigation in 2006. The Company executed various agreements with the USAO, DOJ and HHS-OIG effective September 6, 2011. An initial settlement payment of $70.0 million plus $1.9 million in interest was paid in September 2011. At December 31, 2013 and 2012, respectively, the Company has a recorded liability of $70.9 million and $71.2 million, within Other Accrued Expenses associated with the settlement of the investigation. Of this liability, $70.6 million and $70.9 million are classified as long-term as of December 31, 2013 and 2012, respectively. Future interest cost associated with the settlement is estimated to be $4.3 million. The Company believes its current liquidity and credit facility (see Note 6), as well as alternative sources of financing, if necessary, will enable it to meet this obligation.

On November 2, 2012, the Company instituted litigation in U.S. District Court to obtain a report prepared by the Civil Division of the U.S. Department of Justice that would provide information that may have resulted in a change in the deferred tax asset associated with the government settlement.

In January, 2013, the Company received information from the U.S. Department of Justice that enabled adjustment of the Company's deferred tax asset (see Note 2). As a result, the Company filed a dismissal of its litigation without prejudice.

9. Common Stock

On December 31, 2013 and December 31, 2012, Maxim had 20.0 million authorized shares of common stock with a par value of $0.0002 per share. Shares issued and outstanding as of December 31, 2013 and 2012 were 18.7 million.

Effective December 31, 2012, the Board of Directors approved the revaluation of all authorized shares of common stock. The change was made as a result of the Company's 2012 financial results. The revaluation resulted in a 70% decrease in the per share price (see Note 7).

No dividends were declared or paid in 2013 and 2012.

10. Income Taxes

The components of the provision for state income tax expense for the years ended December 31, 2013 and 2012 were as follows (in thousands):

	2013	2012
Current	$ -	$ (420)
Deferred	-	-
	$ -	$ (420)

The Company has not recorded a liability for unrecognized income tax benefits and does not anticipate a significant change to the total amount of unrecognized tax benefits within the next twelve months.

The Company elects to recognize interest and penalties related to unrecognized income tax benefits in income tax expense. During the years ended December 31, 2013 and 2012, the Company did not recognize interest and penalties associated with unrecognized tax benefits in the results of operations.

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The Company files income tax returns in U.S. federal and various state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state, and local examinations by tax authorities for years before 2010. Several ordinary course examinations by state tax authorities are in progress as of December 31, 2013.

11. Sale of Assets

In March, 2012, the Company entered into a Sale and Asset Purchase Agreement with a third party for the disposal of home care services related to Carolina Habilitation Services, Inc. Proceeds from the sale totaled $1.4 million. The sale was completed during July 2012 and generated a pre-tax gain of $1.4 million which, given its immaterial amount, is included within the Company's Operating Expenses in the accompanying consolidated statement of operations.

12. Transactions with Affiliates and Stockholders

Maxim has amounts due to a company under common control by certain stockholders of Maxim. These amounts are due on demand and are settled in the ordinary course of operations. The fair value of these amounts approximates their carrying value.

Maxim makes short-term advances to its stockholders to fund estimated income tax payment obligations incurred by the stockholders resulting from the Company's election as an S Corp for income tax purposes. These advances are repaid by the stockholders from proceeds of tax dividends (see Note 9) declared and paid by Maxim and by withholding amounts from other dividends declared and paid by Maxim to such stockholders.

Substantially all of the Company's workers' compensation coverage is provided by unrelated insurance carriers. Premiums paid for this coverage are based on expected loss payments for the year plus applicable costs, but may adjust based on loss development above or below certain thresholds; if so, these adjustments are reflected in the financial statements for the year of such determination. These insurance carriers reinsure a substantial portion of this coverage with a company owned by certain stockholders of the Company. This related company maintains statutorily required minimum capital levels as deemed necessary by applicable regulatory agencies.

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SUPPLEMENTAL- # 1
May 28, 2014
9:40am

MAY 28 '14 9:29

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: MAXIM HEALTHCARE SERVICES (JOHNSON CITY)

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

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 27th day of May, 2014, witness my hand at office in the County of Davidson, State of Tennessee.

NOTARY PUBLIC

My commission expires November 5, 2014.

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires November 5, 2014

HF-0043

Revised 7/02

SUPPLEMENTAL - #2
-ORIGINAL-

MAXIM HEALTH SERVICES

CN1405-015

SUPPLEMENTAL #2

May 30, 2014
8:35 am

DSG Development Support Group

May 30, 2014

Mark A. Farber, Deputy Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CN1405-015
Maxim Health Services (Johnson City Principal Office)

Dear Mr. Farber:

This letter responds to the second supplemental request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section C. Need, Item 1.a. (Specific Criteria: Home Health Services, Item 5 (Documentation of Referral Sources) 5 (a)- 5 (d)

Your response to this item is noted. All four standards in this criterion indicate that the information being requested "shall" (also interpreted as must) be provided. This indicates that the information being requested is not optional.

a. The information being requested for Standards 5(a. and b.) are letters from physicians and other referral sources pertaining to referral and specifically refers to number of cases projected by category in the initial year of operation. None of the support letters provided address the number of potential cases either in total or by service category that physicians proposed to refer. Please provide the requested letters.

The applicant reads criteria 5a, 5b, and 5c as being separate criteria, which have been addressed.

Criterion 5a says that the applicant *"...shall provide letters of intent from physicians and other referral sources pertaining to patient referral."* Three of the five letters submitted are from referring physicians; all of them cite a need for this project and confidence in Maxim. These letters are in the writers' own words and must be reasonably construed as clearly intending to utilize an agency that they deem to be needed and competent.

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

Criterion 5b, a separate requirement, says that *"The applicant"* (not the referring sources) shall provide information on projected referrals by case category. That was done in Table Five on page 25 of the original application. It is beyond an applicant's power to require referring sources to project their intended annual referrals.

b. With regards to Standard 5 (c.) providing letters from potential patients or providers indicating that that they have attempted to find appropriate home health services but have not been able to secure such services would not be an indictment of the services provided by existing agencies but rather would speak to the availability and accessibility to similar services in the service area. Please provide the requested letters.

Maxim believes that the letters submitted by physicians of Niswonger Children's Hospital and the nurse from Independence on Wheels do address this criterion. Following are excerpts that clearly speak to availability and accessibility to these services:

Dr. Todd Aiken's letter: *"We currently have limited agencies available for these services...There have been several instances in which availability of services was not available and this has adversely affected appropriate and timely care of patients..."*

Dr. Ricky Mohon, a Niswonger pediatric pulmonologist, wrote: *"We have seen examples of patients that have had to stay in the hospital for an extended period of time because there are limited resources available for homecare services."*

Lynn Pollard, MSN, RN, CPNP, wrote: *"We are in the home of patients on a daily basis that currently receive these types of services and hear over and over again about the lack of consistent care being provided by current agencies."*

c. According to the application the applicant is expecting too see18 pediatric patients and 15 adult patients by the second year of operation. According to tables provided by the applicant there were five agencies in the service area that served 10 or more patients according to the 2013 JAR. The applicant reports that there are ten agencies that have an 80% or greater dependence on patients residing in the proposed service area. Standard 5 (d) states that the applicant shall (or must) provide information that the applicant will provide services different from services being provided by existing agencies. Please address this standard.

SUPPLEMENTAL #2
May 30, 2014
8:35 am

The criterion does not require that an applicant state that it will offer different services. The criterion only requires the applicant to state "…*whether* a proposed agency would provide services different from….existing agencies."

On page Five of the applicant's first supplemental responses dated May 28, 2014, the staff reviewer asked question 4g, which directly addresses criterion 5(d). The question and response are shown below. Please consider this Maxim's additional response to criterion5(d) of the Guidelines.

> ***"g. What home health services are provided by the applicant that is not already available in the proposed service area?***
>
> *Based on conversations with area physicians, nurses, and case managers, it appears that the service area needs another provider not for a category of care that is unavailable now, but rather for care of superior expertise, that can be delivered more quickly and dependably. Speed of availability and breadth of competence in complex cases are what area physicians, nurses, and families have asked for."*

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please FAX or telephone me so that we can respond in time to be deemed complete.

Respectfully,

John Wellborn

John Wellborn
Consultant

SUPPLEMENTAL #2

May 30, 2014
8:35 am

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

Maxim Health Svcs – Johnson City

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of 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 to the best of my knowledge.

John L Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 30th day of May, 2014, witness my hand at office in the County of Davidson, State of Tennessee.

Jan M. D
NOTARY PUBLIC

My commission expires November 5, 2014.

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires November 5, 2014

HF-0043

Revised 7/02