



**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](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

September 1, 2020

Graham Baker  
Anderson and Baker  
2021 Richard Jones Road, Suite 120  
Nashville TN 37215

RE: Certificate of Need Application – Hospice of Hope - Tennessee, LLC - CN2008-026  
For the establishment of an in-home hospice agency located in Shelby County. The proposed in-home hospice program will include end of life Jewish traditions and customs. The applicant's administrative offices will be located in leased office space within the Memphis Jewish Home and Rehabilitation Center located at 36 Bazeberry Road, Cordova (Shelby County), TN 38018. The applicant is owned by Nathan Lubin (40%), Patricia Sherman (30%) and Kristan A. Perkins (30%). The estimated project cost is \$648,272.

Dear Mr. Baker:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health, Division of Policy, Planning, and Assessment for Certificate of Need review. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is [Trent.Sansing@tn.gov](mailto:Trent.Sansing@tn.gov) or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on September 1, 2020. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on December 16, 2020.

Mr. Baker

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

1. No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
2. All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

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

Sincerely,

Logan G. Grant  
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



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MEMORANDUM

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

FROM: Logan G. Grant  
Executive Director

DATE: September 1, 2020

RE: Certificate of Need Application  
Hospice of Hope - Tennessee, LLC - CN2008-026

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

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on September 1, 2020 and end on November 1, 2020.

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

Enclosure

cc: Graham Baker



**State of Tennessee**  
**Health Services and Development Agency**

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**LETTER OF INTENT**

The Publication of Intent is to be published in the Commercial Appeal which is a newspaper of general circulation in Shelby County, Tennessee, on or before August 10, 2020, for one day.

Hospice of Hope – Tennessee, LLC, (the “Applicant”), 36 Bazeberry Road, Cordova, Shelby County, TN 38018, with the Applicant having an ownership type of limited liability company, owned by its equity holders, and managed by Southern Healthcare Solutions, LLC (same address as Applicant), intends to file a Certificate of Need application for the development and establishment of an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The Applicant’s administrative offices will be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named above. It is proposed that Medicare/Medicare Managed Care, TennCare/Medicaid, Commercial Private Pay and Charity Care patients will be served by the Applicant, and contracts with all West Tennessee MCOs will be pursued. The Applicant plans to be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid, The National Institute for Jewish Hospice, and Community Health Accreditation Program (CHAPS). The estimated project cost is anticipated to be approximately \$650,000.00 including filing fee, but most of this total cost is for the building lease and reserve for debt service.

The anticipated date of filing the application is: August 14, 2020.

The contact person for this project is E. Graham Baker, Jr., Attorney, who may be reached at Anderson & Baker, 2021 Richard Jones Road, Suite 120, Nashville, TN 37215, 615/370-3380.

E. Graham Baker, Jr. (Signature)      08/10/2020 (Date)      graham@grahambaker.net (E-mail Address)

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

**Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, Tennessee 37243**

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



## CERTIFICATE OF NEED APPLICATION

### SECTION A: APPLICANT PROFILE

#### IDENTIFYING INFORMATION

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

Hospice of Hope – Tennessee, LLC  
Name

36 Bazeberry Road Shelby  
Street or Route County

Cordova TN 38018  
City State Zip Code

Website address: <https://www.acadiahealthcare.com> and <https://www.covenanthealth.com>

*Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

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

E. Graham Baker, Jr. Attorney  
Name Title

Anderson and Baker [graham@grahambaker.net](mailto:graham@grahambaker.net)  
Company Name Email address

2021 Richard Jones Road, Suite 120 Nashville TN 37215  
Street or Route City State Zip Code

Attorney 615-370-3380 615-383-3480  
Association with Owner Phone Number Fax Number

Please answer all questions on **8½" X 11" white paper, clearly typed and spaced, single or double-sided, in order and sequentially numbered. In answering, please type the question and the response.** All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). **Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.**

### 3. EXECUTIVE SUMMARY

#### A. Overview

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;

**Response:** Hospice of Hope – Tennessee, LLC, (the “Applicant”), 36 Bazeberry Road, Cordova, Shelby County, TN 38018, with the Applicant having an ownership type of limited liability company, owned by its equity holders, and managed by Southern Healthcare Solutions, LLC (same address as Applicant), files this Certificate of Need application for the development and establishment of an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The Applicant’s administrative offices will be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named above. It is proposed that Medicare/Medicare Managed Care, TennCare/Medicaid, Commercial Private Pay and Charity Care patients will be served by the Applicant, and contracts with all West Tennessee MCOs will be pursued. The Applicant plans to be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid, The National Institute for Jewish Hospice, and Community Health Accreditation Program (CHAPS). The estimated project cost is anticipated to be approximately \$629,000.00 including filing fee, but most of this total cost is for the building lease and reserve for debt service.

This application is for the establishment of an in-home hospice center. Hopefully, following the licensure of our in-home hospice center, we will then file an application for a residential hospice to be located at the Memphis Jewish Home & Rehab Center. Under current law, a residential hospice must also be licensed as an in-home hospice in order to be reimbursed by Medicare. Patients under other reimbursement programs will be served, but hospice care is mostly a Medicare-reimbursed program and any such planned hospice must take Medicare reimbursement rules into consideration.

The Applicant has no other licenses and/or outstanding CONs in Tennessee.

- 2) Ownership structure;

**Response:** The Applicant is Hospice of Hope – Tennessee, LLC, a Tennessee member-managed limited liability company which is owned by its equity holders (Nathan Lubin, 40%; Patricia A. Sherman, 30%; and Kristan A. Perkins, 30%). See **Attachment A.4AB** which includes both the Applicant’s filing information with the Secretary of State and its Operating Agreement. The hospice will be managed by Southern Healthcare Solutions, LLC (see **Attachment A.5**).

- 3) Service area;

**Response:** The primary service area is Shelby County. The hospice office will be located on Bazeberry Road in Cordova, less than one-half mile from Walnut Grove Road which is a major thoroughfare between Cordova and Memphis. The site is readily accessible for staff of the Applicant, but patients and their families will not be traveling to the hospice office. If our residential hospice is eventually approved, the site will be accessible to patients and families.

4) Existing similar service providers;

**Response:** There are no hospice providers in Shelby County that target the Jewish Community. However, there are 5 in-home hospices headquartered in Shelby County, two residential hospices in Shelby County, plus two more in-home hospice agencies headquartered in other counties but licensed in Shelby County. Financial and utilization information is given for all of these agencies later in the application. See section Economic Feasibility, Question 4.C.

5) Project cost;

**Response:** The Applicant will lease approximately 2,400 GSF of space at the Memphis Jewish Home & Rehab Center at 36 Bazeberry Road, Cordova, Tennessee. The initial term of the lease is for 5 years at \$18,000 per year. While the actual lease will be \$90,000 over 5 years, the Project Cost Chart reflects \$173,472 as the fair market value of that space. In addition to the normal legal, consulting and administrative fees, the Applicant also projects approximately \$409,800 in reserve for operating capital. Therefore, the total anticipated project cost is \$633,272 plus a \$15,000 filing fee.

6) Funding;

**Response:** The Applicant will lease the land/building, and states that sufficient resources are available for the lease and operating expenses. See **Attachments A.6A and A.B.EconomicFeasibility.2).**

7) Financial Feasibility including when the proposal will realize a positive financial margin;  
and

**Response:** The Applicant projects break-even at around the seventh month of Year One, a total negative cash flow in the first year of operation, and a positive cash flow in Year 2 and thereafter. This is reflected in the Projected Data Chart. Steady census growth over the course of 3-year projections will ensure financial viability.

8) Staffing.

**Response:** A staffing chart is provided later in the application. The Applicant believes sufficient staff is and will be available for this project. There are hospice nurses that work for the management company in their Quality Improvement Department. Additionally, the management company manages a personal care services company that currently employees at least 30 CNAs and/or Homemakers. Additionally, the population of Shelby County is large enough that existing providers' staff levels will not be affected, plus there are several nursing schools in the area.

## **B. Rationale for Approval**

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area.

Provide a brief description of how the project meets the criteria necessary for granting a CON using the data and information points provided in Sections B of the application.

1) Need;

**Response:** The reader's attention is directed to Section B of the application, where a fairly involved attestation of need is discussed. However, for this section of the application, briefly, Hospice of Hope – Tennessee, LLC, (the "Applicant"), requests permission to develop and establish an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The ultimate goal of the Applicant is to operate a residential hospice to be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named earlier.

Choosing a specifically Jewish hospice program will make it easier to ensure that Jewish traditions and customs are respected. Judaism has a rich tradition of honoring life and recognizing the inevitability of death. Judaism has many rituals and beliefs that give meaning and purpose to all aspects of a Jew's life, from birth to death. These beliefs are important on a communal, familial and individual level. For an example of some end-of-life customs important for Jews, please see **Attachment A.3B**.

This application is the first step in the Applicant's attempt to open that residential hospice. Under current law, a residential hospice must also be licensed as an in-home hospice in order to be reimbursed by Medicare. While it was never the intent of the Applicant to operate an in-home hospice agency, such a license is required in order for the Applicant to operate a residential hospice providing care to Medicare patients. Patients under other reimbursement programs will be served, but hospice care is mostly a Medicare-reimbursed program and any such planned residential hospice must take Medicare reimbursement rules into consideration.

It is planned that the Applicant will be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid/TennCare, The National Institute for Jewish Hospice (NIJH), and Community Health Accreditation Partner (CHAP). There are no NIJH-certified hospices in Tennessee. NIJH-certified hospices are located in California, Colorado, Connecticut, Florida, Kansas, Maryland, Massachusetts, Missouri, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas and Virginia. Further, according to the National Hospice and Palliative Care Organization (NHPCO), Tennessee ranks 41<sup>st</sup> out of the 50 states, meaning that 80% of the states have a higher Medicare percentage of enrollment in hospice care than does Tennessee. The approval of this application will help further the utilization of this much-needed end-of-life care in our state.

2) Economic Feasibility;

**Response:** The Memphis Jewish Home and Rehab Facility, located in Cordova, Shelby County, Tennessee, will lease office space to the Applicant for a very reasonable \$18,000 per year (\$1,500 per month). The remaining costs have either already been paid (administrative, etc.) or are available through the three owners for routine operating costs of the hospice. (See **Attachment B.Economic Feasibility.2**). The Applicant anticipates reaching a break-even point at about the 7<sup>th</sup> month of operation, a net loss in Year 1, but positive cash flows in Years 2 and thereafter.

3) Quality Standards;

**Response:** The facility will be operated at the highest standards of quality. The Applicant plans to be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid, The National Institute for Jewish Hospice, and Community Health Accreditation Program (CHAPS).

4) Orderly Development to adequate and effective health care.

**Response:** Research by the Applicant shows that the positive effects of approving this project are:

1. Currently, there is no inpatient or outpatient hospice care in Shelby County that specifically serves the large growing Jewish population.

2. The Jewish Community in Shelby County currently has the following services to meet their specific needs, but still lacks a Jewish Hospice Center:

- a. Eight Synagogues
- b. Two Jewish Day Schools
- c. Two Kosher deli/restaurants
- d. Jewish Community Center
- e. Jewish Federation
- f. Jewish Family Services
- g. Jewish Nursing Home and Rehabilitation Facility
- h. Jewish Independent Senior Living

3. The Jewish Community in Shelby County could use a separate hospice that provides:

- a. Jewish Chaplain or Rabbi that is knowledgeable regarding Jewish Faith, Laws and Customs, specifically, end of life rituals, laws and customs;
- b. Kosher Dietary Restrictions by a Mashgiach (A rabbi who watches the preparation of food to ensure the proper laws are used and fulfilled by the chefs); i.e., no pork, no combination of meat and dairy, no shellfish, etc.;
- c. a Social Worker who understands and has knowledge of the Jewish Resources that are available during the end of life stage.

4. There are 16 states, along with Washington, D.C., that have accredited Jewish Hospice Services for their Jewish Residents. In other large Jewish communities which are located in cities like New York, Baltimore, Chicago, Los Angeles and Miami, there are Jewish Hospices (or Jewish partnerships with existing hospices) that provide these services to Jewish and Jewish underserved communities. This

would serve as an asset to the Jewish Community in Memphis, Shelby County, and eventually (through a residential hospice) to areas surrounding Shelby County<sup>8</sup>.

5. The Jewish community has an underserved population as well which includes the homeless, hungry, neglected, mentally handicapped, orphans, widows, etc. The Jewish Hospice Care program would also provide specific special services to this population as well.

6. The Memphis Jewish Home and Rehabilitation Center has agreed to partner with the Applicant by allowing the use of office space in their facility and will allow the Applicant to provide inpatient hospice services inside their facility if we are approved. This will give the Applicant direct access to Jewish resources in the Greater Memphis and Shelby County areas, and this location will also provide direct access to many of the Jewish patients the Applicant plans to serve.

Finally, the only possible negative effect of approving this project is the fact that our project may create limited competition to the established hospices already licensed in Shelby County. We doubt this will occur due to the growing population of Shelby County and the fact we are targeting a very specific population.

**C. Consent Calendar Justification**

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

**Response:** Not Applicable.

**4. PROJECT DETAILS**

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

<u>Hospice of Hope – Tennessee, LLC</u>		<u>901-756-7322</u>
Name		Phone Number
<u>1125 Schilling Blvd., East, S-101</u>		<u>Shelby</u>
Street or Route		County
<u>Collierville</u>	<u>TN</u>	<u>38017-7078</u>
City	State	Zip Code

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

- |                                 |       |  |              |
|---------------------------------|-------|--|--------------|
| 1) Sole Proprietorship          | _____ | 6) Government (State of TN or Political Subdivision) | _____        |
| 2) Partnership                  | _____ | 7) Joint Venture                                     | _____        |
| 3) Limited Partnership          | _____ | 8) Limited Liability Company                         | <u>  X  </u> |
| 4) Corporation (For Profit)     | _____ | 9) Other (Specify) _____                             | _____        |
| 5) Corporation (Not-for-Profit) | _____ |  |              |

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. See Attachment A-4AB

**Describe** the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

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

<u>Southern Healthcare Solutions, LLC</u>		
Name		
<u>36 Bazeberry Road</u>		<u>Shelby</u>
Street or Route		County
<u>Cordova</u>	<u>TN</u>	<u>38018</u>
City	State	Zip Code
Website address: <a href="http://www.shshealthcare.com/">http://www.shshealthcare.com/</a>		

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

**6A. Legal Interest in the Site**

**(Check the appropriate line and submit the following documentation)**

**The legal interest described below must be valid on the date of the Agency consideration of the certificate of need application.**

- Ownership** (Application or application's parent company/owner)  
Submit a copy of the title/deed
- Lease** (Applicant or applicant's parent company/owner)  
Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- Option to Purchase**  
Attach a fully executed Option that includes the anticipated purchase price
- Option to Lease**  
Attach a fully executed Option that includes the anticipated terms of Option and anticipated lease expense
- Other** (Specify)

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

**Response:** Please see **Attachment A-6A**

**6B.** Briefly describe the following and attach the requested documentation on an 8 ½" x 11" sheet of white paper, legibly labeling all requested information.

- 1) Plot Plan **must include**:
  - a. Size of site (*in acres*); (**approximately 88.11 Acres**)
  - b. Location of structure on the site; (**see plot plan**)
  - c. Location of the proposed construction/renovation; and (**no proposed construction**)
  - d. Names of streets, roads or highway that cross or border the site. (**see Exec. Overview**)

- 2) Floor Plan – If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page.
- a) Patient care rooms (private or semi-private)
  - b) Ancillary areas
  - c) Equipment areas
  - d) Other (specify)
- 3) Public Transportation Route – Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

**Response:** Please see **Attachment A-6B** (8 pages, plot plan, footprint, floor plan, etc.)

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

- |  |              |  |       |
|--|--------------|--|-------|
| A. Hospital (Specify) _____  | _____        | H. Nursing Home  | _____ |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty        | _____        | I. Outpatient Diagnostic Center  | _____ |
| C. ASTC, Single Specialty  | _____        | J. Rehabilitation Facility   | _____ |
| D. Home Health Agency  | _____        | K. Residential Hospice   | _____ |
| E. Hospice   | <u>  x  </u> | L. Nonresidential Substitution-Based Treatment Center for Opiate Addiction | _____ |
| F. Mental Health Hospital  | _____        | M. Other (Specify) _____   | _____ |
| G. Intellectual Disability Institutional Habilitation Facility ICF/IID | _____        |  |       |

**8. Purpose of Review (Check appropriate lines(s) – more than one response may apply)**

- |  |              |  |       |
|--|--------------|--|-------|
| A. Establish New Health Care Institution   | <u>  x  </u> | G. MRI Unit Increase                       | _____ |
| B. Change in Bed Complement  | _____        | H. Satellite Emergency Department          | _____ |
| C. Initiation of Health Care Service as defined in T.C.A. §68-11-1607(4) (Specify) _____ | _____        | I. Addition of ASTC Specialty              | _____ |
| D. Relocation and/or Replacement   | _____        | J. Addition of Therapeutic Catheterization | _____ |
| E. Initiation of MRI   | _____        | K. Other (Specify) _____                   | _____ |
| F. Initiation of Pediatric MRI   | _____        |  |       |

**9. Medicaid/TennCare, Medicare Participation**

MCO Contracts [Check all that apply] **Applicant will pursue ALL MCOs in West Tennessee.**

  x   AmeriGroup   x   United Healthcare Community Plan   x   BlueCare   x   TennCare Select

Medicare Provider Number \_\_\_\_\_ will apply \_\_\_\_\_

Medicaid Provider Number \_\_\_\_\_ does not reimburse \_\_\_\_\_

Certification Type \_\_\_\_\_ hospice \_\_\_\_\_

**If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?**

Medicare   x   Yes \_\_\_ No \_\_\_ N/A    Medicaid/TennCare   x   Yes \_\_\_ No \_\_\_ N/A

**10. Bed Complement Data (NOT APPLICABLE)**

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

	<i>Current Licensed</i>	<i>Beds Staffed</i>	<i>Beds Proposed</i>	<i>*Beds Approved</i>	<i>**Beds Exempted</i>	<i><u>TOTAL Beds at Completion</u></i>
1) Medical	_____	_____	_____	_____	_____	_____
2) Surgical	_____	_____	_____	_____	_____	_____
3) ICU/CCU	_____	_____	_____	_____	_____	_____
4) Obstetrical	_____	_____	_____	_____	_____	_____
5) NICU	_____	_____	_____	_____	_____	_____
6) Pediatric	_____	_____	_____	_____	_____	_____
7) Adult Psychiatric	_____	_____	_____	_____	_____	_____
8) Geriatric Psychiatric	_____	_____	_____	_____	_____	_____
9) Child/Adolescent Psychiatric	_____	_____	_____	_____	_____	_____
10) Rehabilitation	_____	_____	_____	_____	_____	_____
11) Adult Chemical Dependency	_____	_____	_____	_____	_____	_____
12) Child/Adolescent Chemical Dependency	_____	_____	_____	_____	_____	_____
13) Long-Term Care Hospital	_____	_____	_____	_____	_____	_____
14) Swing Beds	_____	_____	_____	_____	_____	_____
15) Nursing Home – SNF (Medicare only)	_____	_____	_____	_____	_____	_____
16) Nursing Home – NF (Medicaid only)	_____	_____	_____	_____	_____	_____
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	_____	_____	_____	_____	_____	_____
18) Nursing Home – Licensed (non-certified)	_____	_____	_____	_____	_____	_____
19) ICF/IID	_____	_____	_____	_____	_____	_____
20) Residential Hospice	_____	_____	_____	_____	_____	_____
<b>TOTAL</b>	_____	_____	_____	_____	_____	_____
<i>*Beds approved but not yet in service</i>				<i>**Beds exempted under 10% per 3-year provision</i>		

**B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility’s existing services.**

**C. Please identify all the applicant’s outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below.**

<b>CON Number(s)</b>	<b>CON Expiration Date</b>	<b>Total Licensed Beds Approved</b>
<b>Not applicable</b>	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply: **Not applicable****

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	X
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



- A. Describe the construction and renovation associated with the proposed project. If applicable, provide a description of the existing building, including age of the building and the use of space vacated due to the proposed project.

**Response:** Not applicable.

**13. MRI, PET, and/or Linear Accelerator (Not Applicable)**

1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding an MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or
2. Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:

- A. Complete the chart below for acquired equipment.

<input type="checkbox"/> Linear Accelerator	Mev _____	Types:	<input type="checkbox"/> SRS <input type="checkbox"/> IMRT <input type="checkbox"/> IGRT <input type="checkbox"/> Other _____ <input type="checkbox"/> By Purchase
	Total Cost*:	_____	<input type="checkbox"/> By Lease   Expected Useful Life (yrs) ____ <input type="checkbox"/> New <input type="checkbox"/> Refurbished <input type="checkbox"/> If not new, how old? (yrs) _____
<input type="checkbox"/> MRI	Tesla: _____	Magnet:	<input type="checkbox"/> Breast <input type="checkbox"/> Extremity <input type="checkbox"/> Open <input type="checkbox"/> Short Bore <input type="checkbox"/> Other _____ <input type="checkbox"/> By Purchase
	Total Cost*:	_____	<input type="checkbox"/> By Lease   Expected Useful Life (yrs) ____ <input type="checkbox"/> New <input type="checkbox"/> Refurbished <input type="checkbox"/> If not new, how old? (yrs) _____
<input type="checkbox"/> PET	<input type="checkbox"/> PET only <input type="checkbox"/> PET/CT <input type="checkbox"/> PET/MRI <input type="checkbox"/> By Purchase		
	Total Cost*:	_____	<input type="checkbox"/> By Lease   Expected Useful Life (yrs) ____ <input type="checkbox"/> New <input type="checkbox"/> Refurbished <input type="checkbox"/> If not new, how old? (yrs) _____

\* As defined by Agency Rule 0720-9-.01(4)(b)

- B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.
- C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.

**D. Schedule of Operations:**

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am – 3 pm)
Fixed Site ( <i>Applicant</i> )	_____	_____
Mobile Locations ( <i>Applicant</i> )	_____	_____
( <i>Name of Other Location</i> )	_____	_____
( <i>Name of Other Location</i> )	_____	_____

**E.** Identify the clinical applications to be provided that apply to the project.

**F.** If the equipment has been approved by the FDA within the last five years provide documentation of the same.

## **SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED**

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards provided in the State Health Plan. Additional criteria for review are prescribed in Chapter 11 of the Agency’s Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate.

### **QUESTIONS**

#### **NEED**

**The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.**

1. Provide a response to the applicable criteria and standards for the type of institution or service requested. <http://www.tn.gov/hsda/hsda-criteria-and-standards.html>

**Response:** Hospice of Hope – Tennessee, LLC, (the “Applicant”), requests permission to develop and establish an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The ultimate goal of the Applicant is to operate a residential hospice to be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named earlier.

Choosing a specifically Jewish hospice program will make it easier to ensure that Jewish traditions and customs are respected. Judaism has a rich tradition of honoring life and recognizing the inevitability of death. Judaism has many rituals and beliefs that give meaning and purpose to all aspects of a Jew’s life, from birth to death. These beliefs are important on a communal, familial and individual level. For an example of some end-of-life customs important for Jews, please see **Attachment A.3B**.

This application is the first step in the Applicant’s attempt to open that residential hospice. Under current law, a residential hospice must also be licensed as an in-home hospice in order to be reimbursed by Medicare. While it was never the intent of the Applicant to operate an in-home hospice agency, such a license is required in order for the Applicant to operate a residential hospice providing care to Medicare patients. Patients under other reimbursement programs will be served, but hospice care is mostly a Medicare-reimbursed program and any such planned residential hospice must take Medicare reimbursement rules into consideration.

Routine in-home hospice services are planned, including physician, nursing, medical equipment, medical supplies, pharmaceutical, home health aide, homemaker, physical/occupational/speech therapies, social worker, and dietary counseling, as needed for patients, and emotional/spiritual/grief/loss services for both patients and families. Respite services will be provided if our residential hospice is approved.

It is planned that the Applicant will be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid/TennCare, The National Institute for Jewish Hospice (NIJH), and Community Health Accreditation Partner (CHAP). There are no NIJH-certified hospices in Tennessee. NIJH-certified hospices are located in California, Colorado, Connecticut, Florida, Kansas, Maryland, Massachusetts, Missouri, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas and Virginia. Further, according to the National Hospice and Palliative Care Organization (NHPCO), Tennessee ranks 41<sup>st</sup> out of the 50 states, meaning that 80% of the states have a higher Medicare enrollment percentage in hospice care than does Tennessee. The approval of this application will help further the utilization of this much-needed end-of-life care in our state.

Memphis Jewish Home and Rehab ([www.memphisjewishhome.org](http://www.memphisjewishhome.org)) is a not-for-profit nursing home, Jewish in character and environment, and dedicated to providing the highest level of care possible with dignity, compassion and professionalism. From well-tended gardens and grounds to the modern equipment within, from its skilled staff to its variety of activities, the restful and serene atmosphere of MJHR promotes healing. Founded as the B'nai B'rith Home and Hospital for the Aged in 1927, Memphis Jewish Home & Rehab is now a state-of-the art, 160 bed facility located in an 88-acre park-like setting. Dedicated to providing the highest level of care possible, Memphis Jewish Home & Rehab serves people and families of all faiths with compassion, dignity, and commitment whether they are here for rehab services or long-term care. Rehab services include physical, occupational, and speech therapies. The Dining Services Department provides kosher meals and snacks to patients and residents. The Nosh-A-Rye Deli, open to the public, offers an inviting space to meet and have lunch.

Further, Philippians 2:3-4 teaches us to put others above ourselves, and Micah 4:4 tells us that people should enjoy peace and security. Those thoughts and ideals serve as a basis for our applying for these hospice projects. In Memphis and Shelby County, we stand as a beacon of medical hope not only serving our local community, but also those in the surrounding rural and outlying areas of the Mid-South. Our city has become world renowned for our hospital systems and the care that they provide through research and healing. We are compelled to continue in strengthening this tradition that has become a part of who we are as Memphians. That tradition is not only recognizing the shortcomings of our community's healthcare needs, but also by responding to the call to provide the most appropriate care when those shortcomings are discovered.

The Jewish community is being underserved in not only Shelby County, but also in a large majority of the Mid-South. The National Institute for Jewish Hospice does not list a single accredited hospice company in Mississippi, Arkansas, or Tennessee on their website of members. Currently, we are not providing access to the dietary requirements nor the spiritual needs of those in our community. Through this application, we intend to change that fact, and to trailblaze the example of community-based needs recognition by continuing this program throughout all of our offices in the mid-south. Those of us who have faith and believe in a spiritual concept of the afterlife, know that when the end of life has come, our traditions should be observed. We intend to passionately provide the same tailored hospice for the Jewish community that has been identified and recognized now by so many other communities worldwide. We will provide this care through dietary needs, religious observances and the already present holistic care provided through hospice.

There are so many people in Shelby County that need "Hope," and many outside of statistics showing that they need hospice or palliative care. There are numerous cultures that need to be shown respect for their specific culture and religious beliefs.

#### Cultural/Ethnic Examples:

1. Jewish
2. Hindu

3. Hispanics/Latino
4. African American
5. Asian
6. Native American
7. Filipino

There are many cultures in this world and in Shelby County/Memphis, Tennessee that have different ways of coping at the end of life. It is up to the hospice team to know how to provide compassionate care to every individual within their ethnic group.

Hospice is an approach to caring for an individual who is only expected to live for six months or less if the disease runs its normal course. If you are of Jewish faith, you might wonder how hospice is viewed and understood within your spiritual beliefs. The question that needs to be asked is, does the hospice understand the Jewish customs or is the Plan of Care generic to all patients with a lack of consideration. This is how Hospice of Hope will be different. The Plan of Care will consider and include the culture of the individual.

So, what is the difference between Jewish hospice and a regular hospice? The Jewish tradition regards every moment in the human life as infinitely valuable. To honor this tradition, we propose the following: Hospice of Hope wants to open an Inpatient hospice facility to accomplish this goal, but in order to bill Medicare for services provided, there must be an in-home hospice provider number. The first step is to apply for this CON and once established, Hospice of Hope will apply for a CON for an Inpatient facility providing Respite and Residential services.

Hospice and palliative care normally take place in a patient's home. However, there are times when an inpatient, respite or even residential hospice might be needed. This is the main reason why Hospice of Hope is applying for a CON. Phase 1 is to obtain an in-home hospice license and immediately thereafter, Hospice of Hope will apply for an 18 bed Inpatient facility (IP). Having an IP facility would save money for Medicare, Medicaid, TennCare, Veterans and Private insurance by providing continuity of care, a pillar of hospice care, through our in-home hospice on to our planned residential hospice, thereby keeping the patient out of the hospital.

We understand the difficulty in contracting with a hospital when that hospital has its own in-home hospice. The residential hospice, once approved, licensed and operational, will provide respite and routine residential hospice care, thereby saving the payer source money. Further, the approval of our project will create a greater patient choice with selecting end-of-life care providers.

Hospice of Hope considers its company, as shown through Unity Hospice Care, a sister company, as responsible, caring, following guidelines, and being diverse. We have demonstrated relationships with appropriate health care systems in the community, assuring both continuity of care and quality services. Letters of support from physicians, patient family members and leaders of the Jewish community are provided, showing the need for the underserved individuals in Shelby County (please see **Attachment B. Orderly Development.1.**). Finally, all hospices must take care of patients regardless of race, sex, or the ability to pay. We understand that and will not refuse care to any patient certified for hospice care in Shelby County. However, Hospice of Hope is different. We look at the whole patient and not the skin color or the ethnic group. We view each patient as an individual, who's culture and beliefs must be factored into their holistic care. To that point, our plans of care will reflect just that. And our end goal is to operate a residential hospice.

Historically, Tennessee's Jewish population has been centered in the four largest cities, and Memphis has long been the state's largest Jewish community. The following information is based on data from the Memphis Jewish Home and Rehab during the last published census (2010). We believe these numbers would be even higher in 2020.

1. The Memphis Metro Area has approximately 12,500 Jews living in 6,100 Jewish households.
  - a. This is a 20% increase in households since 1999 survey
  - b. Based on a 10-year gap and using 20% increase, the Memphis Metro Area should have approximately 15,000 Jews living in the Memphis area.
  - c. Jewish households average of 2.38 persons per household, and that number is down from 2.53 people in 1999, of whom 2.13 are Jews and .25 are non-Jews.
2. The Jewish population of the Memphis area is getting older. Today there are approximately 2,900 Jews who are 65 years old or older. In the next ten years, there be an additional 2,600 Jews who will be 65 or older (they are now 55-65 years old). Even after adjusting for normal death rates, there are likely to be 3,700 Jews who are over 65 years old living in Memphis by 2020, a net increase of 872 elderly Jews. The emerging 55 to 65-year old are more likely to reside in zip codes 38138, 38119 and 38018, rather than 38117 or 38120.
3. Half of all Memphis area Jews described themselves as Reform, 17.4% as Orthodox and 17.1% as Conservative. About 14% belong to other streams. (Note: Judaism is a monotheistic religion based on the Torah, Talmud and other texts in the Hebrew Bible. There are several Jewish traditions, including Orthodox, Conservative, Reform Judaism, and Reconstructionist.)
4. The continued aging Jewish population will require more services for seniors. There will be an increased demand over the decade. The need is now.
5. The percentage of the Jewish population of the United States who are located in the South has increased from 16% to 22% from 1980 to 2018, while the percentage in the Northeast decreased from 57% to 44% during the same time period. (cite; United States Jewish Population, 2018, published by Berman Jewish DataBank, p. 25.). The same report points out, correctly, that Jewish people traditionally gather in metropolitan (as opposed to agrarian) areas due to the fact in Europe (the point of origin of many Jews in the United States) could not own land (p. 46). Finally, this report notes that Memphis has the greatest percentage of Jews who live in Tennessee with Nashville having the second largest Jewish population (p. 63).

Supporting Statistics:

Memphis Population Demographic by Race		
Race	Population	% of Total
Black or African American	409,687	63%
White	190,120	29%
Hispanic or Latino	41,994	6%
Some Other Race	26,163	4%
Asian	10,146	1%
Two or More Races	8,924	1%
American Indian	1,549	Below 1%
Three or More Races	765	Below 1%
Native Hawaiian Pacific Islander	300	Below 1%

	Male	Female	Total
<b>Total Population</b>	307,019	339,870	646,889
Black or African American	188,963	220,724	409,687
White	92,656	97,464	190,120
Hispanic or Latino	23,934	18,060	41,994
Some Other Race	15,205	10,958	26,163
Asian	4,965	5,181	10,146
Two or More Races	4,306	4,618	8,924
American Indian	769	780	1,549
Three or More Races	332	433	765
Native Hawaiian Pacific Islander	155	145	300

Your attention is directed to the letters of support (**Attachment B.Orderly Development.1**), specifically:

1. from Rabbi Sarit Horwitz:

“Especially at the end of life it is crucial to honor the dignity of each individual. As a rabbi of a synagogue, I often witness people in these difficult circumstances. Individuals and their families seek an environment that is understanding of Jewish traditions and able to provide structure based on them. Programming or resources for Jewish holidays, Jewish prayers, attention to the rhythm of the Jewish week – these are crucial elements of a Jewish life, and we should be able to accommodate these religious, spiritual, theological, and cultural needs of a Jewish patient.”

2. from Rabbi Levi Y. Klein:

“As a rabbi in the Memphis area for the last 26 years, I have seen the lack of availability and the great need of a Jewish Hospice care facility, as people of the Jewish faith have unique needs when it comes to end of life issues and practices.”

3. from Shelby Baum, speaking of her mother’s death:

“Although the hospice staff that we consulted with was helpful, I desperately needed to have someone of my faith to assist me in the process. There are several decisions to make and it would have been so much easier to deal with staff/chaplain that were familiar with the questions, struggles and needs of a Jewish family going through this difficult time.”

4. and from Robin Shainburg, speaking of her father’s death:

“If you are born a Jew, raised a Jew, live as a Jew, you should be able to die as a Jew.”

2. Describe how this project relates to existing facilities or services operated by the applicant including previously approved Certificate of Need projects and future long-range development plans.

**Response:** Neither the Applicant nor its Owner operate any facilities in Tennessee at present. It is planned to file an application for a residential hospice once our in-home hospice is licensed and running.

- Identify the proposed service area and provide justification for its reasonableness. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable.

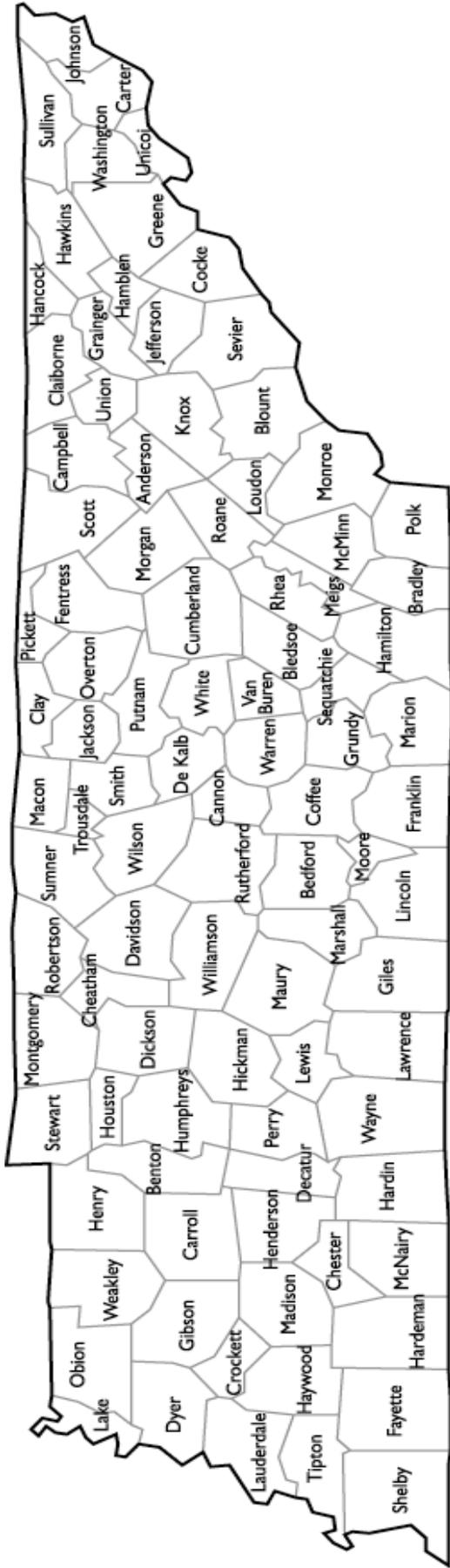
**Response:** Please see County Level Map, part of this application. It is planned that the primary service area will consist of Shelby County, only. The Applicant will not refuse services to any patient requiring the services provided at our facility, but we are targeting the Jewish Community.

Complete the following utilization tables for each county in the service area, if applicable:

Service Area Counties	Historical Utilization-County Residents – Most Recent Year (YEAR=_____)	% of total <input type="checkbox"/> procedures <input type="checkbox"/> Cases <input type="checkbox"/> patients <input type="checkbox"/> Other
County #1	Not Applicable	
Total		100%

Service Area Counties	Projected Utilization-County Residents – Most Recent Year (YEAR=2022, etc.)	% of total <input type="checkbox"/> procedures <input type="checkbox"/> Cases <input type="checkbox"/> patients <input type="checkbox"/> Other
Shelby Co.	9 patients	100%
Total		100%

County Level Map



4. A. 1) Describe the demographics of the population to be served by the proposal.
- 2) Provide the following data for each county in the service area using current and projected population data from the Department of Health.  
<https://www.tn.gov/content/tn/health/health-program-areas/statistics/health-data/con.html>), the most recent enrollee data from the Division of TennCare  
<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html> ), and US Census Bureau demographic information  
<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> ).

TennCare Enrollment Data: <https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census				TennCare	
	Total Population- Current Year _2020__	Total Population- Projected Year _2024	Total Population-% Change	*Target Population Current Year	*Target Population- Project Year	*Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Shelby Co.	950325	964902	+1.5%	133579	147249	10.2%	15.3%	36	\$49,782	206221	21.7%	256378	27.0%
Service Area Total	950325	964902	+2.5%	133579	147249	10.2%	15.3%	36	\$49,782	206221	21.7%	256378	27.0%
State of TN Total	6883347	7097353	+3%	1189428	1318822	10.9%	18.6%	38.6	\$48,708	1149519	16.7%	1464816	21.2%

.1

*\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-17. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2019, then default Projected Year is 2023.*

**Be sure to identify the target population, e.g., Age 65+, the current year and projected year being used.**

**Response:** As suggested above, hospice projects primarily serve patients aged 65 and over, and the data in the chart reflects that target population.

Population statistics in the preceding chart are from the TN DoH website cited above. Bureau of Census data reflects 2017 (its latest statistics). Persons Below Poverty Level as a Percentage of Total reflect 2017 percentages, but the Persons Below Poverty Level reflects that 2017 percentage applied to the TN DoH estimated population statistics for 2019.

- 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 TennCare or Medicaid recipients, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

**Response:** The preceding chart indicates that Shelby County residents, compared to Tennessee residents, are slightly younger in median age, have a higher median household income, are more likely to have incomes below the poverty level, and are more likely to be enrolled in TennCare.

The Applicant will provide hospice services to all patients who are certified for such services, based on our ability to provide the service.

- 5.** Describe the existing and approved but unimplemented services of similar healthcare providers 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. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

**Response:** There are no hospice providers in Shelby County that target the Jewish Community. However, there are 5 in-home hospices headquartered in Shelby County, two residential hospices in Shelby County, plus two more in-home hospice agencies headquartered in other counties but licensed in Shelby County. Financial and utilization information is given for all of these agencies later in the application. See section Economic Feasibility, Question 4.C.

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

**Response:** There is no historic data, as this application is for a new hospice agency. Projected utilization for three years following licensure is included on the Projected Data Chart. We are providing 3 years of projected data due to the fact we anticipate a loss in Year 1, but positive cash flow in Years 2 and thereafter.

## ECONOMIC FEASIBILITY

**The responses to this section of the application will help determine the project can be economically accomplished and maintained.**

### 1. Project Cost Chart Instructions

- A. All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)

**Response:** The filing fee check for \$15,000 has been forwarded to the HSDA.

- B. 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.

**Response:** The office lease cost of \$18,000 per year is believed to be higher than the fair market value of the building/land. The term is 5 years, and the total lease cost is reported on the Project Costs Chart as \$90,000.

- C. 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.

**Response:** Not applicable.

- D. The total Construction Cost reported on line 5 should equal the Total Cost reported on the Square Footage Chart.

**Response:** Not applicable.

- E. For projects that include new construction, modification, and/or renovation—**documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:

- 1) A general description of the project;

**Response:** Not applicable.

- 2) An estimate of the cost to construct the project;

**Response:** Not applicable.

- 3) A description of the status of the site’s suitability for the proposed project; and

**Response:** Not applicable.

- 4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

**Response:** Not applicable.

**PROJECT COST CHART**

A.	Construction and equipment acquired by purchase:	
1.	Architectural and Engineering Fees	
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$ 50,000
3.	Acquisition of Site	
4.	Preparation of Site	
5.	Total Construction Costs	
6.	Contingency Fund	
7.	Fixed Equipment (Not included in Construction Contract)	
8.	Moveable Equipment (List all equipment over \$50,000 as separate attachments)	
9.	Other (Specify) _____	
B.	Acquisition by gift, donation, or lease:	
1.	Facility (inclusive of building and land)	
2.	Building only	173,472
3.	Land only	
4.	Equipment (Specify) _____	
5.	Other (Specify) _____	
C.	Financing Costs and Fees:	
1.	Interim Financing	
2.	Underwriting Costs	
3.	Reserve for One Year's Debt Service	409,800
4.	Other (Specify) _____	
D.	Estimated Project Cost (A+B+C)	\$633,272
E.	CON Filing Fee	15,000
F.	Total Estimated Project Cost (D+E)	\$648,272
	<b>TOTAL</b>	<b>\$648,272</b>

The figures on this chart are the actual costs for the Applicant.

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2. Identify the funding source(s) for this project.

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

- A) Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- B) Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- C) General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- D) Grants – Notification of intent form for grant application or notice of grant award;
- E) Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- F) Other – Identify and document funding from all other sources.

**Response:** Please see **Attachment Section B-Economic Feasibility-2.**

3. Complete Historical Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart(s) provide revenue and expense information for the last *three (3)* years for which complete data is available. The “Project Only Chart” provides information for the services being presented in the proposed project while the “Total “Facility Chart” provides information for the entire facility. Complete both, if applicable.

*Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

**Response:** There is no historic data as this application is for a new agency that does not currently exist.

**HISTORICAL DATA CHART**

- Project Only**
- Total Facility**

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

	Year__	Year__	Year__
<b>NOT APPLICABLE</b>			
A. Utilization Data Specify unit of measure _____	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	\$	\$	\$
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify)_____	_____	_____	_____
<b>Gross Operating Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$	\$	\$
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
<b>Total Deductions</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NET OPERATING REVENUE</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
D. Operating Expenses			
1. Salaries and Wages	_____	_____	_____
a. Direct Patient Care	_____	_____	_____
b. Non-Patient Care	_____	_____	_____
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	_____	_____	_____
4. Rent	_____	_____	_____
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
5. Management Fees	_____	_____	_____
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
6. Other Operating Expenses	_____	_____	_____
<b>Total Operating Expenses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
E. <b>Earnings Before Interest, Taxes and Depreciation</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
F. Non-Operating Expenses			
1. Taxes	\$	\$	\$
2. Depreciation	_____	_____	_____
3. Interest	_____	_____	_____
4. Other Non-Operating Expenses	_____	_____	_____
<b>Total Non-Operating Expenses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NET INCOME (LOSS)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

*Chart Continues on to Next Page*

<b>NET INCOME (LOSS)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>G. Other Deductions</b>			
1. Annual Principal Debt Repayment	\$	\$	\$
2. Annual Capital Expenditure	\$	\$	\$
<b>Total Other Deductions</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NET BALANCE</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>DEPRECIATION</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

- Project Facility
- Total Only

**HISTORICAL DATA CHART-OTHER EXPENSES**

<u><b>OTHER OPERATING EXPENSES CATEGORIES</b></u> (D6)	Year _____	Year _____	Year _____
1. _____	\$	\$	\$
2. _____			
3. _____			
4. _____			
5. _____			
6. _____			
7. _____			
<b>*Total Other Expenses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

*\*Total other expenses should equal Line D.6. In the Historical Data Chart*

**NOT APPLICABLE**

3. Complete Projected Data Charts on the following two pages – **Do not modify the Charts provided or submit Chart substitutions!**

Projected Data Chart(s) provide information for the two years following the completion of the proposed project. The “Project Only Chart” should reflect revenue and expense projections for the project (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The “Total Facility Chart” should reflect information for the total facility. Complete both, if applicable.

*Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

**Response:** The Applicant projects negative cash flow in Year 1, so we are providing estimates for 3 years. We project positive cash flow in Years 2 and 3 (and thereafter). The “Project Only Chart” is being completed but note that this project is the total facility.

**PROJECTED DATA CHART**

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

	<u>Year2022</u>	<u>Year2023</u>	<u>Year2024</u>
<b>A. Utilization Data</b>			
Specify unit of measure <u>Patient Days</u>	3,300	10,115	17,358
<b>B. Revenue from Services to Patients</b>			
1. Inpatient Services			
2. Outpatient Services	\$ 495,000	\$ 1,517,250	\$ 2,603,700
3. Emergency Services			
4. Other Operating Revenue (Specify) _____			
<b>Gross Operating Revenue</b>	<b>\$ 495,000</b>	<b>\$ 1,517,250</b>	<b>\$ 2,603,700</b>
<b>C. Deductions from Gross Operating Revenue</b>			
1. Contractual Adjustments	\$ 9,900	\$ 30,345	\$ 52,074
2. Provision for Charity Care	25,740	54,895	94,007
3. Provisions for Bad Debt			
<b>Total Deductions</b>	<b>\$ 35,640</b>	<b>\$ 85,240</b>	<b>\$ 146,081</b>
<b>NET OPERATING REVENUE</b>	<b>\$ 459,360</b>	<b>\$ 1,432,010</b>	<b>\$ 2,457,619</b>
<b>D. Operating Expenses</b>			
1. Salaries and Wages			
a. Direct Patient Care	\$ 191,400	\$ 505,750	\$ 867,400
b. Non-Patient Care	120,000	180,000	180,000
2. Physician's Salaries and Wages	42,000	42,000	42,000
3. Supplies	6,600	20,230	39,716
4. Rent			
a. Paid to Affiliates			
b. Paid to Non-Affiliates	18,000	18,000	18,000
5. Management Fees			
a. Paid to Affiliates		90,000	200,000
b. Paid to Non-Affiliates			
6. Other Operating Expenses	316,800	503,330	808,757
<b>Total Operating Expenses</b>	<b>\$ 694,800</b>	<b>\$ 1,359,310</b>	<b>\$ 2,155,873</b>
<b>E. Earnings Before Interest, Taxes and Depreciation</b>	<b>\$ (235,440)</b>	<b>\$ 72,700</b>	<b>\$ 301,746</b>
<b>F. Non-Operating Expenses</b>			
1. Taxes	\$ 5,000	\$ 5,000	\$ 5,000
2. Depreciation	18,000	18,000	18,000
3. Interest			
4. Other Non-Operating Expenses			
<b>Total Non-Operating Expenses</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (258,440)</b>	<b>\$ 49,700</b>	<b>\$ 278,746</b>

Chart Continues on to Next Page

<b>NET INCOME (LOSS)</b>	<b>\$ (258,440)</b>	<b>\$ 49,700</b>	<b>\$ 278,746</b>
<b>G. Other Deductions</b>			
1. Annual Principal Debt Repayment	\$	\$	\$
2. Annual Capital Expenditure	\$	\$	\$
<b>Total Other Deductions</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NET BALANCE</b>	<b>\$ (258,440)</b>	<b>\$ 49,700</b>	<b>\$ 278,746</b>
<b>DEPRECIATION</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$ (240,440)</b>	<b>\$ 67,700</b>	<b>\$ 296,746</b>

Project Facility  
 Total Only

**PROJECTED DATA CHART-OTHER EXPENSES**

<u>OTHER OPERATING EXPENSES CATEGORIES</u>	<u>Year 2022</u>	<u>Year 2023</u>	<u>Year 2024</u>
1. Administrative Expenses	\$ 270,600	\$ 361,690	\$ 565,745
2. Patient Care Expenses	46,200	141,640	243,012
3.			
4.			
5.			
6.			
7.			
<b>*Total Other Expenses</b>	<b>\$ 316,800</b>	<b>\$ 503,330</b>	<b>\$ 808,757</b>

*\*Total other expenses should equal Line D.6. In the Projected Data Chart*

**PROJECTED DATA CHART**

Project Only  
 Total Facility

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

Year \_\_\_\_                      Year \_\_\_\_

<p><b>A. Utilization Data (Specify unit of measure: <b>Average Daily Census</b>)</b></p>		
<p><b>B. Revenue from Services to Patients</b></p> <p>1. Inpatient Services</p> <p>2. Outpatient Services</p> <p>3. Emergency Services</p> <p>4. Other Operating Revenue (Specify) _____</p> <p align="right"><b>Gross Operating Revenue</b></p>	<p>_____</p> <p>_____ \$</p> <p>_____</p> <p>_____</p> <p>_____ \$</p>	<p>_____</p> <p>_____ \$</p> <p>_____</p> <p>_____</p> <p>_____ \$</p>
<p><b>C. Deductions from Gross Operating Revenue</b></p> <p>1. Contractual Adjustments</p> <p>2. Provision for Charity Care</p> <p>3. Provisions for Bad Debt</p> <p align="right"><b>Total Deductions</b></p> <p><b>NET OPERATING REVENUE</b></p>	<p>_____ \$</p> <p>_____</p> <p>_____</p> <p>_____ \$</p> <p>_____ \$</p>	<p>_____ \$</p> <p>_____</p> <p>_____</p> <p>_____ \$</p> <p>_____ \$</p>
<p><b>D. Operating Expenses</b></p> <p>1. Salaries and Wages</p> <p style="padding-left: 20px;">a. Direct Patient Care</p> <p style="padding-left: 20px;">b. Non-Patient Care</p> <p>2. Physician's Salaries and Wages</p> <p>3. Supplies</p> <p>4. Rent</p> <p style="padding-left: 20px;">a. Paid to Affiliates</p> <p style="padding-left: 20px;">b. Paid to Non-Affiliates</p> <p>5. Management Fees:</p> <p style="padding-left: 20px;">a. Paid to Affiliates</p> <p style="padding-left: 20px;">b. Paid to Non-Affiliates</p> <p>6. Other Operating Expenses (D6)</p> <p align="right"><b>Total Operating Expenses</b></p>	<p>_____</p> <p>_____ \$</p>	<p>_____</p> <p>_____ \$</p>
<p><b>E. Earnings Before Interest, Taxes and Depreciation</b></p>	<p>_____ \$</p>	<p>_____ \$</p>
<p><b>F. Non-Operating Expenses</b></p> <p>1. Taxes</p> <p>2. Depreciation</p> <p>3. Interest</p> <p>4. Other Non-Operating Expenses</p> <p align="right"><b>Total Non-Operating Expenses</b></p>	<p>_____ \$</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____ \$</p>	<p>_____ \$</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____ \$</p>
<p><b>NET INCOME (LOSS)</b></p>	<p>_____ \$</p>	<p>_____ \$</p>

*Chart Continues on Next Page*

<b>NET INCOME (LOSS)</b>	<b>\$</b>	<b>\$</b>
G. Other Deductions	\$	\$
1. Estimated Annual Principal Debt Repayment	\$	\$
2. Annual Capital Expenditure	\$	\$
<b>Total Other Deductions</b>	<b>\$</b>	<b>\$</b>
<b>NET BALANCE</b>	<b>\$</b>	<b>\$</b>
<b>DEPRECIATION</b>	<b>\$</b>	<b>\$</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$</b>	<b>\$</b>

- Project Facility
- Total Only

**PROJECTED DATA CHART-OTHER EXPENSES**

<u>OTHER OPERATING EXPENSES CATEGORIES</u>	Year <u>    </u>	Year <u>    </u>
1. _____	\$	\$
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
<b>*Total Other Expenses</b>	<b>\$</b>	<b>\$</b>

*\*Total other expenses should equal Line D.6. In the Projected Data Chart*

4. A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Complete Project Only Chart and Total Facility Chart, if applicable.

**Project Only Chart**

	Previous Year to Most Recent Year Year ____	Most Recent Year Year ____	Year One Year ____	Year Two Year ____	% Change (Current Year to Year 2)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )	n/a	n/a	\$150.00	\$150.00	0.0%
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )	n/a	n/a	\$ 10.80	\$ 8.43	- 21.9%
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )	n/a	n/a	\$139.20	\$141.57	1.7%

**Total Facility Chart (same as above)**

	Previous Year to Most Recent Year Year ____	Most Recent Year Year ____	Year One Year ____	Year Two Year ____	% Change (Current Year to Year 2)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )					
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )					
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )					

- B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

**Response:** Using Gross Operating Revenue from the Projected Data Chart, the average gross charge per patient day will approximate \$150.00 in Year 1, with \$10.80 in deductions and a resultant net charge of \$139.20 per patient day. Comparable figures for Year 2 are \$150.00, \$8.43 and \$141.57. Obviously, these are projected charges and may not be exact. As is known in the health care field, Medicare will pay what Medicare will pay. We believe our charge structure is very close to what Medicare currently pays for hospice services. Further, our anticipated charges are lower than the routine per diem charges reported by other hospice agencies serving Shelby County (see charts in response to the following question).

- C. Compare the proposed charges to those of similar facilities/services in the service area/adjoining service areas, or to proposed charges of recently approved Certificates of Need. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**Response:** Our proposed charges will be slightly lower than what has been reported by existing hospice agencies serving Shelby County. As always, Medicare will pay what Medicare will pay. We believe our charge structure is very close to what Medicare currently pays for hospice services. Further, our anticipated charges are lower than the routine per diem charges reported by other hospice agencies serving Shelby County (see following charts).

Four charts for each of the most recent three years (2017, 2018, & 2019) follow below.

The first chart for each year reports Revenue from TennCare, Medicare, TriCare/Champus, Self-Pay, Other, and Total. This first chart also reports Charity Care.

The second chart lists Patient Days provided for TennCare, Medicare, TriCare/Champus, Self-Pay, Other, Charity and Total Days of care. This second chart also reports the Average Length of Stay for the total facility.

The third chart reports Total Gross Revenue and Total Costs Reported on the JARs. Total Net Revenue is a function of deducting Total Cost Reported from Total Gross Revenue. The Per Patient Day Average Gross Revenue, Per Patient Day Average Cost columns are a function of dividing total facility figures by total patient days provided, and the Per Patient Day Average Net shows the amount of “profit” for each patient day provided at each facility.

The fourth chart shows daily charges for various types of hospice care (Routine, Continuous, General and Respite), plus the number of patients referred to each facility and the total number of patients served by each facility. The average number of patients referred and average number of patients served is superfluous data.

NOTE: The TDOH Licensing Board lists seven in-home hospice agencies licensed for Shelby County, as follows:

Amedisys Hospice Care, License No. 376;  
Avalon Hospice (Branch), License No. 369 (main office in Davidson County);  
Baptist Trinity Home Care & Hospice, License No. 354;  
Caris Healthcare (Branch), License no. \_\_\_\_ (main office in Fayette County);  
Compassus – Memphis, License No. 601;  
Crossroads Hospice of TN, LLC, License No. 357; and  
Methodist Alliance Hospice, License No. 325.

The HSDA notes that there are an additional two Residential Hospice agencies in Shelby County, as follows:

Baptist Reynolds Residential Hospice; and  
Methodist Alliance Residential Hospice.

Source: Data for all charts is from Joint Annual Reports. As noted above, some hospices did not file answers to all of the JAR questions, and some of the reported data appears incorrect but is as reported.

Note: “Total Net Revenue” above is computed by subtracting reported costs from reported income. Patient figures calculated by dividing total figures by reported patient days.

**Shelby County Hospices  
Selected Financial and Other Information, 2017**

Facility	TennCare Revenue	Medicare Revenue	TriCare/Champus	Self-Pay Revenue	Other Revenue	Total Revenue	Charity Care
Amedisys Hospice	613,161	2,808,476	0	172,829	0	3,594,466	39,393
Avalon Hospice	7,787,857	37,399,899	1,808	0	2,695,761	47,805,325	382,385
Baptist Trinity	81,195	3,190,493	0	0	424,281	3,695,969	61,870
Caris Healthcare	1,224,754	2,678,659	493	0	170,286	4,074,192	16,793
Compassus Memphis	83,358	1,304,476	0	0	91,029	1,478,863	22,994
Crossroads Hospice	528,975	18,297,121	0	0	569,103	19,395,199	98,818
Methodist Alliance	572,083	8,197,437	0	102,769	1,124,005	9,996,294	243,460
Avg. In-Home	1,456,889	10,553,794	329	39,371	724,924	12,862,862	123,673
Baptist Reynolds	7,779	1,143,370	0	0	796,766	1,947,915	17,875
Methodist Alliance	22,132	1,412,744	0	1,117,629	361,622	2,914,127	326,402
Avg. Residential	14,956	1,278,057	0	558,815	579,194	2,431,021	172,139

Facility	TennCare Pt/Days	Medicare Pt/Days	TriCare Pt/Days	Self-Pay Pt/Days	Other Pt/Days	Charity Pt/Days	Total Pt/Days	ALOS
Amedisys	2,624	18,913	0	1,224	0	239	23,000	96
Avalon	4,634	265,248	17	0	17,702	1,993	289,594	79
Baptist	867	17,778	0	0	785	171	27,642	41
Caris	860	18,265	3	0	1,042	119	20,321	51
Compassus	1,003	18,093	0	0	702	25	8,152	65
Crossroads	5,444	108,142	0	0	2,416	378	132,750	70
Methodist	5,926	39,686	0	764	7,835	99	57,857	51
Avg. In-Home	3,051	69,446	3	284	4,355	432	76,945	65
Baptist Reyn	301	6,440	0	0	88	78	8,068	40
Methodist	146	8,540	0	7,428	2,049	84	18,983	32
Avg. Residential	224	7490	0	3,714	1,069	81	13,526	36

*Note: Total Pt/Days is the total reported on the JAR – NOT the total of the 6 columns shown. ALOS is the calculation of reported total patients and total patient days on the JARs. JARs sometimes report different totals.*

**Shelby County Hospices  
Selected Financial and Other Information, 2017**

<b>Facility</b>	<b>Total Gross Revenue</b>	<b>Total Cost Reported</b>	<b>Total Net Revenue</b>	<b>Pt/Day Avg Gross</b>	<b>Pt/Day Avg Cost</b>	<b>Pt/Day Avg Net</b>
Amedisys Hospice	3,594,466	2,870,222	724,244	156.28	124.79	31.49
Avalon Hospice	47,805,325	23,510,240	19,814,271	165.08	81.18	83.90
Baptist Trinity	3,695,969	4,811,273	-1,115,304	133.71	174.06	-40.35
Caris Healthcare	4,074,192	3,355,689	718,503	200.49	165.13	35.36
Compassus - Memphis	1,478,863	37,808	1,441,055	181.41	4.64	176.77
Crossroads Hospice	19,395,199	19,347,062	48,137	146.10	145.74	0.36
Methodist Alliance	9,996,294	8,762,068	1,234,226	172.78	151.44	21.14
Avg. In-Home	12,862,901	8,956,337	3,266,447	165.10	121.00	44.10
Baptist Reynolds	1,947,915	4,811,273	-2,863,358	241.44	596.34	-354.90
Methodist Alliance	2,914,127	4,980,065	-2,065,938	153.51	262.34	-108.83
Avg. Residential	2,431,021	4,895,669	-2,464,648	179.73	361.95	-182.22

<b>Facility</b>	<b>\$ Routine per diem</b>	<b>\$ Cont. per diem</b>	<b>\$ General per diem</b>	<b>\$ Respite per diem</b>	<b>Patients referred for care</b>	<b>Total Patients served</b>
Amedisys Hospice	169	879	622	138	319	240
Avalon Hospice	151	853	656	155	3,128	3,646
Baptist Trinity	175	886	679	160	878	681
Caris Healthcare	175	886	679	160	349	401
Compassus - Memphis	176	842	686	161	112	126
Crossroads Hospice	174	879	673	158	1,581	1,915
Methodist Alliance	171	868	665	156	1,035	1,145
Avg. In-Home	170	870	666	155	1,058	1,165
Baptist Reynolds	175	886	679	160	299	201
Methodist Alliance	171	868	665	156	398	587
Avg. Residential	173	877	672	158	349	394

**Shelby County Hospices  
Selected Financial and Other Information, 2018**

<b>Facility</b>	<b>TennCare Revenue</b>	<b>Medicare Revenue</b>	<b>TriCare/Champus</b>	<b>Self-Pay Revenue</b>	<b>Other Revenue</b>	<b>Total Revenue</b>	<b>Charity Care</b>
Amedisys Hospice	495,706	3,152,311	0	133,625	0	3,781,642	21,645
Avalon Hospice	2,441,339	48,586,083	20,652	0	1,390,023	52,438,097	212,070
Baptist Trinity	149,885	3,386,180	17,392	0	13,518	3,566,975	62,995
Caris Healthcare	974,520	2,504,982	0	1,297	129,615	3,610,414	1,976
Compassus Memphis	373,673	1,869,441	0	0	70,037	2,313,151	10,139
Crossroads Hospice	722,108	16,015,528	1,078	0	614,323	17,353,037	23,843
Methodist Alliance	1,129,987	7,125,780	0	105,785	1,070,902	9,432,454	106,172
Avg. In-Home	898,174	11,805,758	5,589	34,387	469,774	13,213,681	62,691
Baptist Reynolds	0	594,321	0	0	567,345	1,161,666	50,790
Methodist Alliance	0	1,190,009	0	750,432	406,077	2,346,518	465,722
Avg. Residential	0	892,165	0	375,216	486,711	1,754,092	258,281

<b>Facility</b>	<b>TennCare Pt/Days</b>	<b>Medicare Pt/Days</b>	<b>TriCare Pt/Days</b>	<b>Self-Pay Pt/Days</b>	<b>Other Pt/Days</b>	<b>Charity Pt/Days</b>	<b>Total Pt/Days</b>	<b>ALOS</b>
Amedisys	2,478	20,623	0	901	0	117	24,119	64
Avalon	4,628	352,907	315	0	9,298	2,962	381,645	80
Baptist	33	17,213	134	0	664	131	15,543	24
Caris	630	16,651	0	151	876	98	19,795	59
Compassus	438	9,106	0	0	485	43	10,072	74
Crossroads	5,934	106,300	2	0	2,593	130	110,697	64
Methodist	445	45,015	0	1,024	7,407	707	58,891	50
Avg. In-Home	2,084	107,645	64	297	3,046	598	88,680	59
Baptist Reyn	0	6,462	0	0	257	126	6,209	24
Methodist	0	5,910	0	25	1,345	2,388	7,280	18
Avg. Residential	0	6,186	0	13	801	1,257	6,745	21

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**Shelby County Hospices  
Selected Financial and Other Information, 2018**

<b>Facility</b>	<b>Total Gross Revenue</b>	<b>Total Cost Reported</b>	<b>Total Net Revenue</b>	<b>Pt/Day Avg Gross</b>	<b>Pt/Day Avg Cost</b>	<b>Pt/Day Avg Net</b>
Amedisys Hospice	3,781,642	2,745,634	1,036,008	156.79	113.84	42.95
Avalon Hospice	52,438,097	20,506,395	31,931,702	137.40	53.73	83.67
Baptist Trinity	3,566,975	58,833	3,508,142	229.49	3.79	225.70
Caris Healthcare	2,610,414	3,065,424	544,990	182.39	154.86	27.53
Compassus – Memphis	2,313,151	1,672,630	640,521	229.66	166.07	63.59
Crossroads Hospice	17,353,037	15,399,826	1,953,211	156.76	139.12	17.64
Methodist Alliance	9,432,454	9,159,886	272,568	160.17	155.54	4.63
Avg. In-Home	13,213,681	7,515,518	5,698,163	178.95	112.42	66.53
Baptist Reynolds	1,161,666	0	1,161,666	187.09	0	187.09
Methodist Alliance	2,346,518	4,812,078	-2,465,560	322.32	661.00	-338.68
Avg. Residential	1,754,092	2,406,039	-651,947	254.71	330.50	-75.79

<b>Facility</b>	<b>\$ Routine per diem</b>	<b>\$ Cont. per diem</b>	<b>\$ General per diem</b>	<b>\$ Respite per diem</b>	<b>Patients referred for care</b>	<b>Total Patients served</b>
Amedisys Hospice	138	842	681	151	273	374
Avalon Hospice	183	929	710	166	4,163	4,797
Baptist Trinity	136	886	666	157	55	662
Caris Healthcare	177	895	686	161	326	336
Compassus - Memphis	176	842	686	161	128	136
Crossroads Hospice	175	879	679	160	1,492	1,727
Methodist Alliance	172	869	665	157	1,037	1,170
Avg. In-Home	165	877	682	159	1,068	1,315
Baptist Reynolds	136	886	666	157	244	255
Methodist Alliance	171	869	665	157	376	416
Avg. Residential	154	878	666	157	310	336

**Shelby County Hospices  
Selected Financial and Other Information, 2019**

<b>Facility</b>	<b>TennCare Revenue</b>	<b>Medicare Revenue</b>	<b>TriCare/Champus</b>	<b>Self-Pay Revenue</b>	<b>Other Revenue</b>	<b>Total Revenue</b>	<b>Charity Care</b>
Amedisys Hospice	735,737	4,453,243	0	217,391	0	5,406,371	95,956
Avalon Hospice	13,944,754	60,901,508	3,203	2,089	1,647,471	76,499,025	246,348
Baptist Trinity	41,444	3,302,533	0	0	242,985	3,586,962	119,100
Caris Healthcare	1,143,848	2,875,733	0	0	123,354	4,142,935	23,003
Compassus Memphis	383,675	2,753,156	0	0	58,514	3,195,344	50,996
Crossroads Hospice	614,413	16,589,846	0	0	574,367	17,778,626	27,231
Methodist Alliance	1,041,404	6,688,914	0	131,354	1,046,907	8,908,579	17,024
Avg. In-Home	2,452,791	13,937,848	458	50,119	527,657	17,073,977	82,808
Baptist Reynolds	862,925	1,460,080	2,038	0	308,271	2,633,314	53,230
Methodist Alliance	3,516	773,085	-	570,854	173,340	1,520,795	278,301
Avg. Residential	433,221	1,116,583	1,019	285,427	240,806	2,077,055	165,766

<b>Facility</b>	<b>TennCare Pt/Days</b>	<b>Medicare Pt/Days</b>	<b>TriCare Pt/Days</b>	<b>Self-Pay Pt/Days</b>	<b>Other Pt/Days</b>	<b>Charity Pt/Days</b>	<b>Total Pt/Days</b>	<b>ALOS</b>
Amedisys	2,729	28,899	0	1,541	0	480	33,649	66
Avalon	20,072	420,318	23	15	11,829	2,808	455,065	82
Baptist	11	21,557	0	0	2,343	341	24,252	43
Caris	621	19,729	0	0	352	167	19,946	62
Compassus	1,003	18,093	0	0	702	25	19,823	82
Crossroads	5,444	108,142	0	0	2,416	378	116,380	59
Methodist	5,926	39,686	0	764	7,835	99	54,310	42
Avg. In-Home	5,115	93,775	3	331	3,640	614	103,346	62
Baptist Reyn	26	6,509	3	0	651	69	7,258	20
Methodist	4	3,650	0	23	698	2,667	7,042	30
Avg. Residential	15	5,080	2	12	675	1,368	7,150	25

*Note: Total Pt/Days is the total reported on the JAR – NOT the total of the 6 columns shown. ALOS is the calculation of reported total patients and total patient days on the JARs. JARs sometimes report different totals.*

**Shelby County Hospices  
Selected Financial and Other Information, 2019**

<b>Facility</b>	<b>Total Gross Revenue</b>	<b>Total Cost Reported</b>	<b>Total Net Revenue</b>	<b>Pt/Day Avg Gross</b>	<b>Pt/Day Avg Cost</b>	<b>Pt/Day Avg Net</b>
Amedisys Hospice	5,406,371	3,601,946	1,804,425	160.72	107.07	53.65
Avalon Hospice	76,499,025	13,763,065	62,735,960	168.11	30.24	137.87
Baptist Trinity	3,586,962	67,427	3,519,535	149.56	2.81	146.75
Caris Healthcare	4,142,935	3,322,198	820,737	207.71	166.56	41.15
Compassus - Memphis	3,195,344	2,114,098	1,081,246	161.19	106.65	54.54
Crossroads Hospice	17,778,626	15,372,692	2,405,934	171.76	148.51	23.25
Methodist Alliance	8,908,579	7,260,622	1,647,957	173.52	141.42	32.10
Avg. In-Home	17,073,977	6,500,293	10,573,685	170.22	100.47	69.90
Baptist Reynolds	2,633,314	280,726	2,352,588	322.24	34.35	287.89
Methodist Alliance	1,520,795	2,966,594	-1,445,799	197.87	211.25	-13.38
Avg. Residential	2,077,055	1,623,660	453,395	260.05	122.80	137.26

<b>Facility</b>	<b>\$ Routine per diem</b>	<b>\$ Cont. per diem</b>	<b>\$ General per diem</b>	<b>\$ Respite per diem</b>	<b>Patients referred for care</b>	<b>Total Patients served</b>
Amedisys Hospice	177	919	688	153	378	510
Avalon Hospice	182	926	707	166	4,665	5,517
Baptist Trinity	181	919	703	165	503	552
Caris Healthcare	181	919	703	165	318	323
Compassus - Memphis	154	840	703	165	171	243
Crossroads Hospice	176	879	686	161	1,525	1,753
Methodist Alliance	177	900	688	161	1,085	1,209
Avg. In-Home	175	900	697	162	1,235	1,444
Baptist Reynolds	181	919	703	165	392	409
Methodist Alliance	177	900	688	161	242	260
Avg. Residential	179	910	696	163	317	335

The Applicant anticipates the following comparable charges:

	Previous Year to Most Recent Year Year ____	Most Recent Year Year ____	Year One Year ____	Year Two Year ____	% Change (Current Year to Year 2)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )	n/a	n/a	\$150.00	\$150.00	0.0%
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )	n/a	n/a	\$10.80	\$8.43	-21.9%
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )	n/a	n/a	\$139.20	\$141.57	1.7%

5. A. Discuss how projected utilization rates will be sufficient to support the financial performance.

1) Noting when the project’s financial breakeven is expected, and

**Response:** The Applicant projects break-even at around the seventh month of Year One, a total negative cash flow in the first year of operation, and a positive cash flow in Year 2 and thereafter. This is reflected in the Projected Data Chart. Steady census growth over the course of 3-year projections will ensure financial viability.

2) Demonstrating the availability of sufficient cash flow until financial viability is achieved.

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 all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as **Attachment B-Economic Feasibility-6A**.

**Response:** There are neither balance sheets nor income statements, as this is a new project by a new provider. **Attachment B-Economic Feasibility.2** indicates availability of funds via bank letters.

**B. Net Operating Margin Ratio:** The Net Operating Margin Ratio demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ration is: (Earnings before interest, Taxes and Depreciation/Net Operating Revenue). Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

**Response:** Please see following chart:

	2022	2023	2024
Revenue	\$ 459,360	\$1,432,010	\$2,457,619
Expenses	\$ 694,800	\$1,359,310	\$2,155,873
EBITD	(\$235,440)	\$ 72,700	\$ 301,746
Margin Ratio	-51.25%	5.08%	12.28%

Utilizing information from the Historical Projected Data Charts please report the net operating margin ratio trends in the following tables. Complete Project Only Chart and Total Facility Chart, if applicable.

**Response:** Not applicable, as there is no Historical Data.

**Project Only Chart**

Year	2nd previous Year to Most Recent Year Year ____	1st Previous Year to Most Recent Year Year ____	Most Recent Year Year ____	Projected Year 1 Year ____	Projected Year 2 Year ____
Net Operating Margin Ratio					

**Total Facility Chart**

Year	2nd Previous Year to Most Recent Year Year ____	1st Previous Year to Most Recent Year Year ____	Most Recent Year Year ____	Projected Year 1 Year ____	Projected Year 2 Year ____
Net Operating Margin Ratio					

- C. Capitalization Ratio: Long-term debt to capitalization ratio measures the proportion of debt financing in a business’s permanent (long-term) financing mix. This ratio best measures a business’s true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is:  $((\text{Long-term Debt}) / (\text{Long-Term Debt} + \text{Total Equity} \{ \text{Net assets} \}) \times 100)$ .

For self or parent company funded projects, provide the capitalization ratio using the most recent year available from the funding entity’s audited balance sheet, if applicable. Capitalization Ratios are not expected from outside the company lenders that provide funding. **This question is applicable to all applications regardless of whether or not the project is being partially funded by debt financing.**

**Response:** There are no balance sheets due to the fact this is a new entity. Therefore, this is not applicable.

6. 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. Report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below. Complete Project Only Chart and Total Facility Chart, if applicable.

**Response:** We anticipate that 66.66% of our patients will be Medicare, 16.67% TennCare/Medicaid, and 16.67% will be Commercial/Other Managed Care, as reflected below:

Applicant’s Projected Payor Mix, Year 1  
Project Only Chart

Payor Source	Projected Gross Operating Revenue	As a % of Total
Medicare/Medicare Managed Care	\$330,000	66.66%
TennCare/Medicaid	82,500	16.67%
Commercial/Other Managed Care	82,500	16.67%
Self-Pay		
Other (Specify)		
Total*	\$495,000	100%
Charity Care	\$ 0	

*\*Needs to match Gross Operating Revenue Year One Projected Data Chart*

Applicant’s Projected Payor Mix, Year 1  
Total Facility Chart

Payor Source	Projected Gross Operating Revenue	As a % of Total
Medicare/Medicare Managed Care		
TennCare/Medicaid		
Commercial/Other Managed Care		
Self-Pay		
Other (Specify) _____		
Total*		
Charity Care		

*\*Needs to match Gross Operating Revenue Year One on Projected Data Chart*

7. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources, such as the US Department of Labor. Wage data pertaining to healthcare professions can be found at the following link:

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Hourly Wage	Area Wide/statewide Average Wage
<b>A. Direct Patient Care Positions</b>				
Skilled Nursing		2.0	23.39 – 34.31	23.39 – 34.31
Social Worker		1.0	16.55 – 29.75	16.55 – 29.75
Hospice Aides		1.0	10.70 – 14.45	10.70 – 14.45
Occupational Therapist		0.5	30.17 – 46.17	30.17 – 46.17
Speech Therapist		0.5	20.72 – 44.65	20.72 – 44.65
Dietician		0.5	23.50 – 34.00	23.50 – 34.00
Chaplain/Rabbi		0.5	*	*
<b>Total Direct Patient Care Positions</b>		6.0		

<b>B. Non-Patient Care Positions</b>				
Administrator		1.0	45.00	45.00
Volunteer Coordinators		0.5	20.33 – 41.17	20.33 – 41.17
Clerical (Office)		0.5	10.33 – 21.12	10.33 – 21.12
<b>Total Non-Patient Care Positions</b>		2.0		
<b>Total Employees (A+B)</b>		8.0		
<b>C. Contractual Staff</b>		See below		
<b>Total Staff (A+B+C)</b>		See below		

Note: an “\*” means the Applicant could not find the exact position at the suggested workforce website but used a position/wage as close as possible.

**Response:** The chart above is completed. The Applicant anticipates 6.0 direct care staff and 2.0 non-patient care staff, initially. The Applicant will work actively to eventually provide internships for health care administrators, therapy students, nursing programs, and CNA programs. In addition, the facility will offer ongoing clinical training for all of its employees. The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant’s approach to patient care.

8. What alternatives to this project were considered? Discuss the advantages and disadvantages of each, including but not limited to:
- A. The availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the project. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

**Response:** This is the only alternative we had. Our end goal is to operate a residential hospice at the Memphis Jewish Home and Rehab Center. In order to do that, the Applicant needed an in-home license. Therefore, no other option was available to us.

- B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

**Response:** Not applicable.

## QUALITY STANDARDS

1. Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016 must report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures. Please verify that annual reporting will occur.

**Response:** The Applicant will report annually, as required.

2. Quality-The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions:

**A.** Does the applicant commit to the following?

- 1) Maintaining the staffing comparable to the staging chart presented in its CON application;

**Response:** The Applicant so commits.

- 2) Obtaining and maintaining all applicable state licenses in good standing;

**Response:** The Applicant so commits.

- 3) Obtain and maintaining TennCare and Medicare certification(s), if participation in such programs was indicated in the application;

**Response:** The Applicant so commits.

- 4) For an existing healthcare institution applying for CON – Has it maintained substantial compliance with applicable federal state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future;

**Response:** Not applicable.

- 5) For an existing healthcare institution applying for a CON – Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility).

**Response:** No.

**B.** Respond to all of the following and for such occurrences, identify, explain and provide documentation:

- 1) Has any of the following:

- a. Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

**Response:** No.

- b. Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5% and/or

**Response:** No.

- c. Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

**Response:** No.

2) Been subjected to any of the following:

- a. Final Order or Judgment in a state licensure action;

**Response:** No.

- b. Criminal fines in cases involving a Federal or State health care offense;

**Response:** No.

- c. Civil monetary penalties in cases involving a Federal or State health care offense;

**Response:** No.

- d. Administrative monetary penalties in cases involving a Federal or State health care offense;

**Response:** No.

- e. Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or

**Response:** No.

- f. Suspension or termination of participation in Medicare or Medicaid/TennCare programs

**Response:** No.

- g. Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.

**Response:** No.

h. Is presently subject to a corporate integrity agreement.

**Response:** No.

C. Does the applicant plan, within 2 years of implementation of the project, to participate in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve?

Note: Existing licensed, accredited and/or certified providers are encouraged to describe their process for same.

**Response:** The Applicant so commits.

Please complete the chart below on accreditation, certification, and licensure plans.

- 1) If the applicant does not plan to participate in these types of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)
Licensure	<input checked="" type="checkbox"/> Health <input type="checkbox"/> Intellectual and Development Disabilities <input type="checkbox"/> Mental Health and Substance Abuse Services	Will apply
Certification	<input checked="" type="checkbox"/> Medicare <input checked="" type="checkbox"/> Medicaid/TennCare <input type="checkbox"/> Other _____	Will apply
Accreditation	NIJH and CHAP	Will apply

- 2) Based upon what was checked/completed in above table, will the applicant accept a condition placed on the certificate of need relating to obtaining/maintaining license, certification, and/or accreditation?

**Response:** The Applicant will surrender the CON if we cannot achieve licensure. While we have every intent to be accredited as indicated, we will not agree to an accreditation condition, however.

- D.** The following list of quality measures are service specific. Please indicate which standards you will be addressing in the annual Continuing Need and Quality Measure report if the project is approved.

<input type="checkbox"/>	<p>For Ambulatory Surgical Treatment Center projects: Estimating the number of physicians by specialty expected to utilize the facility, developing criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel, and documenting the availability of appropriate and qualified staff that will provide ancillary support services, whether on-or off-site?</p> <p><b>Response:</b></p>
<input type="checkbox"/>	<p>For Cardiac Catheterization projects:</p> <ul style="list-style-type: none"> <li>a. Documenting a plan to monitor the quality of its cardiac catheterization program, including but not limited to, program outcomes and efficiencies; and</li> <li>b. Describing how the applicant will agree to cooperate with quality enhancement efforts sponsored or endorsed by the State of Tennessee; and</li> <li>c. Describing how cardiology staff will be maintaining;</li> <li>d. Adult Program: 75 cases annually averaged over the previous 5 years;</li> <li>e. Pediatric Program: 50 cases annually averaged over the previous 5 years.</li> </ul>

	<p><b>Response:</b></p>
<input type="checkbox"/>	<p>For Open Heart projects:</p> <ul style="list-style-type: none"> <li>f. Describing how the applicant will staff and maintain the number of who will perform the volume of cases consistent with the State Health Plan (annual average of the previous 2 years), and maintain this volume in the future;</li> <li>g. Describing how at least a surgeon will be recruited and retained (at least one shall have 5 years' experience);</li> <li>h. Describing how the applicant will participate in data reporting, quality improvement, outcome monitoring, and external assessment system that benchmarks outcomes based on national norms (demonstrated active participation in the STS National Database is expected and shall be considered evidence of meeting this standard).</li> </ul> <p><b>Response:</b></p>
<input type="checkbox"/>	<p>For Comprehensive Inpatient Rehabilitation Services projects: Retaining or recruiting a physiatrist?</p> <p><b>Response:</b></p>
<input type="checkbox"/>	<p>For Home Health projects: Documenting the existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system.</p> <p><b>Response:</b></p>
<input type="checkbox"/>	<p>For Hospice projects: Documenting the existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system.</p> <p><b>Response:</b> The Applicant will maintain all quality data reporting requirements, quality improvement procedures, and will maintain an outcome and process monitoring system.</p>
<input type="checkbox"/>	<p>For Megavoltage Radiation Therapy projects: Describing or demonstrating how the staffing and quality assurance requirements will be met of the American Society of Therapeutic Radiation and Oncology (ASTRO), the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO), National Cancer Institute (NCI), or a similar accrediting authority.</p> <p><b>Response:</b></p>

□	<p>For Neonatal Intensive Care Unit projects: Documenting the existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems; document the intention and ability to comply with the staffing guidelines and qualifications set forth by the Tennessee Perinatal Care System Guidelines for Regionalization, Hospital Care Levels, Staffing Facilities; and participating in the Tennessee Initiative for Perinatal Quality Care (TIPQC).</p> <p><b>Response:</b></p>
x	<p>For Nursing Home projects: Documenting the existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems, including in particular details on its Quality Assurance and Performance Improvement program.</p> <p><b>Response:</b></p>
□	<p>For Inpatient Psychiatric projects:</p> <ul style="list-style-type: none"> <li>• Describing or demonstrating appropriate accommodations for:</li> <li>• Seclusion/restraining of patients who present management problems and children who need quite space, proper sleeping and bathing arrangements for all patients;</li> <li>• Proper sleeping and bathing arrangements;</li> <li>• Adequate staffing (i.e. that each unit will be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times);</li> <li>• A staffing plan that will lead to quality care of the patient population served by the project;</li> <li>• An existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems; and</li> <li>• If other psychiatric facilities are owned or administered, providing information on satisfactory surveys and quality improvement programs at those facilities.</li> </ul> <p>Involuntary admissions if identified in CON criteria and standard review</p> <p><b>Response:</b></p>
□	<p>For Freestanding Emergency Department projects: Demonstrating that it will be accredited with the Joint Commission or other applicable accrediting agency, subject to the same accrediting standards as the licensed hospital with which it is associated.</p> <p><b>Response:</b></p>
□	<p>For Organ Transplant projects: Describing how the applicant will achieve and maintain institutional membership in the national Organ Procurement and Transportation Network (OPTN), currently operating as the United Network for Organ Sharing (UNOS), within one year of program initiation. Describing how the applicant shall comply with CMS regulations set forth</p>

	<p>by 42 CFR Parts 405, 482, and 498, Medicare Program; Hospital Conditions of Participation: Requirements for Approval and Re-Approval of Transplant Centers to Perform Organ Transplants.</p> <p><b>Response:</b></p>
x	<p>For Relocation and/or Replacement of Health Care Institution projects: Describing how facility and/or services specific measures will be met.</p> <p><b>Response:</b></p>

## CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

The responses to this section of the application helps determine whether the project will contribute to the orderly development of healthcare within the service area.

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, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

**Response:** The Applicant plans on securing such relationships with area providers once our hospice is approved and licensed. Until such time, our efforts to negotiate such alliances appear premature. We do have letters of support from physicians, community leaders, and the Jewish Community, in general (see **Attachment B.Orderly Development.1**). Obviously, we will have a relationship with the Memphis Jewish Home and Rehab Center, a 160-bed nursing home in Cordova.

2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication 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.

### A. Positive Effects

**Response:** Research by the Applicant shows that the positive effects of approving this project are:

1. Currently, there is no inpatient or outpatient hospice care in Shelby County that specifically serves the large growing Jewish population.
2. The Jewish Community in Shelby County currently has the following services to meet their specific needs, but still lacks a Jewish Hospice Center:
  - a. Eight Synagogues
  - b. Two Jewish Day Schools
  - c. Two Kosher deli/restaurants
  - d. Jewish Community Center
  - e. Jewish Federation
  - f. Jewish Family Services
  - g. Jewish Nursing Home and Rehabilitation Facility
  - h. Jewish Independent Senior Living
3. The Jewish Community in Shelby County could use a separate hospice that provides:
  - a. Jewish Chaplain or Rabbi that is knowledgeable regarding Jewish Faith, Laws and Customs: specifically, end of life rituals, laws and customs;
  - b. Kosher Dietary Restrictions by a Mashgiach (A rabbi who watches the preparation of food to ensure the proper laws are used and fulfilled by the chefs); i.e., no pork, no combination of meat and dairy, no shellfish, etc.;

- c. a Social Worker who understands and has knowledge of the Jewish Resources that are available during the end of life stage.

4. There are 16 states, along with Washington, D.C., that have accredited Jewish Hospice Services for their Jewish Residents. In other large Jewish communities which are located in cities like New York, Baltimore, Chicago, Los Angeles and Miami, there are Jewish Hospices (or Jewish partnerships with existing hospices) that provide these services to Jewish and Jewish underserved communities. This would serve as an asset to the Jewish Community in Memphis, Shelby County, and eventually (through a residential hospice) to areas surrounding Shelby County<sup>8</sup>.

5. The Jewish community has an underserved population as well which includes the homeless, hungry, neglected, mentally handicapped, orphans, widows, etc. The Jewish Hospice Care program would also provide specific special services to this population as well.

6. The Memphis Jewish Home and Rehabilitation Center has agreed to partner with the Applicant by allowing the use of office space in their facility and will allow the Applicant to provide inpatient hospice services inside their facility if we are approved. This will give the Applicant direct access to Jewish resources in the Greater Memphis and Shelby County areas, and this location will also provide direct access to many of the Jewish patients the Applicant plans to serve.

### **B. Negative Effects**

**Response:** The only possible negative effect of approving this project is the fact that our project may create limited competition to the established hospices already licensed in Shelby County. We doubt this will occur due to the growing population of Shelby County and the fact we are targeting a very specific population.

- 3. **A** Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

**Response:** The Applicant anticipates approximately 7 direct care staff and 1 non-patient care staff, initially. We will work actively to provide internships for health care administrators, therapy students, nursing programs, and CNA programs following licensure. In addition, the facility will offer ongoing clinical training for all of its employees. The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant's approach to patient care.

- B** Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

**Response:** The Applicant will be licensed as an in-home hospice, providing expected hospice services, and we will comply with all applicable standards and criteria of the TN Department of Health.

- C** Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

**Response:** The Applicant anticipates approximately 7 direct care staff and 1 non-patient care staff, initially. We will work actively to provide internships for health care administrators, therapy students, nursing programs, and CNA programs following licensure. In addition, the facility will offer ongoing clinical training for all of its employees. The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant's approach to patient care.



## **SECTION C: STATE HEALTH PLAN QUESTIONS**

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/health-program-areas/health-planning/state-health-plan.html>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

The State Health Plan lists the following Five Principles for Achieving Better Health, and are based on the Division's enacting legislation:

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

**Response:** The applicant will provide hospice services to targeted populations in need of such services. The Applicant's goal of providing these appropriate and needed services is consistent with the State Health Plan, and this project will improve the health of Tennesseans in Shelby County. The Applicant has identified populations that need hospice services, and those needs are not being adequately addressed by existing hospice agencies. Hospice of Hope – Tennessee, LLC, through its Manager, Southern Healthcare Solutions, LLC, will provide unique hospice services in a manner and atmosphere that is not currently available in the market. As an experienced hospice management company with locations in 4 states, the Manager aims to not only improve the health of Tennesseans, but of all patients we serve across the United States. Currently our offices are not only diverse demographically but also geographically. We use our experience to hold each office we own to a higher standard than that of any state, as we are combining best practices from a larger variety of resources. These standards will be cohesive and encompassing of the State Health Plan. There is an underserved population in our community, and we must act quickly to provide services to those in need. Every person has the right to die with dignity and if even one person is denied that right in Shelby County then we are not fulfilling our ethical and moral obligation to our community.”

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

**Response:** All Citizens should have reasonable access to health care. Going by the definition of healthcare this means we must provide reasonable access to physical, emotional, and mental well-being to those in Tennessee and specifically Shelby Co. The underserved population may be appropriately cared for physically, but the emotional and mental wellbeing can be tied deeply to the religious and cultural traditions of the Jewish community. Until every hospice appropriate citizen of Shelby County receives hospice care, there is a need that the current group of hospice providers cannot meet. Hospice of Hope – Tennessee can and will meet that need.

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

**Response:** The development of services by the principals involved with the Applicant, Owners, and Manager is the result of attempts to meet the needs of Tennesseans. The approval of this application will enhance the

“development” of hospice services in the proposed service area, thereby meeting the needs of Tennesseans in Shelby County. This applicant will develop the State’s Healthcare resources by providing customized cultural care and services to underserved populations which will stimulate competition and encourage efficiencies.

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

**Response:** Tennessee is fortunate to have an excellent Department of Health, which provides standards for and monitoring of hospice providers. This Applicant will be licensed by the Department of Health and will be certified by Medicare and Medicaid (TennCare). In addition to providing care and services which meet State and Federal regulations, this applicant will adhere to the Standards of Practice set forth by the National Hospice and Palliative Care Organization, the hospice industries’ primary association. This applicant will also seek accreditation which supports the customized cultural care needs of identified populations. Quality of care is continually monitored using Medicare’s Quality Assessment, Performance Improvement program, reviews of documentation, satisfaction surveys, and supervisory visits.

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

**Response:** The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant’s approach to patient care. The applicant will recruit compassionate employees with appropriate credentials. This Hospice will utilize a multi-tier hiring process assuring that services are provided by the most qualified clinicians. To ensure that staff continuously provide the highest quality care and services, education and training will be provided not only aimed at continuous improvement in clinical competence, but also aimed at meeting the cultural needs of the identified underserved populations. Staff safety is very important, and work safety training and education will be provided for all clinicians. Any clinician concerned about the safety of an assignment will be able to contact a supervisor and request assistance. It is important to note that 5 census tracts in Shelby County are Medically Underserved Areas. The approval of this application should help alleviate this inadequency.

The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant’s approach to patient care. The applicant will recruit compassionate employees with appropriate credentials. This Hospice will utilize a multi-tier hiring process assuring that services are provided by the most qualified clinicians. To ensure that staff continuously provide the highest quality care and services, education and training will be provided not only aimed at continuous improvement in clinical competence, but also aimed at meeting the cultural needs of the identified underserved populations. Staff safety is very important, and work safety training and education will be provided for all clinicians. Any clinician concerned about the safety of an assignment will be able to contact a supervisor and request assistance. It is important to note that 5 census tracts in Shelby County are Medically Underserved Areas. The approval of this application should help alleviate this inadequency.

**commercial appeal**  
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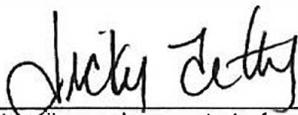
**Affidavit of Publication**

State of Wisconsin

County of Brown

Personally appeared before me, Tara Mondloch, a Notary Public, Vicky Felty, of MEMPHIS PUBLISHING COMPANY, a corporation, publishers of The Commercial Appeal, morning and Sunday paper, published in Memphis, Tennessee, who makes oath in due form of law, that she is Legal Clerk of the said Memphis Publishing Company, and that the accompanying and hereto attached notice was published in the following edition of The Commercial Appeal to-wit:

08/10/2020



Subscribe and sworn to before me this 24<sup>th</sup> day of August, 2020



Notary Public, State of Wisconsin, County of Brown

My commission expires on August 06, 2021

Ad Number: 0004321289

TARA MONDLOCH  
Notary Public  
State of Wisconsin

**NOTIFICATION OF INTENT TO APPLY FOR A  
CERTIFICATE OF NEED**

Hospice of Hope – Tennessee, LLC, (the “Applicant”), 36 Bazeberry Road, Cordova, Shelby County, TN 38018, with the Applicant having an ownership type of limited liability company, owned by its equity holders, and managed by Southern Healthcare Solutions, LLC (same address as Applicant), intends to file a Certificate of Need application for the development and establishment of an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The Applicant’s administrative offices will be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named above. It is proposed that Medicare/Medicare Managed Care, TennCare/Medicaid, Commercial Private Pay and Charity Care patients will be served by the Applicant, and contracts with all West Tennessee MCOs will be pursued. The Applicant plans to be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid, The National Institute for Jewish Hospice, and Community Health Accreditation Program (CHAPS). The estimated project cost is anticipated to be approximately \$650,000.00 including filing fee, but most of this total cost is for the building lease and reserve for debt service. The anticipated date of filing the application is: August 14, 2020.

The contact person for this project is E. Graham Baker, Jr., Attorney, who may be reached at Anderson & Boker, 2021 Richard Jones Road, Suite 120, Nashville, TN 37215, 615/370-3380.

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

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

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

## PROOF OF PUBLICATION

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

Date LOI was Submitted: August 10, 2020

Date LOI was published: August 10, 2020

Proof of Publication has not been received by the Commercial Appeal, but such will be forwarded to the HSDA immediately upon receipt.

## NOTIFICATION REQUIREMENTS

1. T.C.A. §68-11-1607(c)(9)(A) states that "...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."
2. T.C.A. §68-11-1607(c)(9)(B) states that "...If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested."

**Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.**

Please provide documentation of these notifications.

**Response:** Not applicable.

## DEVELOPMENT SCHEDULE

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

- 1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**
- 2. If the CON is granted and the project cannot be completed with the standard completion time period (3 years for hospital projects and 2 years for all others), please document why an extended period should be approved and document the “good cause” for such an extension.**

## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1 below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

<u>Phase</u>	<u>Days Required</u>	<u>Anticipated Date [Month/Year]</u>
1. Initial HSDA decision date		12/2020
2. Architectural and engineering contract signed	n/a	n/a
3. Construction documents approved by the Tennessee Department of Health	n/a	n/a
4. Construction contract signed	n/a	n/a
5. Building permit secured	n/a	n/a
6. Site preparation completed	n/a	n/a
7. Building construction commenced	n/a	n/a
8. Construction 40% complete	n/a	n/a
9. Construction 80% complete	n/a	n/a
10. Construction 100% complete (approved for occupancy)	n/a	n/a
11. *Issuance of License	90	03/2021
12. *Issuance of Service	30	04/2021
13. Final Architectural Certification of Payment	n/a	n/a
14. Final Project Report Form submitted (Form HR0055)	n/a	n/a

\*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

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

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

E. Graham Baker, Jr., being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

\_\_\_\_\_  
**SIGNATURE/TITLE**

Sworn to and subscribed before me this 14<sup>th</sup> day of August, 2020  
(Month) (Year)

a Notary Public in and for the County/State of Davidson/Tennessee.

\_\_\_\_\_  
**NOTARY PUBLIC**

My commission expires July 05, 2021  
(Month/Day) (Year)



**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

E. Graham Baker, Jr., being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

E. Graham Baker, Jr.  
SIGNATURE/TITLE

Sworn to and subscribed before me this 14<sup>th</sup> day of August, 2020  
(Month) (Year)

a Notary Public in and for the County/State of Davidson/Tennessee.

K. Kathleen Baker  
NOTARY PUBLIC



My commission expires July 05, 2021  
(Month/Day) (Year)

SOUTHERNHEALTHCAREINVESTMENTS  
901-756-7322  
3085 FOUNTAINSIDE DRIVE  
SUITE #101  
GERMANTOWN, TN 38138

Bank Tennessee  
26-7378/2840

0006

DATE 08/06/20

AMOUNT

\$ 15,000.00

PAY  
TO THE  
ORDER  
OF:

Tennessee Health Services and Development Agency

fifteen thousand and 00/100

Filing Fee

John M. Perkins II  
AUTHORIZED SIGNATURE

⑈000006⑈ ⑆284073785⑆6617472400⑈

SouthernHealthcareInvestments

0006

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
Project Filing Fee	CON Project Filing Fee	N/A	15,000	N/A	15,000
CHECK DATE	CHECK NO.	PAYEE		DISCOUNTS TAKEN	CHECK AMOUNT
08/06/20	6	TN Health Services Agency			15,000



State of Tennessee
Health Services and Development Agency

Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Commercial Appeal which is a newspaper of general circulation in Shelby County, Tennessee, on or before August 10, 2020, for one day.

Hospice of Hope – Tennessee, LLC, (the “Applicant”), 36 Bazeberry Road, Cordova, Shelby County, TN 38018, with the Applicant having an ownership type of limited liability company, owned by its equity holders, and managed by Southern Healthcare Solutions, LLC (same address as Applicant), intends to file a Certificate of Need application for the development and establishment of an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The Applicant’s administrative offices will be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named above. It is proposed that Medicare/Medicare Managed Care, TennCare/Medicaid, Commercial Private Pay and Charity Care patients will be served by the Applicant, and contracts with all West Tennessee MCOs will be pursued. The Applicant plans to be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid, The National Institute for Jewish Hospice, and Community Health Accreditation Program (CHAPS). The estimated project cost is anticipated to be approximately \$650,000.00 including filing fee, but most of this total cost is for the building lease and reserve for debt service.

The anticipated date of filing the application is: August 14, 2020.

The contact person for this project is E. Graham Baker, Jr., Attorney, who may be reached at Anderson & Baker, 2021 Richard Jones Road, Suite 120, Nashville, TN 37215, 615/370-3380.

E. Graham Baker, Jr. (Signature) 08/10/2020 (Date) graham@grahambaker.net (E-mail Address)

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

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

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



**State of Tennessee  
Health Services and Development Agency**

Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243  
[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

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**PUBLICATION OF INTENT**

**The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.**

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**NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED**

Hospice of Hope – Tennessee, LLC, (the “Applicant”), 36 Bazeberry Road, Cordova, Shelby County, TN 38018, with the Applicant having an ownership type of limited liability company, owned by its equity holders, and managed by Southern Healthcare Solutions, LLC (same address as Applicant), intends to file a Certificate of Need application for the development and establishment of an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The Applicant’s administrative offices will be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named above. It is proposed that Medicare/Medicare Managed Care, TennCare/Medicaid, Commercial Private Pay and Charity Care patients will be served by the Applicant, and contracts with all West Tennessee MCOs will be pursued. The Applicant plans to be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid, The National Institute for Jewish Hospice, and Community Health Accreditation Program (CHAPS). The estimated project cost is anticipated to be approximately \$650,000.00 including filing fee, but most of this total cost is for the building lease and reserve for debt service.

The anticipated date of filing the application is: August 14, 2020.

The contact person for this project is E. Graham Baker, Jr., Attorney, who may be reached at Anderson & Baker, 2021 Richard Jones Road, Suite 120, Nashville, TN 37215, 615/370-3380.

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

**Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
500 Deaderick Street  
Nashville, Tennessee 37243**

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

## **Hospice Services**

### *Certificate of Need Standards and Criteria*



STATE OF TENNESSEE

**STATE HEALTH PLAN**  
**CERTIFICATE OF NEED STANDARDS AND CRITERIA**  
*FOR*

**RESIDENTIAL HOSPICE SERVICES**  
**AND HOSPICE SERVICES**

The Health Services and Development Agency (HSDA) may consider the following standards and criteria for applications seeking to provide Residential Hospice and Hospice services. Existing providers of Residential Hospice and Hospice services are not affected by these standards and criteria unless they take an action that requires a new certificate of need (CON) for Residential Hospice and/or Hospice services.

These standards and criteria are effective immediately upon approval and adoption by the Governor of the State Health Plan updates for 2014. Applications to provide Residential Hospice and/or Hospice services that were deemed complete by HSDA prior to this date shall be considered under the Certificate of Need Standards and Criteria included in the State Health Plan updates for 2012.

Because of the unique nature of hospice services, the Division commits to reviewing these standards annually.

**Definitions Applicable to both Residential Hospice Services and Hospice Services**

1. "**Deaths**" shall mean the number of all deaths in a Service Area less that Service Area's number of reported homicide deaths, suicide deaths, and accidental deaths (which includes motor vehicle deaths), as reported by the State of Tennessee Department of Health. The number of reported infant deaths includes neonatal and post neonatal deaths and is reported separately under the respective cause of death; therefore, in order to prevent overlap, the number of infant deaths is not included discretely.

2. **"Residential Hospice"**<sup>1</sup> shall have that meaning set forth in Tennessee Code Annotated Section 68-11-201 or its successor.
3. **"Hospice"** shall refer to those hospice services not provided in a Residential Hospice Services facility.
4. **"Total Hospice"** shall mean Residential and Hospice Services combined.

#### STANDARDS AND CRITERIA APPLICABLE TO TOTAL HOSPICE

1. **Adequate Staffing:** An applicant should document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application. Importantly, the applicant must document that such qualified personnel are available for hire to work in the proposed Service Area. In this regard, an applicant should demonstrate its willingness to comply with the general staffing guidelines and qualifications set forth by the National Hospice and Palliative Care Organization.

**Rationale:** Health care professionals, including those who provide hospice services, are not uniformly located across the state, and rural areas showing some need for hospice services may not have a qualified hospice workforce. The Division believes that granting a CON for the provision of health care services without evidence that the applicant has a qualified workforce readily available to provide quality care to patients is not, in fact, providing access to quality health care.

**Response:** The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant's approach to patient care. The applicant will recruit compassionate employees with appropriate credentials. This Hospice will utilize a multi-tier hiring process assuring that services are provided by the most qualified clinicians. To ensure that staff continuously provide the highest quality care and services, education and training will be provided not only aimed at continuous improvement in clinical competence, but also aimed at meeting the cultural needs of the identified underserved populations. Staff safety is very important, and work safety training and education will be provided for all clinicians. Any clinician concerned about the safety of an assignment will be able to contact a supervisor and request assistance.

The Applicant anticipates approximately 7 direct care staff and 1 non-patient care staff, initially. We will work actively to provide internships for health care administrators, therapy students, nursing programs, and CNA programs following licensure. In addition, the facility will offer ongoing clinical training for all of its employees. The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant's approach to patient care.

2. **Community Linkage Plan:** The applicant should provide a community linkage plan that demonstrates factors such as, but not limited to, relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care focusing on coordinated, integrated systems. Letters from

physicians in support of an application should detail specific instances of unmet need for hospice services.

**Response:** The Applicant plans on securing such relationships with area providers once our hospice is approved and licensed. Until such time, our efforts to negotiate such alliances appear premature. We do have letters of support from physicians, community leaders, and the Jewish Community, in general (see **Attachment B.Orderly Development.1**). Obviously, we will have a relationship with the Memphis Jewish Home and Rehab Center, a 160-bed nursing home in Cordova.

Hospice of Hope considers its company, as shown through Unity Hospice Care, a sister company, as responsible, caring, following guidelines, and being diverse. We have demonstrated relationships with appropriate health care systems in the community, assuring both continuity of care and quality services. Finally, all hospices must take care of patients regardless of race, sex, or the ability to pay. We understand that and will not refuse care to any patient certified for hospice care in Shelby County. However, Hospice of Hope is different. We look at the whole patient and not the skin color or the ethnic group. We view each patient as an individual, who's culture and beliefs must be factored into their holistic care. To that point, our plans of care will reflect just that. And our end goal is to operate a residential hospice.

- 3. Proposed Charges:** The applicant should list its benefit level charges, which should be reasonable in comparison with those of other similar facilities in the Service Area or in adjoining service areas.

**Response:** There are no hospice providers in Shelby County that target the Jewish Community. However, there are 5 in-home hospices headquartered in Shelby County, two residential hospices in Shelby County, plus two more in-home hospice agencies headquartered in other counties but licensed in Shelby County. Financial and utilization information is given for all of these agencies later in the application. See section Economic Feasibility, Question 4.C.

Using Gross Operating Revenue from the Projected Data Chart, the average gross charge per patient day will approximate \$150.00 in Year 1, with \$10.80 in deductions and a resultant net charge of \$139.20 per patient day. Comparable figures for Year 2 are \$150.00, \$8.43 and \$141.57. Obviously, these are projected charges and may not be exact. As is known in the health care field, Medicare will pay what Medicare will pay. We believe our charge structure is very close to what Medicare currently pays for hospice services. Further, our anticipated charges are lower than the routine per diem charges reported by other hospice agencies serving Shelby County (see charts in response to the following question).

The Division recognizes the Guidelines for Growth's statement that "the purpose of residential hospice facilities is not to replace home care hospice services, but rather to provide an option to those patients who cannot be adequately cared for in the home setting." The Division also recognizes that Residential Hospice and Hospice providers may in fact provide the same services.

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4. **Access:** The applicant must demonstrate an ability and willingness to serve equally all of the Service Area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area.

**Response:** The reader's attention is directed to Section B of the application, where a fairly involved attestation of need is discussed. However, for this section of the application, briefly, Hospice of Hope – Tennessee, LLC, (the "Applicant"), requests permission to develop and establish an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The ultimate goal of the Applicant is to operate a residential hospice to be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named earlier.

5. **Indigent Care:** The applicant should include a plan for its care of indigent patients in the Service Area, including:

- a. Demonstration of a plan to work with community-based organizations in the Service Area to develop a support system to provide hospice services to the indigent and to conduct outreach and education efforts about hospice services.
- b. Details about how the applicant plans to provide this outreach.
- c. Details about how the applicant plans to fundraise in order to provide indigent and/or charity care.

**Response:** The current census at Memphis Jewish Rehab is 160, 40 being non-Jewish. Although we will be working with the Jewish community we will also be serving all individuals in Shelby County that are underserved and who are not receiving or having their cultural needs met, such as the indigent, other religious and ethnic groups who are currently underserved. It is important to note that 5 census tracts in Shelby County are Medically Underserved Areas. The approval of this application should help alleviate this inadequacy.

6. **Quality Control and Monitoring:** The applicant should identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. Additionally, the applicant should provide documentation that it is, or intends to be, fully accredited by the Joint Commission, the Community Health Accreditation Program, Inc., the Accreditation Commission for Health Care, another accrediting body with deeming authority for hospice services from the Centers for Medicare and Medicaid Services (CMS) or CMS licensing survey, and/or other third party quality oversight organization. The applicant should inform the HSDA of any other hospice agencies operating in other states with common ownership to the applicant of 50% or higher, or with common management, and provide a summary or overview of those agencies' latest surveys/inspections and any Department of Justice investigations and/or settlements.

**Rationale:** This information will help inform the HSDA about the quality of care the applicant's common ownership and/or management provides in other states and the likelihood of it providing similar quality of care in Tennessee.

**Response:** It is proposed that Medicare/Medicare Managed Care, TennCare/Medicaid, Commercial Private Pay and Charity Care patients will be served by the Applicant, and contracts with all West Tennessee MCOs will be pursued. The Applicant plans to be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid, The National Institute for Jewish Hospice, and Community Health Accreditation Program (CHAPS).

The applicant will provide hospice services to targeted populations in need of such services. The Applicant's goal of providing these appropriate and needed services is consistent with the State Health Plan, and this project will improve the health of Tennesseans in Shelby County. The Applicant has identified populations that need hospice services, and those needs are not being adequately addressed by existing hospice agencies. Hospice of Hope – Tennessee, LLC, through its Manager, Southern Healthcare Solutions, LLC, will provide unique hospice services in a manner and atmosphere that is not currently available in the market. As an experienced hospice management company with locations in 4 states, the Manager aims to not only improve the health of Tennesseans, but of all patients we serve across the United States. Currently our offices are not only diverse demographically but also geographically. We use our experience to hold each office we own to a higher standard than that of any state, as we are combining best practices from a larger variety of resources. These standards will be cohesive and encompassing of the State Health Plan. There is an underserved population in our community, and we must act quickly to provide services to those in need. Every person has the right to die with dignity and if even one person is denied that right in Shelby County then we are not fulfilling our ethical and moral obligation to our community.”

Tennessee is fortunate to have an excellent Department of Health, which provides standards for and monitoring of hospice providers. This Applicant will be licensed by the Department of Health and will be certified by Medicare and Medicaid (TennCare). In addition to providing care and services which meet State and Federal regulations, this applicant will adhere to the Standards of Practice set forth by the National Hospice and Palliative Care Organization, the hospice industries' primary association. This applicant will also seek accreditation which supports the customized cultural care needs of identified populations. Quality of care is continually monitored using Medicare's Quality Assessment, Performance Improvement program, reviews of documentation, satisfaction surveys, and supervisory visits.

The Applicant will maintain all quality data reporting requirements, quality improvement procedures, and will maintain an outcome and process monitoring system

- 7. Data Requirements:** Applicants should agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

**Response:** The Applicant will maintain all quality data reporting requirements, quality improvement procedures, and will maintain an outcome and process monitoring system. In addition, the Applicant has agreed to report any and all quality data reporting requirements pointed out in the CON application questions.

8. **Education:** The applicant should provide details of its plan in the Service Area to educate physicians, other health care providers, hospital discharge planners, public health nursing agencies, and others in the community about the need for timely referral of hospice patients.

**Response:** The chart above is completed. The Applicant anticipates 7.0 direct care staff and 1.0 non-patient care staff, initially. The Applicant will work actively to eventually provide internships for health care administrators, therapy students, nursing programs, and CNA programs. In addition, the facility will offer ongoing clinical training for all of its employees. The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant's approach to patient care.

## **RESIDENTIAL HOSPICE SERVICES**

### DEFINITIONS

9. **"Service Area"** shall mean the county or contiguous counties represented on an application as the reasonable area in which a health care institution intends to provide Residential Hospice Services and/or in which the majority of its service recipients reside. A radius of 50 miles and/or a driving time of up to 1 hour from the site of the residential hospice services facility may be considered a "reasonable area;" however, full counties shall be included in a Service Area. Only counties with a Hospice Penetration Rate that is less than 80 percent of the Statewide Median Hospice Penetration Rate may be included in a proposed Service Area.

**Response:** The primary service area is Shelby County. The hospice office will be located on Bazeberry Road in Cordova, less than one-half mile from Walnut Grove Road which is a major thoroughfare between Cordova and Memphis. The site is readily accessible for staff of the Applicant, but patients and their families will not be traveling to the hospice office. If our residential hospice is eventually approved, the site will be accessible to patients and families.

10. **"Statewide Median Hospice Penetration Rate" (SMHPR)** shall mean the number equal to the Hospice Penetration Rate (as described in the following Need Formula) for the median county in Tennessee.

### ADDITIONAL SPECIFIC STANDARDS AND CRITERIA FOR RESIDENTIAL HOSPICE SERVICES

Note that, while a "need formula" is set forth below, the decision to approve a CON application hereunder should be determined by the cumulative weight of all standards and criteria, including those set forth earlier herein.

**Response:** Further, according to the National Hospice and Palliative Care Organization (NHPCO), Tennessee ranks 41<sup>st</sup> out of the 50 states, meaning that 80% of the states have a higher Medicare percentage of enrollment (penetration rate) in hospice care than does Tennessee. The approval of this application will help further the utilization of this much-needed end-of-life care in our state.

11. **Need Formula:** The need for Residential Hospice Services should be determined by using the following Hospice Need Formula, which should be applied to each county in Tennessee:

$$A / B = \text{Hospice Penetration Rate}$$

Where:

A = the mean annual number of Hospice unduplicated patients served in a county for the preceding two calendar years as reported by the Tennessee Department of Health;

and

B = the mean annual number of Deaths in a county for the preceding two calendar years as reported by the Tennessee Department of Health.

Note that the Tennessee Department of Health Joint Annual Report for Hospice defines "unduplicated patients served" as "number of patients receiving services on day one of reporting period plus number of admissions during the reporting period."

Need is established in a county (thus, enabling an applicant to include it in the proposed Service Area) if its Hospice Penetration Rate is less than 80% of the Statewide Median Hospice Penetration Rate; further, existing Residential Hospice Services providers in a proposed Service Area must show an average occupancy rate of at least 85%.

The following formula to determine the demand for additional hospice service recipients should be applied to each county included in the proposed service area, and the results for each county's calculation should be aggregated for the proposed service area:

$(80\% \text{ of the SMHPR} - \text{County Hospice Penetration Rate}) \times B$

**Rationale:** The use of an SMHPR is a methodology employed by many states; the Division paid particular attention to the Kentucky model (which employs an 80% rate), as Kentucky's population is similar geographically and culturally to that of Tennessee. The Division considered ranges from 70-85% but felt that the results of rates lower than 80% were too restrictive. Only three additional counties showed need using the 85% rate as opposed to the 80% one, and those had low single-digit-need numbers. Thus, the 80% rate is proposed. The Division believes that using the median county rate supports the view that rural counties cannot quickly reach the higher penetration rates of Tennessee's metropolitan areas. The underlying purpose is to help encourage orderly growth by using an SMHPR that ratchets upward across the state as hospice providers strive to exceed 80% of the median county's hospice penetration rate. Thus, utilization should continue to increase, albeit gradually, and provide the opportunity in the underutilizing counties for more hospice services by agencies that can expect a market to exist for those services.

**Response: Attachment Hospice Rates and Projected Need Chart**, provided by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics, reports the 2017-18 Hospice Penetration Rate at 80% shows an excess of 617 patients, and at 85% shows an excess of 416 patients. At first glance, it would appear that there is no need for a small in-home hospice agency which anticipates about 9 patients in Year 1. A second look begs the question: if the need formula shows that existing hospice agencies in Shelby County saw 617 more patients than the need formula shows as being appropriate, which is more logical to assume? That we need to stop providing hospice care to patients who have been appropriately diagnosed as needing hospice care, or is the formula incorrect?

The Applicant believes that unless and until it can be conclusively demonstrated that people are being provided hospice care who do not need the service, the formula is incorrect and applicants should not be held at bay by an incorrect formula. This is especially true in light of the tremendous support shown by the letters that have been submitted on our behalf.

**12. Types of Care:** An applicant should demonstrate whether or not it will have the capability to provide general inpatient care, respite care, continuous home care, and routine home care to its patients. If it is not planning to provide one or more of these listed types of care, the applicant should explain why.

**Response:** Routine in-home hospice services are planned, including physician, nursing, medical equipment, medical supplies, pharmaceutical, home health aide, homemaker, physical/occupational/speech therapies, social worker, and dietary counseling, as needed for patients, and

emotional/spiritual/grief/loss services for both patients and families. Respite services will be provided if our residential hospice is approved.

**13. Continuum of Care Regarding the Expansion from Non-Residential Hospice**

**Services:** An applicant for Residential Hospice Services that provides Hospice Services should explain how the Residential Hospice Services will maintain or enhance the Hospice Services' continuum of care to ensure patients have access to needed services. An applicant should provide assurances that it understands and will comply with any existing Medicare reimbursement requirements (e.g., the provision of different levels of hospice care, including any total patient care day allowances) and evidence that there are a sufficient number of potential hospice service recipients that will enable it to so comply.

**Rationale:** Currently<sup>2</sup>, Medicare pays nearly 90% of all hospice claims. The Medicare hospice benefit produces an incentive to recruit as many new patients as possible and to keep them on the service as long as possible. Unlike other segments of the health care industry, where revenues and costs can vary widely, Medicare pays a set daily rate for each person in hospice care, with higher allowances for patients that require more attention.

As part of its interest in ensuring that hospice programs serve only patients who are eligible and appropriate for hospice care, Medicare limits the total number of days of inpatient care (the sum of general inpatient care (GIP) and inpatient respite care days) for which a hospice may be reimbursed. The cap is set at 20 percent of the hospice's total patient care days. The Department of Health and Human Services' Office of Inspector General (OIG), in a May 3, 2013, memo to Marilyn Tavenner, Acting Administrator for Centers for Medicare & Medicaid Services (CMS), stated that CMS staff "have expressed concerns about possible misuse of GIP" by hospice programs and noted a \$2.7 million settlement with a hospice program for allegedly having billed for GIP when patients actually received routine home care (which has a lower reimbursement rate). "Long lengths of stay and the use of GIP in inpatient units need further review to ensure that hospices are using GIP as intended and providing the appropriate level of care. OIG is committed to looking into these issues further and will conduct a medical record review that will assess the appropriateness of GIP provided in different settings." The Division adds the above requirement as a way to ensure that the HSDA and applicants understand the importance that an applicant provide hospice services appropriately. The Division believes that the HSDA, through its application of appropriately developed CON standards and criteria, can serve an important role in reducing opportunities for Medicare/Medicaid fraud and abuse in Tennessee.

**Response:** Not applicable.

**HOSPICE SERVICES**

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<sup>2</sup> As of January 9, 2015

**14. Assessment Period:** After approval by the HSDA of a residential hospice services CON application, no new residential hospice services CON application — whether for the initiation of services or for the expansion of services — should be considered for any county that is added to or becomes part of a Service Area until JAR data for residential hospice services can be analyzed and assessed by the Division to determine the impact of the approval of the CON.

**Assessment Period Rationale:** This Standard is designed to ensure that the impact of the provision of hospice services as a result of the approval of a new CON is accounted for in any future need calculations for a Service Area.

**Response:** Not applicable.

#### DEFINITIONS

**15. "Service Area"** shall mean the county or contiguous counties represented on an application as the area in which an applicant intends to provide Hospice Services and/or in which the majority of its service recipients reside.

**Response:** The service area will be Shelby County.

**16 "Statewide Median Hospice Penetration Rate" (SMHPR)** shall mean the number equal to the Hospice Penetration Rate (as described below) for the median county in Tennessee.

#### ADDITIONAL SPECIFIC STANDARDS AND CRITERIA FOR HOSPICE SERVICES

Note that, while a "need formula" is set forth below, the decision to approve a CON application hereunder should be determined by the cumulative weight of all standards and criteria, including those set forth earlier herein.

**Response:** The State's 2017-2018 Hospice Rates and Projected Need chart is attached.

17. **Need Formula:** The need for Hospice Services should be determined by using the following Hospice Need Formula, which should be applied to each county in Tennessee:

$$A / B = \text{Hospice Penetration Rate}$$

Where:

A = the mean annual number of Hospice unduplicated patients served in a county for the preceding two calendar years as reported by the Tennessee Department of Health;

and

B = the mean annual number of Deaths in a county for the preceding two calendar years as reported by the Tennessee Department of Health.

Note that the Tennessee Department of Health Joint Annual Report of Hospice Services defines "unduplicated patients served" as "number of patients receiving services on day one of reporting period plus number of admissions during the reporting period."

Need should be established in a Service Area as follows: a. For

a hospice that is initiating hospice services:

- i. The Hospice Penetration Rate for the entire proposed Service Area is less than 80% of the SMHPR;

AND

- ii. There is a need shown for at least 100 total additional hospice service recipients in the proposed Service Area, provided, however, that every county in the Service Area shows a positive need for additional hospice service recipients.

Preference should be given to applications that include in a proposed Service Area only counties with a Hospice Penetration Rate that is less than 80% of the SMHPR; however, an application may include a county or counties that meet or exceed the SMHPR if the applicant provides good reason, as determined by the HSDA, for the inclusion of any such county and: 1) if the HSDA finds that such inclusion contributes to the orderly development of the healthcare system in any such county, and 2) the HSDA finds that such inclusion is not intended to include a county or counties that meet(s) or exceed(s) the SMHPR solely for the purpose of gaining entry into such county or counties. Letters of support from referring physicians in any such county noting the details of specific instances of unmet need should be provided by the applicant.

b. For a hospice that is expanding its existing Service Area:

- i. There is a need shown of at least 40 additional hospice service recipients in each of the new counties being added to the existing Service Area.

Taking into account the above guidelines, the following formula to determine the demand for additional hospice service recipients should be applied to each county, and the results should be aggregated for the proposed service area:

(80% of the Statewide Median Hospice Penetration Rate — County Hospice Penetration Rate) x B

**Rationale - 17a:** The Division believes that hospice services in Tennessee are under-utilized, most likely as a result of community and societal norms and a need for more education to the general public on the benefits of hospice. Consequently, the Division believes that hospice services should be encouraged, within reason, in Tennessee and that providing broader opportunities for these services will help educate the public as to their value. Under 17a, the ability to include within a Service Area a county that meets or exceeds the SMHPR should assist in the grouping of counties within a Service Area, thus providing more hospice services opportunities, provided that there is no detriment to the orderly development of the healthcare system as a result.

The Tennessee Hospice Association and other stakeholders provided information that 120 hospice service recipients is a larger than necessary number to ensure economic sufficiency of a hospice that is initiating hospice services. Consensus opinion appears to agree that 100 hospice service recipients is a sufficient number.

**Rationale - 17b:** Other states provide for the ability of an existing hospice to expand its Service Area where positive need is shown at 40-50% of the criterion required for a new hospice to institute services, thus a number of 40 additional hospice service recipients is suggested. Existing agencies are presumed to have the infrastructure in place for such expansion.

**Response:** Again, what is more likely: That we need to stop providing hospice care to patients who have been appropriately diagnosed as needing hospice care, or is the formula incorrect?

**18. Assessment Period:** After approval by the HSDA of a hospice services CON application, no new hospice services CON application — whether for the initiation of services or for the expansion of services — should be considered for any county that is added to or becomes part of a Service Area until JAR data for hospice services can be analyzed and assessed by the Division to determine the impact of the approval of the CON.

**Assessment Period Rationale:** This Standard is designed to ensure that the impact of the provision of hospice services as a result of the approval of a new CON is accounted for in any future need calculations for a Service Area.

**Response:** Not applicable.

## **Additional Comments and Rationale Statements for Revised and Updated Standards and Criteria for Hospice Services**

### **Definitions**

**Deaths:** The Division of Health Planning patterns its need formula off the Kentucky certificate of need formula that takes into account all deaths, instead of using a type of cancer death weighted formula that appeared in the Guidelines for Growth. Cancer patient utilization of hospice services has lessened in relation to non-cancer patients, while the utilization of hospice services continues to grow.

**Residential Hospice and Hospice:** The Division recognizes that residential hospice services and hospice services are able to perform the same level of services and has thus not distinguished between the need for hospice services based on the two types of service providers. However, certain standards and criteria, such as service area, provide for a difference in consideration of an application.

### **Standards and Criteria**

**Quality of Care:** Providing for adequate and qualified staffing is an important part of providing quality care to patients and is one of the State Health Plan's Principles for Achieving Better Health. A community linkage plan that assures continuity of care also falls within this Principle. Letters from physicians in support of an application should detail specific instances of unmet need for hospice services. Quality improvement, data reporting, and outcome and process monitoring fall under this Principle as well, as does accreditation/quality oversight of the hospice service program. Finally, it should be noted that Medicare currently requires all four levels of hospice care for reimbursement (which also supports the third Principle regarding Economic Efficiencies).

(listing the factors concerning need on which an application may be evaluated), the

**Access:** The second Principle for Achieving Better Health in the State Health Plan focuses on access to care. Accordingly, the applicant must demonstrate an ability and willingness to serve equally all of the Service Area in which it seeks certification and provide a plan for its care of indigent patients. As well, in addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area. The revisions to the need formula in 17b are meant to encourage the provision of hospice services in counties that otherwise do not meet the need formula, thus providing better access for the community.

**Economic Efficiencies:** The third Principle for Achieving Better Health focuses on encouraging economic efficiencies in the health care system. The new standards and criteria provide that the applicant's proposed charges should be reasonable in comparison with those of other similar facilities in the Service Area or in adjoining service areas. Educating the health care community on hospice services also falls within this Principle; the education component also addresses the fifth Principle of recruiting, developing, and retaining a sufficient qualified health care workforce.

**Data Needs:** The Division recognizes that hospice patients known as "general inpatients" receive hospice services in locations other than their homes, such as nursing homes and hospitals, and that these patients are not separately identified on the Joint Annual Report. The Division aims to correct this omission in the future to better account for the total utilization of hospice services.

**NOTE:** A previously proposed standard providing for the showing of an "unmet demand" has been deleted, for the following three reasons: 1) The Division believes that an unintended consequence of that proposed standard would have been the preclusion of a new, non-county-contiguous hospice agency ever to develop a Service Area from those counties and receive a CON to serve them; 2) After review of hospice utilization data for the past three JARs, the Division has learned that, in counties that showed a positive need of less than 40 under the existing need formula, existing hospice agencies met substantially all (if not all) of the positive need of additional hospice service recipients, providing evidence that the orderly development of hospice services in such counties currently exists; and 3) the Division recognizes that the HSDA already has the inherent authority to determine, based on evidence provided, that there is a need for expansion of hospice services into adjacent counties beyond that shown by the need formula.

**ATTACHMENT NEED CHART**  
**(Hospice Need by County, Tennessee)**

2017-2018 Hospice Rates and Projected Need

County Name	Hospice Patients Served		Total Hospice Deaths*		Hospice Penetration Rate Mean Number of Patients/Mean Number of Deaths	Hospice Penetration Rate and Patient Need/(Surplus)	
	2017	2018	2017	2018		(Median Rate)*80%	(Median Rate)*85%
Lincoln	191	223	326	399	0.571	(46)	(36)
Loudon	386	413	606	591	0.668	(134)	(117)
McMinn	360	406	597	614	0.624	(111)	(94)
McNairy	192	171	293	300	0.612	(50)	(42)
Macon	82	76	229	271	0.316	32	39
Madison	496	496	1,041	955	0.497	(53)	(26)
Marion	205	211	350	347	0.597	(53)	(44)
Marshall	174	217	320	339	0.593	(49)	(40)
Maury	709	812	791	830	0.938	(401)	(379)
Meigs	68	90	149	158	0.515	(11)	(7)
Monroe	197	304	508	534	0.470	(14)	1
Montgomery	785	793	1,122	1,198	0.659	(258)	(225)
Moore	20	30	66	64	0.394	3	5
Morgan	194	108	234	215	0.673	(51)	(45)
Obion	184	144	348	363	0.452	(3)	7
Overton	127	160	287	305	0.485	(12)	(4)
Perry	47	47	102	115	0.409	4	7
Pickett	14	27	71	82	0.288	13	16
Polk	112	148	205	222	0.609	(35)	(29)
Pulham	332	337	706	772	0.453	(7)	14
Rhea	237	271	370	407	0.654	(82)	(71)
Roane	351	364	685	700	0.516	(50)	(31)
Robertson	380	393	625	626	0.618	(109)	(92)
Rutherford	978	1,137	1,853	1,856	0.570	(235)	(183)
Scott	102	118	254	262	0.420	6	13
Sequitah	147	124	145	141	0.948	(72)	(68)
Sevier	596	621	954	1,018	0.617	(171)	(144)
Shelby	3,821	3,823	7,073	7,382	0.529	(617)	(416)
Smith	103	90	172	228	0.483	(8)	(2)
Stewart	45	64	135	159	0.371	11	15
Sullivan	1,121	1,366	1,942	1,911	0.651	(396)	(343)
Sumner	1,139	1,108	1,505	1,512	0.743	(453)	(411)
Tipton	172	219	541	551	0.358	47	62
Trousdale	37	34	87	93	0.394	4	7
Union	163	166	236	286	0.630	(49)	(42)
Unicoi	98	92	206	204	0.463	(4)	2
Van Buren	30	42	65	83	0.486	(3)	(1)
Warren	226	296	420	485	0.577	(60)	(48)
Washington	903	969	1,348	1,342	0.698	(341)	(304)
Wayne	99	102	183	166	0.576	(23)	(18)
Weakley	224	193	345	360	0.591	(52)	(42)
White	137	160	335	371	0.421	8	18
Williamson	699	863	1,177	1,193	0.659	(255)	(223)
Wilson	509	623	966	1,050	0.562	(119)	(91)
Unknown	7	39					
<b>Tennessee</b>	<b>34,864</b>	<b>37,966</b>	<b>61,204</b>	<b>63,096</b>	<b>0.586</b>	<b>(8,851)</b>	<b>(7,128)</b>

**NOTE:** In the Hospice Death definition infant mortality cannot simply be added to the other cause factors, as infant mortality constitutes any death of persons 365 days or younger, regardless of cause. Infant mortality is NOT a separate cause of death category, similar to suicide, homicide, or accidents. Some of the causes for infant death will include accidents and homicides. Therefore, there is some overlap between infant deaths and accidents and homicides. IF Vital Statistics rate sheets are used to calculate Hospice-defined deaths, then it should be noted that there may be a few infant deaths also counted in accidents and homicides. HOWEVER, since the number of deaths that fall under both infant death and homicide or accident are relatively small, the tables may still function to establish need (or lack thereof) for Hospice; though it is dependent on Licensure's discretion.

**Hospice Death - all deaths minus all accidents, suicides, homicides and infant deaths where infants did not die of accidents or homicide in the same given time period (in this case, one calendar year)**  
 ~Per the Tennessee State Health Plan

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics, Death Statistical System, 2017-2018. Nashville, Tennessee. 2017-2018 JAR Hospice (not including Residential Hospice) data used for patient data.  
 \*Certain deaths are excluded: Accidental (including motor vehicle accidents), homicide, suicide, and infant deaths. ICD-10 Codes excluded: V01-X60, X60-X84, X85-Y09, Y85-Y86, Y87.0-Y87.1

2017-2018 Hospice Rates and Projected Need

County Name	Hospice Patients Served		Total Hospice Deaths*		Hospice Penetration Rate Mean Number of Patients/Mean Number of Deaths	Hospice Penetration Rate and Patient Need/(Surplus)	
	2017	2018	2017	2018		(Median Rate)*80%	(Median Rate)*85%
Anderson	551	613	956	942	0.613	0.444	0.471
Bedford	270	334	468	475	0.641	(161)	(135)
Benton	101	105	219	242	0.447	(93)	(80)
Bledsoe	77	69	131	138	0.543	(1)	6
Blount	694	851	1,375	1,375	0.581	(13)	(10)
Bradley	620	708	997	1,080	0.639	(183)	(146)
Campbell	265	280	564	542	0.693	(203)	(175)
Cannon	65	79	164	166	0.436	(27)	(12)
Carroll	235	213	389	402	0.566	1	6
Carter	291	328	666	711	0.450	(49)	(38)
Cheatham	221	248	339	369	0.662	(4)	15
Chester	57	83	162	175	0.415	(77)	(68)
Claiborne	188	200	374	369	0.522	5	9
Clay	23	28	102	91	0.264	(29)	(19)
Cooke	277	287	498	488	0.572	17	20
Coffee	420	391	652	648	0.624	(63)	(50)
Crockett	86	61	203	189	0.375	(117)	(99)
Cumberland	266	290	723	791	0.367	13	19
Davidson	2,883	2,869	4,690	4,734	0.609	58	79
Decatur	85	100	172	156	0.564	(779)	(648)
DeKalb	91	111	232	209	0.458	(20)	(15)
Dickson	334	340	498	550	0.643	(3)	3
Dyer	246	231	450	455	0.527	(105)	(90)
Fayette	118	157	366	389	0.364	(38)	(25)
Fentress	86	71	231	248	0.328	30	40
Franklin	300	359	484	438	0.715	28	34
Gibson	355	328	610	622	0.554	(125)	(112)
Giles	192	225	348	339	0.607	(68)	(51)
Grainger	116	147	274	289	0.467	(56)	(47)
Greene	537	679	826	863	0.720	(7)	1
Grundy	123	121	214	178	0.622	(233)	(210)
Hamblen	657	747	722	685	0.998	(35)	(30)
Hamilton	1,757	2,380	3,395	3,415	0.607	(390)	(370)
Hancock	38	41	102	93	0.405	(558)	(464)
Hardeman	136	123	280	267	0.473	4	6
Hardin	196	180	351	318	0.562	(8)	(1)
Hawkins	313	351	651	685	0.497	(40)	(30)
Haywood	89	85	211	226	0.398	(36)	(17)
Henderson	146	145	284	299	0.499	10	16
Henry	213	232	393	444	0.532	(16)	(8)
Hickman	124	138	255	271	0.498	(37)	(25)
Houston	71	55	96	105	0.627	(14)	(7)
Humphreys	88	172	235	261	0.524	(18)	(16)
Jackson	39	48	144	161	0.285	(20)	(13)
Jefferson	389	465	629	609	0.690	24	28
Johnston	93	96	210	223	0.436	(152)	(135)
Knox	2,491	2,688	3,958	4,167	0.637	2	8
Lake	54	40	86	91	0.531	(788)	(675)
Lauderdale	126	109	293	265	0.421	(8)	(5)
Lawrence	395	404	511	519	0.776	6	14
Lewis	77	86	140	149	0.564	(171)	(157)

**NOTE:** In the Hospice Death definition infant mortality cannot simply be added to the other cause factors, as infant mortality constitutes any death of persons 365 days or younger, regardless of cause. Infant mortality is NOT a separate cause of death category, similar to suicide, homicide, or accidents. Some of the causes for infant death will include accidents and homicides. Therefore, there is some overlap between infant deaths and accidents and homicides. IF Vital Statistics rate sheets are used to calculate Hospice-defined deaths, then it should be noted that there may be a few infant deaths also counted in accidents and homicides. HOWEVER, since the number of deaths that fall under both infant death and homicide or accident are relatively small, the tables may still function to establish need (or lack thereof) for Hospice; though it is dependent on Licensure's discretion.

**Hospice Death - all deaths minus all accidents, suicides, homicides and infant deaths where infants did not die of accidents or homicide in the same given time period (in this case, one calendar year)**  
 ~Per the Tennessee State Health Plan

**ATTACHMENT A.3B**

**(NIJH End of Life Procedures)**



The National Institute for Jewish Hospice

## A JEWISH PATIENT AND THE TIME OF DEATH

### During the Last Minutes of Life

When you sense that the patient is dying, he should be encouraged to pray. Saying this prayer does not mean that death is sure. Many people have said this prayer and have recovered completely. The prayer brings peace of mind and is often great comfort to the patient. The following is a brief form of the prayer in English:

I ACKNOWLEDGE BEFORE YOU, O LORD MY GOD  
AND GOD OF MY FATHERS,  
THAT MY LIFE AND DEATH ARE IN YOUR HANDS.  
MAY IT BE YOUR WILL TO HEAL ME COMPLETELY.  
BUT, IF DEATH IS MY LOT,  
THEN I ACCEPT IT FROM YOUR HAND.  
MAY MY DEATH BE AN ATONEMENT  
FOR WHATEVER SINS, ERRORS AND  
WRONG DOINGS I HAVE COMMITTED BEFORE YOU.  
IN YOUR MERCY GRANT ME THE GOODNESS  
THAT IS WAITING FOR THE RIGHTEOUS  
AND BRING ME TO ETERNAL LIFE.  
FATHER OF ORPHANS, PROTECTOR OF WIDOWS,  
PROTECT MY LOVED ONES  
WITH WHOM MY SOUL IS BOUND.  
INTO YOUR HANDS I RETURN MY SPIRIT.  
YOU WILL REDEEM ME. O EVER FAITHFUL GOD.  
HEAR O ISRAEL, THE LORD IS GOD. THE LORD IS ONE.

If patient is unable to say this prayer, he can say it in his heart or someone else can recite for him, with the patient repeating it or listening as best as he can.

During the last minutes of life, no one in the presence of the deceased may leave, excepting those whose presence will disturb the patient, such as one whose emotions are uncontrollable. It is a matter of the greatest respect to watch over a person as he passes from this world to the next.

**NIJH**

ESTABLISHED  
IN 1985

52,000 MEMBERS

24 HOUR TOLL-FREE  
NUMBER

**NIJH  
ACCREDITED  
HOSPICES**

55 JEWISH HOSPICE  
PROGRAMS IN THE  
UNITED STATES AND  
CANADA

**NIJH  
JEWISH HOSPICE  
MANUAL**

**THE JEWISH  
HOSPICE  
ACCREDITATION  
AND RE-  
ACCREDITATION  
CONFERENCES**



**ACCREDITED**

1-800-446-4448

## When Death has Occurred

The eyes and the mouth of the deceased must be closed, and a sheet drawn over the face. The position of the body should be so oriented that the feet face the doorway. Other than this, the deceased should not be touched except for his own honor (for example, straightening the body from an awkward position or moving it if it is in a place that is not respectful). Some have the custom of placing the body on the floor for 20 minutes.

A candle should be placed near the head of the deceased. The candle is symbolic of the human soul and of God's eternal presence. "The human soul is the lamp of God" (Proverbs 20:27). If death occurs on the Sabbath (sundown Friday through Saturday night when the stars come out) this should not be done.

A beautiful custom is for relatives and friends to ask forgiveness from the deceased for any harm they may have caused him or lack of respect they may have shown him during his lifetime.

Prayers and Psalm 23 are recited (see below).

Proper respect should be shown to the deceased by the behavior of people in the vicinity. No eating, drinking, smoking, joking or derogatory comments about the deceased (regardless if they are true) may take place in the room. Discussion should focus solely on the personal qualities of the deceased or on funeral arrangements.

From the moment of death until the funeral, the deceased must never be left alone. The Orthodox custom is that the deceased may not be moved on the Sabbath. A person should be appointed to remain with the deceased until the end of the Sabbath.

The rabbi should be called. He will call the Burial Society which will take care of the body in the proper fashion.

### Recited at time of death:

GO, SINCE THE LORD SENDS YOU;  
GO, AND THE LORD WILL BE WITH YOU;  
THE LORD GOD IS WITH HIM AND HE WILL ASCEND.

*(Said three times)*

# NIJH

ESTABLISHED  
IN 1985

52,000 MEMBERS  
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NIJH  
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HOSPICES

55 JEWISH HOSPICE  
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MANUAL

THE JEWISH  
HOSPICE  
ACCREDITATION  
AND RE-  
ACCREDITATION  
CONFERENCES



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1-800-446-4448

**Recited immediately after death:**

BA-RUCH DA-YAN HA-E-MET.  
BLESSED BE THE TRUE JUDGE.  
A-DO-NAI NA-TAN V-A-DO-NAI LA-KACH.  
YE-HI SHEIM A-DO-NAI M-VO-RACH.  
GOD GAVE AND GOD HAS TAKEN AWAY;  
BLESSED BE THE NAME OF GOD.

**PSALM 23**

THE LORD IS MY SHEPHERD; I SHALL NOT WANT.  
GOD HAS ME LIE DOWN IN GREEN PASTURES,  
GOD LEADS ME BESIDE STILL WATERS.  
GOD REVIVES MY SOUL;  
GOD GUIDES ME ON PATHS OF RIGHTEOUSNESS  
FOR GOD'S GLORY.  
THOUGH I WALK THROUGH THE VALLEY  
OF THE SHADOW OF DEATH,  
I FEAR NO HARM. FOR YOU ARE WITH ME.  
YOUR ROD AND YOUR STAFF DO COMFORT ME.  
YOU SET A TABLE IN SIGHT OF MY ENEMIES;  
YOU ANOINT MY HEAD WITH RICH OIL; MY CUP OVERFLOWS.  
SURELY GOODNESS AND MERCY SHALL FOLLOW ME  
ALL THE DAYS OF MY LIFE,  
AND I SHALL ABIDE IN THE HOUSE OF THE LORD FOREVER

**A PRAYER FROM THE AGES**

O LORD, WHAT IS MAN THAT YOU REGARD HIM, OR THE SON OF  
MAN THAT YOU TAKE ACCOUNT OF HIM? MAN IS LIKE A BREATH,  
HIS DAYS ARE LIKE A PASSING SHADOW. THEY ARE LIKE A DREAM;  
LIKE GRASS THAT IS RENEWED IN THE MORNING. IN THE  
MORNING IT FLOURISHES AND GROWS, BUT IN THE EVENING IT  
FADES AND WITHERS. THE YEARS OF OUR LIFE ARE SEVENTY OR  
EVEN BY SPECIAL STRENGTH EIGHTY; YET THEIR PRIDE IS BUT  
TOIL AND TROUBLE. THEY ARE SOON GONE AND WE FLY AWAY.  
SO TEACH US TO COUNT OUR DAYS THAT WE MAY REALIZE  
WISDOM. OBSERVE THE GOOD MAN AND BEHOLD THE UPRIGHT,  
FOR THERE IS IMMORTALITY FOR A MAN OF PEACE. SURELY GOD  
WILL RANSOM MY SOUL FROM THE GRAVE; HE WILL GLADLY  
RECEIVE ME. THE LORD REDEEMS THE SOUL OF HIS SERVANTS;  
NONE OF THOSE WHO TAKE REFUGE IN HIM WILL BE  
CONDEMNED. THE DUST RETURNS TO THE EARTH AS IT WAS,  
BUT THE SPIRIT RETURNS TO GOD WHO GAVE IT

**NIJH**

ESTABLISHED  
IN 1985

52,000 MEMBERS

24 HOUR TOLL-FREE  
NUMBER

**NIJH  
ACCREDITED  
HOSPICES**

55 JEWISH HOSPICE  
PROGRAMS IN THE  
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**NIJH  
JEWISH HOSPICE  
MANUAL**

**THE JEWISH  
HOSPICE  
ACCREDITATION  
AND RE-  
ACCREDITATION  
CONFERENCES**



**ACCREDITED**

1-800-446-4448

**ATTACHMENT A.4AB**

**(Sec/State + Business Documents)**



**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

Hospice of Hope - Tennessee, LLC  
STE 101  
1125 SCHILLING BLVD E  
COLLIERVILLE, TN 38017-7078

December 6, 2019

### Filing Acknowledgment

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

<b>SOS Control # :</b>	<b>001065704</b>	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	12/06/2019
Filing Date:	12/06/2019 9:00 AM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2021
Duration Term:	Perpetual	Image # :	B0787-3689
Managed By:	Member Managed		
Business County:	SHELBY COUNTY		

### Document Receipt

Receipt # : 005135237	Filing Fee:	\$300.00
Payment-Credit Card - State Payment Center - CC #: 3770866510		\$300.00

**Registered Agent Address:**  
KRISTAN PERKINS  
STE 101  
1125 SCHILLING BLVD E  
COLLIERVILLE, TN 38017-7078

**Principal Address:**  
STE 101  
1125 SCHILLING BLVD E  
COLLIERVILLE, TN 38017-7078

Congratulations on the successful filing of your **Articles of Organization** for **Hospice of Hope - Tennessee, LLC** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website ([www.tn.gov/revenue](http://www.tn.gov/revenue)) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

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

Tre Hargett  
Secretary of State



001065704

# ARTICLES OF ORGANIZATION LIMITED LIABILITY COMPANY

SS-4270



**Tre Hargett**  
Secretary of State

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

Filing Fee: \$50.00 per member  
(minimum fee = \$300.00, maximum fee = \$3,000.00)

*For Office Use Only*

**-FILED-**

Control # 001065704

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

**1. The name of the Limited Liability Company is:** Hospice of Hope - Tennessee, LLC

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

**2. Name Consent: (Written Consent for Use of Indistinguishable Name)**

This entity name already exists in Tennessee and has received name consent from the existing entity.

**3. This company has the additional designation of:** None

**4. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is:**

KRISTAN PERKINS  
STE 101  
1125 SCHILLING BLVD E  
COLLIERVILLE, TN 38017-7078  
SHELBY COUNTY

**5. Fiscal Year Close Month:** December

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

**7. The Limited Liability Company will be:**

Member Managed       Manager Managed       Director Managed

**8. Number of Members at the date of filing:** 1

**9. Period of Duration:** Perpetual

**10. The complete address of the Limited Liability Company's principal executive office is:**

STE 101  
1125 SCHILLING BLVD E  
COLLIERVILLE, TN 38017-7078  
SHELBY COUNTY

B0787-3689 12/06/2019 9:00 AM Received by Tennessee Secretary of State Tre Hargett



ARTICLES OF ORGANIZATION  
LIMITED LIABILITY COMPANY

SS-4270



Tre Hargett  
Secretary of State

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

Filing Fee: \$50.00 per member  
(minimum fee = \$300.00, maximum fee = \$3,000.00)

For Office Use Only

**-FILED-**

Control # 001065704

The name of the Limited Liability Company is: Hospice of Hope - Tennessee, LLC

11. The complete mailing address of the entity (if different from the principal office) is:

STE 101  
1125 SCHILLING BLVD E  
COLLIERVILLE, TN 38017-7078

12. Non-Profit LLC (required only if the Additional Designation of "Non-Profit LLC" is entered in section 3.)

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

13. Professional LLC (required only if the Additional Designation of "Professional LLC" is entered in section 3.)

I certify that this PLLC has one or more qualified persons as members and no disqualified persons as members or holders.

Licensed Profession:

14. Series LLC (optional)

I certify that this entity meets the requirements of T.C.A. §48-249-309(a) & (b)

15. Obligated Member Entity (list of obligated members and signatures must be attached)

This entity will be registered as an Obligated Member Entity (OME) Effective Date: (none)

I understand that by statute: THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES OF THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT YOUR ATTORNEY.

16. This entity is prohibited from doing business in Tennessee:

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

17. Other Provisions:

Electronic  
Signature

Corporate Counsel  
Title/Signer's Capacity

Sarah C Barlow as authorized representative for Southern Healthcare  
Printed Name

Dec 6, 2019 9:00AM  
Date

B0787-3690 12/06/2019 9:00 AM Received by Tennessee Secretary of State Tre Hargett

**OPERATING AGREEMENT  
HOSPICE OF HOPE - TENNESSEE, LLC**

THIS OPERATING AGREEMENT is entered effective this the 16<sup>th</sup> day of June, 2020 by and among the Members who signatures appear on the signature page.

1. Articles of Organization were filed with the Secretary of State of Tennessee on or about December 6, 2019.
2. The Members of Hospice of Hope - Tennessee, LLC (the "Company") desire to adopt this Operating Agreement for the purposes of setting forth provisions relating to the management of Company affairs and the rights and privileges of the Members of the Company.

NOW, the parties agree as follows:

**ARTICLE 1**  
**FORMATION AND PURPOSES OF THE COMPANY**

1.1 Formation. The Members agree to form a director-managed limited liability company pursuant to the Act, subject to the terms and conditions of this Agreement. All other Operating Agreements are void.

1.2 Name. The Company shall operate under the name Hospice of Hope - Tennessee, LLC or such other name as the Members may from time to time select.

1.3 Principal Place of Business. The principal place of business of the Company shall be located at such place of business as the Board may determine.

1.4 Registered Office and Agent. The initial registered office of the Company and the initial registered agent of the Company at such office shall be as stated in the Articles. The initial registered office and registered agent of the Company may change as approved by the Board.

1.5 Purposes and Powers. The purposes of the Company shall be to engage in any and all lawful business for which limited liability companies may be organized under the Act. In furtherance of the foregoing purposes, the Company shall have the full power and authority to conduct its business as provided by the Act and applicable law.

1.6 Term. The Company shall commence upon the filing of the Articles in the Office of the Secretary of State of Tennessee and shall have a perpetual term, unless sooner terminated in accordance with the terms of this Agreement.

1.7 Adoption. The Members adopt this Agreement as the Company's Operating Agreement under the Act and agree that their relative rights and duties in regard to the Company shall be governed by the terms and conditions set forth in this Agreement. If deemed appropriate by the

Board, the President shall promptly cause this Agreement to be filed for record in such public offices as may be necessary in order to protect the status of the Company as a limited liability company and as may otherwise be required by law.

1.8 General Structure. The Company is formed and established as a Director-managed limited liability company. As such, the Board of Directors of the Company shall have responsibility for the overall supervision and control of the business and affairs of the Company.

1.9 Limited Liability. To the fullest possible extent permitted under the Act, no Member or other Person shall have any personal liability to any other Person for the acts, debts, liabilities, or obligations of the Company or any other Member or Person.

## **ARTICLE 2**

### **MATTERS RELATING TO MEMBERS**

2.1 Member's Names and Addresses. The name, address and initial percentage interest of ownership of each of the Members are as described on Exhibit A hereto.

2.2 Priority and Return of Capital. Except as otherwise provided herein, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either as to the return of Capital Contributions or as to Profits, Losses or distributions; provided that this Section shall not apply to a loan (as distinguished from Capital Contributions) which a Member has made to the Company.

2.3 Admission of Additional Members. Additional members may be admitted to the Company after the date hereof upon the written consent of a Majority Interest of the existing Members. Each such additional member shall be bound to the terms and provisions of this Operating Agreement and shall execute this Operating Agreement or any amendment or restatement hereof.

2.4 Meetings. The annual meeting of the Members shall be held on the second Monday in January of every year or at such other time as shall be determined by resolution of the Members, commencing with the year following organization of the Company, for the purpose of the transaction of such business as may come before the meeting. Special meetings of the Members for any purpose or purposes may be called by any Member or Members holding at least 10% of the Capital Interests. The Members may designate any place, either within or outside the State of Tennessee, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Company. Unless expressly permitted by this Operating Agreement, no action, including, without limitation, the merging of the Company into another entity, shall be taken pursuant to any vote of the Members unless approved by a sixty-one percent (61%) interest.

2.5 Action by Members Without a Meeting. Action which is required or permitted to be taken at a meeting of the Members may be taken without such a meeting if a Majority Interest of the Members consent to taking such action without a meeting. Such consent (or counterpart(s) thereof) shall describe the action taken, be in writing, be signed by the Members, indicate each signing Member's vote and be included in the minutes or Company records. Actions taken under this Section are effective when such Members entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

2.6 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

2.7 Major Decisions. Notwithstanding anything contained herein to the contrary, the affirmative vote of the Members holding at least sixty-one percent (61%) of the Units or Governance Rights shall be required to take the following actions:

- (a) any sale by the Company of all or substantially all of its assets or any transaction or series of related transactions in which more than 50% of the voting power of the Company is disposed of;
- (b) any merger or consolidation of the Company with another entity;
- (c) any dissolution, liquidation or winding up of the Company;
- (d) except for the borrowings contemplated for capital expenditures, any borrowings, loans or guarantees in excess of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00);
- (e) increasing the authorized number of Directors to more than five (5); and
- (f) any transfer, assignment, sale, collateralization, lien, securitization, pledge, license or other encumbrance of any trade secrets or technologies owned or licensed by the Company.

2.8 Power of Members. No Member, acting solely in his, her or its capacity as a Member, shall act as an agent of the Company or have any authority to act for or to bind the Company.

### **ARTICLE 3** **BOARD OF DIRECTORS**

3.1. Power. Except as otherwise provided herein and in Section 2.7 above, the Board shall have the full, exclusive, and complete discretion in the management and control of the affairs of the Company and shall make all of the decisions affecting the Company. The Board may authorize the execution of any and all documents and instruments which it deems appropriate in carrying out the purposes of the Company, including, without limitation, deeds, security deeds, mortgages, licenses, management and all other types of agreements or instruments of any kind or character; may conduct all banking activities, obtain loans and execute such promissory notes, security deeds, affidavits, documents, instruments, certificates, or

other papers as may be necessary or useful to close such loans; may make loans on commercially reasonable terms to third parties or Members; may guarantee debts and obligations of third parties on commercially reasonable terms; may sell any or all of the assets and transfer title thereto; may employ or retain any persons, firms, or corporations to act as Officers, accountants, lawyers, brokers, or in any other capacity; may borrow money from banks and other lending institutions for any Company purposes and may pledge any Company property as security therefor; may prosecute, defend, settle, or compromise actions at law or in equity as such may be deemed necessary or advisable by the Board to enforce or protect the Company's interest, and may, in addition to the above, do all acts which are necessary or desirable to carry out the purposes and business of the Company and all acts permitted to be performed by the Board under the laws of the State of Tennessee; provided however, none of the power granted in this Section 3.1 shall be interpreted as broadening or extending powers which are specifically limited by other Sections of this Agreement. The Board may delegate authority for specific actions or events to the President, Secretary, or other Officers selected by the Board or a committee of Officers and/or Members selected by the Board.

3.2 Board of Company; Size. The Company shall be governed by, and all powers shall be exercised by or under the authority of, and the business and affairs of the Company shall be exercised by or under the authority of the Board. Each Director shall be a natural person but need not be a Member. The Members hereby agree that at all times after the date hereof, the Board of Directors of the Company shall consist of at least five members. Promptly after the date hereof, the Members shall take all actions necessary to elect the members of the Board of Directors of the Company.

3.3 Vacancies. In the event any vacancy is created on the Board of Directors at any time by the death, disability, retirement, resignation or removal of any member thereof, or for any other reason there shall exist any vacancy on the Board of Directors, each Member hereby agrees to promptly take such actions as will result in the election or appointment as a director of an individual chosen by the Members whose director's death, disability, retirement, resignation or removal resulted in such vacancy on such Board of Directors.

3.4 All Membership Interest Subject to this Agreement. All Membership Interest now or hereafter held by any person shall be held by such person subject to the provisions of this Article 3 and such person shall be deemed to be a "Member" for all purposes of this Agreement. If the Company issues additional Membership Interest at any time during the term of this Agreement, either directly or upon the conversion, exercise or exchange of securities of the Company into or for which Membership Interest may be converted, exercised or exchanged, such additional Membership Interest shall, as a condition to such issuance, become subject to the terms and provisions of this Article 3. Each holder of such additional Membership Interest shall execute an acknowledgment in form and substance satisfactory to the Company setting forth that such holder shall be considered a "Member" for all purposes of this Agreement and Article 3 and shall be bound by the obligations of a Member hereunder in all respects.

3.5 Endorsement of Certificates. Each certificate, if any, evidencing Membership Interest that are subject to this Agreement and Article 3 shall conspicuously bear a legend (in

addition to any other legend required under any applicable state corporate or state securities law) in substantially the following form: "The Membership Interest evidenced by this certificate, and the securities into or for which such Membership Interest may be converted, exercised or exchanged, are subject to restrictions upon voting as provided in the Hospice of Hope - Tennessee, LLC ("Company") Operating Agreement, as amended, among the Company and its Members. A copy of the Company Operating Agreement is on file at the principal office of the Company and will be furnished to any holder upon written request therefor to the Secretary of the Company."

3.6 Replacement of a Director. In the event that the seat on the Board for any Director is vacant due to the death, disability, retirement, resignation or removal of said Director (or for any other reason), the Members must agree on a replacement of such Director within sixty (60) days from such vacancy or such replacement shall be made by the affirmative vote of holders of a minimum of sixty-one percent (61%) of the Units.

3.7 Board Meetings; Notice. The annual meeting of the Board shall be held immediately after the adjournment of the annual meeting of the Members, at which time the Board shall elect or appoint the Officers of the Company. The Board also may designate more frequent intervals for regular meetings. Special meetings may also be called by the CEO or any Director by giving one (1) days' notice to each Director of the date, time and place of the special meeting. The annual and all regular meetings of the Board may be held without notice. A Director may waive the right to receive notice before or after the date and time stated in the notice, which notice shall be in writing and be signed by the Director providing such waiver.

3.8 Quorum and Vote. The presence of a majority of the Directors shall constitute a quorum for the transaction of business. A meeting may be adjourned despite the absence of a quorum, and notice of an adjourned meeting is not necessary if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of adjournment does not exceed one (1) month for any one adjournment. The affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall constitute the act of the Board, unless the vote of a greater number is required under the Articles, this Agreement, or the Act.

3.9 Establishment of Committees. The Board, by a resolution adopted by the affirmative vote of a majority of the Directors, may establish committees, consisting of one (1) or more persons appointed by the affirmative vote of a majority of the Directors, and having the authority of the Board in the management of the business of the Company only to the extent provided in such resolution, and the Board may delegate to any such committee or committees any and all authority that the Board deems desirable and to the extent authorized under the Act. All members of committees that exercise powers of the Board must be members of the Board. Committees other than any special litigation committee are subject at all times to the direction and control and serve at the pleasure of the Board.

3.10 Action of Board on Written Consent. Except as expressly provided in this Agreement, any vote, determination or action by the Board required or allowed under the terms

of this Agreement may be taken without a meeting if a majority of the Directors consent to the taking of such action without a meeting. If a majority of the Directors so consent to the taking of action without a meeting, the affirmative vote, determination or action of the number of Directors necessary to authorize or take such action shall be the act of the Board. Such affirmative vote, determination or action must be evidenced by one or more written consents describing in sufficient detail the vote, determination or action so taken, signed by each Director voting in one (1) or more counterparts, and indicating such signing Director's vote or abstention on the action to be taken.

3.11 Compensation of Directors. Except as may be expressly provided for herein or hereafter may be approved by the Members, no payment will be made by the Company to any Director for the services of such Director in that role.

3.12 Meetings by Telephone. Any or all Directors may participate in a regular or special meeting by conference telephone or any other means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in Person at the meeting.

#### **ARTICLE 4** **OFFICERS**

4.1 General. Except as otherwise provided under the Act or under this Operating Agreement, all powers of the Company shall be exercised by the Officers at the direction and under the authority of the Board of Directors.

4.2 Delegation of Powers and Duties. In case of the absence of any Officer of the Company, or for any reason that the Board may deem sufficient, the Board may delegate the powers of such Officer to any other Officer for the time being.

4.3 Indemnification. With respect to claims or liabilities arising out of service as an Officer of the Company, the Company shall indemnify and advance expenses to each present and future Officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

4.4 Bank Accounts. The Officers may from time to time open bank accounts in the name of the Company, and the Officers shall be the sole signatories thereon, unless the Board determine otherwise.

4.5 Compensation. The compensation of the Officers shall be fixed from time to time by the Board. No Officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Member of the Company.

4.6 Conflicts of Interest. The provisions of the Act to the contrary notwithstanding, the Members by their execution hereof, waive a conflict and approve each action that would

otherwise give rise to a conflict if the transaction was approved at a meeting of the Board and the contract or transaction was fair and reasonable to the Company at the time it was authorized, approved or ratified.

## **ARTICLE 5**

### **CAPITAL CONTRIBUTIONS**

5.1 Members' Capital Contributions. Each Member shall contribute the property as described on Exhibit A hereto as its share of the Initial Capital Contribution.

5.2 Additional Cash Contributions.

(a) In the event that the costs of operating the Company exceed those contemplated by the Members, the Board of Directors shall use their reasonable efforts to obtain financing to cover such cost overruns. In the event that such financing is not obtained within sixty (60) days of the date first applied for each of the Members shall thereafter be obligated to contribute to the capital of the Company, on a pro rata basis, of the amount of such shortfall. Member Nathan Lubin's additional cash contributions will be capped at \$100,000.

(b) Loans

(1) Subject to Section 5.2(B)(ii) below, in the event that the Company requires additional funds to prevent the Company from defaulting on its obligations to any third party which are then due and payable, it shall notify the Members of such need for additional funds and shall request that the Members contribute, and each Member hereby agrees to contribute on a pro rata basis, the additional funds required within three (3) business days of such notice.

(2) In the event that the Company requires additional funds described in Section 5.2(B)(i) above, any Member may advance the amount so required directly to the Company, so long as the aggregate amount which is subject to outstanding advances made pursuant to this Section 5.2(B)(ii) does not exceed \$100,000. A pro rata amount of such advance shall be treated as a Capital Contribution by the Member and the balance of such advance shall be treated as a loan by the Member to the other Member(s). The Contributing Member shall notify the other Members of any such advance within three (3) Business Days of such advance. For purposes of this Agreement, if a Member makes an advance pursuant to this Section 5.2(B)(ii), then it shall be deemed to be the "Contributing Member" and the other Members shall each be deemed to be a "Non-Contributing Member."

(3) Any loan by a Contributing Member to a Non-Contributing Member pursuant to Section 5.2(B)(ii) above shall accrue interest at a rate equal to the prime rate quoted from time to time in The Wall Street Journal ("Prime") plus 2%. Such loan shall be due and payable on demand made by the Contributing Member and any amount otherwise

payable to the Non-Contributing Member under this Agreement shall be applied first to the repayment of such loan (being applied first to interest). At a minimum, the Non-Contributing Member shall pay to the Contributing Member the interest amount due on the loan on a monthly basis.

(4) If any loan made pursuant to 5.2(B)(ii) is not repaid in full within 30 days of demand for payment, then such interest rate on the loan shall increase, at the end of such 30-day period, to Prime plus 4% and the Contributing Member shall have such other remedies as are available hereunder. Recourse with respect to any such loan shall be limited to the Company Interest of the Non-Contributing Member and the proceeds thereof. At a minimum, the Non-Contributing Member shall pay to the Contributing Member the interest amount due on the loan on a monthly basis.

(c) All Capital Contributions by the Members shall be in cash unless the other Members shall have approved of a contribution of property in lieu of cash and shall further have agreed upon the valuation to be assigned to such property for the purposes of this Agreement.

### 5.3 Withdrawal or Reduction of Members' Contribution to Capital.

(a) A Member shall not receive out of the Company's property any part of his Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them.

(b) A Member, irrespective of the nature of his Capital Contribution, has only the right to demand and receive cash in return for his Capital Contribution.

## ARTICLE 6

### ALLOCATIONS OF PROFITS AND LOSSES/ DISTRIBUTIONS

6.1 Profits. Profits for any Fiscal Year shall be allocated among the Members pro rata based on their relative Capital Accounts.

6.2 Losses. Losses for any Fiscal Year shall be allocated among the Members pro rata based on their relative Capital Accounts.

### 6.3 Other Allocation Rules.

(a) In the event additional Members are admitted to the Company on different dates during any Fiscal Year, the Profits (or Losses) allocated to the Members for each such Fiscal Year shall be allocated among the Members in proportion to the relative Capital Accounts each holds from time to time during such Fiscal Year in accordance with Code Section 706, using any convention permitted by law and selected by the Members.

(b) For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the Members using any permissible method under Code Section 706 and its regulations.

6.4 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and its regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value. In the event the Gross Asset Value of any Company asset is adjusted, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and its regulations. Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Operating Agreement. Allocations pursuant to this Section are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any person's Capital Account or share of Profits, Losses, other items or distributions pursuant to any provision of this Operating Agreement.

6.5 Distributions and Allocations in Respect to Transferred Interests. If any interest in the Company is sold, assigned or transferred during any Fiscal Year in compliance with the provisions of this Operating Agreement, Profits, Losses, each item thereof and all other items attributable to such interest for such Fiscal Year shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during such Fiscal Year in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Members.

6.6 Form of Distributions. Except as otherwise provided by this Operating Agreement, all distributions shall be made in cash and shall be divided among the Members in proportion to their Capital Accounts. Distributions of income may be made in such amounts and at such times as the Members may determine.

## **ARTICLE 7**

### **TRANSFERABILITY**

7.1 General. Except as otherwise specifically provided herein, neither a Member nor an Economic Interest Owner shall have the right to:

- (a) sell, assign, transfer, exchange or otherwise transfer for consideration (collectively, "sell" or "sale"), or
- (b) gift, bequeath or otherwise transfer for no consideration whether or not by operation of law, except in the case of bankruptcy (collectively "gift") all or any part of his Membership Interest or Economic Interest without the unanimous written consent of the

Members and without complying with the requirements of this Article 7. Each Member and Economic Interest Owner hereby acknowledges the reasonableness of the restrictions on sale and gift of the Membership Interests and Economic Interests imposed by this Operating Agreement in view of the Company purposes and the relationship of the Members and Economic Interest Owners. Accordingly, the restrictions on sale and gift contained herein shall be specifically enforceable. In the event that any Member or Economic Interest Owner pledges or otherwise encumbers any of his Membership Interest or Economic Interest as security for repayment of a liability, which event shall require the unanimous approval of the Members, any such pledge or hypothecation shall be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all the terms and conditions of this Article.

7.2. Right of First Offer.

(a) If a Member (a "Transferor") desires to transfer by sale, gift or otherwise all or any portion of, or any interest or rights in, the Transferor's Membership Interest (the "Transferor Membership Interest") to a non-affiliated transferee, the Transferor shall notify the Company of that desire (the "Transfer Notice"). The Transfer Notice shall describe the Transferor Membership Interest. The Company shall then notify the other Members who shall have the option (the "Purchase Option") to purchase all of the Transferor Membership Interest for a price equal to the Purchase Price (as defined and calculated pursuant to Section 7.5 hereto).

(b) The Purchase Option shall be and remain irrevocable for a period (the "Transfer Period") ending at 11:59 P.M.; local time at the Company's principal executive office on the thirtieth (30th) day following the date the Transfer Notice is given to the Company or the fortieth (40th) day if the period is extended for an additional ten (10) days as provided in Section 7.2(C) below.

(c) At any time during the Transfer Period, the other Members may elect to exercise the Purchase Option by giving written notice of their election to the Transferor. Each Member shall have an option to purchase a percentage of the offered Transferor Membership Interest equal to the ratio of such Member's Percentage Interest to the total Percentage Interests of all the Members (excluding the Percentage Interest of the Transferor). If any of the other remaining Members do not exercise their option to purchase the offered Membership Interest, the Transfer Period shall be extended by ten (10) additional days and the Member(s) desiring to purchase a portion of the offered Transferor Membership Interest shall be entitled, for such period of ten (10) additional days, to exercise the Purchase Option with respect to the balance of the Transferor Membership Interest by giving notice of such election to the Transferor and the other Members. In no event, however, shall the Transferor be required to sell less than all of the Membership Interest offered.

(d) If the other Members elect to exercise the Purchase Option, the other Member's notice of their election to purchase shall fix a closing date (the "Transfer Closing Date") for

the purchase, which shall not be earlier than five (5) days after the date of the notice of election or more than thirty (30) days after the expiration of the Transfer Period.

(e) If the other Members elect to exercise the Purchase Option, the Purchase Price shall be paid pursuant to the terms and conditions set forth in Section 7.5 hereto. On the Transfer Closing Date, the parties shall deliver to the various parties such documents as may reasonably be deemed necessary by the attorneys for the Company and/or the other Members, as applicable, to transfer the Transferor Membership Interest.

(f) If the other Members fail to exercise the Purchase Option with respect to all of the Transferor Membership Interest, the Transferor shall, subject to the other provisions of this Operating Agreement, be permitted to offer and sell the Transferor Membership Interest to any non-affiliated transferee for a period of ninety (90) days (the "Free Transfer Period") after the expiration of the Transfer Period at a price not less than the Purchase Price. If the Transferor does not transfer the Transferor Membership Interest within the Free Transfer Period, the Transferor's right to transfer the Transferor Membership Interest pursuant to this Section shall cease and terminate.

(g) Any transfer of the Transferor Membership Interest made after the last day of the Free Transfer Period or without strict compliance with the terms, provisions, and conditions of this Section and other terms, provisions, and conditions of this Operating Agreement, shall be null and void and of no force or effect.

(h) The other Members may assign their right to purchase the Membership Interests of the Transferor hereunder to the Company.

7.3. Co-Sale by Other Members. If none of the other Members elect to exercise the Purchase Option as provided in Section 7.2, and the Transferor agrees to sell his Membership Interest during the Free Transfer Period, the Transferor shall provide written notice to the Company and the other Members, at least thirty (30) days prior to sale, of the terms of the agreement to sell the Transferor's Membership Interest (the "Notice of Sale"), which notice shall include a true and complete copy of any and all documents and agreements constituting the agreement to sell. Within thirty (30) days of receipt of the Notice of Sale, any one or more of the other Members may elect ("Electing Members") to sell his or their Membership Interests to the purchaser ("Purchaser") of the Transferor's Membership Interest, on the same terms and conditions as the Transferor's agreement to sell, by written notice ("Co-Sale Notice") to the Transferor. In the event any Member elects to sell his Membership Interest pursuant to a Co-Sale Notice, the Purchaser shall be required to purchase the Membership Interest of any Electing Member(s) for the same price and on the same terms as the purchase of the Transferor's Membership Interest (pro-rata if the Membership Interests are not equal), as a condition to the purchase of Transferor's Membership Interest.

7.4. Call Arrangement.

(a) In the event a Member dies (the "Selling Member"), the remaining Members, and each of them, shall, on a basis pro rata to their Membership Interests or on a basis pro rata

to the Membership Interests of those remaining Members exercising this call arrangement, have the right to exercise a call option to purchase all (but not less than all) of the Selling Member's Membership Interest for a price equal to the Purchase Price which shall be paid pursuant to the terms and conditions set forth in Section 7.5 hereto. This call option shall be made in writing to the appropriate representative of the Selling Member, and signed by all Members exercising the call option, within one hundred and twenty (120) days of the event giving rise to the call option.

(b) The call option shall close on the sixtieth (60th) day after the date the call option is made ("Call Closing"). At the Call Closing, the appropriate representative of the Selling Member shall execute and deliver a release to the Company from all acts and conduct of the Company or its representatives, occurring or performed during the term of this Operating Agreement. From and after the closing of call option, the heirs and/or successors of the Selling Member shall have no rights or obligations under this Operating Agreement with respect to the management and operation of the Company property, or otherwise.

(c) The purchasing Members may assign their right to purchase the Membership Interest of the Selling Member to the Company.

(d) For the purposes of this Section, at such time as a Member has been unable to satisfactorily perform, for a period of six (6) consecutive months, his job functions for the Company because of a disability, such Member shall be conclusively presumed to be permanently and totally disabled. Also, a Member shall be conclusively presumed to be permanently and totally disabled for purposes of this Operating Agreement at such time as he or she is determined to have suffered a permanent disability by the United States Social Security Administration, even if such determination is made prior to the Member having been unable to perform his job functions for the Company for six (6) months. Upon determination that a Member has become permanently and totally disabled under this Section (the "Disabled Member"), the Disabled Member will immediately be deemed to have offered to sell all of the Disabled Member's Membership Interest in accordance with the terms as set forth in subparagraphs (a)-(c) above.

#### 7.5 Purchase Price; Payment Terms.

(a) The "Purchase Price" for the Transferor's Membership Interest or the Selling Member's Membership Interest, as the case may be, shall be an amount equal to that Member's percentage interest of ownership of the Company times the fair market value of the Company based on the accrual method of accounting, including accounts receivable and work-in-process at their estimated value based on the prior history of the Company with regard to both, as determined by the Company's certified public accountant.

(b) The purchasing Members shall pay to the Transferor or the appropriate representative of the Selling Member, as the case may be, a sum equal to the Purchase Price, which amount shall be paid:

- (1) Twenty percent (20%) of the Purchase Price in cash within thirty (30) days of the Transfer Closing Date or the Call Closing; and
- (2) for the balance of the Purchase Price not paid in cash, by a promissory note payable in four (4) equal annual installments on the next four (4) anniversaries of the Transfer Closing Date or the Call Closing, as the case may be, with simple interest at the then applicable prime rate of interest as published in The Wall Street Journal.

#### 7.6 Miscellaneous.

(a) In the event of any transfer of all or any portion of a Member's Membership Interest pursuant to the provisions of this Operating Agreement, and as a condition to recognizing one or more of the effectiveness and binding nature of any such transfer, the proposed transferee Member shall agree to be bound by all of the terms and provisions of this Operating Agreement, and any Member may require the transferring Member (or in the event of a Member's death, the personal representative, administrator or executor of such Member's estate) and the proposed transferee Member to execute, acknowledge and deliver to the Company such instruments of transfer, assignment, and assumption and such other certificates, representations, and documents, and to perform all the other acts that the Company may deem necessary or desirable to:

- (1) Preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized, or does business;
- (2) Maintain the status of the Company as a partnership for federal tax purposes; and
- (3) Assure compliance with any applicable state and federal laws including securities laws and regulations.

(b) Anything to the contrary herein notwithstanding, if the Company is to purchase the Membership Interest of any Member pursuant to the provisions of this Operating Agreement, the Company may assign its obligations to so purchase to another person or entity of its choice; provided, however, Company shall remain liable as a guarantor or otherwise with respect to the purchase price due such Member for its Membership Interest. Any decision to make such assignment shall be made by those Members holding a Majority Interest of the Membership Interests, excluding the Membership Interest of the Member whose Membership Interest is being purchased.

### **ARTICLE 8** **DISSOLUTION AND TERMINATION**

8.1 Dissolution. The Company shall be dissolved upon the occurrence of any dissolution event set forth in Section 48-245-101 of the Act. A Member's membership may also be terminated (and a dissolution event shall be deemed to have occurred for the purposes of Section 48-245-101(a)(5)(J) of the Act) when both of the following conditions exist:

- (a) A Member, who is an individual, becomes disabled and remains disabled for a period of twelve (12) months (the “Affected Member”); and
- (b) The other Members elect(s), in his or their sole discretion, to terminate the Affected Member’s membership and deliver to the Affected Member written notice of the election to so act.

For purposes of this provision, the term “disabled” shall mean a physical or mental state or condition that materially impairs the Affected Member’s ability to fulfill his management responsibilities under this Operating Agreement.

Upon the occurrence of any dissolution event in this Section, the business of the Company may be continued by the consent of remaining Members owning a majority of the profits interests and a majority of the Capital Interests owned by all remaining Members, if such consent occurs within ninety (90) days after the dissolution event.

8.2 Articles of Dissolution. As soon as possible following the occurrence of any of the events effecting the dissolution of the Company, as specified in Section 8.1, the appropriate representative of the Company shall execute articles of dissolution in such form as shall be prescribed by the Tennessee Secretary of State’s office.

(a) If a Member who is an individual dies, or if a personal representative is appointed for a Member, or if a court of competent jurisdiction adjudges him to be incompetent to manage his person, his property or his duties pursuant to this Operating Agreement, the Member’s executor, administrator, guardian, conservator or other legal representative (“Successor”) may exercise all of the Member’s rights for the purpose of settling his estate or administering his property, provided, however, that the Successor shall not be considered a Member and shall have no right to vote, approve or consent to any matter pursuant to such provisions. In the event of such death, appointment or incompetency, if the remaining members elect to continue the business of the Company the Successor shall then become an Economic Interest Owner only, unless the Members approve the assignment of the Membership Interest by the vote of a Majority Interest.

(b) Except as expressly permitted in this Operating Agreement, a Member shall not voluntarily withdraw or take any other voluntary action which directly causes a dissolution event, or he or she shall forfeit governance rights in the winding up and termination process or in the continued business, and shall be liable to all the other Members and the Company to the extent damaged, including the loss of foregone profits, by the wrongful withdrawal. The Member or Members who have not wrongfully withdrawn shall have the option, determined by majority vote, either (i) to seek damages for lost profits, or (ii) to reduce the value attributable to such interest.

8.3 Effect of Filing Articles of Dissolution. Upon the filing by the Tennessee Secretary of State of articles of dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business.

8.4 Winding Up, Liquidation and Distribution of Assets. If the Company is dissolved and its affairs are to be wound up, the Officers shall:

- (a) Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Officers may determine to distribute any assets to the Members in kind),
- (b) Allocate any Profit or Loss resulting from such sales to the Members' and Economic Interest Owners' Capital Accounts in accordance with Article 5,
- (c) Discharge all liabilities of the Company, including liabilities to Members and Economic Interest Owners who are also creditors, to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Owners for distributions and the return of capital, and establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members and Economic Interest Owners, the amounts of such reserves shall be deemed to be an expense of the Company),
- (d) Distribute the remaining assets in the following order:
  - (1) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and Economic Interest Owners shall be adjusted pursuant to the provisions of Article 5 of this Operating Agreement.
  - (2) The positive balance (if any) of each Member's and Economic Interest Owner's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members, either in cash or in kind, as determined by the Members. Any such distributions to the Members in respect of their Capital Account shall be made in accordance with the time requirements of the allocation regulations under Section 704 of the Code.

8.5 Articles of Termination. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, articles of termination shall be executed in the manner required by Section 48-245-503 of the Act.

## **ARTICLE 9**

### **MISCELLANEOUS PROVISIONS**

9.1 Books and Records. The Company shall maintain at its principal place of business separate books of account for the Company which shall show a true and accurate record

of all costs and expenses incurred, all charges made, all credits made and received, and all income derived in connection with the conduct of the Company and the operation of its business in accordance with generally accepted accounting principles consistently applied, and, to the extent inconsistent therewith, in accordance with this Operating Agreement.

9.2 Annual Reports. Within ninety (90) days after the end of each Company Fiscal Year, the Board shall cause to be prepared and each Member furnished with financial statements including the following:

- (a) A copy of the balance sheet of the Company as of the last day of such Fiscal Year;
- (b) A statement of income or loss for the Company for such Fiscal Year; and
- (c) A statement of the Members' Capital Accounts and changes therein for such Fiscal Year.

9.3 Tax Information. Necessary tax information shall be delivered to each Member after the end of each Fiscal Year of the Company together with the annual reports described in Section 9.2.

9.4 Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be in writing and sent by overnight courier, or by telephone or facsimile, if such telephone conversation or facsimile is followed by a hard copy of the telephone conversation or facsimile communication sent by overnight courier, charges prepaid and addressed to such address as such person may from time to time specify by notice to the Company. Any such notice shall be deemed to be delivered, given, and received for all purposes as of the date so delivered.

9.5 Binding Effect. Except as otherwise provided in this Operating Agreement, every covenant, term and provision of this Operating Agreement shall be binding upon and inure to the benefit of the Company, Members, each individual or entity that becomes a Member after the date hereof, and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

9.6 Construction. Every covenant, term, and provision of this Operating Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member. The terms of this Operating Agreement are intended to embody the economic relationship among the Members and shall not be subject to modification by, or be conformed with, any actions by the Internal Revenue Service except as this Operating Agreement may be explicitly so amended and except as may relate specifically to the filing of tax returns.

9.7 Headings. Section and other headings contained in this Operating Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Operating Agreement or any provision hereof.

9.8 Severability. Every provision of this Operating Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Operating Agreement.

9.9 Further Action. Each Member agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Operating Agreement.

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

9.11 Governing Law. The laws of the State of Tennessee shall govern the validity of this Operating Agreement, the construction of its terms, and the interpretation of the rights and duties of the Members without regard to principles of conflicts of law.

9.12 Counterpart Execution. This Operating Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same documents. All counterparts shall be construed together and shall constitute one agreement. A signed copy of this Operating Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Operating Agreement.

9.13 Tax Elections. All elections permitted to be made by the Company under federal or state laws shall be made by the Board.

9.14 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

9.15 Amendments. Amendments to this Operating Agreement may be proposed by the Board or any Member. Any proposed amendment shall be in writing and clearly state that it is an amendment to this Operating Agreement. An amendment to this Operating Agreement shall be adopted and be effective as an amendment hereto upon the vote of a Majority Interest of the Members.

9.16 Entire Agreement. This written Operating Agreement constitutes the entire agreement among the parties and shall not contain any oral provisions. No party shall be bound by any terms, conditions, statements or representations, oral or written, not contained herein except for any written amendment hereto adopted by the Members as set forth in Section 9.15 of this Operating Agreement. Each party hereby acknowledges that he or she has not been induced, persuaded or motivated by any promise or representation made by any other party that is not expressly set forth herein. Except for the Articles of Organization of the Company, all previous negotiations, statements and preliminary instruments by the parties or their representatives are merged in this Operating Agreement.

## **ARTICLE 10** **DEFINITIONS**

The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

10.1 “Act” shall mean the Tennessee Revised Limited Liability Company Act as set forth in Tennessee Code Annotated Sections 48-249-101 et seq.

10.2 “Board of Directors” or “Board” means the Board of Directors of the Company.

10.3 “Capital Account” means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(a) To each Member’s Capital Account there shall be credited such Member’s Capital Contributions, such Member’s distributive share of Profits and any items in the nature of income or gain which are allocated to such account herein, and the amount of any Company liabilities assumed by such Member or which are secured by any Company property distributed to such Member.

(b) To each Member’s Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Company property distributed to such Member pursuant to any provision of this Operating Agreement, such Member’s distributive share of Losses and any items in the nature of expenses or losses which are allocated to such account herein, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(c) In the event all or a portion of an interest in the Company is transferred in accordance with the terms of this Operating Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(d) In determining the amount of any liability for purposes of this Operating Agreement, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and its regulations.

The foregoing provisions and the other provisions of this Operating Agreement relating to the maintenance of Capital Accounts are intended to comply with Treas. Reg. Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such regulations.

10.4 “Capital Contributions” means, with respect to any Member, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Company by such Member. “Initial Capital Contribution” shall mean the initial contribution to the capital of the Company set forth in Section 4.1 of this Operating Agreement.

10.5 “Capital Interest” shall mean, at the time of any determination, the proportion that a Member’s positive Capital Account bears to the aggregate positive Capital Accounts of all Members whose Capital Accounts have positive balances.

10.6 “Code” means the Internal Revenue Code of 1986, as amended. All references herein to sections of the Code shall include any corresponding provision or provisions of succeeding law.

10.7 “Company” shall refer to Hospice of Hope - Tennessee, LLC, a Delaware limited liability company.

10.8 “Depreciation” means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the President.

10.9 “Director” means any natural person serving on the Board of the Company.

10.10 “Economic Interest” shall mean a Member’s or Economic Interest Owner’s share of one or more of the Company’s Profits, Losses and distributions of the Company’s assets pursuant to this Operating Agreement and the Act but shall not include a Member’s Governance Rights. “Economic Interest Owner” shall mean a person other than a Member who owns an Economic Interest in the Company.

10.11 “Fiscal Year” means (i) the period commencing on the effective date of this Operating Agreement and ending on December 31, (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in clause (ii) for which the Company is required to allocate Profits, Losses, and other items of Company income, gain, loss or deduction pursuant to Article 6.

10.12 “Governance Interest” shall mean a Member’s governance rights in the Company.

10.13 “Gross Asset Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

- (a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and all of the other Members;
- (b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values from time to time as required by Treas. Reg. Section 1.704-1(b).

10.14 “Majority Interest” shall mean the Membership Interests of one (1) or more Members or one or more Directors which taken together exceed fifty percent (50%) of the aggregate of all Membership Interests.

10.15 “Member” shall mean each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members. If a Member is a Member immediately prior to the purchase or other acquisition by such person

of an Economic Interest, such person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.

10.16 "Membership Interest" means the membership or other ownership interest of a Member in the Company, including any and all rights and benefits to which such Member may be entitled as provided in this Agreement or in the Act, together with all obligations of a Member to comply with the terms and provisions of this Agreement and the Act. Interests shall be characterized by Units and expressed as a percentage determined by the ratio which the Units held by a Member bears to the Units held by all Members. Such Membership Interest includes, without limitation: (i) the Governance Interest of a Member, (ii) the Economic Interest of a Member, and (iii) the right of a Member to Transfer Governance Interest or Economic Interest to the extent permitted under this Agreement or the Act.

10.17 "Officer" shall mean one (1) or more officers appointed from time to time by the Board. References to the Officer in the singular or as him, her, it, itself or other like references shall also, where the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

10.18 "Operating Agreement" shall mean this Operating Agreement as originally executed and as amended in writing from time to time.

10.19 "Profits" and "Losses" means, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

- (a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this definition shall be added to such taxable income or loss;
- (b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be subtracted from such taxable income or loss;
- (c) In the event the Gross Asset Value of any Company asset is adjusted, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;
- (d) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;
- (e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account

Depreciation for such fiscal year or other period, computed in accordance with the definition of "Depreciation" in this Section; and

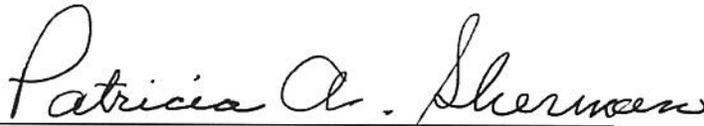
(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses.

[Counterpart Signature Page Follows]

Signature Page to Operating Agreement

IN WITNESS WHEREOF, the undersigned hereby agree, acknowledge and certify that the foregoing Operating Agreement constitutes the Operating Agreement of the Company adopted by all of its Members as of the day and date first above written.

MEMBERS:



Patricia A. Sherman



Kristan A. Perkins



Nathan Lubin

**EXHIBIT A**

TO OPERATING AGREEMENT OF  
HOSPICE OF HOPE – TENNESSEE, LLC  
AS OF MARCH 31, 2020

<u>Member's Name</u>	<u>Capital Contribution</u>	<u>Percentage</u>
Patricia A. Sherman	\$11,700.00	30%
Kristan A. Perkins	\$11,700.00	30%
Nathan Lubin	\$15,600.00	40%

**ATTACHMENT A.5**  
**(Management Agreement)**

## MANAGEMENT SERVICES AGREEMENT

This **MANAGEMENT SERVICES AGREEMENT** is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between Hospice of Hope - Tennessee, LLC, a Tennessee limited liability company with a principal place of business of 91125 Schilling Boulevard East, Suite 101, Collierville, Tennessee 38017 ("Agency") and Southern Healthcare Solutions, LLC, a limited liability company with a principal place of business at 1125 Schilling Boulevard East, Suite 101, Collierville, Tennessee 38017 ("Manager").

**WHEREAS**, Agency is a limited liability company organized, authorized, and in the business of providing healthcare; and

**WHEREAS**, Manager is in the business of managing healthcare facilities and operations; and

**WHEREAS**, Agency's Operating Agreement (the "Operating Agreement") allows the Agency to appoint and retain a manager to manage the business and affairs of Agency, subject to the conditions and limitations set forth in the Operating Agreement; and

**WHEREAS**, Agency wishes to retain Southern Healthcare Solutions, LLC as the Manager of the Agency, to manage the business and affairs of Agency in accordance with the terms and conditions of the Management Services Agreement, the Operating Agreement, and applicable state law.

**NOW THEREFORE**, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. Appointment of Manager.** Manager shall be the manager of Agency and, except as otherwise provided in the Operating Agreement, shall have full, complete, and exclusive discretion to manage and control the business, affairs and properties of Agency.

**2. Manager's Responsibilities and Authority.** In connection with the duties assumed or assigned hereunder, Manager shall supervise the operations at Agency's offices, wherever such offices may be located. Manager's authority, obligations and responsibilities include, but are not limited to, the following:

(a) Manager may negotiate, execute and deliver on behalf of Agency such agreements, certificates, deeds, deeds of trust, notes, leases, security agreements, contracts of sale, and other documents as it deems necessary and appropriate in its sole discretion to give effect to any conveyances, leases, debt obligations and security therefor, and to procure labor, materials, or services including, without limitation, the services of professionals.

(b) Manager is authorized and directed to set up any and all necessary bank accounts on behalf of Agency for the payment of Agency's operating expenses and, in connection therewith, to designate persons authorized to sign such checks, which persons may or may not be employees of Manager. Furthermore, Manager may borrow funds on behalf of Agency from banks, lending institutions and other third parties on such terms and conditions as Manager may deem appropriate and, in connection therewith, Manager may grant security interests in Agency's assets to secure repayment of such borrowed funds. Manager may also invest Agency's funds as it deems proper and appropriate.

(c) Manager may acquire assets on behalf of Agency as is necessary and appropriate in managing the business and affairs of Agency.

(d) Manager shall coordinate, at Agency's expense, the timely filing of all tax returns required under applicable state and federal laws.

(e) Manager may perform all other acts as may be necessary or appropriate to conduct Agency's business, subject to all conditions and limitations set forth in the Operating Agreement.

**3. Term and Termination.** The initial term of this Agreement is 3 (three) years. Upon expiration of the initial term, either party may terminate this Agreement by giving the other party at least one hundred eighty (180) days prior written notice of its intent to terminate the Agreement.

This agreement shall automatically renew for a one (1) year term, unless either party provides notice to the other of its intent to terminate this agreement not less than thirty (30) days before the end of the then current term.

Notwithstanding the foregoing, this Agreement may be terminated by either party at any time for Cause by giving the other party thirty (30) days prior written notice of its intent to terminate the Agreement. As used herein, "Cause" means a party's breach of a material term or failure to perform a material obligation hereunder that is not cured within (i) thirty (30) days of such party's receipt of written notice of default from the other party, or (ii) if such default cannot be cured within thirty (30) days, then such longer period as is reasonable provided that the party in default is attempting to cure the default in good faith and with due diligence.

**4. Management Fee.** Agency shall pay Manager for all direct costs after the first fiscal year. Agency shall pay Manager for all indirect costs at a rate calculated by patients billed quarterly pro-rated among the sister companies.

**5. Human Resources.** Manager shall plan, direct, and coordinate the administrative functions of Agency, including, but not limited to recruiting, screening, interviewing, and placing employees. Manager shall regulate employee relations, payroll, benefits, and training for Agency.

**6. Education.** Manager shall provide an ongoing program for the training of Agency's employees, physicians, independent contractors, and others on matters related to the compliance program, fraud and abuse, ethical practices, continuing education, and compliance with federal and state hospice regulations.

**7. Quality Improvement.** Manager shall monitor and evaluate the quality and appropriateness of patient/family care, resolve identified problems, and pursue all opportunities to improve the care and services provided to the patient, their families, and caregivers on behalf of the Agency.

**8. Electronic Medical Records.** Manager shall determine the systemized collection of electronic medical records of the Agency.

**9. Financials.** Manager shall direct the Agency's financial planning and accounting practices as well as its relationship with financial institutions, contract services, and managed care agreements, accounts receivable, accounts payable, and collections.

**10. Billing.** Manager shall be responsible for the billing of Agency's routine, respite, continuous care, and inpatient Hospice Services to Medicare, Medicaid, and third party insurances.

**11. Compliance.** Manager shall implement the Agency's standards of conduct, reporting system, auditing and monitoring functions, and enforcement of the compliance plan and disciplinary actions for violations.

**12. Assignment.** This Agreement is not assignable by either party without the prior written consent of the other party. The terms, promises, covenants and agreements contained in this Agreement shall apply to, be binding upon and inure to the benefit of the parties and their respective successors, legal representatives and permitted assigns.

**13. Non-waiver.** Failure of either party to enforce any provision of this Agreement shall not operate or be construed as a waiver of any such provision or provisions, nor prevent such party from thereafter enforcing any of its rights with respect to other or further violations of the Agreement.

**14. Entirety.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein and it supersedes all prior written or oral agreements and undertakings with respect to such subject matter. This Agreement may be modified only by a writing signed by both parties to this Agreement.

**15. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

**16. Notice.** All notices, requests, demands, payments and other communications hereunder shall be deemed to have been duly given if sent in writing, by hand delivery or certified mail, to the address set forth in the preamble hereof, or to such other address as may be given to the other party in writing. Notice of change of address shall be effective only upon receipt.

The parties have executed this Management Services Agreement as of the date set forth above.

Hospice of Hope - Tennessee, LLC

By: \_\_\_\_\_  
Name: Patricia Sherman  
Title: CEO/President

Southern Healthcare Solutions, LLC

By: \_\_\_\_\_  
Name: Patricia Sherman  
Title: CEO

## **Business Associate Addendum**

This Privacy Agreement ("Agreement"), is effective upon signing this Agreement and is entered into by and between Hospice of Hope - Tennessee, LLC ("Hospice") and Southern Healthcare Investments, LLC (the "Business Associate").

1. **Term.** This Agreement shall remain in effect for the duration of this Agreement and shall apply to all of the Services and/or Supplies delivered by the Business Associate pursuant to this Agreement.

2. **HIPAA Assurances.** In the event Business Associate creates, receives, maintains, or otherwise is exposed to personally identifiable or aggregate patient or other medical information defined as Protected Health Information ("PHI") in the Health Insurance Portability and Accountability Act of 1996 or its relevant regulations ("HIPAA") and otherwise meets the definition of Business Associate as defined in the HIPAA Privacy Standards (45 CFR Parts 160 and 164), Business Associate shall:

(a) Recognize that HITECH (the Health Information Technology for Economic and Clinical Health Act of 2009) and the regulations thereunder (including 45 C.F.R. Sections 164.308, 164.310, 164.312, and 164.316), apply to a business associate of a covered entity in the same manner that such sections apply to Hospice;

(b) Not use or further disclose the PHI, except as permitted by law;

(c) Not use or further disclose the PHI in a manner that had Hospice done so, would violate the requirements of HIPAA;

(d) Use appropriate safeguards (including implementing administrative, physical, and technical safeguards for electronic PHI) to protect the confidentiality, integrity, and availability of and to prevent the use or disclosure of the PHI other than as provided for by this Agreement;

(e) Comply with each applicable requirements of 45 C.F.R. Part 162 if the Business Associate conducts Standard Transactions for or on behalf of Hospice;

(f) Report promptly to Hospice any security incident or other use or disclosure of PHI not provided for by this Agreement of which Business Associate becomes aware;

(g) Ensure that any subcontractors or agents who receive or are exposed to PHI (whether in electronic or other format) are explained the Business Associate obligations under this paragraph and agree to the same restrictions and conditions;

(h) Make available PHI in accordance with the individual's rights as required under the HIPAA regulations;

(i) Account for PHI disclosures for up to the past six (6) years as requested by Hospice, which shall include: (i) dates of disclosure, (ii) names of the entities or persons who received the PHI, (iii) a brief description of the PHI disclosed, and (iv) a brief statement of the purpose and basis of such disclosure;

(j) Make its internal practices, books, and records that relate to the use and disclosure of PHI available to the U.S. Secretary of Health and Human Services for purposes of determining Customer's compliance with HIPAA; and 2 | Page (k) Incorporate any amendments or corrections to PHI when notified by Customer or enter into a Business Associate Agreement or other necessary Agreements to comply with HIPAA.

**3. Termination upon Breach of Provisions.** Notwithstanding any other provision of this Agreement, Hospice may immediately terminate this Agreement if it determines that Business Associate breaches any term in this Agreement. Alternatively, Hospice may give written notice to Business Associate in the event of a breach and give Business Associate five (5) business days to cure such breach. Hospice shall also have the option to immediately stop all further disclosures of PHI to Business Associate if Hospice reasonably determines that Business Associate has breached its obligations under this Agreement. In the event that termination of this Agreement and the Agreement is not feasible, Business Associate hereby acknowledges that Hospice shall be required to report the breach to the Secretary of the U.S. Department of Health and Human Services, notwithstanding any other provision of this Agreement or Agreement to the contrary.

**4. Return or Destruction of Protected Health Information upon Termination.** Upon the termination of this Agreement, unless otherwise directed by Hospice, Business Associate shall either return or destroy all PHI received from Hospice or created or received by Business Associate on behalf of Hospice in which Business Associate maintains in any form. Business Associate shall not retain any copies of such PHI. Notwithstanding the foregoing, in the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible upon termination of this Agreement, Business Associate shall provide to Hospice notification of the condition that makes return or destruction infeasible. To the extent that it is not feasible for Business Associate to return or destroy such PHI, the terms and provisions of this Agreement shall survive such termination or expiration and such PHI shall be used or disclosed solely as permitted by law for so long as Business Associate maintains such Protected Health Information.

**5. No Third Party Beneficiaries.** The parties agree that the terms of this Agreement shall apply only to themselves and are not for the benefit of any third party beneficiaries.

**6. De-Identified Data.** Notwithstanding the provisions of this Agreement, Business Associate and its subcontractors may disclose non-personally identifiable information provided that the disclosed information does not include a key or other mechanism that would enable the information to be identified.

**7. Amendment.** Business Associate and Hospice agree to amend this Agreement to the extent necessary to allow either party to comply with the Privacy Standards, the Standards for Electronic Transactions, the Security Standards, or other relevant state or federal laws or regulations created or amended to protect the privacy of patient information. All such amendments shall be made in a writing signed by both parties.

**8. Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Hospice to comply with the then most current version of HIPAA and the HIPAA privacy regulations.

**9. Definitions.** Capitalized terms used in this Agreement shall have the meanings assigned to them as

outlined in HIPAA and its related regulations.

10. **Survival.** The obligations imposed by this Agreement shall survive any expiration or termination of this Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Addendum to be duly executed in its name and on its behalf, effective as of \_\_\_\_\_.

**Hospice of Hope - Tennessee, LLC**

**Southern Healthcare Investments, LLC**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT A.6A**

**(Option to Lease)**

## OPTION TO LEASE AGREEMENT

This Option to Lease agreement is made this 3<sup>rd</sup> day of FEB, 2020 by and between Memphis Jewish Home & Rehab (hereinafter "Landlord") and Hospice of Hope-Tennessee, LLC (hereinafter "Tenant"). In consideration for the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties hereby agree as follows:

1. In consideration of \$100.00 paid by the Tenant to the Landlord, the Landlord grants the Tenant, the exclusive option to lease the below mentioned property upon the following terms and conditions;
  - a. Approximately 2400 square feet of space at 36 Bazeberry Road, Cordova, Tn 38018
2. This option is to be exercised by the Tenant by written noticed delivered personally by April 1, 2021. The right to exercise this option shall be contingent upon the subsequent execution of a mutually acceptable lease agreement and it is understood and agreed that the actual executed lease agreement will define and control the rights and responsibilities of the parties.
3. If the Tenant does not exercise its option to Lease, all sums paid shall be retained by the Landlord as consideration for this option. If no notice is delivered, neither party shall have any further rights of claim against each other.
4. If the tenant does exercise its option, the sums paid on the account of the option shall be applied to the first months' rent and the terms and conditions in the attached Lease Agreement shall become the contract of the parties.
5. The term of this Lease shall be for sixty months (60) commencing on TBD, 2020 and ending TBD, 2025. This Agreement may be terminated upon 60 days written notice without cause or penalty, by either party. The provisions of Sections 11-12 should survive termination of this Agreement.
6. The Tenant shall pay to the Landlord as rent \$18,000.00 per year in equal monthly installments of \$1,500 payable on the first of each month. The tenant shall pay a late fee of 3% if the payment is delivered after the fifth of the month.
7. The Landlord conveys that if Tenant shall keep and perform all covenants of this lease, Landlord will guarantee to the Tenant the quiet, peaceful and uninterrupted possession of said premises.
8. The Tenant shall not make any alterations, additions or improvements to the premises without the prior written consent of the Landlord.

9. The Landlord, at its own expense, shall maintain the building, including routine HVAC Maintenance, Windows, Floors, walls, electrical systems, plumbing work, ceiling tiles, roof foundation, gutters and water heaters.
10. The Tenant shall purchase and maintain, at its own expense, liability insurance in the amount of \$1,000,000 and shall provide satisfactory evidence thereof to the Landlord and shall continue the same in force and effect through the Lease Term hereof and naming landlord as an additional insured.
11. The Tenant shall not permit or commit waste to the premises.
12. The Tenant shall comply with all the rules, regulations, ordinances, codes and laws of all governmental authorities having jurisdiction over the premises.
13. The Tenant shall not permit or engage in any activity that will cause an increase in the rate f insurance for the property, nor shall the Tenant permit or commit any nuisance thereon.
14. The Tenant shall not sublet or assign the premises nor allow any other person or business to use or occupy the premises without the prior written consent of the Landlord which consent may not be unreasonably withheld.
15. At the end of the term of this Lease, the Tenant shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.
16. Upon default in any term or condition of this Lease, the Landlord shall have the right to undertake any or all other remedies permitted by Law.
17. This Lease Shall be binding upon, and inure to the benefit of, the parties, their heirs, successors, and assigns.

Signed this 3rd day of FEB, 2020.

[Signature]  
 Tenant  
 Hospice of Hope-Tennessee, LLC

[Signature]  
 Landlord  
 Memphis Jewish Home & Rehab

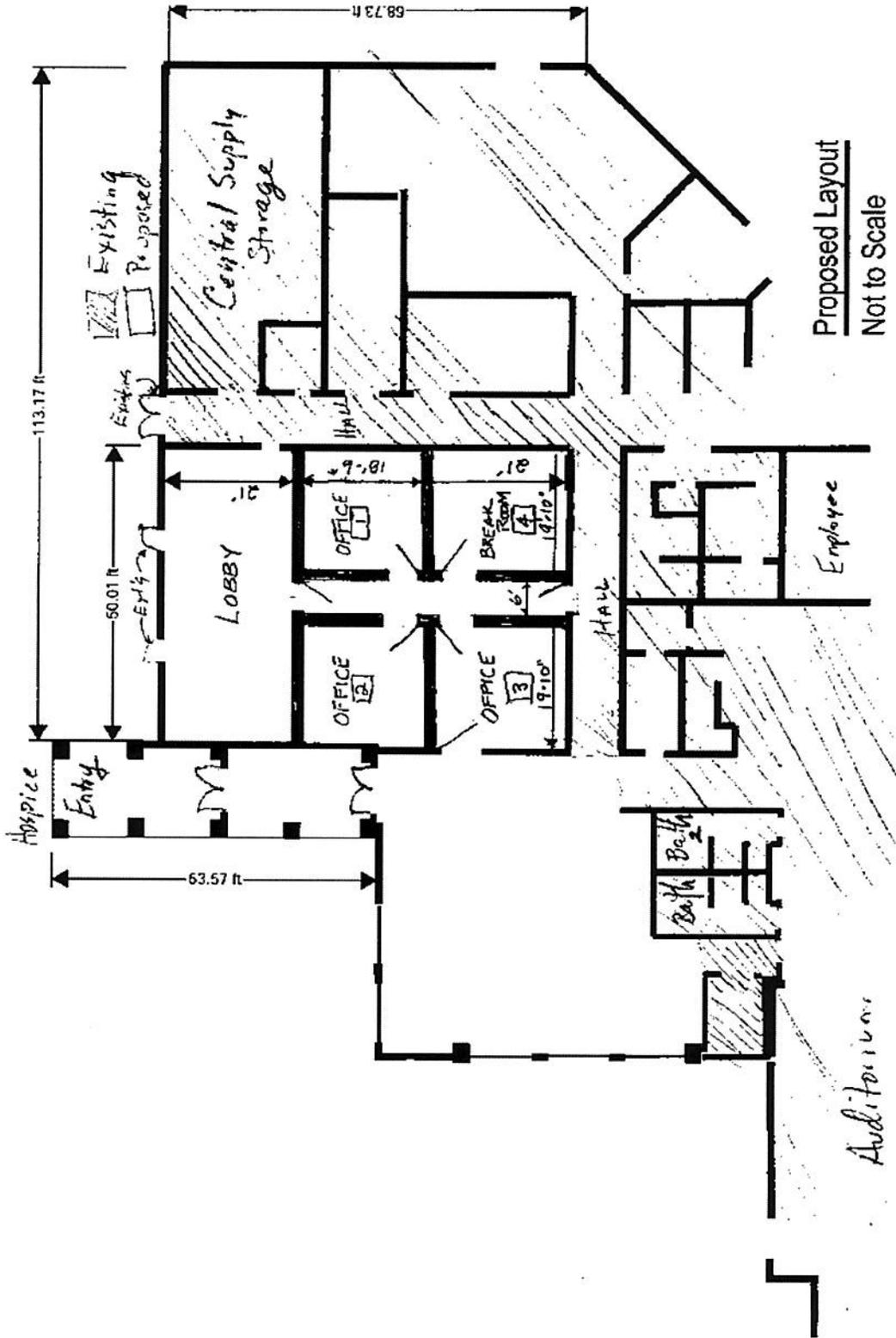
MEMBER  
 Title

Executive Director  
 Title

**ATTACHMENT A.6B**  
**(Plot Plan, Footprint, etc.)**

# Proposed Hospice Offices

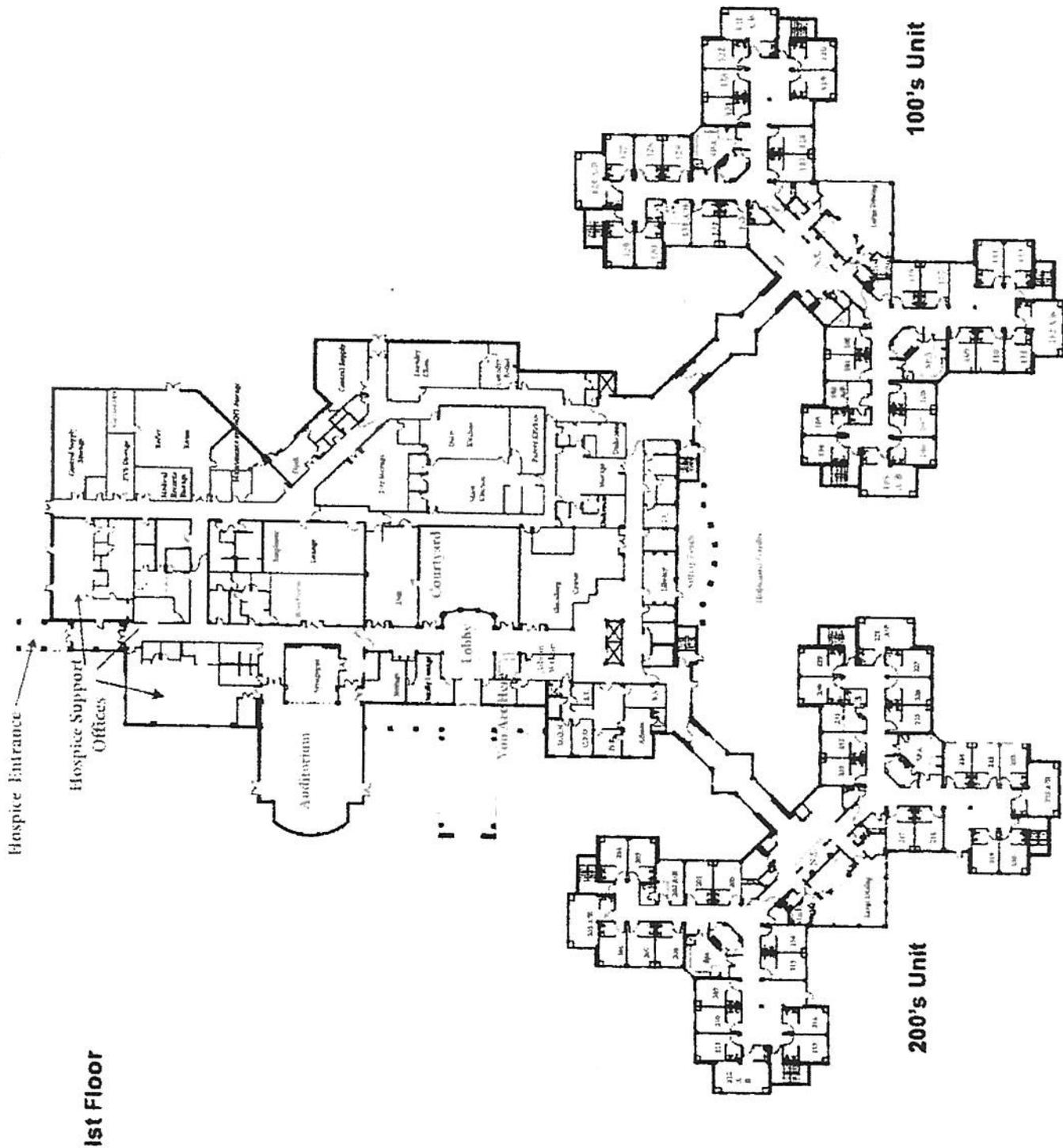
New Office Space (2000 +/-)



Proposed Layout  
Not to Scale



Hospice Offices.pdf





B'NAI B'RITH HOME AND  
HOSPITAL FOR THE AGED, INC.,

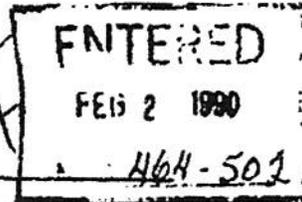
Plaintiff,

v.

No. 96806-3

C. R. "NEIL" GRIFFIN and wife,  
ELIZABETH GRIFFIN,

Defendants.



ORDER OF PARTITION

In this cause B'Nai B'Rith Home and Hospital for the Aged, Inc. has filed a Complaint seeking partition of real property; and

It appears to the court that the parties hold title as tenants in common to the real property described in Exhibit A hereto which legal description is incorporated herein by reference; and

It appears to the court that B'Nai B'Rith Home and Hospital for the Aged, Inc. owns a seven-eighths undivided interest in the property and Neil Griffin and Elizabeth Griffin own a one-eighth undivided interest in the property; and

It appears to the court that the parties have agreed upon a partition in kind of the property which partition the court finds reasonable and will approve.

IT IS, THEREFORE, ORDERED, BY CONSENT:

1. All the right, title and interest of and to the following real property is vested in Neil Griffin and Elizabeth Griffin and divested out of B'Nai B'Rith Home and Hospital for the Aged, Inc.:

TAX PARCEL: D02-21-199

Parcel 1: Being part of the Louise Yates Wulff and Charles D. Yates 88.11 acre tract situated in Shelby County, Tennessee, and being more particularly described as follows: Commencing at the centerline intersection of Bazemore Road with Walnut Grove Road (formerly Raleigh-LaGrange Road); run thence along the centerline of Bazemore Road on a relative bearing of S 18 degrees 52' 51" E - 216.92 feet to an angle point; thence continuing along the centerline of Bazemore Road the following courses and distances; S 06 degrees 46' 45" E - 155.32 feet; S 04 degrees 05' 29" E - 877.93 feet; thence S 03 degrees 47' 47" E - 761.17 feet to the TRUE POINT OF BEGINNING of the hereinafter described parcel; thence N 85 degrees 42' 03" E - 638.22 feet to the northwest corner of the property described in Instrument No. 65 3561, Shelby County

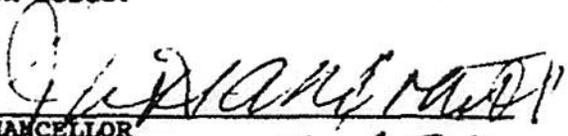
668.34 feet to the centerline of Bazemore Road; thence N 07 degrees 27' 38" E along said centerline 149.07 feet to an angle point; thence N 03 degrees 47' 37" W along said centerline 459.54 feet to the point of beginning, containing 9.060 acres, and being subject to an eight foot wide utility easement of record in Book 2502, Page 43, in said Register's Office.

Parcel 2: Being part of the Louise Yates Wulff and Charles D. Yates 88.11 acre tract situated in Shelby County, Tennessee, and being more particularly described as follows: Beginning at a point in the centerline of Walnut Grove Road, said point being located eastwardly as measured along said centerline a distance of 890.79 feet from the intersection of said centerline with the centerline of Bazemore Road; thence N 56 degrees 55' 04" E along the centerline of Walnut Grove, a distance of 88.52 feet to a point; thence N 68 degrees 11' 15" E along said centerline, a distance of 95.12 feet to a point; thence N 79 degrees 27' 26" E along said centerline, a distance of 32.63 feet to a point being the northwest corner of the property described in Instrument No. F9-0211 in the Shelby County Register's Office; thence S 03 degrees 44' 46" E along the west line of said property a distance of 455.55 feet to a point; thence S 86 degrees 15' 14" W, a distance of 200.0 feet to a point; thence N 03 degrees 44' 46" W, a distance of 378.82 feet to the point of beginning and containing 1.954 acres.

This being part of the same property in which B'Nai B'Rith Home and Hospital for the Aged, Inc. received a seven-eighths (7/8s) undivided interest pursuant to Special Warranty Deed recorded as Instrument No. AW 7596, in the Register's Office of Shelby County, Tennessee.

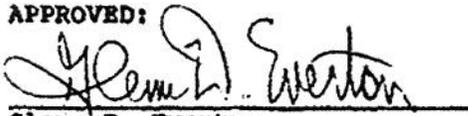
2. All the right, title and interest of and to all of the real property described in Exhibit A hereto, less and except that real property specifically granted to Neil Griffin and Elizabeth Griffin above, is vested in B'Nai B'Rith Home and Hospital for the Aged, Inc. and divested out of Neil Griffin and Elizabeth Griffin.

3. The costs of this action are assessed against the plaintiff for which let execution issue.

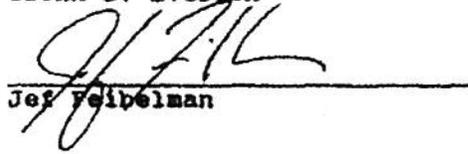
  
CHANCELLOR

Date: 2 Feb '90

APPROVED:

  
\_\_\_\_\_

Glenn D. Everton

  
\_\_\_\_\_

Jeff Feibelman

## EXHIBIT A

TAX PARCEL: D02-21-197

Beginning at the centerline intersection of Bazemore Road with Walnut Grove Road (formerly Raleigh Lagrange Road); thence north 67 degrees 56 minutes 06 seconds east along the centerline of said Walnut Grove Road 264.95 feet to an angle point in said Road; thence continuing along said centerline north 62 degrees 27 minutes 09 seconds east 445.31 feet to an angle point; thence continuing along said centerline north 56 degrees 55 minutes 04 seconds east 269.05 feet to an angle point; thence continuing along said centerline north 68 degrees 11 minutes 15 seconds east 95.12 feet to an angle point; thence continuing along said centerline north 79 degrees 27 minutes 26 seconds east 32.63 feet to the northwest corner of the property described in instrument number F9 0211; thence south 3 degrees 44 minutes 46 seconds east along the west line of said property 1,078.56 feet to an axle at the southwest corner of said property; thence north 86 degrees 00 minutes 12 seconds east along the south side of said property 953.79 feet to an iron pin at the northwest corner of the Burk property; thence south 3 degrees 39 minutes 56 seconds east along the west line of the Burk property and the George B. Harrington property 954.07 feet to an existing fence corner; thence north 87 degrees 12 minutes 35 seconds east along said Harrington's line 136.74 feet to an iron pin; thence south 3 degrees 39 minutes 56 seconds east along said Harrington's west line 381.38 feet to an iron pin at the northeast corner of the property described in instrument number G5 3561; thence south 85 degrees 42 minutes 03 seconds west along the north line of said property 1,396.07 feet to an iron pin at the northwest corner of said property; thence south 3 degrees 52 minutes 54 seconds east along the west line of said property 622.90 feet to an iron pin; thence south 87 degrees 11 minutes 39 seconds west along the north line of said property 668.34 feet to the centerline of Bazemore Road; thence north 7 degrees 27 minutes 38 seconds east along the centerline of said road 149.07 feet to an angle point in said road; thence continuing along said centerline north 3 degrees 47 minutes 37 seconds west 1,220.71 feet to an angle point in said road; thence continuing along said centerline north 4 degrees 5 minutes 29 seconds west 877.93 feet to an angle point; thence continuing along said centerline north 6 degrees 46 minutes 45 seconds west 155.32 feet to an angle point; thence continuing along said centerline north 18 degrees 52 minutes 51 seconds west 216.94 feet to the point of beginning containing 88.11 acres.

STATE OF TENNESSEE

COUNTY OF SHELBY

} SS

I, John C. Robertson, Clerk and Master of the Chancery Court of Shelby County, State aforesaid, do hereby certify that the foregoing 4 pages contain a full, true, and perfect photostat copy of Order of Partition

Entered in a certain cause wherein B'Nai B'Rith Home et al Complainant, and C. R. "Neal"Griffin et ux Defendant, as the same appears of record in my office.

In witness whereof I have hereunto set my hand and affixed the seal of said Court at my aforesaid office in the City of Memphis.

This the 9 day of July, A.D., 19 93

JOHN C. ROBERTSON, Clerk and Master

by: [Signature] D. C. & M.

RETURN TO:

Griffin, Clift, Everton & Thornton  
965 Ridge Lake Blvd. #100  
Memphis, TN 38120

DS5950

FF G 1978 (GDE)

Form with fields: No. DS 5950, D/C, Pcs. 5, Val, STATE TAX

RECORDED  
93 JUL 16 PM 2:10

**ATTACHMENT B.EconomicFeasibility.2**

**(Funding Documentation)**



April 1, 2020

To Whom It May Concern:

Patricia Sherman has access to \$90,000 with BankTennessee.

If further information is needed, please let me know.

Thank you,

A handwritten signature in cursive script that reads "Jeanne Hamilton".

Jeanne Hamilton  
BankTennessee  
Vice President  
2915 Forest Hill Irene Road  
Germantown, TN 38139  
901-755-8815  
Jeanne.hamilton@banktennessee.com



April 1, 2020

To Whom It May Concern:

Kristan Perkins has access to \$90,000 with BankTennessee.

If further information is needed, please let me know.

Thank you,

A handwritten signature in cursive script that reads "Jeanne Hamilton".

Jeanne Hamilton  
BankTennessee  
Vice President  
2915 Forest Hill Irene Road  
Germantown, TN 38139  
901-755-8815  
Jeanne.hamilton@banktennessee.com

Southern Healthcare Investments, LLC  
1125 Schilling Boulevard East, Suite 101  
Collierville, TN 38017

02/10/2020

Re: Availability of Funding for Hospice of Hope - Tennessee

To Whom it May Concern,

The funding for Hospice of Hope – Tennessee will be provided by cash reserves from various owner sources. These sources include investment funds, business funds, and personal holdings of owners. Included with this letter are source documents from Lubin Enterprises, an owner held entity, showing enough fund reserves, in the aggregate amount of \$680,890, to cover the initial project cost. If there are questions regarding the sources of funds, or the statements corroborating these sources, please do not hesitate to contact me.

Sincerely,

John M. Perkins II  
Chief Financial Officer  
Hospice of Hope - Tennessee

**LUBIN ENTERPRISES, INC.**

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2019**



**LUBIN ENTERPRISES, INC.**

**TABLE OF CONTENTS**  
**OCTOBER 31, 2019**

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Balance Sheet	2
Statement of Income and Comprehensive Income	3
Statement of Retained Earnings and Accumulated Other Comprehensive Income	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10





**FOUTS & MORGAN**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

Douglas A. Garner, CPA  
J. Donald Short, CPA  
Michael T. Odom, CPA, CVA  
Randal L. Gregory, CPA  
Gary D. Purdy, CPA, CA  
Jimmie D. Fouts, CPA (1941-2008)  
Don W. Morgan, CPA (1939-2005)

To Management  
Lubin Enterprises, Inc.  
West Memphis, Arkansas

### **Independent Accountant's Review Report**

We have reviewed the accompanying financial statements of Lubin Enterprises, Inc., which comprise the balance sheet as of October 31, 2019, and the related statements of income and comprehensive income, retained earnings and accumulated other comprehensive income, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **Management's Responsibility for the Financial Statements**

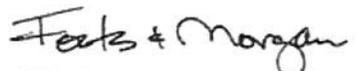
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair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

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

  
FOUTS & MORGAN  
Certified Public Accountants

Memphis, Tennessee  
January 30, 2020

## LUBIN ENTERPRISES, INC.

### BALANCE SHEET OCTOBER 31, 2019

ASSETS		
<b>Current Assets</b>		
Cash and cash equivalents		\$ 750,602
Marketable securities		346,709
Contracts receivable		1,734,810
Costs and estimated earnings in excess of billings on incomplete contracts		169,055
Prepays and other receivables		5,606
Federal and state income tax refund receivable		19,965
Notes receivable		358,026
Total current assets		3,384,773
<b>Fixed Assets</b>		
Equipment, machinery, and vehicles	\$ 213,159	
Leasehold improvements	39,780	
	252,939	
Less: Accumulated depreciation	(201,765)	
Net fixed assets		51,174
<b>Total Assets</b>		\$ 3,435,947
LIABILITIES AND STOCKHOLDER'S EQUITY		
<b>Current Liabilities</b>		
Accounts payable		\$ 835,490
Accrued expenses and withholdings		972,152
Billings in excess of costs and estimated earnings on incomplete contracts		586,421
Total current liabilities		2,394,063
<b>Long-term Liabilities</b>		
Deferred income taxes		13,148
<b>Stockholder's Equity</b>		
Common stock - 1,000 shares common stock, no par value authorized, 850 shares issued and outstanding	\$ 170,000	
Accumulated other comprehensive income (loss)	(8,769)	
Retained earnings	867,505	
Total stockholder's equity		1,028,736
<b>Total Liabilities and Stockholder's Equity</b>		\$ 3,435,947

See accompanying notes and accountant's report.

**LUBIN ENTERPRISES, INC.**

**STATEMENT OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED OCTOBER 31, 2019**

<b>Revenues Earned</b>		\$ 12,678,693
<b>Costs of Revenues Earned</b>		<u>10,287,223</u>
<b>Gross Profit</b>		2,391,470
<b>General and Administrative Expenses</b>		<u>2,311,847</u>
Income from operations		79,623
<b>Other Income (Expense)</b>		
Miscellaneous income	\$ 4,889	
Interest income	11,287	
Dividend income	192	
Gain on sale of fixed assets	<u>9,500</u>	
Total other income		<u>25,868</u>
Income before provision for income taxes		105,491
<b>Provision for income taxes</b>		<u>29,793</u>
<b>Net Income</b>		75,698
<b>Other Comprehensive Income</b>		
Unrealized holding gain (loss) on available-for-sale securities arising during the period		<u>(8,948)</u>
<b>Comprehensive Income</b>		<u><u>\$ 66,750</u></u>

See accompanying notes and accountant's report.

## LUBIN ENTERPRISES, INC.

### STATEMENT OF RETAINED EARNINGS AND ACCUMULATED OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED OCTOBER 31, 2019

---

Retained earnings at beginning of year	\$ 791,807
Net income for the year ended October 31, 2019	<u>75,698</u>
Retained earnings at end of year	<u>\$ 867,505</u>
Beginning accumulated other comprehensive income	\$ 179
Other comprehensive income (loss) for the year ended October 31, 2019	<u>(8,948)</u>
Ending accumulated other comprehensive income (loss)	<u>\$ (8,769)</u>

See accompanying notes and accountant's report.

**LUBIN ENTERPRISES, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED OCTOBER 31, 2019**

<b>Cash Flows from Operating Activities</b>		
Net income		\$ 75,698
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 10,396	
Provision for deferred income taxes	10,690	
Gain on sale of fixed assets	(9,500)	
Gain on sale of investments	(62)	
(Increase) decrease in operating assets:		
Contracts receivable	(568,209)	
Prepays and other receivables	40,923	
Costs and estimated earnings in excess of billings on incomplete contracts	126,693	
Notes receivable	(358,026)	
Increase (decrease) in operating liabilities:		
Accounts payable	351,095	
Billings in excess of costs and estimated earnings on incomplete contracts	516,195	
Accrued expenses and withholdings	146,999	
Income taxes payable	(32,591)	
Total adjustments	234,603	
Net cash provided by operating activities		310,301
<b>Cash Flows from Investing Activities</b>		
Proceeds from the sale of fixed assets	3,500	
Purchases of fixed assets	(41,852)	
Purchases of investments	(595,706)	
Increase of stockholder receivable	62	
Proceeds from the sale of investments	591,693	
Net cash used in investing activities	(42,303)	
Net increase in cash and cash equivalents		267,998
Cash and cash equivalents at beginning of year		482,604
Cash and cash equivalents at end of year		\$ 750,602

See accompanying notes and accountant's report.

## LUBIN ENTERPRISES, INC.

### NOTES TO FINANCIAL STATEMENTS OCTOBER 31, 2019

---

#### Note A - Summary of Significant Accounting Policies

**Organization and Business Activities** - Lubin Enterprises, Inc. (the Company) was incorporated in the State of Arkansas in May 1990 and is licensed as a construction contractor. The Company operates in various states throughout the Mid-South. Jobs are generally performed under fixed-price contracts. The length of the Company's contracts varies but is typically less than two years.

**Revenue Recognition** - Revenues from construction contracts are recognized on the percentage of completion method, measured by the percentage of cost incurred to date to management's estimated total anticipated cost for each contract. Contract costs include all direct material, subcontracts, equipment, and labor costs and those indirect costs related to job performance. General and administrative costs are charged to operations as incurred.

Provisions for estimated losses on incomplete contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the Company's estimates of costs and revenues will change in the near term.

The asset, "Costs and estimated earnings in excess of billings on incomplete contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on incomplete contracts," represents billings in excess of revenues recognized.

**Allowance for Doubtful Accounts** - The Company accounts for potential losses in contract receivables utilizing the allowance method. There is no allowance for uncollectible accounts at October 31, 2019. In reviewing aged receivables, management considers their knowledge of customers, historical losses and current economic conditions in establishing their allowance for doubtful accounts. At the time management determines that a contract receivable is uncollectible, the receivable is charged to bad debt expense.

**Cash and Cash Equivalents** - Cash and cash equivalents include cash in bank and certificates of deposit with original maturities of twelve months or less.

**Fixed Assets** - Fixed assets are reported at cost and are depreciated over their useful lives using the straight-line method for financial purposes. Depreciation is provided over useful lives of five to seven years for equipment, machinery and vehicles, and fifteen years for leasehold improvements.

Job equipment and machinery, which will be used on future jobs, is capitalized and depreciated. Job equipment and machinery, which is used only on a specific job, is charged to contract costs.

Major repairs and betterments of capitalized assets are also capitalized and depreciated, whereas minor repairs and maintenance are expensed as incurred.

For tax purposes, fixed assets are written off using accelerated methods prescribed by the Internal Revenue Service.

## NOTES CONTINUED

### Note A - Summary of Significant Accounting Policies - Continued

**Income Taxes** - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to the difference between book and tax depreciation. The deferred taxes represent the future tax return consequences of those differences, which will be taxable in future periods.

**Advertising Costs** - The Company expenses advertising costs as they are incurred.

**Marketable Securities** - Marketable securities are classified as available-for-sale and, accordingly, are reported at fair value based on quoted prices in active markets (Level 1 measurement). Any unrealized gains or losses arising during the year on securities classified as available-for-sale are reported in comprehensive income. Accumulated other comprehensive income or losses are reported on the face of the financial statements.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported periods. Significant estimates for contractors normally include estimated costs to complete, stage of completion, profit from change orders, and contingent liabilities arising from litigation in normal course of business. Actual results could differ from those estimates.

### Note B - Contracts Receivable

Contracts receivable as of October 31, 2019 consist of the following:

Contracts in progress	\$ 782,253
Completed contracts	160,079
Retainage	792,478
	<u>\$ 1,734,810</u>

### Note C - Retirement Plan

The Company has a safe harbor 401(k) plan effective June 1, 2016 covering all employees who meet certain eligibility requirements. The Company may make a profit sharing contribution at its discretion. Additionally, the Company currently provides a match equal to 100% of the participant's salary deferral that does not exceed 3% of their compensation plus 50% of the participant's salary deferral between 3% and 5% of their compensation. For the year ended October 31, 2019, the Company contributed \$50,073 in profit sharing and \$29,823 in safe harbor contributions.

### Note D - Notes Receivable

The Company issued a note receivable to River Pines, LLC in the amount of \$163,500 on May 2, 2019. During the year ended October 31, 2019, the Company collected \$30,474 on this note. The remaining balance of \$133,026 is due in full on May 2, 2020.

The Company also issued a note receivable to Broad Street, LLC in the amount of \$225,000, dated October 17, 2019. Interest-only payments are due in monthly installments beginning December 1, 2019 at a rate of 5%. The note receivable is due in full in October 2020.

## NOTES CONTINUED

### Note E - Income Taxes

The Company has adopted ASC 740-10 as it relates to uncertain tax positions for the year ended October 31, 2019 and has evaluated its tax positions taken for all open tax years. The Company files income tax returns with the Internal Revenue Service and various state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal or state income tax examinations by tax authorities for tax years before 2016.

For the year ended October 31, 2019, the Company had no unrecognized tax benefits. There were no penalties or interest recognized during the year or accrued at year end.

Based on the evaluation of the Company's tax positions, management believes all positions taken would more likely than not be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended October 31, 2019.

In accordance with generally accepted accounting principles, an entity recognizes deferred tax assets and liabilities for future tax consequences of events that have been previously recognized in the Company's financial statements or tax returns.

The provision for income taxes is comprised of the following:

	October 31, 2019		
	Federal	State	Total
Income taxes - current	\$ 14,267	\$ 4,836	\$ 19,103
Income taxes - deferred	8,149	2,541	10,690
Total provision for income taxes	<u>\$ 22,416</u>	<u>\$ 7,377</u>	<u>\$ 29,793</u>

The Company has elected to early adopted the provisions of Financial Accounting Standards Board Accounting Standard Update (ASU) 2015-17, Income Taxes, which requires that all deferred tax liabilities and assets be classified as noncurrent. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion of the deferred tax assets will not be realized.

The long-term deferred tax liability in the accompanying balance sheet includes the following:

	Federal	State	Total
Deferred tax liabilities arising from:			
Depreciation	<u>\$ (10,047)</u>	<u>\$ (3,101)</u>	<u>\$ (13,148)</u>

### Note F - Concentrations of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, cash equivalents, and contracts receivable. The Company places its cash and temporary cash investments with high credit quality institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At October 31, 2019, the Company's uninsured cash balances total \$490,266.

The Company's construction activities are concentrated with a small number of governmental agencies in Tennessee and the surrounding Mid-South area. This concentration makes the Company vulnerable to risk associated with the inability to obtain additional construction contracts.

NOTES CONTINUED

**Note G - Billings, Costs, and Estimated Earnings on Incomplete Contracts**

Costs incurred on incomplete contracts	\$ 8,647,246
Estimated earnings	<u>1,770,145</u>
	10,417,391
Less: Billings to date	<u>(10,834,757)</u>
	<u>\$ (417,366)</u>
Included in the accompanying balance sheet under the following captions:	
Costs and estimated earnings in excess of billings on incomplete contracts	\$ 169,055
Billings in excess of costs and estimated earnings on incomplete contracts	<u>(586,421)</u>
	<u>\$ (417,366)</u>

**Note H - Marketable Debt and Equity Securities**

The Company invests in various marketable debt and equity securities. Marketable debt and equity securities are exposed to various risks such as interest rates, and market and credit risks. Due to the level of risk associated with certain marketable debt and equity securities, it is possible that changes in the values of marketable debt and equity securities will occur in the near term and that such changes could materially affect amounts reported as marketable securities on the balance sheet. The Company applies Generally Accepted Accounting Principles (GAAP) for fair value measurement of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

**Level 1 inputs** - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

**Level 2 inputs** - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3 inputs** - unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Cost and fair value of marketable debt and equity securities at October 31, 2019 are as follows:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gain (Loss)</u>	<u>Fair Value</u>
Available-for-sale Equity securities - Level 1	<u>\$ 355,478</u>	<u>\$ (8,769)</u>	<u>\$ 346,709</u>

## NOTES CONTINUED

### Note I - Supplemental Disclosures of Cash Flow Information

Cash paid during the year for:

Interest	\$ -
Income taxes	<u>\$ 52,906</u>

### Note J - Accounts Payable

Accounts payable includes \$485,889 due to subcontractors which has been retained pending completion and customer acceptance of jobs.

### Note K - Lines of Credit

The Company has unsecured lines of credit totaling \$432,300 from two financial institutions. The lines of credit bear interest at variable rates based on prime and are renewable at dates ranging from May 2020 through September 2021. There were no outstanding borrowings on these lines of credit as of October 31, 2019.

### Note L - Operating Expenses

General and administrative expenses for the year ended October 31, 2019 consist of the following:

Auto and truck	\$ 11,632
Bid expense	22,022
Communications	18,338
Contributions	26,914
Depreciation	10,396
Dues and subscriptions	31,490
Insurance	86,813
Legal and accounting	61,922
Management fees	423,335
Office and miscellaneous expense	153,043
Office management and consulting fees	19,529
Payroll taxes	69,257
Rent	87,000
Repairs and maintenance	41,643
Retirement plan expense	79,896
Salaries and bonuses	915,810
Taxes and licenses	18,944
Travel	227,844
Utilities	<u>6,019</u>
Total general and administrative expenses	<u>\$ 2,311,847</u>

### Note M - Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including January 30, 2020, which is the date the financial statements were available to be used.

**LL - Lubin Enterprises Inc**  
**Balance Sheet as of February, 2020**

<b>Account</b>	<b>Total</b>
<b>ASSETS</b>	
1010 - Savings Account	\$187,655.53
1020 - Checking Bank Account	\$86,345.52
1100 - Accounts Receivable	\$401,098.00
1110 - Retainage Receivable	\$518,632.89
1115 - Under-billings	\$224,210.35
1700 - Equipment	\$3,644.80
<b>TOTAL ASSETS</b>	<b>\$1,421,587.09</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
2100 - Accounts Payable	\$168,345.74
2110 - Retainage Payable	\$507,452.77
2115 - Credit Card	\$224,377.82
2121 - DL Prior Year	\$100,782.41
2122 - DL Current year	\$57,357.92
2400 - Over-Billings	\$205,130.10
<b>Total Liabilities</b>	<b>\$1,263,446.76</b>
Equity	
3500 - Retained Earnings - Current Year	\$57,394.92
3550 - Retained Earnings - Prior Year	\$100,745.41
<b>Total Equity</b>	<b>\$158,140.33</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,421,587.09</b>

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**LL - Lubin Enterprises Inc**  
**Income Statement**  
**Nov 1, 2019 - Feb 29, 2020**

<b>Account</b>	<b>Total</b>
Revenue	
4000 - Construction Income	\$882,787.40
4001 - % Completion Adjustment	\$309,257.59
<b>Total Revenue</b>	<b>\$1,192,044.99</b>
Cost of Goods Sold	
5000 - Equipment	\$32,506.06
5010 - Labor	\$90,548.81
5020 - Material	\$60,874.34
5030 - Other	\$124,113.93
5040 - Subcontract	\$736,887.97
<b>Total Cost of Goods Sold</b>	<b>\$1,044,931.11</b>
<b>GROSS PROFIT</b>	<b>\$147,113.88</b>
Operating Expenses	
6015 - Office Supplies & Postage	\$158.40
6050 - Consulting	\$2,372.50
6300 - Travel Expense	\$1,666.45
6920 - Non-billables	\$28,163.69
7000 - DL share of distribution	\$57,357.92
<b>Total Operating Expenses</b>	<b>\$89,718.96</b>
<b>NET OPERATING INCOME</b>	<b>\$57,394.92</b>
<b>NET INCOME</b>	<b>\$57,394.92</b>

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**ATTACHMENT B.OrderlyDevelopment.1**

**(Letters of Support)**



ביתנו ביתך

ANSHEI SPHARD  
BETH EL EMEH  
CONGREGATION

*Hilfende, spendende*

**Rabbi**  
JOEL M. FINKELSTEIN

**Cantor**  
ARYEH SAMBERG

**Chair of Excellence in  
Halachic Research**  
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Chover

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MEL ORLANSKY  
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\* of Bessada Fellowship

Dear Sirs/Madams,

I would like to write in support of the proposal for Hospice of Hope to become a Jewish hospice resource in the Memphis area. It is true that Jewish people have unique needs at the end of life. Many would benefit from a hospice whose philosophy of end of life and of life itself was more consistent with their own beliefs.

Jewish people in hospice would find much comfort in knowing that the care they were receiving care is in line with their Jewish faith. I fully support this effort and ask that the State of Tennessee be supportive of this endeavor.

Thank you.

Sincerely,



Rabbi Joel Finkelstein

120 East Yates Road North  
Memphis, Tennessee 38120  
(901) 682-1611  
www.asbee.org



**Young Israel of Memphis**

531 South Yates Road

Memphis, TN 38120

(901) 761-6060

info@yiom.org

www.yiom.org

---

July 5, 2020

To whom it may concern,

I hope that you are well. My name is Rabbi Akiva Males, and I'm privileged to serve as the Rabbi of Young Israel of Memphis – one of the Memphis Jewish community's Orthodox synagogues. This past week, Jonathan Freiden shared with me his vision for the "Hospice of Hope" program that would be run in partnership with the Memphis Jewish Home and Rehabilitation.

In my opinion, such a program would serve a vital need within Memphis' Jewish community. Members of our Jewish community – no matter where they are on the spectrum of Jewish religious observance – have end-of-life needs which are unique to their faith community. Some of those needs revolve around their religious diets, holiday observances, and other faith based requirements. Currently, it is challenging for Jewish patients in need of hospice care to find a program in the Memphis area which can truly meet their unique needs. However, their special religious needs could certainly be met under the umbrella of Memphis' Jewish Home.

The Memphis Jewish Home has already proven itself more than capable of meeting the needs of their Jewish clients – while at the same time meeting the needs of each one of their clients of every faith background. Seeing as how the Memphis Jewish Home and Rehab have heroically risen to the challenge in caring for each of their clients until now, I am certain they are more than capable of continuing to perform their exemplary work via a Jewish hospice program to be run under its auspices.

Please know that I am here to help in any way that I can.

Sincerely,

Rabbi Akiva Males



**Young Israel of Memphis**

531 South Yates Road

Memphis, TN 38120

(901) 761-6060

info@yiom.org

www.yiom.org

---

Logan Grant, Executive Director

Tennessee Health Services and Development Agency

Andrew Jackson Bldg., 9th Fl.

502 Deaderick St.

Nashville, TN 37243

July 7, 2020

To whom it may concern,

I hope that you are well. My name is Rabbi Akiva Males, and I'm privileged to serve as the Rabbi of Young Israel of Memphis – one of the Memphis Jewish community's Orthodox synagogues. This past week, Jonathan Freiden shared with me his vision for the "Hospice of Hope" program that would be run in partnership with the Memphis Jewish Home and Rehabilitation.

In my opinion, such a program would serve a vital need within Memphis' Jewish community. Members of our Jewish community – no matter where they are on the spectrum of Jewish religious observance – have end-of-life needs which are unique to their faith community. Some of those needs revolve around their religious diets, holiday observances, and other faith based requirements. Currently, it is challenging for Jewish patients in need of hospice care to find a program in the Memphis area which can truly meet their unique needs. However, their special religious needs could certainly be met under the umbrella of Memphis' Jewish Home.

The Memphis Jewish Home has already proven itself more than capable of meeting the needs of their Jewish clients – while at the same time meeting the needs of each one of their clients of every faith background. Seeing as how the Memphis Jewish Home and Rehab have heroically risen to the challenge in caring for each of their clients until now, I am certain they can continue to perform their exemplary work via a Jewish hospice program to be run under its auspices.

Sincerely,

  
Rabbi Akiva Males



Interventional  
Cardiology and  
Arrhythmia  
Management

Joseph S. Weinstein, M.D., F.A.C.C., F.S.C.A.I.  
Jennifer Renee Potts, AGNP-C

July 7, 2020

To Whom It May Concern,

This letter is to support the Certificate of Need (CON) for the hospice agency, Hospice of Hope. This agency will partner with the Memphis Jewish Home to provide a hospice service to the Jewish community.

There are many people in the Memphis Jewish community who follow dietary laws and other rituals of Judaism making current choices difficult. Hospice of Hope would be a welcome addition.

I strongly support the CON for Hospice of Hope.

Sincerely,

Joseph S. Weinstein, M.D., F.A.C.C.



Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

7/9/2020

**RE: Certificate of Need, Hospice of Hope**

Mr. Grant,

This is a letter of recommendation in support of the need for a Jewish Hospice Service Provider for the Memphis Jewish Home & Rehab (MJHR) and the Memphis/Shelby County Jewish Community. As you may know, there are particular end of life needs that are special to the Jewish Religion that are unfamiliar to providers here in Memphis and Shelby County therefore leaving these ritual and cultural needs unmet at times not only for the patients, but for families as well. Jewish hospice patients and their families will benefit and feel comfortable having a provider that is versed to meet these needs as well as the ability to be in MJHR's Jewish environment. Individuals of the Jewish faith may require observance of certain dietary laws and would find tremendous meaning being cared for in a Jewish facility. Some traditionally observant Jewish individuals observe a kosher diet. MJHR is the only healthcare facility that serves fresh kosher meals in Shelby county.

Our activities, including weekly religious services and cultural programming, help patients and their families celebrate their Judaism. Judaism also upholds particular ritual and cultural practices that are unique to individuals at the end of life and their families. All of our staff participate in orientation training that help them become attuned to specific needs of Jewish people. MJHR also employs a rabbi in residence, our Director of Spiritual Care, who supports our patients, families, and staff and helps create and maintain MJHR's Jewish environment.

Again, we strongly support the need for a Jewish Hospice in Memphis/Shelby County. Should you have any questions, feel free to contact me anytime.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Bobby Meadows III".

Bobby Meadows III  
Executive Director



**MAJESTIC GARDENS**  
— AT MEMPHIS —  
REHABILITATION AND SKILLED NURSING CENTER

7/10/20

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

To whom it may in concern,

I'd like to strongly recommend Hospice of Hope for approval to provide services in the Shelby County area. I have met with their team and they have a wonderful attitude and forward thinking approach to the sensitive area of hospice care. I have known Mr. Freiden for a number of years and he is a compassionate person who would be a great fit for the field of palliative care based on the other providers I have interacted with.

Besides being a healthcare provider, we are also active in the community and appreciate companies that also feel a similar sense of responsibility to not only treat sickness but to be a part of the community of healthcare that covers all aspects of people's lives. Jonathan and his team seem to understand very well that the purpose of our industry is to holistically care for all people and enrich their lives, at any stage.

Thank you for your consideration and stay safe,

Steven Friedman, NHA  
Chief Operational Officer  
sfriedman@caringhealthsystems.com

MEMPHIS  
JEWISH  
FEDERATION



Operated by Jewish Community Partners

July 9, 2020

Mr. Jonathan Freiden  
Hospice of Hope

Dear Mr. Freiden:

We are writing to express our support for Hospice of Hope to establish a Jewish hospice program in Memphis.

Members of the Memphis Jewish community currently do not have access to Jewish end of life care. Jewish patients and their families and caregivers have unique spiritual and cultural needs which are not being met by the hospice programs in existence in Memphis today.

We know that our Jewish community is aging so the need for Jewish end of life care will only increase. It would certainly benefit our community if our members had access to Jewish hospice.

Thank you,

Laura Linder  
President & CEO  
Jewish Community Partners





בס"ד

Connecting to our past. Building for our future.

July 10, 2020

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9<sup>th</sup> Fl.  
502 Deaderick St.  
Nashville, TN 37243

To Whom It May Concern,

This letter is to support the Certificate of Need (CON) for the hospice agency, Hospice of Hope. This agency will partner with the Memphis Jewish Home to provide a hospice service to the Jewish Community.

There are many people in the Memphis Jewish community who follow dietary laws and other rituals of Judaism making current choices difficult. Hospice of Hope would be a welcome addition.

I strongly support the CON for Hospice of Hope.

Sincerely,

Rabbi Binyamin Lehrfield  
Senior Rabbi, Baron Hirsch Congregation



**ביתו ביתך**  
**ANSHEI SPHARD**  
**BETH EL EMETH**  
**CONGREGATION**

*Al ha'amin, q'v'ha'min*

**Rabbi**  
 JOEL M. FINKELSTEIN

**Cantor**  
 ARYEH SAMBERG

**Chair of Excellence in  
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 ELAINE FOX  
 FRANCO HEALY  
 MARK KAPLAN  
 SARAH KAPLAN  
 MANNIE KARKOWSKY  
 DIANA LAZAR  
 JENNIFER LAZAR  
 MARSHALL LEVY  
 JEFF LICHTERMAN  
 ESTHER LUBIN  
 GARY MALKIN  
 DR. DAVID MIRVIS  
 MEL ORLANSKY  
 MARCI PLATKIN  
 MARC REISMAN  
 CINDY SACHARIN  
 SAM SIMHA  
 BLAKE WAGERMAN  
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 ROBERT HIRSH  
 \* NATHAN KAPELL  
 MICHAEL KAPLAN  
 STEVE KAPLAN  
 \* KOLMAN KATZ

DR. STUART LAZAROV  
 \* JOSEPH LIEBOVICH  
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 \* NATHAN LOSKOVITZ  
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 JOE ROBERTS  
 \* DR. BEN SCHAFFER  
 \* H.L. SCHAFFER

DR. AVRON SLUTSKY  
 \* NATHAN TENENBAUM  
 HOWARD L. WAGERMAN  
 DR. IRA WEINSTEIN  
 \* AARON WEISS  
 STUART ZALOWITZ  
 \* LESTER ZALOWITZ

Dear Sirs/Madams,

I would like to write in support of the proposal for Hospice of Hope to become a Jewish hospice resource in the Memphis area. It is true that Jewish people have unique needs at the end of life. Many would benefit from a hospice whose philosophy of end of life and of life itself was more consistent with their own beliefs.

Jewish people in hospice would find much comfort in knowing that the care they were receiving care is in line with their Jewish faith. I fully support this effort and ask that the State of Tennessee be supportive of this endeavor.

Thank you.

Sincerely,



Rabbi Joel Finkelstein

120 East Yates Road North  
 Memphis, Tennessee 38120  
 (901) 682-1611  
 www.asbee.org



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info@yiom.org

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---

Logan Grant, Executive Director

Tennessee Health Services and Development Agency

Andrew Jackson Bldg., 9th Fl.

502 Deaderick St.

Nashville, TN 37243

July 7, 2020

To whom it may concern,

I hope that you are well. My name is Rabbi Akiva Males, and I'm privileged to serve as the Rabbi of Young Israel of Memphis – one of the Memphis Jewish community's Orthodox synagogues. This past week, Jonathan Freiden shared with me his vision for the "Hospice of Hope" program that would be run in partnership with the Memphis Jewish Home and Rehabilitation.

In my opinion, such a program would serve a vital need within Memphis' Jewish community. Members of our Jewish community – no matter where they are on the spectrum of Jewish religious observance – have end-of-life needs which are unique to their faith community. Some of those needs revolve around their religious diets, holiday observances, and other faith based requirements. Currently, it is challenging for Jewish patients in need of hospice care to find a program in the Memphis area which can truly meet their unique needs. However, their special religious needs could certainly be met under the umbrella of Memphis' Jewish Home.

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Sincerely,

Rabbi Akiva Males

---

Rabbi Akiva Males - rabbi@yiom.org | Jonathan Kaplan, President - JKaplan@littler.com



**Young Israel of Memphis**

531 South Yates Road

Memphis, TN 38120

(901) 761-6060

info@yiom.org

www.yiom.org

---

July 5, 2020

To whom it may concern,

I hope that you are well. My name is Rabbi Akiva Males, and I'm privileged to serve as the Rabbi of Young Israel of Memphis – one of the Memphis Jewish community's Orthodox synagogues. This past week, Jonathan Freiden shared with me his vision for the "Hospice of Hope" program that would be run in partnership with the Memphis Jewish Home and Rehabilitation.

In my opinion, such a program would serve a vital need within Memphis' Jewish community. Members of our Jewish community – no matter where they are on the spectrum of Jewish religious observance – have end-of-life needs which are unique to their faith community. Some of those needs revolve around their religious diets, holiday observances, and other faith based requirements. Currently, it is challenging for Jewish patients in need of hospice care to find a program in the Memphis area which can truly meet their unique needs. However, their special religious needs could certainly be met under the umbrella of Memphis' Jewish Home.

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Please know that I am here to help in any way that I can.

Sincerely,

Rabbi Akiva Males



# Beth Sholom Synagogue

6675 Humphreys Blvd., Memphis, TN 38120

Phone: 901-683-3591/Fax: 901-683-3592/Web: www.bsholom.org

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Geo Poor

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## MEN'S CLUB PRESIDENT

Seth Agranov

## SISTERHOOD PRESIDENT

Susan Levko

## RABBI (1959-79)

\*Arie Becker

\*Deceased

To Whom it May Concern,

I write today to encourage the State of Tennessee to grant a Certificate of Need to Hospice of Hope, seeking to provide hospice services within Shelby County.

Hospice of Hope would provide important and necessary services that are not currently available in Shelby County. For a Jewish person in Memphis, there is not currently a hospice facility that would ensure they would have kosher food, allowing them to adhere to Jewish dietary standards. There is not currently a hospice facility that would provide them with access to a rabbi as a chaplain, who would respond to their and their family's spiritual needs at the end of life.

Especially at the end of life, it is crucial to honor the dignity of each individual. As a rabbi of a synagogue, I often witness people in these difficult circumstances. Individuals and their families seek an environment that is understanding of Jewish traditions and able to provide structure based on them. Programming or resources for Jewish holidays, Jewish prayers, attention to the rhythm of the Jewish week – these are all crucial elements of a Jewish life, and we should be able to provide that for someone in hospice as well. A hospice center should be able to accommodate these religious, spiritual, theological, and cultural needs of a Jewish patient.

The needs of the terminally ill Jewish patients should be treated with compassion and understanding of Jewish values, and I strongly encourage the State of Tennessee to grant a Certificate of Need to Hospice of Hope.

For any further questions, please don't hesitate to reach out.

Rabbi Sarit Horwitz



July 15<sup>th</sup>, 2020

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9<sup>th</sup> Fl.  
502 Deaderick St.  
Nashville, TN 37243

Dear Mr. Grant,

I am writing this letter in support of the proposal for Hospice of Hope to become a Jewish hospice resource in the Memphis area.

As I rabbi in the Memphis area for the last 26 years, I have seen the lack of availability and the great need of a Jewish Hospice care facility, as people of the Jewish faith have unique needs when it comes to end of life issues and practices.

I know that many would benefit from a hospice whose philosophy and practice of end of life and of life itself are consistent with the unique beliefs and practices of Judaism.

There are many very sensitive and emotional needs at the various stages of end of life that Judaism dictates and guides us. From the definition of death to decision making regarding intubation and extubation, from the need to avoid autopsy to the need for immediate burial and postmortem rituals, from the need of Jewish Clergy present at death, and the way we treat the body from the moment of death until burial, and the list goes on and on...

Jewish people in hospice and their families would find much comfort in knowing that the care they were receiving was in line with their Jewish faith and practices. I fully support this effort and ask that the State of Tennessee be supportive of this endeavor.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Levi Y. Klein". The signature is written in a cursive style with a large initial "L" and "K".

Levi Y. Klein  
Rabbi

# *From the desk of Robin Shainberg:*

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

My name is Robin Shainberg and am a born and raised Jewish Memphian.

Recently, within a year period, I lost both my 58-year-old big sister and then 9 months later my 88-year-old father.

My sister ended up at Methodist Hospice in the final moments of her life. The entire staff was incredible, and my sister died in peace, without pain.

However, as a Jew, no matter how great Methodist was, having a Jewish establishment, I believe, would have been better. On the day my sister died, she was mentally unaware. However, I remember feeling helpless, feeling lost, feeling empty. How could a little sister not have her big sister around anymore? If I could have been comforted by a Jewish Chaplain, or possibly have had a Jewish chapel to go into, to pray, this would have been helpful. I remember grasping for G-D to help my sister in her final time, so I played music on my phone for her, a beautiful song from a Jewish singer about letting go. I played it over and over again.

When she died, there was no Jewish clergy to be there with us - for prayers or for comfort. It would have been so much better for the entire family, including my sister, to have had someone there.

My father died suddenly. However, if he had survived that day, he would have been extremely, extremely ill. I know for sure, if he ended up in Hospice, a Jewish one would have been better for him. If you are born a Jew, raised a Jew, live as a Jew, you should be able to die as a Jew. Obviously, he could have been on Mars when he died, and still be a Jew. But being in a place that you and your family feel a Jewish identity, and feel closer to G-D, is very important

After seeing what the entire Hospice experience is like, I know for myself, if I had to go into Hospice, I would want to be in my bed, knowing I am in a place that recognizes my faith from all angles.

I also know, that when my sister was at the Memphis Jewish Home, and we had to leave her there, it was an extremely tough decision. However, being in a "Jewish" home, gave us a sense of peace with our decision.

For all of these reasons, I feel a Jewish Hospice is very much needed in our Jewish community in Memphis, Tennessee. I believe it is truly an urgent matter.

Thank you and stay safe.

Robin Shainberg  
797 Reddoch Street  
Memphis, Tn 38120  
917-364-4468

A handwritten signature in black ink that reads "Robin Shainberg". The signature is written in a cursive style with a large, sweeping loop at the end.

*SHELBY BAUM,  
A MEMBER OF THE MEMPHIS JEWISH COMMUNITY*

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9<sup>th</sup> Fl.  
502 Deaderick St.  
Nashville, TN 37243

To Whom It May Concern,

My name is Shelby Baum. I have lived in Memphis my entire life and have helped care for elderly patients as well as my own mother for years. Thus, I have become familiar with the many facilities that Memphis has to offer.

This past December, I lost my wonderful mom. She had been sick for a few months and her disease progressed rapidly. She was in the hospital and we were told we were at the point to make some end of life care decisions. It was such a confusing process and there was a lot of information to sort through – personally and religiously.

Although the hospice staff that we consulted with was helpful, I desperately needed to have someone of my faith to assist me in the process. There are several decisions to make and it would have been so much easier to deal with staff / chaplain that were familiar with the questions, struggles and needs of a Jewish family going through this difficult time. I discussed with the doctors and my family at that point how we desperately need a Jewish facility for end of life care. Please contact me with there are further questions.



Shelby Baum  
5515 Yates Cove  
Memphis, TN 38120  
901-270-5420



July 7, 2020

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

Dear Mr Grant:

I write this letter in full support of Hospice of Hope - Tennessee's proposal to provide hospice care in Shelby County. As our population ages, I often see patients in need of hospice care and our community will greatly benefit from Hospice of Hope – Tennessee. I strongly encourage you to approve Hospice of Hope - Tennessee for a Certificate of Need.

Warmest Regards,



Dr. Debra Coplon, DNP, DCC  
Doctorate of Clinical Nursing Practice  
Diplomate of Comprehensive Care

FROM THE DESK OF  
**Scott Rosen, MD**

7/29/2020

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

To Whom It May Concern,

This letter is to support the Certificate of Need (CON) for the hospice agency, Hospice of Hope TN. This agency will partner with the Memphis Jewish Home to provide a hospice service to the Jewish community.

There are many people in the Memphis Jewish community who follow dietary laws and other rituals of Judaism, making current choices difficult. Hospice of Hope TN would be a welcome addition.

I strongly support the CON for Hospice of Hope TN.

Sincerely,



Scott Rosen, MD  
Internal Medicine - Hospitalist  
7601 Southeast Pkwy, Southaven, MS 38671



Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

Mr. Grant:

This letter is in support of the Certificate of Need (CON) for the hospice agency, Hospice of Hope. This agency is partnering with the Memphis Jewish Home to provide hospice services to the Jewish Community.

Access to end of life care for the Jewish Community is largely non-existent. Jewish patients and their families have certain spiritual and cultural needs that are not being met by current hospice programs available in the Memphis Area.

Like the rest of the population, the Jewish community is aging causing the need for Jewish end of life care to be expanding. Access to the Hospice of Hope services would help to provide access to these needed services.

Sincerely,

Randall Huling, M.D., FAAFP, CRC, MRO

Office of Dr. Qureshi

July 15, 2020

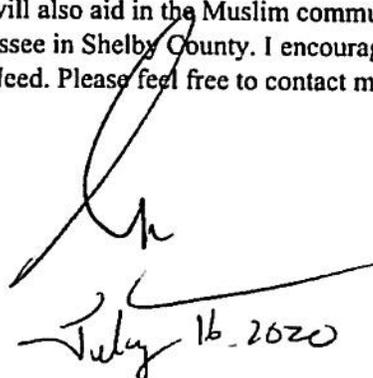
Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

Dear Mr. Grant:

I write on behalf of Johnathan Feidan in support of Hospice of Hope – Tennessee's to approve their application to reduce health disparities in Shelby County, Tennessee. I strongly support this initiative and the focus on reducing health disparities among the Jewish population by increasing providing end of life care suitable to their spiritual, physical, and emotional needs.

This unique attention given to dietary and end of life ends will also aid in the Muslim community as well which further shows our need for Hospice of Hope – Tennessee in Shelby County. I encourage you to approve Hospice of Hope – Tennessee for a Certificate of Need. Please feel free to contact me if I may be of assistance.

Sincerely,



July 16, 2020

**Dr. Shoaib Qureshi**

Family Medicine  
3960 Knight Arnold Road, Ste. 102  
Memphis, TN 38118

Telephone: 901.369.6008

Snadwan Alshaykh MD, FACC, FSCAI\*

Dwight A. Distenon MD, FACC\*

Rami Khouzam MD, FACC, FACP, FASNC,  
FASE, FSCAI\*

Uzoma Ibebuogu, MD, FACC, FSCAI\*

Timothy D. Woods, MD, FACC, FASE\*

Raza Askari, MD\*

Neeraja Yedlapati, MD\*

Sunil K. Jha, MD, MRCP, FACC, FHRS\*

Rajesh Kabra, MD, FHRS, FACC\*

Stevan Himmelstein, MD, FACC\*

Robbie Jones, MSN, ACNP-BC

Brittany Forbes, MSN, FNP-BC

Jade E. Simon, MSN, FNP-BC

Suzanne Ward, MSN, FNP-BC

\* Professor, University of Tennessee  
Health Science Center



July 20, 2020

To whom it may concern:

It is my pleasure to lend support for Hospice of Hope. It is my feeling that faith based care is vitally important in our community. Specific religious needs dictate specialized care of all forms of health services. An individual's well-being is directly impacted by having health care providers and a facility that both understand and have the ability to accommodate religious needs during this critical time in their life.

As such I believe all individuals should have the ability to have their specific religious needs met during their terminal care.

Stevan I. Himmelstein, M.D., F.A.C.C.

Associate Professor of Medicine

University of Tennessee Health Science Center

57 Germantown Court, Suite 100  
Cordova, TN 38108  
901.435.8550

3950 New Covington Pike  
Memphis, TN 38128  
901.435.8550

1211 Union Avenue, Suite 965  
Memphis, TN 38104  
901.435.8550

1251 Wesley Drive, Ste. 153  
Memphis, TN 38116  
901.435.8550

4250 Bethel Road, 5th Floor  
Olive Branch, MS 38654  
901.435.8550

1938 Crescent Meadow Dr.  
Holly Springs, MS 38635  
901.435.8550



**WEST**  
CANCER CENTER  
& RESEARCH INSTITUTE  
part of  Oncology

July 7, 2020

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

Dear Mr Grant:

I am pleased that Hospice of Hope – Tennessee is seeking a Certificate of Need to open Hospice in the Memphis, Tennessee area as I am constantly looking to meet the needs of my patients. Being part of the leadership of the West Clinic, we would welcome the opportunity to refer appropriate Memphis area patients to Hospice of Hope – Tennessee, and recognize the importance of faith based services towards the end of live, an unmet need for this cohort of patients.

I strongly recommend and support the addition of Hospice of Hope – Tennessee as a provider of hospice services in Tennessee.

Sincerely,

Brad Somer, MD  
West Cancer Center and Research Institute  
Memphis, TN



# support solutions

August 11<sup>th</sup>, 2020

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

Dear Mr. Grant,

At Support Solutions of the Mid-South LLC., we pride ourselves in advocating for the needs of those in our community that are underserved. In 2005, our agency began providing services in Memphis, Tennessee and quickly spread across the state of Tennessee. Today we are one of the largest statewide disability services providers who also specializes in mental illness. From speaking with friends, family and co-workers who have worked for the Jewish Community Center and in the hospice industry, I believe that the Jewish community is underserved here in our city. I write today to request that you consider moving forward with a Certificate of Need for Hospice of Hope. They have served the mid-south for many years, and it would be an honor to see them join the ranks of healthcare providers in Shelby County.

Respectfully,

*Shannon Durbin*

Shannon Durbin, MBA

**1. Section A, Executive Summary, Item A.1 Overview (Description)**

Please clarify if the applicant will be trained to meet the needs of a culturally diverse community and other religions.

**Response:** The staff will be trained to address a culturally diverse community and other religions. As stated in response to Question Need.1 on pages 15 and 16 of the original application:

“There are so many people in Shelby County that need “Hope,” and many outside of statistics showing that they need hospice or palliative care. There are numerous cultures that need to be shown respect for their specific culture and religious beliefs.

“Cultural/Ethnic Examples:

1. Jewish
2. Hindu
3. Hispanics/Latino
4. African American
5. Asian
6. Native American
7. Filipino

“There are many cultures in this world and in Shelby County/Memphis, Tennessee that have different ways of coping at the end of life. It is up to the hospice team to know how to provide compassionate care to every individual within their ethnic group.

“Hospice is an approach to caring for an individual who is only expected to live for six months or less if the disease runs its normal course. If you are of Jewish faith, you might wonder how hospice is viewed and understood within your spiritual beliefs. The question that needs to be asked is, does the hospice understand the Jewish customs or is the Plan of Care generic to all patients with a lack of consideration. This is how Hospice of Hope will be different. The Plan of Care will consider and include the culture of the individual.”

Also, in response to State Health Plan Question 5, page 64 of the application:

“To ensure that staff continuously provide the highest quality care and services, education and training will be provided not only aimed at continuous improvement in clinical competence, but also aimed at meeting the cultural needs of the identified underserved populations.”

**2. Section A, Executive Summary, Item A.3 Overview (Ownership)**

What is the percentage ownership of Southern Healthcare Solutions, LLC. and Lubin Enterprises, Inc.?

**Response:** Southern Healthcare Solutions, LLC. is a Tennessee limited liability company originally established on November 03, 2017 and is owned 100% by Patricia Sherman.

Lubin Enterprises, Inc. is an Arkansas corporation and is owned 100% by Nathan Lubin.

### 3. Section A, Applicant Profile, Item 5. Management Agreement

The draft Management/Operating Agreement is noted. However, the applicant's business address/type of service is not noted in the agreement as well as anticipated scope of management services to be provided (operating agreement), and the anticipated fee payment methodology and schedule. Please revise.

What experience does Southern Healthcare Solutions, LLC have in managing an in-home hospice?

**Response:** Southern Healthcare Solutions, Inc. is an active limited liability company in Tennessee, and is in the business of managing healthcare facilities and operations (page 1 of the Management Services Agreement). Question 1 of the application and both the Letter of Intent and the Notice of Intent state that the manager will use the address of the Applicant (36 Bazeberry Road, Cordova, Shelby County, TN 38018) for purposes of this application. Tennessee Secretary of State public records state that the permanent address of the manager is 1125 Schilling Blvd, E., Ste 101, Collierville, TN 38017-7078, and the Management Services Agreement states the address of Southern Healthcare Solutions, LLC is 1125 Schilling Boulevard East, Suite 101, Collierville, Tennessee 38017. The full scope of services to be provided by Southern Healthcare Solutions (described as the "Manager" in the agreement) is discussed in detail in Paragraph 2 of that agreement (pages 1 and 2), and includes but is not limited to the following:

Manager shall:

- Supervise operations at the Applicant's office;
- Negotiate, execute and deliver agreements, certificates, deeds, deeds of trust, notes, leases, security agreements, contracts of sale, and other documents deemed necessary to give effect to any conveyances, leases, debt obligations, to procure labor, materials, or services including the services of professionals;
- Set up necessary bank accounts for payment of Applicant's expenses;
- Borrow funds on behalf of Applicant;
- Invest Applicant's funds as deemed proper and appropriate;
- Acquire assets on behalf of Applicant;
- Manage the business and affairs of the Applicant;
- File tax returns under applicable laws; and, perhaps most importantly,
- Perform all other acts as may be necessary or appropriate to conduct the Applicant's business, subject to all conditions and limitations set forth in the Operating Agreement.

Paragraph 4 of the management agreement (page 2) states that the Applicant (or, "Agency" as described in the document) "...shall pay Manager for all direct costs after the first fiscal year. Agency shall pay Manager for all indirect costs at a rate calculated by patients billed quarterly prorated among the sister companies." Since the first fiscal year has not ended, there is no current calculation for the direct costs that the Applicant shall pay the Manager, and Year 1 shows no management fees. Years 2 and 3 show estimated management fees.

Southern Healthcare Solutions, LLC manages ten in-home hospices located in 4 states (Arizona, Mississippi, Tennessee, and Arkansas). The first subsidiary (Unity Hospice Care) opened in March, 2001 in Batesville, Mississippi. Patricia Sherman owns nine of the hospices as sole owner. The tenth location in Arizona is owned by Patricia Sherman and Kristan Perkins. Patricia Sherman serves as the CEO of Southern Healthcare Solutions while Kristan Perkins serves as the COO. They have over 35 years of in-home hospice management experience between them.

This supplemental question also mentions “operating agreement” regarding the address of the Manager. To avoid confusion, the Applicant states that **Attachment A.5** is a copy of the Management Services Agreement between the Applicant and the Manager. The respective addresses of these two parties are described above. If the reviewer is asking the Applicant to insert an address for the Applicant in its Operating Agreement which is provided as a part of **Attachment A.4AB**, there is no requirement to provide an address within an Operating Agreement of a company.

**4. Section B, Need (Specific Criteria – Hospice Agency), Item 1. Adequate Staffing**

Does the applicant have experience in recruitment, hiring, and training? What methods of recruitment will be utilized?

Is the applicant willing to comply with the general staffing guidelines and qualifications set forth by the National Hospice and Palliative Care Organization?

**Response:** Yes, the Applicant's management company (Southern Healthcare Solutions) recruits, hires, and trains all employees for the ten locations across four states.

Yes, the Applicant (through its manager) will comply with staffing guidelines and qualifications set for by NHPCO. All hospices managed by Southern Healthcare Solutions are currently members of NHPCO and are familiar with and abide by the guidelines.

**5. Section B, Need (Specific Criteria – Hospice Agency), Item 2. Community Linkage Plan**

Please identify Unity Hospice Care and its current and future relationship with Hospice of Hope.

**Response:** Unity Hospice Care is a hospice that opened in March, 2001 in Batesville, Mississippi. Patricia Sherman is the sole owner of Unity Hospice Care. Patricia Sherman also owns 30% of the Applicant. There is no other current or future relationship between Unity Hospice Care and the Applicant, other than Patricia Sherman’s equity interests.

To explain further, Patricia Sherman started Unity Hospice Care through the vision of providing quality and compassionate care to patients and families in the State of Mississippi. This was just the beginning. The first office opened in March 2001 in Batesville. An office later opened in Olive Branch in 2002.

By 2003, the company was growing fast and Pat saw the need to open a corporate office in Tennessee for the administration of the company. The “Corporate Office” was opened in Shelby County, Tennessee where it remains to this day.

The growth of the company did not stop there. In 2005, an office in Tupelo was opened.

The year 2006 saw further growth of the company with the addition of the first office in Tennessee. Unity Hospice Care obtained a Certificate of Need for several middle Tennessee counties and opened an office in Linden. Offices in Lawrenceburg, Lexington, and Savannah followed.

The expansion of the company continued into Arkansas as well. An office in West Memphis was acquired in 2009 and later moved to Marion. A Blytheville office opened in 2019.

The growth into the tri-state area required a formal transition from a corporate office to the creation of Southern Healthcare Solutions to oversee the administrative, financial, human resources, billing, education, compliance, and legal components in 2018. Southern Healthcare Solutions is located in Collierville, Tennessee. It has been a long-time goal to serve patients in our own backyard.

**6. Section B, Need (Specific Criteria – Hospice Agency), Item 3. Proposed Charges**

It is noted the applicant provided a chart on page 44 of the application of the 2019 average gross and average net charge per day of Shelby County hospices. However, for comparison purposes, what was the range of the 2019 average net charge/patient day from other in-home hospices in Shelby County?

**Response:** According to information from 2019 Shelby County hospice JARs, as reflected in the referenced chart, the range of average net charges/patient day was between \$23.25 and \$147.75.

**7. Section B, Need (Specific Criteria – Hospice Agency), Item 4. Access**

The targeting of the Jewish community is noted. Do existing in-home hospice agencies in the service area currently serve Jewish community members? If so, are the traditions and customs for those patients respected, including dietary and spiritual needs, and to what extent?

**Response:** Yes. Existing hospices have served members of the Jewish Community. Some of the letters of support for our project are from members of the Jewish Community whose loved ones received services from existing hospices. However, these letters of support reflect the fact that a hospice agency that targets members of the Jewish faith would more likely understand the special end of life observances which are unique to the Jewish faith. One of the letters (from Rabbi Akiva Males), noting the planned relationship between the Applicant and the Memphis Jewish Home and Rehab Center (the site of the Applicant’s planned office), states:

“[C]urrently, it is challenging for Jewish patients in need of hospice care to find a program in the Memphis area which can truly meet their unique needs. However, their special religious needs could certainly be met under the umbrella of Memphis’ Jewish Home.”

Other letters of support mention the unique dietary laws, cultural needs and end of life rituals required by members of the Jewish Community. Rabbi Levi Y. Klein’s letter of support states:

“There are many very sensitive and emotional needs at the various stages of end of life that Judaism dictates and guides us. From the definition of death to decision making regarding intubation and extubation, from the need to avoid autopsy to the need for immediate burial and postmortem rituals, from the need of Jewish Clergy present at death, and the way we treat the body from the moment of death until burial, and the list goes on and on....”

Further, Laura Linder, President/CEO of Jewish Community Partners, states that unique spiritual and cultural needs of members of the Jewish faith are “...not being met by the hospice programs in existence in Memphis today.”

This is not to say that existing hospice agencies are insensitive or uncaring to the special needs of members of the Jewish Community. Robin Shainberg’s letter of support states that when her sister required hospice care, the staff at Methodist Hospice “...was incredible....” However, her letter continues by stating that “...as a Jew, no matter how great Methodist was, having a Jewish establishment ... would have been better.” And that if “...you are born a Jew, raised as a Jew, live as a Jew, you should be able to die as a Jew.”

**8. Section B, Need (Specific Criteria – Hospice Agency), Item 6. Quality Control and Monitoring**

The experience of the manager, Southern Healthcare Solutions, LLC, is noted. However, please describe the manager’s experience in data reporting, quality improvement, and outcome and process monitoring. In addition, how will that experience and systems be applied to the operation of Hospice of Hope?

Please clarify if other hospice providers in Shelby County are accredited by the National Institute for Jewish Hospice.

Please provide a brief overview and significance of being accredited of the National Institute for Jewish Hospice.

**Response:** Southern Healthcare Solutions has a Quality Improvement and Compliance Department that successfully handles data reporting, quality improvement, and outcome and process monitoring for all ten locations currently under management. They will also be in charge of the same systems for Hospice of Hope - Tennessee.

There are no existing hospice providers in Shelby County that are accredited by the National Institute for Jewish Hospice (NIJH). There are no NIJH-accredited hospices anywhere in Tennessee, Arkansas, or Mississippi. It is stated on page 4 of the application that:

“It is planned that the Applicant will be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid/TennCare, The National Institute for Jewish Hospice (NIJH), and Community Health Accreditation Partner (CHAP). There are no NIJH-certified hospices in Tennessee. NIJH-certified hospices are located in California, Colorado, Connecticut, Florida, Kansas, Maryland, Massachusetts, Missouri, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas and Virginia. Further, according to the National Hospice and Palliative Care Organization (NHPCO), Tennessee ranks 41<sup>st</sup> out of the 50 states, meaning that 80% of the states have a higher Medicare percentage of enrollment in hospice care than does Tennessee. The approval of this application will help further the utilization of this much-needed end-of-life care in our state.”

Accreditation by NIJH will provide further training and support to Hospice of Hope – Tennessee to better serve the Jewish Community and provide what no other hospice in Shelby County does. The NIJH website states it best:

1. Train your staff to serve Jewish patients in a culturally sensitive way
2. Create greater Jewish patient and family satisfaction
3. Grow your business with new clients from the Jewish community

4. NIJH Staff Training Program
5. Jewish Holiday Information distributed before every holiday
6. Access to all NIJH Materials
7. Media and Marketing Kit
8. Listing on the NIJH Website

**9. Section B, Need (Specific Criteria – Hospice Agency), Item 8. Education**

Will the manager or other entities be providing the ongoing staff training?

Please describe the training entities experience in training hospice staff.

**Response:** Southern Healthcare Solutions, the Manager, will provide ongoing staff training. The HR, Compliance, QI, and Education Departments successfully train 10 existing hospices and have systems prepared for day one of operation of the Applicant.

There is talent across every location to assist in training and supporting every discipline.

**10. Section B, Need (Specific Criteria – Hospice Agency), Item 17. Need Formula**

Although the applicant appeared to address this question more fully in response to Criterion 11, as noted above, Criterion 11 isn't (sic) applicable to this application. If the applicant would like to expand on the current response to this Criterion (#17), please provide the revised response and submit a replacement page.

Please complete the following chart.

<b>Hospice Penetration Rate Chart</b>									
<b>County</b>	<b>2017 Patients Served</b>	<b>2018 Patients Served</b>	<b>Mean (A)</b>	<b>2017 Deaths</b>	<b>2018 Deaths</b>	<b>Mean (B)</b>	<b>County Hospice Penetration Rate C</b>	<b>Statewide Penetration Median Rate (D)</b>	<b>Demand for Additional Service E</b>
Shelby	3821	3823	3822	7073	7382	7228	0.529	(617)	(416)

**Response:** The requested change (moving Response #11 to #17) was made. Further, the complete Attachment was reformatted and reprinted, deleting the pagination supplied by the original form, and entitled **Replacement Attachment for Hospice of Hope – Tennessee, LLC CN2008-026**.

The above chart shows the excerpt from Shelby County from the **Attachment Need Chart** supplied by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

**11. Section B, Need, Item 3, Proposed Service Area**

The table of projected utilization for Shelby County residents in Year One on page 20 is noted. However, please revise the projected utilization chart by including the number of patients to be included in Year One. Please revise and submit a replacement page 20 (labeled as 20R).

Response: It is planned that nine (9) patients will be served in Year 1. Please see replacement Page 20R.

**12. Section B, Need, Item 5, Existing Providers Utilization**

Please provide the following information (2017-2019) from the Hospice Joint Annual Reports.

**2017-2019 Hospice Utilization Trends-Shelby County**

<b>Agency</b>	<b>2017 Patients</b>	<b>2018 Patients</b>	<b>2019 Patients</b>	<b>2017-2019 % change</b>
Avalon Hospice	3646	4797	5517	51.13
Caris Healthcare	401	336	323	-19.45
Amedisys Hospice Care	240	374	510	112.50
Baptist Trinity Hospice	681	662	552	-18.94
Compassus - Memphis	126	136	243	92.86
Crossroads Hospice of Tennessee, LLC	1915	1727	1753	-8.46
Methodist Alliance Hospice	1145	1170	1209	5.59
<b>TOTAL</b>	<b>8154</b>	<b>9202</b>	<b>10107</b>	<b>23.95</b>

*Source: 2017-2019 Hospice Joint Annual Report*

**Response:** The above chart is completed.

**13. Section B, Need, Item 6 (Applicant’s Proposed Services)**

Your response to this item is noted. Please complete the following table for the first two years of the applicant hospice operations.

<b>Year</b>	<b>Patients</b>	<b>Patient Days</b>
Year 1	<b>9</b>	<b>3300</b>
Year 2	<b>27</b>	<b>10115</b>

Please provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

**Response:** The chart above is completed.

The Applicant has opened 3 new hospices within the past 10 years and our projected utilization is consistent with what we have experienced at those three facilities. The Projected Data Chart shows growth from 9 patients in 2022 to 27 in 2023. This is an increase of 33%. From 2023 to 2024 we show an increase from 27 to 48, or 56%. Based on our historical utilization growth, these projections are reasonable and even conservative.

Further, discussions with the Memphis Jewish Home and Rehab Center indicated such projections would be consistent with the number of their patients who require hospice care.

**14. Section B, Economic Feasibility, Item 1.B. (Lease)**

It is noted the applicant's administrative offices will be located within the Memphis Jewish Home and Rehab Center. The Shelby County Assessor of Property assesses the Memphis Jewish Home and Rehab Center building at \$10,307,100 with 142,608 SF. Please provide an estimate of fair market value (FMV) of the leased space. If the FMV is higher than the projected lease, please revise the Project Costs chart and other applicable pages and submit replacement page(s). If there is a change in Project Cost Chart, please also revise your narrative response under the heading "Project Cost" on page 3 of the application.

**Response:** Thank you for pointing out this discrepancy. We double-checked our numbers and agree. As a consequence, the Project Cost Chart has been revised to reflect this change. See Replacement pages 3R and 26R.

**15. Section B, Economic Feasibility, Project Cost Chart, Item C3.**

There is a calculation error in the Project Cost Chart. Please correct and submit a replacement age 26 (labeled as 26R).

Please clarify how the applicant will purchase office furnishings, computers and programming, etc. Those items are not inclusive of the Option to Lease Agreement or in the Project Cost Chart.

Response: The Project Cost Chart is revised. Please see page 26R.

Some office furniture is already in the space to be leased and is available for the Applicant. If needed, Southern Healthcare Solutions, as Manager, has existing office furniture and equipment for the office of the Applicant. In addition, the management contract allows the Manger to acquire other assets as may be needed as part of its management contract. Further, the Manager has existing computer hardware and software that will be utilized in the operation of this hospice. Such software is currently in place and is being utilized by all existing companies previously mentioned.

(For the reviewer's convenience, the reference to those existing companies is replicated below:

Southern Healthcare Solutions, LLC manages ten in-home hospices located in 4 states (Arizona, Mississippi, Tennessee, and Arkansas). The first subsidiary (Unity Hospice Care) opened in March 2001 in Batesville, Mississippi. Patricia Sherman owns nine of the hospices as sole owner. The tenth location in Arizona is owned by Patricia Sherman and Kristan Perkins. Patricia Sherman serves as the CEO of Southern Healthcare Solutions while Kristan Perkins serves as the COO. They have over 35 years of in-home hospice management experience between them.

**16. Section B, Economic Feasibility, Item 2. Funding Sources**

It is noted Lubin Enterprises will cover the initial project cost of \$680,890. Please provide a funding letter from Lubin Enterprises.

What is the association of Lubin Enterprises with the applicant?

If Lubin Enterprises going to fund the proposed project, why are there letters documenting access to \$90,000 from Kristan Perkins and \$90,000 from Patricia Sherman?

**Response:** See attached letter from Nathan Lubin (**Attachment B.EF.2 Supplemental**).

Lubin Enterprises is owned by Nathan Lubin, who owns 40% of the Applicant. There is no association between Lubin Enterprises and the Applicant other than the equity position just mentioned.

The Applicant is owned by three individuals. Nathan Lubin (who owns Lubin Enterprises, which has a funding letter indicating funds sufficient to cover initial project costs) owns 40%, and the other two owners (Kristan Perkins and Patricia Sherman) own 30% each of the Applicant and have access to \$90,000 each if such funding is required. Therefore, all three of the owners of the Applicant (together) have more than sufficient funds to implement and operate this hospice.

**17. Section B, Economic Feasibility, Item 4. Projected Data Chart**

The Projected Data Chart is noted. However, Total Operating Expenses in Year 2023 were calculated incorrectly. In addition, Year 2023-line D.6 “Other Operating Expenses” (\$503,330) is different from the breakout of “Other Operating Expenses” (\$503,300) on the following page. Please correct the Projected Data Chart and submit replacement pages.

Why are there no management fees in year 2022?

It is unclear how the applicant calculated the management fees in the Projected Data chart. Please clarify.

How many patients will be served in 2022, 2023, and 2024?

**Response:** Replacement pages 32R and 33R are attached.

Paragraph 4 of the management agreement (page 2) states that the Applicant (or, “Agency” as described in the document) “...shall pay Manager for all direct costs after the first fiscal year. Agency shall pay Manager for all indirect costs at a rate calculated by patients billed quarterly pro-rated among the sister companies.” Since the first fiscal year has not ended, there is no current calculation for the direct costs that the Applicant shall pay the Manager, and Year 1 shows no management fees.

Years 2 and 3 show estimated management fees based on current management fees being paid to the Manager by 10 other existing hospices.

It is estimated that 9 patients (3,300 patient days) will be seen in 2022; 27 patients (10,115 patient days) will be seen in 2023; and 47 patients (17,358 patient days) will be seen in 2023.

**18. Section B, Economic Feasibility, Item 4.A. Average Gross Charge, Average Deduction from Operating Revenue, and Average Net Charge.**

The % change for the Deduction from Revenue from the current Year to Year 2 of -22.9% is noted. However, the % change calculates at -21.9%. Please correct and submit replacement pages 36 (labeled as 36R) and 45 (labeled as 45R).

**Response:** The typo has been corrected and replacement pages 36R and 45R are attached.

**19. Section B, Economic Feasibility, Item 5.A.**

It is noted the break-even of the project will occur around the seventh month of Year One. However, the applicant will experience a net loss of \$258,440 in Year One. Please clarify.

**Response:** The Applicant projects a TOTAL net loss of \$258,440 in the twelve months of the first year of operation. It is anticipated that the first months of operation will suffer the greater losses (expenses exceeding income each month) and each succeeding month will not have so great a loss as the preceding month. Over time, from month to month, as income increases on a per-month basis, it is anticipated by month seven or so, monthly income will exceed monthly expenses. With that timeline, it is estimated that by the seventh month of Year One, expenses will be less than income during that month, and the remaining months of the year will show income exceeding expenses. However, the “profit” from the later months of the year will not be sufficient to offset the “losses” from the first months of the year. Therefore, the TOTAL year will show a loss, even though the later months of the year are showing monthly profits.

**20. Section B, Economic Feasibility, Item 6.C. Net Operating Margin Ratio**

It is noted Lubin Enterprises will cover the initial project cost of \$680,890. Please provide a capitalization ratio for Lubin Enterprises from the submitted financial statements.

**Response:** Capitalization Ratio = Long-Term Debt / (Long-Term Debt + Shareholder's Equity).

2018 Capitalization Ratio -  $\$2,458 / (\$2,458 + \$961,986) = 0.2\%$

**21. Section B, Economic Feasibility, Item 8. Staffing**

The staffing chart is noted. However, volunteer coordinator positions and office staff are not considered direct patient care positions. Please revise and submit a replacement page 49-50.

**Response:** The charts on pages 49 and 50 are corrected as instructed and replacement pages 49R and 50R are attached.

**22. Quality Standards, Item C.1, Licensure**

Please provide the full names of the accreditation bodies noted as NIJH and CHAP.

Please clarify why the applicant will not agree to an accreditation condition.

**Response:** As stated on pages 4 and 16 of the application, NIJH is an abbreviation for The National Institute for Jewish Hospice, and CHAP is an abbreviation for Community Health Accreditation Partner.

There is no requirement for a hospice to obtain accreditation from either NIJH or CHAP in order to be licensed by the Tennessee Department of Health and provide hospice services. This must be so, because there are several hospice organizations in Tennessee and not one of them is NIJH accredited. Further, only Crossroads Hospice and Methodist Alliance Hospice Inpatient Facility in Shelby County are accredited by CHAP. The Applicant has every intention to seek accreditation from both NIJH and CHAP, but since there is no legal requirement to obtain such accreditation, there is no reason for the Applicant to risk its very license for something that is not legally required in order to operate.

**23. Proof of Publication**

Please submit 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.

**Response:** Attached.

# **Hospice Services**

*Certificate of Need Standards and Criteria*

**Replacement Attachment for  
Hospice of Hope – Tennessee, LLC  
CN2008-026**



STATE OF TENNESSEE

**STATE HEALTH PLAN**  
**CERTIFICATE OF NEED STANDARDS AND CRITERIA**

*FOR*

**RESIDENTIAL HOSPICE SERVICES**  
**AND HOSPICE SERVICES**

The Health Services and Development Agency (HSDA) may consider the following standards and criteria for applications seeking to provide Residential Hospice and Hospice services. Existing providers of Residential Hospice and Hospice services are not affected by these standards and criteria unless they take an action that requires a new certificate of need (CON) for Residential Hospice and/or Hospice services.

These standards and criteria are effective immediately upon approval and adoption by the Governor of the State Health Plan updates for 2014. Applications to provide Residential Hospice and/or Hospice services that were deemed complete by HSDA prior to this date shall be considered under the Certificate of Need Standards and Criteria included in the State Health Plan updates for 2012.

Because of the unique nature of hospice services, the Division commits to reviewing these standards annually.

**Definitions Applicable to both Residential Hospice Services and Hospice Services**

1. "**Deaths**" shall mean the number of all deaths in a Service Area less that Service Area's number of reported homicide deaths, suicide deaths, and accidental deaths (which includes motor vehicle deaths), as reported by the State of Tennessee Department of Health. The number of reported infant deaths includes neonatal and post neonatal deaths and is reported separately under the respective cause of death; therefore, in order to prevent overlap, the number of infant deaths is not included discretely.
2. "**Residential Hospice**"<sup>1</sup> shall have that meaning set forth in Tennessee Code Annotated Section 68-11-201 or its successor.
3. "**Hospice**" shall refer to those hospice services not provided in a Residential Hospice

Services facility.

4. **"Total Hospice" shall** mean Residential and Hospice Services combined.

#### STANDARDS AND CRITERIA APPLICABLE TO TOTAL HOSPICE

1. **Adequate Staffing:** An applicant should document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application. Importantly, the applicant must document that such qualified personnel are available for hire to work in the proposed Service Area. In this regard, an applicant should demonstrate its willingness to comply with the general staffing guidelines and qualifications set forth by the National Hospice and Palliative Care Organization.

**Rationale:** Health care professionals, including those who provide hospice services, are not uniformly located across the state, and rural areas showing some need for hospice services may not have a qualified hospice workforce. The Division believes that granting a CON for the provision of health care services without evidence that the applicant has a qualified workforce readily available to provide quality care to patients is not, in fact, providing access to quality health care.

**Response:** The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant's approach to patient care. The applicant will recruit compassionate employees with appropriate credentials. This Hospice will utilize a multi-tier hiring process assuring that services are provided by the most qualified clinicians. To ensure that staff continuously provide the highest quality care and services, education and training will be provided not only aimed at continuous improvement in clinical competence, but also aimed at meeting the cultural needs of the identified underserved populations. Staff safety is very important, and work safety training and education will be provided for all clinicians. Any clinician concerned about the safety of an assignment will be able to contact a supervisor and request assistance.

The Applicant anticipates approximately 7 direct care staff and 1 non-patient care staff, initially. We will work actively to provide internships for health care administrators, therapy students, nursing programs, and CNA programs following licensure. In addition, the facility will offer ongoing clinical training for all of its employees. The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant's approach to patient care.

2. **Community Linkage Plan:** The applicant should provide a community linkage plan that demonstrates factors such as, but not limited to, relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care focusing on coordinated, integrated systems. Letters from physicians in support of an application should detail specific instances of unmet need for hospice services.

**Response:** The Applicant plans on securing such relationships with area providers once our hospice is approved and licensed. Until such time, our efforts to negotiate such alliances appear premature. We do have letters of support from physicians, community leaders, and the Jewish Community, in general (see **Attachment B.Orderly Development.1**). Obviously, we will have a relationship with the Memphis Jewish Home and Rehab Center, a 160-bed nursing home in Cordova.

Hospice of Hope considers its company, as shown through Unity Hospice Care, a sister company, as responsible, caring, following guidelines, and being diverse. We have demonstrated relationships with appropriate health care systems in the community, assuring both continuity of care and quality services. Finally, all hospices must take care of patients regardless of race, sex, or the ability to pay. We understand that and will not refuse care to any patient certified for hospice care in Shelby County. However, Hospice of Hope is different. We look at the whole patient and not the skin color or the ethnic group. We view each patient as an individual, who's culture and beliefs must be factored into their holistic care. To that point, our plans of care will reflect just that. And our end goal is to operate a residential hospice.

- 3. Proposed Charges:** The applicant should list its benefit level charges, which should be reasonable in comparison with those of other similar facilities in the Service Area or in adjoining service areas.

**Response:** There are no hospice providers in Shelby County that target the Jewish Community. However, there are 5 in-home hospices headquartered in Shelby County, two residential hospices in Shelby County, plus two more in-home hospice agencies headquartered in other counties but licensed in Shelby County. Financial and utilization information is given for all of these agencies later in the application. See section Economic Feasibility, Question 4.C.

Using Gross Operating Revenue from the Projected Data Chart, the average gross charge per patient day will approximate \$150.00 in Year 1, with \$10.80 in deductions and a resultant net charge of \$139.20 per patient day. Comparable figures for Year 2 are \$150.00, \$8.43 and \$141.57. Obviously, these are projected charges and may not be exact. As is known in the health care field, Medicare will pay what Medicare will pay. We believe our charge structure is very close to what Medicare currently pays for hospice services. Further, our anticipated charges are lower than the routine per diem charges reported by other hospice agencies serving Shelby County (see charts in response to the following question).

The Division recognizes the Guidelines for Growth's statement that "the purpose of residential hospice facilities is not to replace home care hospice services, but rather to provide an option to those patients who cannot be adequately cared for in the home setting." The Division also recognizes that Residential Hospice and Hospice providers may in fact provide the same services.

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4. **Access:** The applicant must demonstrate an ability and willingness to serve equally all of the Service Area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area.

**Response:** The reader's attention is directed to Section B of the application, where a fairly involved attestation of need is discussed. However, for this section of the application, briefly, Hospice of Hope – Tennessee, LLC, (the “Applicant”), requests permission to develop and establish an in-home hospice agency targeting the Jewish community in Shelby County. No patient in need of and certified for hospice services will be denied care, but the Applicant believes that hospice services for the Jewish community could be better addressed with the approval of an agency that targets the Jewish community. The ultimate goal of the Applicant is to operate a residential hospice to be located within the Memphis Jewish Home and Rehab Center at the Bazeberry address named earlier.

5. **Indigent Care:** The applicant should include a plan for its care of indigent patients in the Service Area, including:

- a. Demonstration of a plan to work with community-based organizations in the Service Area to develop a support system to provide hospice services to the indigent and to conduct outreach and education efforts about hospice services.
- b. Details about how the applicant plans to provide this outreach.
- c. Details about how the applicant plans to fundraise in order to provide indigent and/or charity care.

**Response:** The current census at Memphis Jewish Rehab is 160, 40 being non-Jewish. Although we will be working with the Jewish community we will also be serving all individuals in Shelby County that are underserved and who are not receiving or having their cultural needs met, such as the indigent, other religious and ethnic groups who are currently underserved. It is important to note that 5 census tracts in Shelby County are Medically Underserved Areas. The approval of this application should help alleviate this inadequacy.

6. **Quality Control and Monitoring:** The applicant should identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. Additionally, the applicant should provide documentation that it is, or intends to be, fully accredited by the Joint Commission, the Community Health Accreditation Program, Inc., the Accreditation Commission for Health Care, another accrediting body with deeming authority for hospice services from the Centers for Medicare and Medicaid Services (CMS) or CMS licensing survey, and/or other third party quality oversight organization. The applicant should inform the HSDA of any other hospice agencies operating in other states with common ownership to the applicant of 50% or higher, or with common management, and provide a summary or overview of those agencies' latest surveys/inspections and any Department of Justice investigations and/or settlements.

**Rationale:** This information will help inform the HSDA about the quality of care the applicant's common ownership and/or management provides in other states and the likelihood of it providing similar quality of care in Tennessee.

**Response:** It is proposed that Medicare/Medicare Managed Care, TennCare/Medicaid, Commercial Private Pay and Charity Care patients will be served by the Applicant, and contracts with all West Tennessee MCOs will be pursued. The Applicant plans to be licensed by the Tennessee Department of Health, and certified by Medicare, Medicaid, The National Institute for Jewish Hospice, and Community Health Accreditation Program (CHAPS).

The applicant will provide hospice services to targeted populations in need of such services. The Applicant's goal of providing these appropriate and needed services is consistent with the State Health Plan, and this project will improve the health of Tennesseans in Shelby County. The Applicant has identified populations that need hospice services, and those needs are not being adequately addressed by existing hospice agencies. Hospice of Hope – Tennessee, LLC, through its Manager, Southern Healthcare Solutions, LLC, will provide unique hospice services in a manner and atmosphere that is not currently available in the market. As an experienced hospice management company with locations in 4 states, the Manager aims to not only improve the health of Tennesseans, but of all patients we serve across the United States. Currently our offices are not only diverse demographically but also geographically. We use our experience to hold each office we own to a higher standard than that of any state, as we are combining best practices from a larger variety of resources. These standards will be cohesive and encompassing of the State Health Plan. There is an underserved population in our community, and we must act quickly to provide services to those in need. Every person has the right to die with dignity and if even one person is denied that right in Shelby County then we are not fulfilling our ethical and moral obligation to our community.”

Tennessee is fortunate to have an excellent Department of Health, which provides standards for and monitoring of hospice providers. This Applicant will be licensed by the Department of Health and will be certified by Medicare and Medicaid (TennCare). In addition to providing care and services which meet State and Federal regulations, this applicant will adhere to the Standards of Practice set forth by the National Hospice and Palliative Care Organization, the hospice industries' primary association. This applicant will also seek accreditation which supports the customized cultural care needs of identified populations. Quality of care is continually monitored using Medicare's Quality Assessment, Performance Improvement program, reviews of documentation, satisfaction surveys, and supervisory visits.

The Applicant will maintain all quality data reporting requirements, quality improvement procedures, and will maintain an outcome and process monitoring system.

- 7. Data Requirements:** Applicants should agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will

be relied upon and adapted over time to collect all needed information.

**Response:** The Applicant will maintain all quality data reporting requirements, quality improvement procedures, and will maintain an outcome and process monitoring system. In addition, the Applicant has agreed to report any and all quality data reporting requirements pointed out in the CON application questions.

8. **Education:** The applicant should provide details of its plan in the Service Area to educate physicians, other health care providers, hospital discharge planners, public health nursing agencies, and others in the community about the need for timely referral of hospice patients.

**Response:** The chart above is completed. The Applicant anticipates 7.0 direct care staff and 1.0 non-patient care staff, initially. The Applicant will work actively to eventually provide internships for health care administrators, therapy students, nursing programs, and CNA programs. In addition, the facility will offer ongoing clinical training for all of its employees. The Applicant is committed to providing its staff both safe working conditions and continuing education. Staff development and retention is at the heart of the Applicant's approach to patient care.

#### RESIDENTIAL HOSPICE SERVICES DEFINITIONS

9. **"Service Area"** shall mean the county or contiguous counties represented on an application as the reasonable area in which a health care institution intends to provide Residential Hospice Services and/or in which the majority of its service recipients reside. A radius of 50 miles and/or a driving time of up to 1 hour from the site of the residential hospice services facility may be considered a "reasonable area;" however, full counties shall be included in a Service Area. Only counties with a Hospice Penetration Rate that is less than 80 percent of the Statewide Median Hospice Penetration Rate may be included in a proposed Service Area.

**Response:** The primary service area is Shelby County. The hospice office will be located on Bazeberry Road in Cordova, less than one-half mile from Walnut Grove Road which is a major thoroughfare between Cordova and Memphis. The site is readily accessible for staff of the Applicant, but patients and their families will not be traveling to the hospice office. If our residential hospice is eventually approved, the site will be accessible to patients and families.

10. **"Statewide Median Hospice Penetration Rate" (SMHPR)** shall mean the number equal to the Hospice Penetration Rate (as described in the following Need Formula) for the median county in Tennessee.

#### ADDITIONAL SPECIFIC STANDARDS AND CRITERIA FOR RESIDENTIAL HOSPICE SERVICES

Note that, while a "need formula" is set forth below, the decision to approve a CON application hereunder should be determined by the cumulative weight of all standards and criteria, including those set forth earlier herein.

**Response:** Further, according to the National Hospice and Palliative Care Organization (NHPCO), Tennessee ranks 41<sup>st</sup> out of the 50 states, meaning that 80% of the states have a higher Medicare percentage of enrollment (penetration rate) in hospice care than does Tennessee. The approval of this application will help further the utilization of this much-needed end-of-life care in our state.

**11. Need Formula:** The need for Residential Hospice Services should be determined by using the following Hospice Need Formula, which should be applied to each county in Tennessee:

$A / B = \text{Hospice Penetration Rate}$

Where:

A = the mean annual number of Hospice unduplicated patients served in a county for the preceding two calendar years as reported by the Tennessee Department of Health;

and

B = the mean annual number of Deaths in a county for the preceding two calendar years as reported by the Tennessee Department of Health.

Note that the Tennessee Department of Health Joint Annual Report for Hospice defines "unduplicated patients served" as "number of patients receiving services on day one of reporting period plus number of admissions during the reporting period."

Need is established in a county (thus, enabling an applicant to include it in the proposed Service Area) if its Hospice Penetration Rate is less than 80% of the Statewide Median Hospice Penetration Rate; further, existing Residential Hospice Services providers in a proposed Service Area must show an average occupancy rate of at least 85%.

The following formula to determine the demand for additional hospice service recipients should be applied to each county included in the proposed service area, and the results for each county's calculation should be aggregated for the proposed service area:

$(80\% \text{ of the SMHPR} - \text{County Hospice Penetration Rate}) \times B$

**Rationale:** The use of an SMHPR is a methodology employed by many states; the Division paid particular attention to the Kentucky model (which employs an 80% rate), as Kentucky's population is similar geographically and culturally to that of Tennessee. The Division considered ranges from 70-85% but felt that the results of rates lower than 80% were too

restrictive. Only three additional counties showed need using the 85% rate as opposed to the 80% one, and those had low single-digit-need numbers. Thus, the 80% rate is proposed. The Division believes that using the median county rate supports the view that rural counties cannot quickly reach the higher penetration rates of Tennessee's metropolitan areas. The underlying purpose is to help encourage orderly growth by using an SMHPR that ratchets upward across the state as hospice providers strive to exceed 80% of the median county's hospice penetration rate. Thus, utilization should continue to increase, albeit gradually, and provide the opportunity in the underutilizing counties for more hospice services by agencies that can expect a market to exist for those services.

**Response:** Not applicable.

**12. Types of Care:** An applicant should demonstrate whether or not it will have the capability to provide general inpatient care, respite care, continuous home care, and routine home care to its patients. If it is not planning to provide one or more of these listed types of care, the applicant should explain why.

**Response:** Routine in-home hospice services are planned, including physician, nursing, medical equipment, medical supplies, pharmaceutical, home health aide, homemaker, physical/occupational/speech therapies, social worker, and dietary counseling, as needed for patients, and emotional/spiritual/grief/loss services for both patients and families. Respite services will be provided if our residential hospice is approved.

**13. Continuum of Care Regarding the Expansion from Non-Residential Hospice Services:** An applicant for Residential Hospice Services that provides Hospice Services should explain how the Residential Hospice Services will maintain or enhance the Hospice Services' continuum of care to ensure patients have access to needed services. An applicant should provide assurances that it understands and will comply with any existing Medicare reimbursement requirements (e.g., the provision of different levels of hospice care, including any total patient care day allowances) and evidence that there are a sufficient number of potential hospice service recipients that will enable it to so comply.

**Rationale:** Currently<sup>2</sup>, Medicare pays nearly 90% of all hospice claims. The Medicare hospice benefit produces an incentive to recruit as many new patients as possible and to keep them on the service as long as possible. Unlike other segments of the health care industry, where revenues and costs can vary widely, Medicare pays a set daily rate for each person in hospice care, with higher allowances for patients that require more attention.

As part of its interest in ensuring that hospice programs serve only patients who are eligible and appropriate for hospice care, Medicare limits the total number of days of inpatient care (the sum of general inpatient care (GIP) and inpatient respite care days) for which a hospice may be reimbursed. The cap is set at 20 percent of the hospice's total patient care days. The Department of Health and Human Services' Office of Inspector General (OIG), in a May 3, 2013, memo to Marilyn Tavenner, Acting Administrator for Centers for Medicare & Medicaid Services (CMS), stated that CMS

staff "have expressed concerns about possible misuse of GIP" by hospice programs and noted a \$2.7 million settlement with a hospice program for allegedly having billed for GIP when patients actually received routine home care (which has a lower reimbursement rate). "Long lengths of stay and the use of GIP in inpatient units need further review to ensure that hospices are using GIP as intended and providing the appropriate level of care. OIG is committed to looking into these issues further and will conduct a medical record review that will assess the appropriateness of GIP provided in different settings." The Division adds the above requirement as a way to ensure that the HSDA and applicants understand the importance that an applicant provide hospice services appropriately. The Division believes that the HSDA, through its application of appropriately developed CON standards and criteria, can serve an important role in reducing opportunities for Medicare/Medicaid fraud and abuse in Tennessee.

**Response:** Not applicable.

## HOSPICE SERVICES

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<sup>2</sup> As of January 9, 2015

**14. Assessment Period:** After approval by the HSDA of a residential hospice services CON application, no new residential hospice services CON application — whether for the initiation of services or for the expansion of services — should be considered for any county that is added to or becomes part of a Service Area until JAR data for residential hospice services can be analyzed and assessed by the Division to determine the impact of the approval of the CON.

**Assessment Period Rationale:** This Standard is designed to ensure that the impact of the provision of hospice services as a result of the approval of a new CON is accounted for in any future need calculations for a Service Area.

**Response:** Not applicable.

## DEFINITIONS

**15. "Service Area"** shall mean the county or contiguous counties represented on an application as the area in which an applicant intends to provide Hospice Services and/or in which the majority of its service recipients reside.

**Response:** The service area will be Shelby County.

**16 "Statewide Median Hospice Penetration Rate" (SMHPR)** shall mean the number equal

to the Hospice Penetration Rate (as described below) for the median county in Tennessee.

ADDITIONAL SPECIFIC STANDARDS AND CRITERIA FOR HOSPICE SERVICES

Note that, while a "need formula" is set forth below, the decision to approve a CON application hereunder should be determined by the cumulative weight of all standards and criteria, including those set forth earlier herein.

**Response:** The State's 2017-2018 Hospice Rates and Projected Need chart is attached.

**17. Need Formula:** The need for Hospice Services should be determined by using the following Hospice Need Formula, which should be applied to each county in Tennessee:

A / B = Hospice Penetration Rate Where:

A = the mean annual number of Hospice unduplicated patients served in a county for the preceding two calendar years as reported by the Tennessee Department of Health;

and

B = the mean annual number of Deaths in a county for the preceding two calendar years as reported by the Tennessee Department of Health.

Note that the Tennessee Department of Health Joint Annual Report of Hospice Services defines "unduplicated patients served" as "number of patients receiving services on day one of reporting period plus number of admissions during the reporting period."

Need should be established in a Service Area as follows: a. For a

hospice that is initiating hospice services:

- i. The Hospice Penetration Rate for the entire proposed Service Area is less than 80% of the SMHPR;

AND

- ii. There is a need shown for at least 100 total additional hospice service recipients in the proposed Service Area, provided, however, that every county in the Service Area shows a positive need for additional hospice service recipients.

Preference should be given to applications that include in a proposed Service Area only counties with a Hospice Penetration Rate that is less than 80% of the SMHPR; however, an application may include a county or counties that meet or exceed the SMHPR if the applicant provides good reason, as determined by the HSDA, for the inclusion of any such county and: 1) if the HSDA finds that such inclusion contributes to the orderly development of the healthcare system in any such county, and 2)

the HSDA finds that such inclusion is not intended to include a county or counties that meet(s) or exceed(s) the SMHPR solely for the purpose of gaining entry into such county or counties. Letters of support from referring physicians in any such county noting the details of specific instances of unmet need should be provided by the applicant.

b. For a hospice that is expanding its existing Service Area:

- i. There is a need shown of at least 40 additional hospice service recipients in each of the new counties being added to the existing Service Area.

Taking into account the above guidelines, the following formula to determine the demand for additional hospice service recipients should be applied to each county, and the results should be aggregated for the proposed service area:

(80% of the Statewide Median Hospice Penetration Rate — County Hospice Penetration Rate) x B

**Rationale -17a:** The Division believes that hospice services in Tennessee are underutilized, most likely as a result of community and societal norms and a need for more education to the general public on the benefits of hospice. Consequently, the Division believes that hospice services should be encouraged, within reason, in Tennessee and that providing broader opportunities for these services will help educate the public as to their value. Under 17a, the ability to include within a Service Area a county that meets or exceeds the SMHPR should assist in the grouping of counties within a Service Area, thus providing more hospice services opportunities, provided that there is no detriment to the orderly development of the healthcare system as a result.

The Tennessee Hospice Association and other stakeholders provided information that 120 hospice service recipients is a larger than necessary number to ensure economic sufficiency of a hospice that is initiating hospice services. Consensus opinion appears to agree that 100 hospice service recipients is a sufficient number.

**Rationale -17b:** Other states provide for the ability of an existing hospice to expand its Service Area where positive need is shown at 40-50% of the criterion required for a new hospice to institute services, thus a number of 40 additional hospice service recipients is suggested. Existing agencies are presumed to have the infrastructure in place for such expansion.

**Response: Attachment Hospice Rates and Projected Need Chart**, provided by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics, reports the 2017-18 Hospice Penetration Rate at 80% shows an excess of 617 patients, and at 85% shows an excess of 416 patients. At first glance, it would appear that there is no need for a small in-home hospice agency which anticipates about 9 patients in Year 1. A second look begs the question: if the need formula shows that existing hospice agencies in Shelby County saw 617 more patients than the need formula shows as being appropriate, which is more logical to assume? That we need

to stop providing hospice care to patients who have been appropriately diagnosed as needing hospice care, or is the formula incorrect?

The Applicant believes that unless and until it can be conclusively demonstrated that people are being provided hospice care who do not need the service, the formula is incorrect and applicants should not be held at bay by an incorrect formula. This is especially true in light of the tremendous support shown by the letters that have been submitted on our behalf.

Again, what is more likely: That we need to stop providing hospice care to patients who have been appropriately diagnosed as needing hospice care, or is the formula incorrect?

- 18. Assessment Period:** After approval by the HSDA of a hospice services CON application, no new hospice services CON application — whether for the initiation of services or for the expansion of services — should be considered for any county that is added to or becomes part of a Service Area until JAR data for hospice services can be analyzed and assessed by the Division to determine the impact of the approval of the CON.

**Assessment Period Rationale:** This Standard is designed to ensure that the impact of the provision of hospice services as a result of the approval of a new CON is accounted for in any future need calculations for a Service Area.

**Response:** Not applicable.

## **Additional Comments and Rationale Statements for Revised and Updated Standards and Criteria for Hospice Services**

### **Definitions**

**Deaths:** The Division of Health Planning patterns its need formula off the Kentucky certificate of need formula that takes into account all deaths, instead of using a type of cancer death weighted formula that appeared in the Guidelines for Growth. Cancer patient utilization of hospice services has lessened in relation to non-cancer patients, while the utilization of hospice services continues to grow.

**Residential Hospice and Hospice:** The Division recognizes that residential hospice services and hospice services are able to perform the same level of services and has thus not distinguished between the need for hospice services based on the two types of service providers. However, certain standards and criteria, such as service area, provide for a difference in consideration of an application.

### **Standards and Criteria**

**Quality of Care:** Providing for adequate and qualified staffing is an important part of providing quality care to patients and is one of the State Health Plan's Principles for Achieving

Better Health. A community linkage plan that assures continuity of care also falls within this Principle. Letters from physicians in support of an application should detail specific instances of unmet need for hospice services. Quality improvement, data reporting, and outcome and process monitoring fall under this Principle as well, as does accreditation/quality oversight of the hospice service program. Finally, it should be noted that Medicare currently requires all four levels of hospice care for reimbursement (which also supports the third Principle regarding Economic Efficiencies).

**Access:** The second Principle for Achieving Better Health in the State Health Plan focuses on access to care. Accordingly, the applicant must demonstrate an ability and willingness to serve equally all of the Service Area in which it seeks certification and provide a plan for its care of indigent patients. As well, in addition to the factors set forth in HSDA Rule 0720-11.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area. The revisions to the need formula in 17b are meant to encourage the provision of hospice services in counties that otherwise do not meet the need formula, thus providing better access for the community.

**Economic Efficiencies:** The third Principle for Achieving Better Health focuses on encouraging economic efficiencies in the health care system. The new standards and criteria provide that the applicant's proposed charges should be reasonable in comparison with those of other similar facilities in the Service Area or in adjoining service areas. Educating the health care community on hospice services also falls within this Principle; the education component also addresses the fifth Principle of recruiting, developing, and retaining a sufficient qualified health care workforce.

**Data Needs:** The Division recognizes that hospice patients known as "general inpatients" receive hospice services in locations other than their homes, such as nursing homes and hospitals, and that these patients are not separately identified on the Joint Annual Report. The Division aims to correct this omission in the future to better account for the total utilization of hospice services.

**NOTE:** A previously proposed standard providing for the showing of an "unmet demand" has been deleted, for the following three reasons: 1) The Division believes that an unintended consequence of that proposed standard would have been the preclusion of a new, non-county-contiguous hospice agency ever to develop a Service Area from those counties and receive a CON to serve them; 2) After review of hospice utilization data for the past three JARs, the Division has learned that, in counties that showed a positive need of less than 40 under the existing need formula, existing hospice agencies met substantially all (if not all) of the positive need of additional hospice service recipients, providing evidence that the orderly development of hospice services in such counties currently exists; and 3) the Division recognizes that the HSDA already has the inherent authority to determine, based on evidence provided, that there is a need for expansion of hospice services into adjacent counties beyond that shown by the need formula.

**Attachment B.EF.2 Supplemental**

Nathan Lubin  
1125 Schilling Boulevard East, Suite 101  
Collierville, TN 38017

August 25, 2020

Re: Availability of Funding for Hospice of Hope - Tennessee

To Whom it May Concern,

The funding for Hospice of Hope – Tennessee will be provided by cash reserves from various owner sources. These sources include investment funds, business funds, and personal holdings of owners. Included with this letter are source documents from Lubin Enterprises, an owner held entity, showing enough fund reserves, in the aggregate amount of \$680,890, to cover the initial project cost. If there are questions regarding the sources of funds, or the statements corroborating these sources, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nathan Lubin', with a stylized flourish at the end.

Nathan Lubin  
Managing Member  
Hospice of Hope - Tennessee

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: Hospice of Hope – Tennessee, LLC, CN2008-026

I, E. GRAHAM BAKER, JR., 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, *to the best of my knowledge, information and belief.*

*E. Graham Baker, Jr.*  
\_\_\_\_\_  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 26<sup>TH</sup> day of AUGUST, 2020, witness my hand at office in the County of DAVIDSON, State of Tennessee.

*K. Kathleen Baker*  
\_\_\_\_\_  
NOTARY PUBLIC

A circular notary seal for Kathleen Baker, Notary Public in Davidson County, Tennessee. The seal features her name and title around the perimeter and a central emblem.

My commission expires 07/05/2021

HF-0043

Revised 7/02

**1. Section A, Applicant Profile, Item 5. Management Agreement**

It is noted Southern Healthcare Solutions, LLC manages Unity Hospice that provides hospice care to residents in several counties in Tennessee. Please provide a copy of the latest Department of Health licensure survey for Unity Hospice.

**Response:** See attached copy of the Compliance Notice to Unity Hospice Care of Tennessee, dated June 10, 2020, along with supporting documentation.



June 10, 2020

Ms. Bobbi Dyer, Administrator  
Unity Hospice Care of Tennessee  
202 East School Street  
Linden, TN 37096

**RE: COMPLIANCE NOTICE  
CCN 441596**

Dear Ms. Dyer:

The West Tennessee Regional Office of Health Care Facilities completed a recertification survey at your facility on 3/10/2020. Based on a desk review of your plan of correction for deficiencies cited as a result of the survey, we are assuming your facility is in compliance with all participation requirements as of 5/1/2020. This office is recommending certification in the Medicare and/or Medicaid program.

If you have any questions, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink that reads "Rhonda Rogers/ce".

Rhonda Rogers, RN  
Public Health Nurse Consultant 2

RR/cl

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

PRINTED: 08/10/2020  
FORM APPROVED  
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  441598	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____	(X3) DATE SURVEY COMPLETED  R 05/01/2020
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NAME OF PROVIDER OR SUPPLIER  UNITY HOSPICE CARE OF TENNESSEE, LLC	STREET ADDRESS, CITY, STATE, ZIP CODE 202 EAST SCHOOL STREET LINDEN, TN 37096
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(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
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{E 000}	Initial Comments  There were no deficient practices identified during the Emergency Preparedness survey completed with the recertification survey on 3/10/2020.	{E 000}		
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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 safeguards provide sufficient protection to the patients. (See Instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

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

PRINTED: 06/10/2020  
FORM APPROVED  
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  441596	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____	(X3) DATE SURVEY COMPLETED  R 05/01/2020
NAME OF PROVIDER OR SUPPLIER  UNITY HOSPICE CARE OF TENNESSEE, LLC		STREET ADDRESS, CITY, STATE, ZIP CODE 202 EAST SCHOOL STREET LINDEN, TN 37096	
(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
{L 000}	INITIAL COMMENTS  A supervisory desk review was completed 6/9/2020 for deficiencies cited during the certification survey completed 3/10/2020. Based on an acceptable plan of correction, deficiencies cited during the 3/10/2020 survey are corrected. The agency is in compliance with all rules and regulations governing home health agencies.	{L 000}	
LABORATORY DIRECTORS OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE		TITLE (X5) DATE	

Any deficiency statement ending with an asterisk (\*) denotes a deficiency which the institution may be excused from correcting providing it is determined that 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.

*Emailed*

[L 555 Coordination of Services CFR(s): 418.56 (e) (2) communication and integration to ensure plan of care and services are provided... Not met.... A patient had POC order for aide visits which had not been scheduled or provided.]

- A verbal order was obtained just before the beginning of the certification period to discontinue aide services, but the nurse failed to document the order correctly for the electronic medical record platform to recognize for the change for the recertification period.
  - The deficiency was corrected: the verbal order was documented and signed by the physician on 3/12/20.
  - To ensure this does not recur, the nursing staff at the office have been in-serviced on the correct way to enter verbal orders when they are needed to replace an existing order for frequency, completed on 3/13. This information will be included in nurse orientation for all staff nurses going forward.
  - The DON will review all patient frequencies prior to IDG meetings, comparing the ordered frequency to scheduled visits in the electronic medical record platform. The DON will document the findings on a review grid. This will start on April 1, 2020. The Administrator will review the findings grid monthly.
  - To monitor and ensure no further problems, the office will track and report quarterly as part of their QAPI program. Data collection will begin on April 1, 2020, with the first official report to cover 2Q20.

[L784 Personnel Qualification CFR(s):41.8.114(a) licenses kept current. One RN, the DON allowed her license to expire.]

- This expiration of the nurses' license was discovered prior to the survey and steps had been taken to start the renewal of the license.
  - However, as the nurse had to reapply, have new fingerprints and a new background check were required before a license could be issued.
  - The process was slowed by changes in accessibility due to the current viral restrictions.
  - This nurse is not allowed to perform any duties requiring a nursing license.
  - All requirements have been submitted; the nurse is awaiting issuance of her license.
  - To ensure that a similar problem does not recur, the following changes have been made:
    - Human Resources will notify each Clinician, DON, and Administrator in the month prior to license expiration, and again early in the expiration month. They will begin this process on April 1, 2020.
    - The Administrator will keep a grid of expiration dates for licensed staff, and will track to assure renewals are done timely. This will start April 1, 2020.
  - To monitor and ensure no further problems, the office will include a quarterly report on timely license renewals as QAPI program. The data collection will begin April 1, 2020, with the first report due for 2Q20 reporting meeting.



**IMPORTANT NOTICE – PLEASE READ CAREFULLY**

(Receipt of this notice is presumed to be 03/13/2020– date notice emailed and/or faxed.)

March 13, 2020

Roberta Dyer, Administrator  
Unity Hospice Care of Tennessee  
202 East School Street  
Linden, TN 37096

**RE: Recertification Survey - CCN 441596**

Dear Ms. Dyer:

Enclosed is a statement of deficiencies developed as the result of a recertification survey completed at your facility **3/10/2020** by West Tennessee Regional Office of Health Care Facilities. Based upon CFR 488.28, you are asked to submit an acceptable plan of correction to this office within **ten (10) days** from date of this letter (**3/23/2020**). The completion date for each deficiency should not be later than **45 days** from the last day of the survey (**4/24/2020**).

During the survey, two (2) standard level deficiencies were cited: **L555, L784**

To be acceptable, a plan of correction must respond to each deficiency noted stating specifically how each deficiency will be corrected and give the approximate date of completion. It is essential for purposes of clarification, as well as your best interest, that your plan of correction specifies the exact measures which will be taken to correct each deficiency. As both the statements of deficiencies and plans of correction are subject to public disclosure, statements such as will comply by, will complete by, and already corrected will not be considered acceptable. Page 1 of the plan of correction must be signed by the administrator or facility representative before it is considered “acceptable”.

Your plan of correction must contain the following indicators:

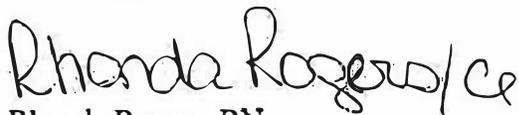
- How the deficiency will be corrected.
- The date upon which each deficiency will be corrected.
- What measures/systemic changes will be put in place to ensure that the deficient practice does not recur
- How the correction action will be monitored to ensure that the deficient practice does not recur

- Only titles may be used; no proper names

The Plan of Correction must be submitted on the form enclosed, dated, and signed by the administrator or responsible official before it is considered "acceptable". Whenever possible, please contain your plan of correction responses to the form furnished to you. In the event you need additional space, please continue your response on your letterhead or plain stationery with the name of your facility, address and other identifying information.

Should you have any questions or if there is any way this office may be of assistance, please do not hesitate to call.

Sincerely,

Handwritten signature of Rhonda Rogers in black ink, written in a cursive style.

Rhonda Rogers, RN  
Public Health Nurse Consultant 2

RR/cl

Enclosure: CMS 2567

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

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  <b>441596</b>	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____	(X3) DATE SURVEY COMPLETED  <b>03/10/2020</b>
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NAME OF PROVIDER OR SUPPLIER  <b>UNITY HOSPICE CARE OF TENNESSEE, LLC</b>	STREET ADDRESS, CITY, STATE, ZIP CODE <b>202 EAST SCHOOL STREET LINDEN, TN 37096</b>
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(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
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L 000	INITIAL COMMENTS	L 000		
L 555	<p>COORDINATION OF SERVICES CFR(s): 418.56(e)(2)</p> <p>[The hospice must develop and maintain a system of communication and integration, in accordance with the hospice's own policies and procedures, to-] (2) Ensure that the care and services are provided in accordance with the plan of care.</p> <p>This STANDARD is not met as evidenced by: Based on policy review, medical record review, and interview, the facility failed to follow the Plan of Care (POC) for 1 of 10 (Patient #5) active patients.</p> <p>The findings included:</p> <p>1. Review of the facility's "Plan of Care" policy revealed, "...It is the policy of the Company that a written Plan of Care is developed for each patient/family by the attending physician, Hospice Medical Director, patient/family and Interdisciplinary Group based on assessments of the patient/family, prior to providing care...Information included in the Plan of Care includes...Scope of services and frequency of services to be provided...The Hospice Interdisciplinary Group must approve the Plan of Care...the Hospice Medical Director will sign the Recertification...This document serves as a</p>	L 555		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE	TITLE	(X6) DATE
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A deficiency statement ending with an asterisk (\*) denotes a deficiency which the institution may be excused from correcting providing it is determined that 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.

**2. Section B, Economic Feasibility, Item 1.B. (Lease)**

It is noted the applicant revised the fair market value (FMV) of the leased space in the Project Cost Chart from \$90,000 to \$173,472. However, please also revise your narrative response under the heading “Project Cost” on page 3 of the application.

**Response:** See attached Supplemental Page 3R2.

**3. Section B, Economic Feasibility, Item 5.C. Capitalization Ratio**

The capitalization ratio for Lubin Enterprises from the submitted financial statements is noted. However, the figures used in the supplemental response could not be found in the financial documents submitted in the original application. Please clarify.

**Response:** You are correct: my apologies. We reported our calculation from the 2018 financials while providing you with the 2019 financials.

The correct calculation (for 2019) should be as follows:

Capitalization Ratio = Long-Term Debt / (Long-Term Debt + Shareholder's Equity).

2019 Capitalization Ratio = \$13,148 / (\$13,148 + \$1,028,736) = 1.26%

**4. Section B, Economic Feasibility, Item 8. Staffing**

The revised staffing chart is noted. However, the total direct patient care positions should now total 6.0. In addition, please revise the narrative under the table on page 50R to reflect the revised staffing tables. Please revise and submit replacement pages 49-50 (labeled as 49R2 and 50R2).

**Response:** See attached Supplemental pages 49R2 and 50R2.

**AFFIDAVIT**

STATE OF TENNESSEE

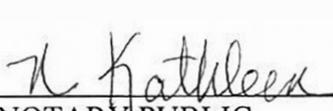
COUNTY OF DAVIDSON

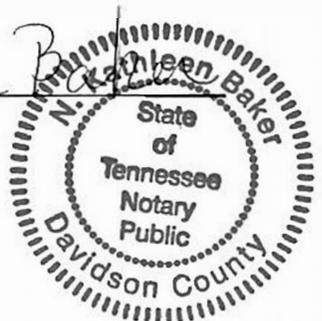
NAME OF FACILITY: Hospice of Hope – Tennessee, LLC, CN2008-026

I, E. GRAHAM BAKER, JR., 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 to the best of my knowledge, information and belief.

  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 28<sup>TH</sup> day of AUGUST, 2020, witness my hand at office in the County of DAVIDSON, State of Tennessee.

  
NOTARY PUBLIC



My commission expires 07/05/2021

HF-0043

Revised 7/02