

# GENERAL COUNSEL'S REPORT

August 26, 2015

- C. NHC/Maury Regional Transitional Care Center, Columbia (Maury County), TN — CN1307-025A

On 10/23/13, the Agency unanimously approved this application to relocate and combine two licensed nursing home located in Maury County, TN: NHC Hillview (92 \* beds) located at 2710 Trotwood Avenue, Columbia (Maury County), TN and Maury Regional Hospital Skilled Nursing Unit (20 \* beds) located at 1224 Trotwood Avenue, Columbia (Maury County), TN. The site of the new facility will be 5004 Trotwood Avenue, Columbia (Maury County), TN. The proposed new nursing home will have a total of 112 Medicare-only certified skilled beds and will be called NHC/Maury Regional Transitional Care Center to reflect the combination of the two entities. The estimated project cost was \$18,161,672.

On 6/25/14, the Agency unanimously approved a change of control from NHC-Maury Regional Healthcare, LLC (a TN limited liability company) to NHC-Maury Regional Transitional Care, LLC (a DE limited liability company). The transfer did not affect the ultimate ownership of the project: NHC/OP, L.P. (80%), Maury Regional Medical Center (20%).

NHC/Maury Regional Transitional Center requests a 13 month extension of the expiration date from to 12/1/15 to 1/1/17. This is due to delays associated with zoning approval, site approval, and the sanitary sewer design. The site has been acquired, final plans have been submitted to the TN Dept. of Health, a construction contract has been executed, and completion of the project is expected by 10/15/16.

\* These beds were not subject to the 2013-2014 Nursing Home Bed Pool.

# BUTLER | SNOW

July 31, 2015

**VIA HAND DELIVERY**

Jim Christoffersen, Esq.  
General Counsel  
Tennessee Health Services and  
Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: NHC/Maury Regional Transitional Care Center, CN1307-025A

Dear Mr. Christoffersen:

Please find enclosed a check in the amount of \$4,278, which should be substituted for the check in the amount of \$22,084.58 that was included with our letter dated July 30, 2015. The amount of the filing fee stated in the July 30 letter was incorrect, and the correct filing fee is \$4,278.

Thank you for your attention to this request.

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw  
Enclosure

*The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201*

DAN H. ELROD  
615.651.6702  
dan.elrod@butlersnow.com

T 615.651.6700  
F 615.651.6701  
www.butlersnow.com

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BUTLER SNOW LLP

# BUTLER | SNOW

July 30, 2015

## VIA HAND DELIVERY

Jim Christoffersen, Esq.  
General Counsel  
Tennessee Health Services and  
Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: NHC/Maury Regional Transitional Care Center, CN1307-025A

Dear Mr. Christoffersen:

The purpose of this letter is to request the expiration date for the certificate of need referenced above be extended from December 1, 2015, to January 1, 2017. The reasons for this request are set forth below.

### Background

NHC/Maury Regional Transitional Care Center (the "Center") is a 112-bed skilled nursing facility that relocates and combines the existing 92-bed NHC – Hillview Health Care Center and the 12-bed skilled nursing unit at Maury Regional Medical Center ("MRMC"). The Center is jointly owned by NHC and MRMC. The project was approved by the Agency on October 23, 2013, and the certificate of need ("CON") expires December 1, 2015.

### Delay in Implementation

The Center has experienced a variety of delays that have precluded its timely completion, including the following:

- It took significantly more time than expected to obtain approval from Columbia planning authorities, which required a 2-step process. Zoning was approved in February of 2014, but the site approval was a much longer process and was not obtained until May of 2015.

*The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201*

DAN H. ELROD  
615.651.6702  
dan.elrod@butlersnow.com

T 615.651.6700  
F 615.651.6701  
www.butlersnow.com

Jim Christoffersen, Esq.  
July 30, 2015  
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- The site approval process required submission of schematic drawings. The process of developing schematic drawings was lengthier than normal because the plans were subject to review and approval by both NHC and MRMC.
- The development of final schematic plans was also hampered by an issue with the sanitary sewer design. The City of Columbia requested a change in the sanitary sewer route, which required an easement from adjoining property owner. The adjacent owner was not cooperative, so the sewer route had to be designed a second time.

#### Progress Toward Completion

Notwithstanding the delays encountered above, substantial progress has been accomplished. The site has been acquired for a purchase price of \$1,416,790, and final plans have been completed and submitted to the Department of Health. The Department's comments on the plans are minor and can be addressed easily. A construction contract has been executed with American Constructors, Inc., and construction is expected to be underway by August 1, 2015. Total investment toward completion of the project as of July 29, 2015, is \$2,065,010.

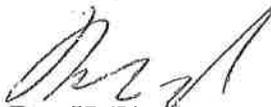
#### Requested Extension

The CON expires on December 1, 2015. The projected completion date is October 15, 2016. In order to allow for unexpected delays, an extension until January 1, 2017, is respectfully requested. Enclosed is a filing in the amount of \$22,084.58, which is 54.166% of the original filing fee.

Thank you for your attention to this request.

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw  
Enclosure



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243

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

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July 7, 2014

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

RE: NHC/Maury Regional Transitional Care Center - Certificate of Need No. CN1307-025A

Dear Mr. Duncan:

On June 25, 2014 the Tennessee Health Services and Development Agency met in regular session to consider the request for a modification to the above referenced Certificate of Need.

This letter is to advise you that the Agency **approved** the request for a transfer of ownership of the CON from NHC-Maury Regional Healthcare, LLC (a Tennessee liability company) to NHC-Maury Regional Transitional Care, LLC (a Delaware limited liability company). This transfer will not result in any change to the project or affect the ability of the project to be completed. The ultimate ownership of NHC/OP, L.P. (80%) and Maury Regional Medical Center (20%) will not change.

The **original Certificate of Need** will need to be submitted to this office for revisions to reflect the approved request. The revised Certificate of Need will be returned to you following the next scheduled Agency meeting.

If you have questions or require additional information, please feel free to contact this office.

Sincerely,

James B. Christoffersen  
General Counsel

JBC/MAB

cc: Trent Sansing, Division of Health Statistics, Office of Policy, Planning & Assessment  
Ann R. Reed, Board for Licensing, Health Care Facilities  
Bill Harmon, Director of Engineering, Health Care Facilities  
Dan H. Elrod, Esq.

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STATE OF TENNESSEE  
Health Services and Development Agency



Certificate of Need No. CN1307-025AM 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: NHC-Maury Regional Transitional Care, LLC  
100 Vine Street  
Murfreesboro, TN 37130

For: NHC/Maury Regional Transitional Care Center

This Modified Certificate is issued for: The establishment of a 112-bed\* Medicare skilled nursing home to be known as NHC/Maury Regional Transitional Care Center pursuant to T.C.A. § 68-11-1627 which permits the replacement of one or more currently licensed nursing home with one single nursing home. The new facility will be created by relocating and replacing the 92-bed NHC Healthcare, Hillview and the 20-bed Maury Regional Hospital Skilled Nursing Unit to an 11 acre site.

\* These beds are not subject to the 2013-2014 Nursing Home Bed Pool.

\* This Certificate is a replacement of the originally issued Certificate of Need pursuant to Agency Rule 0720-10-06 Expiration, Revocation, and Modification of Issued Certificates. On June 24, 2014, a transfer of control was approved from NHC-Maury Regional Healthcare, LLC (a Tennessee liability company) to NHC-Maury Regional Transitional Care, LLC (a Delaware limited liability company). The transfer from a Tennessee limited liability company to a Delaware limited liability company did not change the ultimate ownership: 80% NCH/OP, L.P./20% Maury Regional Medical Center.

On the premises located at: 5004 Trotwood Avenue  
Columbia (Maury), TN 38401

For an estimated project cost of: \$18,161,672.00

The Expiration Date for this Certificate of Need is

December 1, 2015

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: October 23, 2013

D. Lynn Johnson  
Chairman

Date Issued: November 20, 2013

Date Modified: June 25, 2014

Date Reissued: July 23, 2014

Melvin M. Hill  
Executive Director