

GENERAL COUNSEL'S REPORT COVER PAGE

October 26, 2016

- C. Waynesboro Health & Rehabilitation Center, Waynesboro (Wayne County), TN – CN1411-045A

Request for a 24 month extension, From April 1, 2017 to April 1, 2019.

The relocation and replacement of Wayne Care Nursing Home located at 505 South Main Street, Waynesboro (Wayne County), TN, a 46-bed nursing facility, and the construction of an addition to Waynesboro Health and Rehabilitation Center (f/k/a Wayne County Nursing Home), a 109-bed nursing facility located at 104 J.V. Mangubat Drive, Waynesboro (Wayne County), TN 38485. The project will combine the two licensed facilities into one licensed nursing facility by closing the 46-bed facility and combining the beds by construction of an addition to the existing 109-bed facility. Upon completion, Waynesboro Health and Rehabilitation Center will house the combined 155-bed nursing facility, which will become dually certified for participation in Medicare and Medicaid and will include an 18-bed designated Memory Care Unit. The service area is Wayne County. The estimated project cost is \$5,658,318.00.

On February 25, 2015, the Agency unanimously approved the certificate of need with an expiration date of April 1, 2017. The extension is sought primarily due to delays related to architectural and engineering work required to finalize the site development plans and costs, as portions of the initial design proposal created a more challenging construction process than originally anticipated, given some of the limitations of the site. However, the design modifications now anticipated are not expected to increase the overall cost of the project.

Michael D. Brent

Partner
mbrent@bradley.com
615.252.2361 direct



September 29, 2016

VIA EMAIL & HAND DELIVERY

Mr. Jim Christoffersen
Tennessee Health Services & Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

RE: Waynesboro Health & Rehabilitation Center (CN1411-045A)

Dear Jim:

Please place the above-referenced matters on the "General Counsel's Agenda" for the October 26, 2016 meeting of the Health Services & Development Agency, as the applicant finds it necessary to request an extension for the project completion date. Our client is currently preparing some relevant materials, which will be provided to you in advance of the "mail-out" date for information to Agency member. This extension request is primarily due to delays related to architectural and engineering work required to finalize the site development plans and costs, as portions of the initial design proposal created a more challenging construction process than originally anticipated, given some of the limitations of the site. However, the design modifications now anticipated are not expected to increase the overall cost of the project.

Additionally, while not directly related to the design issues note above, for the past several months Waynesboro Healthcare, LLC, and some of its affiliated operators and owners of other projects, as well as some of their lessors, have been working on a corporate restructuring project. That restructuring project will address the interrelationship of various credit facilities of Waynesboro Healthcare, LLC, and its affiliates.

We understand that Waynesboro Healthcare, LLC will need to pay additional filing fees. Please confirm the amount of the additional filing fees and that will promptly be remitted to the Agency. Please let me know if you would like to discuss, or need anything further at this time. We appreciate your assistance in this matter.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

A handwritten signature in black ink, appearing to read "Michael D. Brent".

Michael D. Brent

MDB/ced

cc: Ms. Melanie Hill (via email)
Ms. Kelli Canan (via email)

7/3888682.1



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

March 25, 2015

Kelli Canan, CON Project Manager
Health Services Management Group
485 Central Avenue Northeast
Cleveland, TN 37311

RE: Waynesboro Health & Rehabilitation Center - CN1411-045A

Dear Ms. Canan:

As referenced in our recent letter, please find enclosed your Certificate of Need for the above-referenced application that was approved at the February 25, 2015 meeting of the Tennessee Health Services and Development Agency.

The Health Services and Development Agency Rules require that an *Annual Progress Report be submitted each year* and a *Final Project Report form is to be submitted within ninety (90) days after completion of a project* which shall include completion date, final costs, and other relevant information in regards to the project, pursuant to Public Acts 2002, Chapter No. 780, § 16-11-1609(d). Also required is the registration of certain medical equipment pursuant to Tennessee Code Annotated § 68-11-1607(i), which states "*The owners of the following types of equipment shall register such equipment with the health services and development agency: computerized axial tomographers, lithotripters, magnetic resonance imagers, linear accelerators and positron emission tomography.*" "*The survey shall include but not limited to the identification of the equipment and utilization data according to source of payment.*"

The aforementioned forms can be found on the Agency's website at www.tennessee.gov/HSDA. Should you have any questions or require further information regarding this Certificate, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in black ink that reads "Melanie M. Hill".

Melanie M. Hill
Executive Director

cc: Trent Sansing, Division of Health Statistics, Office of Policy, Planning & Assessment
Ann R. Reed, Health Care Facilities - Licensure
Bill Harmon, Director of Engineering, Health Care Facilities

STATE OF TENNESSEE
Health Services and Development Agency



Certificate of Need No. CN1411-045A is hereby granted under the provisions of T.C.A. § 68-11-1601, *et seq.*, and rules and regulations issued thereunder by this Agency.

To: Waynesboro Healthcare, LLC
485 Central Avenue Northeast
Cleveland, TN 37311

For: Waynesboro Health & Rehabilitation Center

This Certificate is issued for: The relocation and replacement of Wayne Care Nursing Home located at 505 South Main Street, Waynesboro (Wayne County), TN, a 46-bed nursing facility, and the construction of an addition to Waynesboro Health and Rehabilitation Center (f/k/a Wayne County Nursing Home), a 109-bed nursing facility located at 104 J.V. Mangubat Drive, Waynesboro (Wayne County), TN 38485. The project will combine the two licensed facilities into one licensed nursing facility as permitted by T.C.A. § 68-11-1627 by closing the 46-bed facility at 505 Main Street and combining the beds by construction of an addition to the existing 109-bed facility at 104 J.V. Mangubat Drive. Upon completion, Waynesboro Health and Rehabilitation Center will house the combined 155-bed nursing facility.

On the premises located at: 104 J.V. Mangubat Drive
Waynesboro (Wayne County), TN 38485

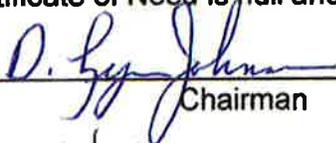
For an estimated project cost of: \$5,658,318.00

The Expiration Date for this Certificate of Need is

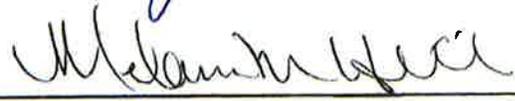
April 1, 2017

or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.

Date Approved: February 25, 2015


Chairman

Date Issued: March 25, 2015


Executive Director