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

October 1, 2020

Dere Brown
National HealthCare Corporation
100 Vine Street, 12th Floor
Murfreesboro, TN 37130

RE: Certificate of Need Application – Natchez Center for Behavioral Medicine, LLC - CN2009-029
For the establishment of a 16-bed geriatric mental health hospital located at an unaddressed site at Highway 46 and Turkey Creek Road, Dickson (Dickson County), TN 37055. Natchez Center for Behavioral Medicine, LLC is owned through a joint venture created by affiliates of National Healthcare Corporation (90%) and Reliant Healthcare, LLC (10%). The estimated project cost is $5,709,429.

Dear Ms. Brown:

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 Laura Young, Chief Nursing Officer, at the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) for review. You may be contacted by Ms. Young or a representative from her office for additional clarification while the application is under review by the Department. Ms. Young's contact information is Laura.Young@tn.gov or 615-741-7694.

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 October 1, 2020. The first 60 days of the cycle are assigned to the Department of Mental Health and Substance Abuse Services, 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 Mental Health and Substance Abuse Services 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.

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 at 615-741-2364.

Sincerely,

Logan G. Grant
Executive Director

cc: Laura Young, Chief Nursing Officer, TDMHSAS

State of Tennessee
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MEMORANDUM

TO: Laura Young, Chief Nursing Officer
TN Department of Mental Health and Substance Abuse Services
Division of Hospital Services
Andrew Jackson Building, 6th Floor
500 Deaderick Street
Nashville, Tennessee 37243

FROM: Logan G. Grant
Executive Director

DATE: October 1, 2020

RE: Certificate of Need Application
Natchez Center for Behavioral Medicine, LLC- CN2009-029

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 October 1, 2020 and end on December 1, 2020.

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

Enclosure

cc: Dere Brown

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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 Dickson Herald (Name of Newspaper) which is a newspaper of general circulation in Dickson (County), Tennessee, on or before September 9 (Month / day), 20 20 (Year) for one day.

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This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Natchez Center for Behavioral Medicine, LLC (Name of Applicant), New Psychiatric Hospital (Facility Type-Existing)

owned by: Natchez Center for Behavioral Medicine, LLC with an ownership type of Limited Liability Company

and to be managed by: Reliant Healthcare, LLC intends to file an application for a Certificate of Need for: the establishment of a new sixteen (16) bed psychiatric hospital at an unaddressed site at Highway 46 and Turkey Creek Road in Dickson, TN 37055 (Dickson County). The proposed project will provide sixteen (16) beds for geriatric patients. The project will be a joint venture of affiliates of National HealthCare Corporation and Reliant Healthcare. The service area consists of Dickson, Benton, Cheatham, Hickman, Houston, Humphreys and Stewart Counties. The project will be licensed by the Tennessee Department of Mental Health and Substance Abuse Services. The project involves the construction of approximately 14,200 square feet. No major medical equipment is involved. Total project costs are estimated to be $5,709,429.00.

The anticipated date of filing the application is: September 14, 20 20

The contact person for this project is Dere R. Brown (Contact Name) Director of Health Planning (Title)

who may be reached at: National HealthCare Corporation (Company Name) 100 Vine, Street, 12th Floor (Address)

Murfreesboro (City) Tennessee (State) 37130 (Zip Code) 615 / 890-2020 (Area Code / Phone Number)

Dere R. Brown (Signature) 9/9/20 (Date) dbrown@nhccare.com (E-mail Address)

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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

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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.

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NHC
NATIONAL HEALTHCARE CORPORATION

September 14, 2020

Mr. Logan Grant, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, Andrew Jackson Bldg., 9th Floor
Nashville, TN 37243

RE: CON Request by Natchez Center for Behavioral Medicine, LLC for a new 16 bed psychiatric hospital and located in Dickson, Dickson County, Tennessee

Dear Mr. Grant:

Enclosed please find the referenced CON application. The required check of $32,642 made payable to the Health Services and Development Agency, to cover the filing fee for the referenced request has been submitted under separate cover. The fee was calculated based on the total project cost of $5,676,787/1,000 times $5.75, which equals $32,642.

If you require any additional information or need clarification on any of the supplied material, please do not hesitate to contact me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Dere R. Brown

Dere R. Brown
Director of Health Planning/Licensure & Certification

THIS DOCUMENT CONTAINS MULTIPLE FRAUD DETERRENT SECURITY FEATURES - SEE REVERSE

NHC/OP, L.P.
100 East Vine Street
Murfreesboro, TN 37133-1398

56-382
412
2114910

Date	Amount
9/11/2020	$***32,642.00

PAY Thirty Two Thousand Six Hundred Forty Two and No/100

TO THE ORDER OF
TN HEALTH SERVICES & DEVELOPME
Andrew Jackson Bldg, 9th Floor
502 Deadrick Street
Nashville, TN 37243

WELLS FARGO
Wells Fargo Bank, N.A.

Void after 6 months

Authorized Signature

⑈2114910⑈ ⑆041203824⑆ 9600156213⑈

State of Tennessee
Health Services and Development Agency
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CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

IDENTIFYING INFORMATION

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

Natchez Center for Behavioral Medicine, LLC
Name

Unaddressed site at Highway 46 and Turkey Creek Road — Dickson
Street or Route — County

Dickson — TN — 37055
City — State — Zip Code

Website address: www.nhccare.com, www.relianthealthcare.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*

Dere R. Brown — Director of Health Planning
Name — Title

National HealthCare Corporation — dbrown@nhccare.com
Company Name — Email address

100 E. Vine Street — Murfreesboro — TN — 37130
Street or Route — City — State — Zip Code

Authorized Representative — 615-890-2020
Association with Owner — Phone Number

Please answer all questions on ***8½" X 11" white paper, clearly typed and spaced, single 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;

The proposed project is for the construction and establishment of a new 16 bed geriatric psychiatric hospital to be located on an 9+ acre parcel, at an unaddressed site at Highway 46 and Turkey Creek Road in Dickson, Dickson County.

The hospital will be located adjacent to a to be constructed 84 unit Assisted Living/Memory Care facility to be called NHC Place, Natchez. NHC Place, Natchez will share services with the applicant such as food service, laundry, maintenance, and other similar services that the hospital requires for successful operations. This project will also be located on the same campus as the TriStar Natchez Freestanding Emergency Room. The proposed psychiatric hospital will provide services to geriatric (65+) patients. With the proposed service area having higher disability rates than the state of Tennessee or the U.S. as a whole, the geriatric hospital will also provide services to this specialized population (some under the age of 65 with disabilities as determined by the Social Security Administration) with similar psychiatric needs. The hospital will accept voluntary and involuntary admissions pursuant to Tennessee Code 33-6-404.

This project will be developed as a new joint venture entity called Natchez Center for Behavioral Medicine, LLC ("NCBM") and owned by affiliates of National Healthcare Corporation ("NHC") and Reliant Healthcare Corporation ("RHC").

The hospital will be managed by Reliant Healthcare, LLC. Reliant HealthCare is based out of Birmingham, AL, and currently manages an adult inpatient hospital in Osage Beach, MO and is developing a geriatric inpatient hospital in Maryland Heights, MO. Both hospitals are jointly owned by NHC and Reliant. In February 2020, NHC, Reliant, Tennova Healthcare and University of Tennessee Medical Center were approved to develop a 64 bed psychiatric hospital in Knoxville, TN. Reliant is privately owned and has over 15 years' experience of managing and developing behavioral healthcare programs and hospitals.

The applicant does not have any outstanding CONs.

2) Ownership structure; NCBM will be owned through a joint venture organization created by affiliates of National HealthCare Corporation (90%) and Reliant Healthcare, LLC (10%).

The sponsoring organizations will contribute cash and business value to the new hospital organization. The building will be developed by NHC Natchez Properties, LLC and will receive a lease payment from NCBM.

Reliant Healthcare, LLC will provide management services and support functions.

NHC National HealthCare Corporation, established in 1971, is one of the largest providers of post-acute care beds and services in the State of Tennessee. In Tennessee, NHC and its affiliates operate or manage 37 skilled nursing facilities with 4,103 beds, 12 Assisted Living Facilities, 19 homecare offices and 4 Independent Living Facilities. Within the nursing facilities, experienced medical professionals provide medical services prescribed by physicians. Nurses (RN, LPN, CNAs) provide comprehensive, individualized nursing care 24 hours a day. In addition the facilities provide licensed therapy services, quality nutrition services, social services, activities and housekeeping and laundry services. NHC also provides specialized care and programs for persons with Alzheimer's or related orders in dedicated units. Within the project's service area NHC operates 191 nursing home beds and 20 assisted care living beds.

Reliant Healthcare, LLC Reliant HealthCare is based out of Birmingham, AL, and currently manages an adult inpatient hospital in Osage Beach, MO. A new geriatric inpatient hospital in Maryland Heights, MO is under development and projected to open in 2021. In February 2020, Reliant, NHC, Tennova and University of Tennessee Medical Center received CON approval to construct a 64 bed psychiatric hospital in Knox County. Reliant Healthcare, LLC is a single member LLC, 100% owned by James Harper. Prior to founding Reliant Healthcare in 2004, Mr. Jim Harper, served as President and CEO of several behavioral health care hospitals. Reliant has been instrumental in the development and management of inpatient psychiatric hospital beds in FL, GA, KY, and MO. Reliant Healthcare, LLC has a 15-year track record of successfully developing and managing adult and geriatric facilities.

3) Service area; The applicant proposes a rural seven county service area. Dickson, Benton, Cheatham, Hickman, Houston, Humphrey and Stewart Counties. There are currently no psychiatric beds available within the proposed service area.

4) Existing similar service providers; There are currently no other providers having similar services in the service area.

Inventory of Service Area Licensed Inpatient Geriatric Psychiatric Beds

County	Licensed Geriatric Beds	Total
Dickson	0	0
Benton	0	0
Cheatham	0	0
Hickman	0	0
Houston	0	0
Humphrey	0	0
Stewart	0	0
Total	**0**	**0**

5) Project cost; Total project costs are forecasted to be $5,709,429. The project will consist of approximately 14,200 square feet of new construction.

6) Funding; The sponsoring organizations will contribute cash and business value to the new hospital venture. The building construction will be financed through cash by National HealthCare Corporation. The remaining project costs will be funded by the asset contributions of the joint venture partners as described above. Letters from NHC and Reliant attesting to their funding contributions are provided in **Attachment Section B – Economic Feasibility – 2.**

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

The utilization and financial projections indicate a positive cash flow in year two and thereafter. The hospital reaches break even in the 2nd Quarter of year 2.

8) Staffing.

Response: The staffing model is based on the Interdisciplinary Treatment Team Model. The clinical team is led by a Board Certified Psychiatrist who is supported by psychiatric nurse practitioners, Internists and family practice physicians, pharmacists, nurses, mental health technicians, social workers, and activity therapists. The clinical team is supported by sufficient administrative staff to carry out the mission of the hospital. See the details for staff by Position Classification in Section B. Economic Feasibility Question 8.

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 Section B of the application.

1) Need;

RESPONSE:
Based on the methodology found in the Certificate of Need Standards and Criteria, Psychiatric Inpatient Services there is a need for inpatient geriatric psychiatric beds in the service area projected for 2024. With the proposed service area having higher disability rates than the state of Tennessee or the U.S. as a whole, using the same methodology to the specialized disabled population projects an even greater need in 2024.

Proposed Service Area (County)	Adults 65+	Disable <65	Gross Need Pop. X (30 beds/100,000) Adults 65+	Gross Need Pop. X (30 beds/100,000) Disabled <65	Licensed Beds	**Net Need Adults 65+**	**Net Need Disabled <65**
Dickson	10,754	9,978	3.226	3	0	**3**	**3**
Benton	4,111	3,160	1.233	1	0	**1**	**1**
Cheatham	7,832	4,265	2.350	1	0	**2**	**1**
Hickman	4,896	3,985	1.469	1	0	**1**	**1**
Houston	1,927	1,385	0.578	0	0	**1**	**0**
Humphreys	4,235	3,193	1.271	1	0	**1**	**1**
Stewart	3,134	1,904	0.940	1	0	**1**	**1**
TOTAL	36,889	27,870	11	8	0	**11**	**8**

Proposed Geriatric Psychiatry Service: The Geriatric Inpatient hospital will be a 16-bed unit consisting of both private and semi-private rooms. It will specialize in the care and treatment of patients aged 65+ with serious mental illnesses as defined in the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition. With the proposed service area having higher disability rates than the state of Tennessee or the U.S. as a whole, the geriatric hospital will also provide services to this specialized population (some under the age of 65 with disabilities as determined by the Social Security Administration) with similar psychiatric needs. The unit will fit into a continuum of care to serve the community, hospitals, nursing homes and assisted living facilities in a manner that is much needed and currently not being met.

According to an article in US National Library of Science, National Institute to Health, physical disability is found to be related to depressive symptoms. People with physical disability experience multiple risk factors for depressive symptoms, including stereotypic social and personal attitude, abuse, loss of roles, and stressors related to poverty, environmental barriers and/or lack of access to appropriate health care. Evidence shows that people living with physical disabilities are at least three time more likely to experience depression compared to the general population.

NCBM is proposing a 16 bed inpatient psychiatric hospital. The proposed new inpatient psychiatric hospital is needed for the following reasons:

- Numerically the bed need methodology demonstrates additional beds are needed by the criteria of 30 beds per 100,000 population;
- Improved access to needed behavioral services in a rural area will be enhanced and long waits and long commutes to unfamiliar locations for consumers will be shortened or eliminated;
- Consumer choice will be improved by establishing a quality provider of behavioral health services to the geriatric population into the health care system in Dickson and surrounding counties.
- This project will provide a valuable continuum of care to residents within the nursing homes and assisted living facilities in this service area.

There is a great need for mental health services in Tennessee and, specifically geriatric psych treatment. As a leader in geriatric and senior care services, NHC and Reliant feels called to assist in this important area. NHC knows first-hand, through patients in our health care centers, Home Care operations, and Hospice operations, that many seniors in Tennessee suffer from various mental health conditions. There is a severe shortage of inpatient acute geriatric psych mental health hospitals to meet the demand. Currently, if a person in Dickson needs to seek inpatient acute treatment, they would have to go outside the county, and very likely, a significant distance. NCBM is working to help provide a solution to this challenge.

In addition, to the project meeting the Certificate of Need Bed Need Standard, it should be noted that, on most measures of mental health, Tennessee ranks low compared to the rest of the United States. Mental Health America ("MHA"), the nation's largest community-based advocacy group for the those living with mentally illness, identified Tennessee as being the nation's 39th state (out of 50 states and the District of Columbia) on overall mental health. Tennessee was the 42nd ranked state on access to mental health care.

2) Economic Feasibility; The partnership between NHC and Reliant enhances the economic feasibility of the proposed new inpatient psychiatric hospital. All programs and services provided by the new hospital will accept and serve patients with Medicare, TennCare and commercial lines of insurance. The hospital will accept charity and unfunded patients as part of its mission to serve all with the same standard of care. The utilization and financial projections indicate a positive cash flow in the 2nd quarter of year two and thereafter.

Additionally, NCBM will have an ancillary services agreement with the proposed 84 Unit Assisted Living and Memory Care Facility. By way of example, these services include, but are not limited to: Custodial, Laundry, Dietary, and other such services. In addition, NCBM will establish a transfer agreement with the local hospital, resulting in an opportunity to gain efficiencies in testing medical equipment and training.

3) Quality Standards; This hospital will meet the same quality standards as found in National HealthCare and Reliant existing operations. NCBM will seek accreditation with a CMS approved agency (DNV GL or Joint Commission), certification with the Centers for Medicare and Medicaid Services and licensed by the Tennessee Department of Mental Health and Substance Abuse Services. In addition it will maintain active utilization review and performance improvement programs to ensure ongoing safe and quality care.

4) Orderly Development of adequate and effective health care.

This project will positively contribute to the orderly development of health care services by expanding the availability of inpatient psychiatric services and enhancing access to these services in a geographically underserved area with a demonstrated need for additional inpatient psychiatric beds.

The psychiatric hospital will be built on a medical/long term care campus that offers efficiencies for patients, families, providers, and operations of the facility. The close proximity to the hospital/ER provides access to diagnostic procedures and available specialists that decreases travel time and efficiently promotes clinical liaison, and provides support for patients with co-morbid medical conditions.

The proposed inpatient psychiatric hospital has been carefully considered and significant resources have gone into its planning. After considering alternatives for the location of the proposed hospital it was decided in the best interest of the community that a co-owned 16 bed hospital located in Dickson County was the best alternative.

NHC is the one of the largest provider of Post-acute services in Tennessee and the plan to add inpatient geriatric psychiatric services to its continuum of care is a logical and orderly development in its long-term plan.

Through its joint venture partners, NCBM will be able to maintain many of the same working and referral relationships with existing providers and managed care organizations, including the four TennCare MCOs. This will minimize any disruption in service delivery and continuity of care.

In addition, in 2016, TDMHSAS, Tennessee Hospital Association and Tennessee College

of Emergency Physicians formed a workgroup to address the length of time that psychiatric emergency patients waited in hospital emergency departments before securing placement at inpatient psychiatric hospital. In September 2019, the TDMHSAS appointed Dr. Sanford Herman as the Department's Medical Director of Community Behavioral Health to further refine the methods of the state's emergency physicians. NCBM will be willing to work with Dr. Herman and emergency department physicians to ensure patients receive the right care timely.

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.

Not applicable.

4. PROJECT DETAILS

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

Natchez Center for Behavioral Medicine, LLC		615-890-2020
Name		Phone Number
100 E. Vine Street		Rutherford
Street or Route		County
Murfreesboro	TN	37130
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	X
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. **Attachment Section 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)*

Reliant Healthcare, LLC		
Name		
One Chase Corporate Drive, Suite 400		Jefferson
Street or Route		County
Birmingham	AL	35244
City	State	Zip Code

Website address: Relianthealthcare.com

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.* **Attachment Section A-5.**

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 he certificate of need application.

☐ **Ownership** (Applicant or applicant'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 the 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.

Attachment Section 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.
Please see Attachment Section A-6B 1.

1) Plot Plan **must include**:
   a) Size of site (***in acres***);
   b) Location of structure on the site;
   c) Location of the proposed construction/renovation; and
   d) Names of streets, roads or highway that cross or border the site.

2) Floor Plan – If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. **Please see Attachment Section A-6B 2.**
   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.

The City of Dickson does not have a public transportation route, but the Mid-Cumberland Human Resource Agency (MCHRA) Public Transit serves as a vital function in meeting the mobility needs of people in Dickson and surrounding counties. As a public mass transportation service, it provides a basic level of rural mobility to those who depend on some form of public transportation. The absence of public transportation and travel times in excess of 45 minutes reinforces the need for additional behavioral health resources in this rural service area. Please see Attachment Section A 6B-3

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

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

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

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

9. Medicaid/TennCare, Medicare Participation

MCO Contracts [Check all that apply]

___AmeriGroup ___United Healthcare Community Plan ___BlueCare ___TennCare Select

Medicare Provider Number *To be applied for*

Medicaid Provider Number *To be applied for*

Certification Type *Hospital*

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

		Current Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempted	Total Beds at Completion
1)	Medical						
2)	Surgical						
3)	ICU/CCU						
4)	Obstetrical						
5)	NICU						
6)	Pediatric						
7)	Adult Psychiatric						
8)	Geriatric Psychiatric			16			16
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						
TOTAL				16			16

*Beds approved but not yet in service ** Beds exempted under 10% per 3 year provision

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

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. **N/A**

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below. **The applicant does not have any outstanding CONs.**

CON Number(s)	CON Expiration Date	Total Licensed Beds Approved

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

12. Square Footage and Cost per Square Footage Chart

Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated	New	Total
Geriatric Psych - 16 bed wing	n/a	n/a	n/a	1st floor	n/a	3,810	3,810
Administration	n/a	n/a	n/a	1st floor	n/a	5,600	5,600
Dining	n/a	n/a	n/a	1st floor	n/a	2,728	2,728
Allocated SF / Shared Services	n/a	n/a	n/a	1st floor	n/a	2,000	2,000
Unit / Department GSF Sub-Total					0	14,138	14,138
Other GSF Total					0	0	0
Total GSF					0	14,138	14,138
*Total Cost					0	$4,225,863	$4,225,863
**Cost Per Square Foot					$ -	$ 298.90	$ 298.90
Cost per Square Foot is Within Which Range (For quartile ranges, please refer to the Applicant's Toolbox on www.tn.gov/hsda)					☐ Below 1st Quartile ☐ Between 1st and 2nd Quartile ☐ Between 2nd and 3rd Quartile ☐ Above 3rd Quartile	☑ Below 1st Quartile ☐ Between 1st and 2nd Quartile ☐ Between 2nd and 3rd Quartile ☐ Above 3rd Quartile	☐ Below 1st Quartile ☑ Between 1st and 2nd Quartile ☐ Between 2nd and 3rd Quartile ☐ Above 3rd Quartile

* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart

**Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

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.

This project will be a part of a senior continuum of care complex built on the campus of the Tri-Star Natchez free standing ER. The hospital will be located adjacent to a to be constructed 74,000 sq ft 84 unit Assisted Living/Memory Care facility (which does not require CON approval) and to be called NHC Place, Natchez. NCBM proposes to contribute to the senior continuum of care complex by establishing a new, 16-bed psychiatric hospital of approximately 14,200 square feet. The hospital will have a courtyard, nurses' station, group therapy and activity rooms, along with all regulatory required spaces.

This 16 bed hospital will consist of 4 private and 6 semi-private rooms.

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

1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a 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.

☐ Linear Accelerator	Mev _____	Types:	☐ SRS ☐ IMRT ☐ IGRT ☐ Other _____
	Total Cost*: _____		☐ By Purchase ☐ By Lease Expected Useful Life (yrs) ___
	☐ New	☐ Refurbished	☐ If not new, how old? (yrs) _____
☐ MRI	Tesla: ____	Magnet:	☐ Breast ☐ Extremity ☐ Open ☐ Short Bore ☐ Other _____
	Total Cost*: _____		☐ By Purchase ☐ By Lease Expected Useful Life (yrs) ___
	☐ New	☐ Refurbished	☐ If not new, how old? (yrs) _____
☐ PET	☐ PET only	☐ PET/CT	☐ PET/MRI
	Total Cost*: _____		☐ By Purchase ☐ By Lease Expected Useful Life (yrs) ___
	☐ New	☐ Refurbished	☐ 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 *(Applicant)*	_____	_____
Mobile Locations *(Applicant)*	_____	_____
(Name of Other Location)		_____
(Name of Other Location)		

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. https://www.tn.gov/hsda/hsda-criteria-and-standards.html

Standards and Criteria

1. **Determination of Need:** The population-based estimate of the total need for psychiatric inpatient services is a guideline of 30 beds per 100,000 general population, using population estimates prepared by the TDH and applying the applicable data in the Joint Annual Report (JAR). These estimates represent gross bed need and shall be adjusted by subtracting the existing applicable staffed beds including certified beds in outstanding CONs operating in the area as counted by the TDH in the JAR. For adult programs, the age group of 18-64 years shall be used in calculating the estimated total number of beds needed; additionally, if an applicant proposes a geriatric psychiatric unit, the age range 65+ shall be used. For child inpatients, the age group is 12 and under, and if the program is for adolescents, the age group of 13-17 shall be used. The HSDA may take into consideration data provided by the applicant justifying the need for additional beds that would exceed the guideline of 30 beds per 100,000 general population. Special consideration may be given to applicants seeking to serve child, adolescent, and geriatric inpatients. Applicants may demonstrate limited access to services for these specific age groups that supports exceeding the guideline of 30 beds per 100,000 general population. An applicant seeking to exceed this guideline shall utilize TDH and TDMHSAS data to justify this projected need and support the request by addressing the factors listed under the criteria "Additional Factors".

Rationale: Many communities in Tennessee have unique needs for inpatient psychiatric beds. The above formula functions as a "base criteria" that allows applicants to provide evidence supporting a need for a higher number of beds in the proposed service area. The HSDA may take into account all evidence provided and approve applications that request beds that exceed the 30 beds per 100,000 guideline when needed. An analysis of admissions and discharges by age category performed by the HSDA suggests there may be limited access for inpatients under the age of 18 and inpatients aged 65 and over. However, the applicable JAR form does not provide occupancy rates by age category. Health Planning believes developing determination of need formulas specific to each age category is not possible at this time due to these limitations in available data. The current need formula is to be utilized as a guideline allowing applicants the opportunity to apply to serve the unique needs of the intended service area.

Proposed Geriatric Psychiatry Service: The Geriatric Inpatient hospital will be a 16-bed unit consisting of both private and semi-private rooms. It will specialize in the care and treatment of patients aged 65+ with serious mental illnesses as defined in the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition. With the proposed service area having higher disability rates than the state of Tennessee or the U.S. as a whole, the geriatric hospital will also provide services to this specialized population (some under the age of 65 with disabilities as determined by the Social Security Administration) with similar psychiatric needs. The unit will fit into a continuum of care to serve the community, hospitals, nursing homes and assisted living facilities in a manner that is much needed and currently not being met.

According to an article in US National Library of Science, National Institute to Health, physical disability is found to be related to depressive symptoms. People with physical disability experience multiple risk factors for depressive symptoms, including stereotypic social and personal attitude, abuse, loss of roles, and stressors related to poverty, environmental barriers and/or lack of access to appropriate health care. Evidence shows that people living with physical disabilities are at least three time more likely to experience depression compared to the general population.

Based on the methodology found in the Certificate of Need Standards and Criteria, Psychiatric Inpatient Services there is a need for inpatient geriatric psychiatric beds in the service area projected for 2024. The proposed inpatient geriatric psychiatric hospital will meet the need identified in the Tennessee Health Plan to two high risk population groups

Proposed Service Area (County)	Adults 65+	Disable <65	Gross Need Pop. X (30 beds/100,000) Adults 65+	Gross Need Pop. X (30 beds/100,000) Disabled <65	Licensed Beds	**Net Need Adults 65+**	**Net Need Disabled <65**
Dickson	10,754	9,978	3.226	3	0	**3**	**3**
Benton	4,111	3,160	1.233	1	0	**1**	**1**
Cheatham	7,832	4,265	2.350	1	0	**2**	**1**
Hickman	4,896	3,985	1.469	1	0	**1**	**1**
Houston	1,927	1,385	0.578	0	0	**1**	**0**
Humphreys	4,235	3,193	1.271	1	0	**1**	**1**
Stewart	3,134	1,904	0.940	1	0	**1**	**1**
TOTAL	36,889	27,870	11	8	0	**11**	**8**

NCBM is proposing a 16 bed inpatient psychiatric hospital. The proposed new inpatient psychiatric hospital is needed for the following reasons:

- Numerically the bed need methodology demonstrates additional beds are needed by the criteria of 30 beds per 100,000 population;
- Improved access to needed behavioral services in a rural area will be enhanced and long waits and long commutes to unfamiliar locations for consumers will be shortened or eliminated;
- Consumer choice will be improved by establishing a quality provider of behavioral health services to the geriatric population into the health care system in Dickson and surrounding counties.
- This project will provide a valuable continuum of care to residents within the nursing homes and assisted living facilities in this service area..

The total beds in the new hospital are as follows:

Geriatric Psychiatry	16 Beds
Total Inpatient Beds	16 Beds

In addition, to the project meeting the Certificate of Need Bed Need Standard, it should be noted that, on most measures of mental health, Tennessee ranks low compared to the rest of the United States. Mental Health America ("MHA"), the nation's largest community-based advocacy group for the those living with mentally illness, identified Tennessee as being the nation's 39th state (out of 50 states and the District of Columbia) on overall mental health. Similarly, it was 42nd on access to mental health care.

See Attachment Section B 1-1 for The State of Mental Health in America 2020 state rankings.

Mental illness is a serious health issue with research showing that mental illnesses are common in the United States, affecting tens of millions of people each year. However, only half of people with mental illnesses receive treatment. The World Health Organization has presented information/data on the prevalence and impact of mental illness on the elderly population.

Mental health and well-being are as important in older age as at any other time of life.

- Mental and neurological disorders among older adults account for 6.6% of the total disability for this age group.
- Over 20% of adults aged 60 and over suffer from a mental or neurological disorder.
- Dementia and depression affect approximately 5% and 7% of the world's older population.
- Anxiety disorders affect 3.8% of the older population

Older adults (ages 65+) comprise of 20.7 percent of the population in the service area. The service area has an elderly population currently of over 33,000 persons and projected to increase to 36,889 by 2024. There is evidence of high incidence of mental illness and suicide secondary to mental illness in the 65+ population. According to the World Health Organization, more than 20 percent of adults aged 60 and over suffer from a mental or neurological disorder, and the most common neuropsychiatric disorders in this age group are dementia and depression. Dementia – including Alzheimer's disease, its most common form – affects about 5 percent of individuals between 71 and 79 and 37 percent of the population above the age of 90, according to the American Psychological Association.

In the service area NHC operates 191 nursing home beds and 20 assisted living beds at NHC HealthCare, Dickson. The facility as well as other facilities in the service area report difficulty at times referring a patient to a dedicated inpatient geriatric psychiatric service because the unit is full or does not have an appropriate bed available. This not only disrupts the continuum of care for the patient, it puts an extra burden on the family to continue to be involved with the patient's care. In addition to long term care residents, the general population of 65+ residents will also benefit from increased access to psychiatric services.

The proposed geriatric hospital will focus on serving the needs of the geriatric and specialized population in the proposed seven county service area. The services offered by the hospital will particularly provide specialized services to the elderly in the community who require inpatient hospitalization due to mental disorders. The elderly population of Dickson County is aging at a rapid pace, and the 65+ age cohort is a fast growing segment of the population. According to Tennessee Department of Health in 2024 the total population for Dickson County is 56,694, and the 65+ population is projected to be 10,754 or 18.97% of the total population.

Mental illness strikes 40 percent of patients in nursing homes, and it is expected that a high portion of referrals for the proposed 16-bed geriatric unit will be from nursing homes. Currently, these patients face prolonged waits and hazardous trips to receive care. This project will improve access to acute psychiatric services, thus improving the health status of the community.

Currently, there are 11 Long Term Care Facilities with over 1,200 beds and reporting over 820 residents in the service area according to the 2018 Joint Annual Report for Nursing Homes. According to the 2018 Joint Annual Report for Nursing Homes, there were 450 nursing home residents with a diagnosis of mental illness in the service area. This accounts for over 50% of the nursing home residents in the service area.

Nursing Facilities in Proposed Service Area	# Residents with mental illness
Dickson	
Dickson Health & Rehab	22
NHC HealthCare, Dickson	N/A
Benton	
Camden Healthcare & Rehab	91
Cheatham	
Hillcrest Healthcare	250
The Waters of Cheatham	31
Hickman	
Hickman Community Nursing Home	46
Life Care Center of Centerville	N/A
Houston	
Signature Healthcare of Erin	N/A
Humphreys	
Humphreys County Nursing Home	N/A
Waverly Health Care & Rehab Center	12
Stewart	
Diversicare of Dover	N/A
Total	**452**

Source: 2018 Joint Annual Report Schedule F

2. **Additional Factors:** An applicant shall address the following factors:
   a. The willingness of the applicant to accept emergency involuntary and non-emergency indefinite admissions;

      NCBM will accept emergency involuntary and non-emergency indefinite admissions, in an attempt to better serve the service area within the clinical admission criteria of a geriatric psychiatric inpatient program.

   b. The extent to which the applicant serves or proposes to serve the TennCare population and the indigent population;

      It will be NCBM's policy to serve all patients without regard to the payor source, including TennCare patients. NCBM proposes to serve 10% TennCare & 2% self pay/charity patients.

   c. The number of beds designated as "specialty" beds (including units established to treat patients with specific diagnoses);

      All 16 beds have been designated as specialty beds designated to specifically serve the geriatric population. With the proposed service area having higher disability rates than the state of Tennessee or the U.S. as a whole, the geriatric hospital will also provide services to this specialized disabled population (some under the age of 65 with disabilities as determined by the Social Security Administration) with similar psychiatric needs.

   d. The ability of the applicant to provide a continuum of care such as outpatient, intensive outpatient treatment (IOP), partial hospitalization, or refer to providers that do;

      NCBM will provide a continuum of care for the elderly and disabled patients treated at the hospital. In addition to having programs within the hospital, the hospital will implement a state of the art tele-medicine programs.

      According to the American Psychiatric Association, telemedicine is the process of providing health care from a distance through technology, often using videoconferencing. Telepsychiatry, a subset of telemedicine, can involve providing a range of services including psychiatric evaluations, therapy (individual therapy, group therapy, family therapy), patient education and medication management.

      Telepsychiatry can involve direct interaction between a psychiatrist and the patient. It also encompasses psychiatrists supporting primary care providers with mental health care consultation and expertise. Mental health care can be delivered in a live, interactive communication. It can also involve recording medical information (images, videos, etc.) and sending this to a distant site for later review.

      This means using the latest tele-medicine technology to see the patients where they are; and set up a system of mobile psychiatric staff to visit patients in multiple settings to reinforce compliance with treatment plans produced during hospitalization. The hospital will have social workers and nurses available to meet these patients in doctors' offices, emergency rooms, nursing homes, assisted living communities, and, of course, their personal homes. This technology will not require the patients to be transported to the

hospital; therefore, reducing the risk of transporting the elderly and disabled to the hospital for care. This is also compounded in a rural setting where distances are longer and transportation systems for the elderly and the disabled are more limited.

e. Psychiatric units for patients with intellectual disabilities;

Initially, NCBM does not plan to offer services to patients with intellectual disabilities. NCBH will specialize in treating the elderly with neurocognitive disorders who are also in need of psychiatric care for such illnesses as anxiety disorders and depression. While neurocognitive disorders are not typically considered "intellectual disabilities" many of the symptoms and declining capacities to care for themselves make the treatment process similar. NCBM will consistently monitor and evaluate the mental health needs of the community.

f. Free standing psychiatric facility transfer agreements with medical inpatient facilities;

The applicant will have transfer agreements with TriStar Horizon Medical Center. We anticipate additional transfer agreements with other acute care providers in our service area.

g. The willingness of the provider to provide inpatient psychiatric services to all populations (including those requiring hospitalization on an involuntary basis, individuals with co-occurring substance use disorders, and patients with comorbid medical conditions); and

NCBM will treat both voluntary and involuntary admissions with co-occurring substance use disorders and psychiatric and comorbid medical conditions. In a recent article published by the American Geriatric Society, over 1/10th of older adults in the US are estimated to binge drink to the point of harming themselves. (Journal of American Geriatric Society 2019). Therefore, treating patients with substance use disorders and co-morbid medical conditions is a critical element of the mission of the hospital.

h. The applicant shall detail how the treatment program and staffing patterns align with the treatment needs of the patients in accordance with the expected length of stay of the patient population.

The applicant will establish a 16-bed geriatric inpatient unit for serious mental disorders as defined in the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition. NCBM will have a dedicated interdisciplinary treatment team managed by 1 nursing/clinical manager, 1 nurse practitioner, at least 1 nurse per shift and additional nurses as census increases, at least 1 mental health technician (MHT) and additional MHT's will be added to the team as patient volume and needs dictate, 1 social worker and 1 activity therapist, also adjusted based on volume. The clinical team is supported by a unit clerk.

The data available from the Medicare IPF-PEPPER Report indicates the national average Length of Stay for patients in a geriatric inpatient psychiatric facility is approximately 10-14 days. Admission criteria require patients to exhibit symptoms sufficient to medically justify an admission to the hospital. A physician's order for admission based on an analysis of the data presented by the patient, patient's family or the referral source starts the assessment phase of the treatment program.

The nurse on the floor performs a complete nursing assessment including a review of all medicines and nutrition. A Mental Health Associate performs an assessment of the patients' fall risk and ADL levels while acclimating the patient to the unit. The Social Worker takes a bio-psycho-social history and the psychiatrist and/or nurse practitioner completes the initial evaluation and an internist or family practitioner examines the patient for any medical conditions that will require treatment while hospitalized. The Activity Therapist completes a patient participation assessment to determine how well the patient will participate in the program. Following completion of the assessments the team gathers to formulate a treatment plan including short-term and long-term goals for each patient.

Actual treatment including medication adjustments, additional diagnostic procedures ordered by the physician, group therapy, group activities and individual therapy take 7 to 10 days. When the goals are accomplished the social worker completes placement and the discharge and the patient transitions to home or living situation as seamlessly as possible. This process involves everyone on the clinical team from admission to discharge.

This service is performed by an interdisciplinary team that requires coordination and communication to successfully treat complex illnesses in the elderly. Nurses and mental health associates will be adjusted based on volume.

See the details for staff by Position Classification in Section B. Economic Feasibility Question 8.

i. Special consideration shall be given to an inpatient provider that has been specially contracted by the TDMHSAS to provide services to uninsured patients in a region that would have previously been served by a state operated mental health hospital that has closed.

NCBM is open to discussions with TDMDSAS regarding the possibility of providing inpatient psychiatric services to uninsured patients in the service area on a contractual basis.

j. Special consideration shall be given to a service area that does not have a crisis stabilization unit available as an alternative to inpatient psychiatric care.

The service area does not have crisis stabilization units.

3. **Incidence and Prevalence:** The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance use within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

Rationale: The rate of incidence and prevalence of mental illness in the service area may indicate a need for a higher number of psychiatric inpatient beds in the designated area.

TDMHSAS Behavioral Health Prevalence Dashboard for the most recent data available provides detailed information on behavioral health measures. TDMHSAS data is not available for the 65+ population; therefore, the data below consists of estimates for respondents ages 18+. Region 5 (Dickson, Cheatham, Hickman, Houston, Humphrey's and Stewart Counties), Region 6 (Benton County), State of Tennessee and United States data are reported as a percentage of respondents. County estimates are determined by multiplying the county population by the regional prevalence estimate.

County	Any Mental Illness in the Past Year	Serious Mental Illness in the Past Year	Serious Thoughts of Suicide in Past Year	Atleast One Major Depressive Episode in the Past Year
Dickson	7,684	1,596	1,635	2,610
Benton	2,634	604	519	870
Cheatham	6,059	1,259	1,289	2,058
Hickman	3,948	820	840	1,341
Houston	1,328	275	282	451
Humphrey's	2,940	611	625	999
Stewart	2,121	440	451	720
Service Area	26,714	5,605	5,641	9,049
Region 5	20.6%	4.3%	4.4%	7.0%
Region 6	20.1%	4.6%	4.0%	6.6%
State of Tennessee	20.3%	4.5%	4.1%	6.9%
United States	18.4%	4.1%	7.4%	6.7%

Source: TDMHSAS Behavioral Health Prevalence Dashboard, 2017

SAMHSA, Center for Behavioral Health Statistics and Quality, National Survey on Drug Use and Health, 2004-2006, 2006-2008, 2008-2010, 2010-2012, 2012-2014.

Although data is not available for the 65+ population, the TDMHSAS 2018 Data Book reports the State had 4.5% of Adults ages 18+ reporting a Serious Mental Illness compared to 4.1% in the US, and 6.9% for the same group experienced "at least one major depressive episode in the past year" compared to 6.7% in the US. The TDMHSAS research shows higher incidence rates than the national surveys.

Tennessee rankings

As documented in the State of Mental Health in America- 2020 published by Mental Health America Overall ranking based on 7 measures – 39th out of 50 states and the District of Columbia

The America's Health Rankings 2020 by the United Health Foundation reported:

Senior Suicide Rate – Tennessee records 19.9 suicides among their seniors per 100,000 which is well above the National Average of 16.8 per 100,000

Cognitive Difficulty – Seniors – 9.7% of Tennessee Seniors reported having physical , mental or emotional problems or difficulty remembering, concentrating or making mental decisions. This again is well above the National average of 8.3%

The number of Mental Health Provider currently available in Tennessee is 153 per 100,000 population, again this is well below the National Average of 247.4 per 100,000 population for the National Average

In addition, please see response to Standards and Criteria 1: Determination of Need, which documents additional incidence and prevalence of mental health illness.

In conclusion, it is compelling data indicating the need for additional resources to treat and care for the communities and people in the service area with mental disorders

4. **Planning Horizon:** The applicant shall predict the need for psychiatric inpatient beds for the proposed first two years of operation.

Rationale: The Division believes that projecting need two years into the future is more likely to accurately reflect the coming trends and less likely to overstate potential future need.

NCBM projects the first year of operations will be 2023 and its second year will be 2024. As stated in Section B: Need A.1. there is a need in the service area of additional geriatric beds in 2024. There are currently no psychiatric hospitals in the proposed service area and no geriatric psych beds within 35 miles/45 minutes drive time of the proposed hospital.

5. **Establishment of Service Area:** The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant. The socio-demographics of the service area and the projected population to receive services shall be considered. The proposal's sensitivity and responsiveness to the special needs of the service area shall be considered, including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, other medically underserved populations, and those who need services involuntarily. The applicant may also include information on patient origination and geography and transportation lines that may inform the determination of need for additional services in the region.

   Applicants should be aware of the Bureau of TennCare's access requirement table, found under "Access to Behavioral Health Services" on pages 93-94 at http://www.tn.gov/assets/entities/tenncare/attachments/operationalprotocol.pdf.

   Rationale: In many cases it is likely that a proposed psychiatric facility's service area could draw more significantly from only a portion of a county. When available, the Division would encourage the use of sub-county level data that are available to the general public (including utilization, demographic, etc.) to better inform the HSDA in making its decisions. Because psychiatric patients often select a facility based on the proximity of caregivers and family members, as well as the proximity of the facility, factors other than travel time may be considered by the HSDA. Additionally, geography and transportation lines may limit access to services and necessitate the availability of additional psychiatric inpatient beds in specific service areas.

   The applicant proposes a 7 county service area. Dickson, Benton, Cheatham, Hickman, Houston, Humphrey's and Stewart. The City of Dickson and the proposed location of the hospital is centrally located in the seven-county service area. This location will improve access and reduce drive times to behavioral healthcare for the elderly, disabled, their family members, and caregivers in the proposed service area.

   The proposed project will be accessible to all consumers, including women, racial and ethnic minorities, and low-income groups seeking behavioral health care. NCBM is proposing a 16 bed geriatric psychiatric hospital in Dickson County. The services proposed herein address the special needs of the population, which this psychiatric hospital will serve. The services will be made readily available to each of the following:

   (a)Low income persons;
   (b)Racial and ethnic minorities;
   (c)Women;
   (d)Handicapped persons;
   (e)Elderly

   In general, the proposed service area has a high rate of mental health illness. In addition, counties within the service area have higher poverty rates and disability rates than the state of Tennessee or the U.S. as a whole. Thus, the proposed provision of psychiatric services at NCBM will enhance access to care for a population that has been underserved for behavioral health services.

Exhibit

Percent of Residents Living in Poverty

County	% of Resident	% of US
Dickson	13.8%	116.95%
Benton	19.2%	162.71%
Cheatham	10.3%	87.29%
Hickman	16.3%	138.14%
Houston	16.7%	141.53%
Humphreys	13.6%	115.25%
Stewart	13.9%	117.80%
Average	14.8%	125.67%
TN	**15.3%**	129.66%
US	**11.8%**	

Source: U.S Census

Exhibit

Percent of Residents <65 Living with a Disability

County	% of Resident	% of US
Dickson	11.9%	138.37%
Benton	20.1%	233.72%
Cheatham	10.4%	120.93%
Hickman	16.1%	187.21%
Houston	17.6%	204.65%
Humphreys	17.4%	202.33%
Stewart	14.3%	166.28%
Average	15.4%	179.07%
TN	**11.1%**	129.07%
US	**8.6%**	

Source: U.S Census

6. **Composition of Services:** Inpatient hospital services that provide only substance use services shall be considered separately from psychiatric services in a CON application; inpatient hospital services that address co-occurring substance use/mental health needs shall be considered collectively with psychiatric services. Providers shall also take into account concerns of special populations (including, e.g., supervision of adolescents, specialized geriatric, and patients with comorbid medical conditions).

   The composition of population served, mix of populations, and charity care are often affected by status of insurance, TennCare, Medicare, or TriCare; additionally, some facilities are eligible for Disproportionate Share Hospital payments based on the amount of charity care provided, while others are not. Such considerations may also result in a prescribed length of stay.

   Rationale: Because patients with psychiatric conditions often experience co-morbid conditions, it is important that providers be capable of addressing such patients' potential medical needs. The accessibility of psychiatric services to various populations and for appropriate lengths of stay are important considerations for the HSDA when reviewing psychiatric inpatient services applications.

   NCBM will serve patients with co-occurring substance use/mental health needs and, as appropriate, NCBM will provide services to comorbid medical conditions. However, patients with significant medical issues will be referred/transferred to providers that are more appropriate for the patient's medical condition. Based on its composition of services, NCBM estimates that its average length of stay will be approximately 10-14 days.

   NCBM's policy will be to accept all patients, regardless of financial status or status of insurance. As demonstrated in is revenue and expense pro forma, NCBM anticipates that 10 percent of its patients will be TennCare and 80 percent will be Medicare. NCBM is also projecting that two percent of its care will be to self pay/charity patients.

   In addition to the 1% noted in the payor mix chart the applicant anticipates additional charity care will be incurred as a result of self-pay patients applying for charity care status. When a patient presents him or herself for care they are determined to have a source of insurance or no insurance; therefore, self-pay. A self-pay patient or an insured patient with a significant out of pocket balance may apply for indigent care status; therefore, resulting in a "charity care" deduction from revenue. Our historical experience has been approximately 1% self-pay and 1% indigent care. For financial reporting purposes charity care is not considered a "payor source".

7. **Patient Age Categorization:** Patients should generally be categorized as children (0-12), adolescents (13-17), adults (18-64), or geriatrics (65+). While an adult inpatient psychiatric service can appropriately serve adults of any age, an applicant shall indicate if they plan to only serve a portion of the adult population so that the determination of need may be based on that age-limited population. Applicants shall be clear regarding the age range they intend to serve; given the small number of hospitals who serve younger children (12 and under), special consideration shall be given to applicants serving this age group. Applicants shall specify how patient care will be specialized in order to appropriately care for the chosen patient category.

   Rationale: Based on stakeholder input, the Division has categorized the patient population into children, adolescents, adults, and geriatric. Each age category may require unique care.

Proposed Geriatric Psychiatry Service: The Geriatric Inpatient hospital will be a 16-bed unit consisting of both private and semi-private rooms. It will specialize in the care and treatment of patients aged 65+ with serious mental illnesses as defined in the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition. With the proposed service area having higher disability rates than the state of Tennessee or the U.S. as a whole, the geriatric hospital will also provide services to this specialized population (some under the age of 65) with similar psychiatric needs. Further, the ADL's of the specialized disabled population are at a similar level to the elderly population.

8. **Services to High-Need Populations:** Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including patients who are involuntarily committed, uninsured, or low-income.

   The Applicant will accept involuntary commitments, TennCare, and patients without insurance or the means to pay for care, as well as the mentally and physically disabled as appropriate for the patient milieu.

9. **Relationship to Existing Applicable Plans; Underserved Area and Populations:** The proposal's relationships to underserved geographic areas and underserved population groups shall also be a significant consideration. The impact of the proposal on similar services in the community supported by state appropriations shall be assessed and considered; the applicant's proposal as to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, shall also be assessed and considered. The degree of projected financial participation in the Medicare and TennCare programs shall be considered.

   Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall also include how the applicant's services may differ from existing services (e.g., specialized treatment of an age-limited group, acceptance of involuntary admissions, and differentiation by payor mix). Accessibility to specific special need groups shall also be discussed in the application.

   Rationale: Based on stakeholder input, a number of factors, including occupancy, shall be considered in the context of general utilization trends. Additionally, several factors may be necessary to consider when determining occupancy including staffed beds verses licensed beds, the target patient population, and the operation of specialty units.

   NCBM is committed to provide behavioral health services, including inpatient geriatric psychiatric services, to all segments of the service area, regardless of financial status or source of payment. Together, Medicare, TennCare, patients account for approximately 90 percent of NCBM's projected payor mix. NCBM's proposal, which will provide a continuum of acute behavioral health services, including the acceptance of involuntary inpatient admissions, will complement existing services and help address the community need for additional behavioral health resources. Please note that it is not NCBM's intent to provide services to long-term patients. Patients that require long-term behavioral health care will be referred to other, more appropriate, providers through referral relationships and links to other community providers.

NCBM intends to meet with each of the community service providers in the region to coordinate, collaborate and develop working relationships to identify and evaluate inpatients that are candidates for various community-based levels of care and coordinate the discharge of these patients from the Applicant. Agreements and relationships with residential treatment centers, group homes and long-term care providers will be established for patients who need continued inpatient care or are no longer able to remain at home. The Tennessee Department of Mental Health and Substance Abuse Services provides a directory of licensed behavioral health facilities and their services available throughout Tennessee.

NCBM proposed project will provide the only behavioral health hospital in Dickson County. The average distance to the next closest hospital providing geriatric psychiatric services is approximately 35 miles. Please note Cumberland Behavioral Health has received CON approval (CN1806-022) for a behavioral health hospital to include geriatric psych beds in Davidson County and projected to open in 2021. Upon licensure, St. Thomas West will voluntarily surrender their 24 geriatric psych beds. For comparative purposes, the mileage and drive time have been included for both hospital locations.

County	Facility	Miles to NCBM	Drive Time to NCBM
Davidson	Cumberland Behavioral Health*	38	37 minutes
	St Thomas West*	35	39 minutes
	TriStar Centennial	35	37 minutes
	TriStar Skyline Madison	48	49 minutes
	Vanderbilt University	38	40 minutes
Maury	Behavioral Healthcare	36	44 minutes
Montgomery	Behavioral Healthcare	46	1 hr 12 mins
Williamson	Rolling Hills	43	42 minutes
Average		40	45 minutes

* CN 1806-022 was approved to construct a 76 bed BH hospital. Upon licensure, St. Thomas West will voluntarily surrender their 24 geriatric psych beds.

Family participation in the geriatric patients' care is an integral part of the inpatient hospitalization. It is extremely difficult for patient families to be actively involved in care if they must travel almost a hour each way on a daily basis to attend therapy sessions or educational programs. The distance may also serve as a deterrent for some patients and families who ultimately do not receive appropriate care because of the long travel times and costs associated with seeking care outside Dickson County. The current providers of acute geriatric inpatient psychiatric services are geographically inaccessible to residents of the service area. This project will improve access to acute geriatric psychiatric services, thus improving the health status of the community by removing barriers such as long driving times.

10. **Expansion of Established Facility:** Applicants seeking to add beds to an existing facility shall provide documentation detailing the sustainability of the existing facility. This documentation shall include financials, and utilization rates. A facility seeking approval for expansion should have maintained an occupancy rate for all licensed beds of at least 80 percent for the previous year. The HSDA may take into consideration evidence provided by the applicant supporting the need for the expansion or addition of services without the applicant meeting the 80 percent threshold. Additionally, the applicant shall provide evidence that the existing facility was built and operates, in terms of plans, service area, and populations served, in accordance with the original project proposal.

    Rationale: Based on stakeholder input, the implementation of an 80 percent threshold for the approval may serve as an indicator of economic feasibility for the expansion of the facility. The 80 percent occupancy requirement may limit an applicant's ability to add specialty services that require separation from other units. Examples include geriatric psychiatry, services for patients with co-occurring mental health needs and substance use disorders. Additionally, the majority of the programs in the state are currently operating under this threshold. The communities these programs serve may have needs that require an expansion of services. An applicant may provide evidence of the economic feasibility of expansion despite not operating at or above 80 percent of capacity.

    Not Applicable, NCBM is requesting a new 16 bed psychiatric hospital specializing in geriatric care.

11. **Licensure and Quality Considerations:** Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH and/or the TDMHSAS. The applicant shall also demonstrate its accreditation status with the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities (CARF), or other applicable accrediting agency. Such compliance shall provide assurances that applicants are making appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems, and children who need quiet space). Applicants shall also make appropriate accommodations so that patients are separated by gender in regards to sleeping as well as bathing arrangements. Additionally, the applicant shall indicate how it would provide culturally competent services in the service area (e.g., for veterans, the Hispanic population, and LBGT population).

    Not Applicable, NCBM is not an existing facility. NCBM will seek accreditation with a CMS approved agency (DNV GL or Joint Commission), certification with the Centers for Medicare and Medicaid Services and licensed by the TDMHSAS. NCBM will assure that it will make appropriate accommodations for patients, including sleeping and bathing accommodations so that patients are separated by gender. In addition, NCBM will be sensitive to cultural differences and make appropriate accommodations that are consistent with its resources and clinical programs. As part of its ongoing assessment of community need, NCBM will monitor the behavioral health needs of patients with cultural differences and, if needed, develop culturally-specific therapeutic programs to address their mental health needs.

12. **Institution for Mental Disease Classification:** It shall also be taken into consideration whether the facility is or will be classified as an Institution for Mental Disease (IMD). The criteria and formula involve not just the total number of beds, but the average daily census (ADC) of the inpatient psychiatric beds in relation to the ADC of the facility. When a facility is classified as an IMD, the cost of patient care for Bureau of TennCare enrollees aged 21-64 will be reimbursed using 100 percent state funds, with no matching federal funds provided; consequently, this potential impact shall be addressed in any CON application for inpatient psychiatric beds.

    The proposed inpatient psychiatric hospital is not seeking IMD Classification.

13. **Continuum of Care:** Free standing inpatient psychiatric facilities typically provide only basic acute medical care following admission. This practice has been reinforced by Tenn. Code Ann. § 33-4-104, which requires treatment at a hospital or by a physician for a physical disorder prior to admission if the disorder requires immediate medical care and the admitting facility cannot appropriately provide the medical care. It is essential, whether prior to admission or during admission, that a process be in place to provide for or to allow referral for appropriate and adequate medical care. However, it is not effective, appropriate, or efficient to provide the complete array of medical services in an inpatient psychiatric setting.

    The proposed hospital will provide appropriate medical care to patients with co-morbid medical conditions while primarily focusing on treating their psychiatric disorder. The proposed hospital will have transfer and affiliation agreements to refer patients with medical needs beyond the scope of services provided at the proposed hospital or to a facility of the patient's choice.

    NCBM will also provide a continuum of care for the specialized population treated at the hospital and then discharged successfully. Rather than have programs that require these patients to be transported back to the hospital for follow up care, the hospital will implement state of the art tele-medicine programs and deliver these services to where the patients are residing. The hospital will make social workers and nurses available to meet these patients (via telemedicine) in doctors' offices, emergency rooms, nursing homes, assisted living communities, and, of course, their personal homes. That means using the latest tele-medicine technology to see the patients where they are; and set up a system of mobile psychiatric staff to visit patients in multiple settings to reinforce compliance with treatment plans produced during hospitalization. It places the specialized population at further risk to put them in a van or automobile to attend a follow up appointment or group session at the hospital. This is also compounded in a rural setting where distances are longer and transportation systems for the specialized population are more limited.

14. **Data Usage:** The TDH and the TDMHSAS data on the current supply and utilization of licensed and CON-approved psychiatric inpatient beds shall be the data sources employed hereunder, unless otherwise noted. The TDMHSAS and the TDH Division of Health Licensure and Regulation have data on the current number of licensed beds. The applicable TDH JAR provides data on the number of beds in operation. Applicants should utilize data from both sources in order to provide an accurate bed inventory.

    Rationale: Using these sources for data is the only way to ensure consistency across the evaluation of all applications. Data provided by the TDH and the TDMHSAS shall be relied upon as the primary sources of data for CON psychiatric inpatient services applications. Each data source has specific caveats. Requiring the use of both licensed beds and operating beds will provide a more comprehensive bed inventory analysis.

    So noted by the applicant. Both data sources were consulted.

15. **Adequate Staffing:** An applicant shall 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 and that such personnel are available in the proposed Service Area. Each applicant shall outline planned staffing patterns including the number and type of physicians. Additionally, the applicant shall address what kinds of shifts are intended to be utilized (e.g., 8 hour, 12 hour, or Baylor plan). Each unit is required to be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times. This staffing level is the minimum necessary to provide safe care. The applicant shall state how the proposed staffing plan will lead to quality care of the patient population served by the project.

    However, when considering applications for expansions of existing facilities, the HSDA may determine whether the existing facility's staff would continue without significant change and thus would be sufficient to meet this standard without a demonstration of efforts to recruit new staff.

    NHC HealthCare, Dickson has successfully operated a long term care facility in Dickson for over 49 years. It has established collegial relationships with several educational institutions to train, mentor and develop healthcare professionals. Through its affiliation with Freed-Hardeman University, nurses have become care givers in the NHC system; and through Tennessee College of Applied Technology, LPN's have been trained and developed, and through affiliation with Austin Peay State University's department of Social Work students have been a part of practicums, rotations, and field experiences that led to permanent placement in the healthcare workforce. Additionally, NHC HealthCare, Dickson continues to operate its own Certified Nurse Assistant training program that produces graduates for its needs and many other nursing facilities in the service area.

    The addition of an inpatient psychiatric hospital will complement and improve the healthcare system and provide an additional environment for training and developing mental health specialists in the area. It will contribute to improving the quality and availability of trained, experienced professionals to take care of elderly patients in the service area.

    The proposed clinical team will be led by a Board Certified Psychiatrist with inpatient hospital experience. Psychiatric Nurse Practitioners and Registered Nurses (RN) will have 12 hours shifts on the treatment units and 8 hours for other clinical personnel. The staffing matrices are included in Section B-Economic Feasibility-8. The table documents there will always be at least one RN on each unit. The overall count totals 19.4 Clinical/Patient Care positions in Year 1 which meets or exceeds all regulatory agency requirements.

16. **Community Linkage Plan:** The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care (e.g., agreements between freestanding psychiatric facilities and acute care hospitals, linkages with providers of outpatient, intensive outpatient, and/or partial hospitalization services). If they are provided, letters from providers (e.g., physicians, mobile crisis teams, and/or managed care organizations) in support of an application shall detail specific instances of unmet need for psychiatric inpatient services. The applicant is encouraged to include primary prevention initiatives in the community linkage plan that would address risk factors leading to the increased likelihood of Inpatient Psychiatric Bed usage.

Rationale: The Division recognizes that participation in community linkage plans is an important element in the provision of quality psychiatric inpatient services; therefore, it is important for applicants to demonstrate such connections with other community providers. The 2014 update to the State Health Plan moved from a primary emphasis of health care to an emphasis on "health protection and promotion". The development of primary prevention initiatives for the community advances the mission of the State Health Plan.

The development of strong community linkages will be a key to the success of NCBM. These community linkages allow NCBM to provide effective clinical case management and to deliver quality and cost-effective care to its patients. Community linkages ensure that NCBM is an active participant in the continuum of health care services and that patient care is provided in the most appropriate and most cost-effective setting possible. NCBM will contact local area providers, community groups and third-party payors to discuss the establishment of both formal and informal working relationships.

NCBM intends to meet with each of the community service providers in the region to coordinate, collaborate and develop working relationships to identify and evaluate inpatients that are candidates for various community-based levels of care and coordinate the discharge of these patients from the Applicant. Agreements and relationships with residential treatment centers, group homes and long-term care providers will be established for patients who need continued inpatient care or are no longer able to remain at home.

NCBM will also seek to establish formal linkages with third-party payors and managed care organizations. Through contracts with third-party payors, NCBM will work with the payors' case managers to coordinate, monitor and manage the next level provider for their members.

In addition, NCBM seeks to establish relationships throughout the provider community. As part of its commitment to establish strong relationships and linkages within the community, NCBM will reach out to community services organizations such as religious organizations, senior citizen groups and civic organizations.

17. **Access:** The applicant must demonstrate an ability and willingness to serve equally all of the patients related to the application 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.

    It will be NCBM's policy to serve all patients, without discrimination, including patients without the financial means to pay for their care. There are currently not any geriatric psychiatric beds in the service area and the closest provider is approximately 35 miles/45 minutes away. Patients and their families are currently forced to travel far from home to receive inpatient geriatric psychiatric services and participate in the care of their loved ones. The distance may also serve as a deterrent for some patients and families who ultimately do not receive appropriate care because of the long travel times and costs associated with seeking care outside Dickson County. This project will improve access to acute geriatric psychiatric services, thus improving the health status of the community.

18. **Quality Control and Monitoring:** The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. An applicant that owns or administers other psychiatric facilities shall provide information on their surveys and their quality improvement programs at those facilities, whether they are located in Tennessee or not.

Rationale: This section supports the State Health Plan's Fourth Principle for Achieving Better Health regarding quality of care.

NCBM will monitor quality and outcomes, and report data to the appropriate regulatory and accreditation agencies. Reliant has performance improvement and utilization management policies and procedures that are utilized by its existing psychiatric hospital. It is anticipated that these, or similar, policies will be available for NCBM. Copies of Reliant's performance improvement and utilization management policies and most recent survey are provided in **Attachment Section B-A.1.18.**

At Reliant Healthcare's psychiatric hospital in Missouri, Osage Beach Center for Cognitive Disorders (OBCCD), it has in place policies and procedures for a Total Quality Management(TQM) program with policies and procedures for comprehensive data reporting that include clinical performance measures, outcome studies, critical incident reviews and a process monitoring system. OBCCD is fully accredited by The Joint Commission (TJC) and CMS certified, meets all current standards, and employs best practices to deliver exceptional patient care. This includes but is not limited to :

- The use of evidence based performance improvement measures for in-patient psychiatric hospitals to improve patient care, the delivery of quality services and improve safety.
- HBIPS (Hosptal Based In-Patient Psychiatric Services) quarterly reporting to CMS & TJC .
- Collecting data on clinical outcomes and reporting data through HIBBS Program. Comprehensive PI data that is reported monthly through Medical Staff & leadership to the Governing Body in the Quality Dashboard. (**Attachment Section B-A.1.18).**
- Quality Dashboard displays key performance indicators for every hospital department with documented actions to improve clinical performance and patient care.
- Quality Dashboard reports on compliance with all National Patient Safety Goals(NPSG) as defined by TJC.
- Conducts Root Cause Analysis(RCA) of sentinel events or near misses and critical Incident Reviews of critical incidents or negative outcomes, as required by TJC.
- Promotes a culture of safety through comprehensive and on going in-service education and a thorough privileging and credentialing program.
- Conducts Failure Mode and Effects Analysis(FMEA) of potential disruptions to patient care and the delivery of critical services as required by TJC.

19. **Data Requirements:** Applicants shall agree to provide the TDH, the TDMHSAS, and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility 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

NCBM agrees to provide the TDH, the TDMHSAS, and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested

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.

This proposal will meet a demonstrated need for additional inpatient psychiatric beds and mental health resources in the community.

As a leader in geriatric and senior care services, NHC and Reliant feels called to assist in this important area. NHC knows first-hand, through patients in our health care centers, Home Care operations, and Hospice operations, that many seniors in Tennessee suffer from various mental health conditions. NHC and Reliant have collaborated to create a long-range plan for NCBM. The plan creates an environment of quality and clinical care excellence for psychiatric patients as it builds on the strengths of all both organizations.

3. 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.

Please see attached county level map of the proposed service area.

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

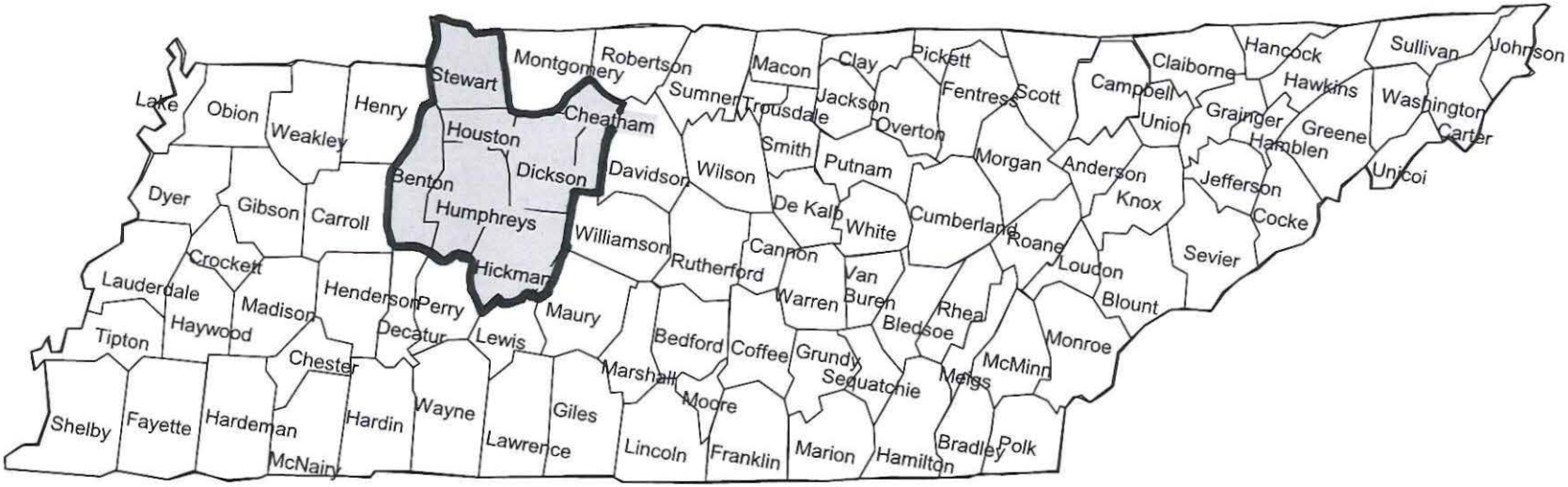
The project is for a new hospital; therefore, historical utilization is not applicable.

Service Area Counties	**Historical Utilization-County Residents – Most Recent Year (YEAR = _____)**	**% of total □ procedures □ cases □ patients □Other**
County #1		
County #2		
County #3		
County #4		
Etc.		
Total		100%

The assumption was made that the seven (7) counties in the primary service area patient origination would reflect the same percentage as the 65+ population of each county to the whole service area. For example, in 2024 Dickson County's 65+ population is projected to be 10,754, the total 65+ population for the seven (7) county service area is 36,889; therefore, 10,754 / 36,889 = 29.2%

Service Area Counties	Projected Utilization- County Residents- Year 1 (YEAR = 2023)	% of total □ procedures □cases □ patients X Other Admissions
Dickson	66	29.2%
Benton	25	11.1%
Cheatham	48	21.2%
Hickman	30	13.3%
Houston	12	5.2%
Humphreys	26	11.5%
Stewart	19	8.5%
Total Admissions	226	100%

Total Admissions were calculated on 3,306 patients days (Year 1) with ALOS of 14 days


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

4. A. 1) Describe the demographics of the population to be served by the proposal.

NCBM will have a seven county service area – Benton, Cheatham, Dickson, Hickman, Houston, Humphreys, and Stewart. In 2020, this service area had an estimated total population of 175,344. Official sources indicate that the service area total population will grow by approximately 1.5 percent or 2,655 persons by 2024. Approximately 32 percent of the total is projected to reside in Dickson County in 2024.

The service area had an estimated 33,329 seniors (age 65 and older) reside in the seven county service area in 2020. By 2024, seniors are expected to grow by approximately 10.68 percent and reach 36,889, an increase of 3,560 persons.

Approximately 21.42 percent of the service area's population is enrolled in TennCare compared to 20.68 percent for Tennessee. The percentage of the population enrolled in TennCare is higher in five of the seven counties than in the overall state. The lower percentage of TennCare recipients in the more populated counties, e.g., Cheatham and Dickson, offset the higher percentage in the smaller populated counties and account for the lower overall percentage in the entire service area.

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							Census Bureau				TennCare	
	Total Population-Current Year	Total Population-Projected Year	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
County A													
County B, etc.													
Service Area Total													
State of TN Total													

** 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.*

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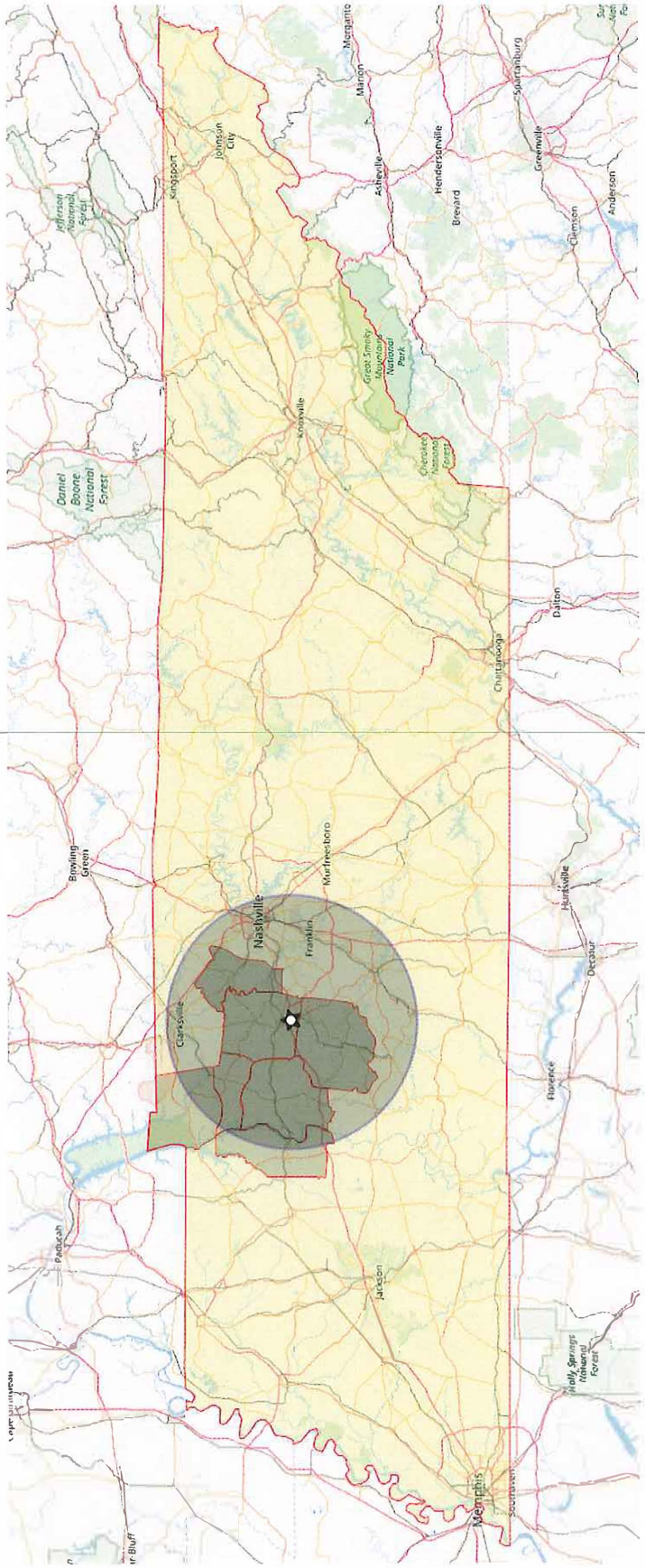

Be sure to identify the target population, e.g., Age 65+, the current year and projected year being used.

	Department of Health/Human Statistics							Bureau of the Census				TennCare	
Demographic Variable/Geographic Area	Total Population - Current Year - 2020	Total Population - Projected Year - 2024	Total Population - % Change	*Target Population 65+- Current Year- 2020	*Target Population 65+ - Projected Year - 2024	*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 Aug 2020	TennCare Enrollees as % of Total
Dickson	54,556	56,694	3.92%	9,480	10,754	13.44%	18.97%	39.4	$50,549	7,529	13.8%	11,275	20.67%
Benton	15,887	15,719	-1.06%	3,927	4,111	4.69%	26.15%	47.4	$33,125	3,050	19.2%	4,228	26.61%
Cheatham	40,536	41,008	1.16%	6,830	7,832	14.67%	19.10%	40.4	$58,641	4,175	10.3%	6,760	16.68%
Hickman	24,567	24,754	0.76%	4,482	4,896	9.24%	19.78%	40.8	$41,998	4,004	16.3%	5,824	23.71%
Houston	8,146	8,147	0.01%	1,802	1,927	6.94%	23.65%	43.7	$43,964	1,360	16.7%	2,082	25.56%
Humphreys	18,372	18,350	-0.12%	3,932	4,235	7.71%	23.08%	41.6	$41,510	2,499	13.6%	4,611	25.10%
Stewart	13,270	13,317	0.35%	2,876	3,134	8.97%	23.53%	44.5	$42,269	1,845	13.9%	3,121	23.52%
Service Area Total	175,334	177,989	1.51%	33,329	36,889	10.68%	20.73%	41.6	$42,269	24,371	13.90%	37,901	21.62%
State of TN Total	6,883,347	7,097,353	3.11%	1,189,428	1,318,822	10.88%	18.58%	38.7	$50,972	1,053,152	15.30%	1,423,198	20.68%

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, 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.

The applicant proposes a seven (7) county service area. Dickson, Benton, Cheatham, Hickman, Houston, Humphrey's and Stewart. The City of Dickson and the proposed location of the hospital is centrally located in the seven-county service area. This location will improve access and reduce drive times to behavioral healthcare for the elderly, their family members, and caregivers in the proposed service area.

The proposed project will be accessible to all consumers, including women, racial and ethnic minorities, disabled, and low-income groups seeking behavioral health care. NCBM is proposing a 16 bed geriatric psychiatric hospital in Dickson County. The services proposed herein address the special needs of the population, which this psychiatric hospital will serve. The services will be made readily available to each of the following:

(a) Low income persons;
(b) Racial and ethnic minorities;
(c) Women;
(d) Handicapped persons;
(e) Elderly

In general, the proposed service area has a high rate of mental health illness. In addition, counties within the service area have higher poverty rates and disability rates than the state of Tennessee or the U.S. as a whole. Thus, the proposed provision of psychiatric services at NCBM will enhance access to care for a population that has been underserved for behavioral health services.

NCBM proposal includes the planning, development and operations of behavioral health programs, targeted to the specific mental health needs for the elderly patients. In addition, NCBM plans include consistently monitoring and evaluating the mental health needs of the community and establishing services to meet those needs, which may include the designation of other specialty beds in the future.

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.

There are currently no licensed inpatient psychiatric providers operating in the service area.

The proposed hospital aims to serve a special population (older adults with mental and behavioral illness) and to improve access to inpatient psychiatric services for the 65+ population by removing barriers such as long driving times.

Currently, these patients must travel approximately 35 miles/45 minutes, in order to receive care, or they receive inappropriate care in the nursing home or primary care setting. Patients and their families are currently forced to travel far from home to receive inpatient geriatric psychiatric services and participate in the care of their loved ones. The distance may also serve as a deterrent for some patients and families who ultimately do not receive appropriate care because of the long travel times and costs associated with seeking care outside Dickson County. This project will improve access to acute geriatric psychiatric services, thus improving the health status of the community.

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.

NCBM is a new hospital; therefore, historical utilization is not applicable.

NCBM projects 1st year occupancy rate to be 56.6%, and 2nd year occupancy rate to be 80.4%. Analysis of the service area population demographics, incidence rates, and prevalence factors are similar to other markets where management has opened inpatient psychiatric facilities. The projections in this case also approximate management's experience over the past 15 years developing and starting inpatient psychiatric facilities. The unmet need for the additional geriatric beds, will provide existing referral sources needed capacity for services and possibly project a healthier and more robust demand for services than projected.

	Year 1	Year 2
Beds	16	16
Admissions	226	320
Patient Days	3,306	4,700
Occupancy	56.2	80.4
ALOS	14	14

ECONOMIC FEASIBILITY

The responses to this section of the application will help determine whether 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)

   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.

   The total project costs to the developer is $5,317,029 and serves as the fair market value of the project.

   According to the lease letter of intent, the annual base rent to the applicant during the initial 10-year term of the lease is 7.5% of the developer's total project cost with an annual base rent escalator 2% beginning in year 3. As indicated in the table below, this amount totals $4,228,701 which is less than FMV of the project.

Year		Base Rent
1	$	398,777
2		398,777
3		406,753
4		414,888
5		423,186
6		431,649
7		440,282
8		449,088
9		458,070
10		467,231
	$	4,228,701

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.

The cost for hospital beds, furniture, fixtures and any additional moveable equipment will be paid by the applicant. This amounts to $392,400. There is not a piece of moveable equipment that exceeds $50,000.

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

The applicant has completed the Square Footage Chart as required. The Total Cost reported on line 5 equals the total cost reported on the square footage chart.

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;
2) An estimate of the cost to construct the project;
3) A description of the status of the site's suitability for the proposed project; and
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 or comparable document in current use by the licensing authority.

Please see Attachment Section B – Economic Feasibility – 1 E (1-4)

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PROJECT COST CHART

A.	Construction and equipment acquired by purchase:			
	1	Architectural and Engineering Fees	$	-
	2	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$	25,000
	3	Acquisition of Site	$	-
	4	Preparation of Site	$	-
	5	Total Construction Costs	$	-
	6	Contingency Fund	$	-
	7	Fixed Equipment (Not included in Construction Cost)		
	8	Moveable Equipment (List all equipment over $50,000 as separate attachments)	$	392,400
	9	Other (Specify)	$	-
B.	Acquisition by gift, donations, or lease:			
	1	Facility (inclusive of building and land)	$	5,259,387
	2	Building only	$	-
	3	Land only	$	-
	4	Equipment (Specify)	$	-
	5	Other (Development Fee)	$	-
C.	Financing Costs and Fees:			
	1	Interim Financing	$	-
	2	Underwriting Costs	$	-
	3	Reserve for One Year's Debt Service	$	-
	4	Other (Specify)	$	-
D.	Estimated Project Cost (A+B+C)		$	5,676,787
E.	CON Filing Fee		$	32,642
F.	Total Estimated Project Cost (D+E)	**TOTAL**	$	5,709,429

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;

X 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.

The vast majority of the project costs include total project costs to the developer. National HealthCare Corporation has submitted a letter stating necessary funds are available for the construction and development costs of the project.

Letters from NHC and Reliant attesting to their contributions to fund their initial contributions to the joint venture are provided in **Attachment Section B – Economic Feasibility - 2.**

The project filing fee is being paid by the applicant's joint venture partners from current operations.

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

Not Applicable

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.

NOT APPLICABLE

□ Project Only
□ Total Facility

HISTORICAL DATA CHART

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

	Year____	Year____	Year____
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)_____	_____	_____	_____
Gross Operating Revenue	$_____	$_____	$_____
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	$_____	$_____	$_____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	$_____	$_____	$_____
NET OPERATING REVENUE	$_____	$_____	$_____
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 (D6)	_____	_____	_____
Total Operating Expenses	$_____	$_____	$_____
E. **Earnings Before Interest, Taxes and Depreciation**	$_____	$_____	$_____
F. Non-Operating Expenses			
1. Taxes	$_____	$_____	$_____
2. Depreciation	_____	_____	_____
3. Interest	_____	_____	_____
4. Other Non-Operating Expenses	_____	_____	_____
Total Non-Operating Expenses	$_____	$_____	$_____ **NET**
INCOME (LOSS)	$_____	$_____	$_____ *Chart*

Continues Onto Next Page

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

☐ Project Facility

☐ Total Only

HISTORICAL DATA CHART-OTHER EXPENSES

OTHER OPERATING EXPENSES CATEGORIES (D6)	**Year____**	**Year___**	***Year_____***
1. Professional Services Contract	$_____	$_____	$_____
2. Contract Labor	_____	_____	_____
3. Imaging Interpretation Fees	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____			
***Total Other Expenses**	**$_____**	**$_____**	**$_____**

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

4. 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 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.

Please see attached Projected Data Chart.

Project Only
X Total Facility

PROJECTED DATA CHART

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

		Year 2023	Year 2024
A. Utilization Data			
Specify Unit of Measure Patient Days		3,306	4,700
B. Revenue from Services to Patients			
1. Inpatient Services		3,967,200	5,865,600
2. Outpatient Services		0	0
3. Emergency Services			
4. Other Operating Revenue (Specify)	Medical record fees	6,500	9,500
	Gross Operating Revenue	3,973,700	5,875,100
C. Deductions from Gross Operating Revenue			
1. Contractual Adjsutments		1,248,732	1,475,316
2. Provision fro Charity Care		32,820	58,656
3. Provisions for Bad Debt		131,280	234,624
	Total Deductions	1,412,832	1,768,596
NET OPERATING REVENUE		2,560,868	4,106,504
D. Operating Expenses			
1. Salaries & Wages			
a. Direct Patient Care		1,713,280	1,785,005
b. Non-Patient Care		396,500	408,395
2. Physician's Salaries & Wages		345,750	346,125
3. Supplies		271,092	393,108
4. Rent			
a. Paid to Affiliates		398,777	398,777
b. Paid to Non-Affiliates			
5. Management Fees:			
a. Paid to Affiliates		200,000	206,000
b. Paid to Non-Affiliates			
6. Other Operating Expenses (D6)		288,180	337,800
	Total Operating Expenses	3,613,579	3,875,210
E. **Earnings Before Interest, Taxes & Depreciation**		(1,052,711)	231,294
F. Non-Operating Expenses			
1. Taxes			
2. Depreciation			
3. Interest			
4. Non-Operating Expenses			
	Total Non-Operating Expenses	0	0
NET INCOME (LOSS)		(1,052,711)	231,294

Chart Continues Onto Next Page

NET INCOME (LOSS)	(1,052,711)	231,294
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	0	0
2. Annual Capital Expenditures	0	0
Total Other Deductions	0	0
NET BALANCE	(1,052,711)	231,294
DEPRECIATION	0	0
FREE CASH FLOW (Net Balance + Depreciation)	(1,052,711)	231,294

Project Only
X Total Facility

PROJECTED DATA CHART-OTHER EXPENSES

OTHER OPERATING EXPENSES CATEGORIES (D6)	**Year 2023**	**Year 2024**
1. Insurance	70,000	72,100
2. Utilities	50,000	51,500
3. Purchased Support Services	138,180	183,600
4. Other	30,000	30,600
Total Other Expenses	288,180	337,800

5. A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Charts 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)
Gross Charge *(Gross Operating Revenue/Utilization Data)*					
Deduction from Revenue *(Total Deductions/Utilization Data)*					
Average Net Charge *(Net Operating Revenue/Utilization Data)*					

Total Facility Chart

	Previous Year to Most Recent Year Year ____	Most Recent Year Year____	Year One Year 2023	Year Two Year 2024	% Change (Current Year to Year 2)
Gross Charge *(Gross Operating Revenue/Utilization Data)*	N/A	N/A	$1,202/pd	$1,250/pd	N/A
Deduction from Revenue *(Total Deductions/Utilization Data)*	N/A	N/A	$427/pd	$376/pd	N/A
Average Net Charge *(Net Operating Revenue/Utilization Data)*	N/A	N/A	$775/pd	$874/pd	N/A

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.

Gross Charges, Deductions, and Net Charges for years 1 and 2 are reflected in the chart above. Because this is a new facility there are no Previous Year or Most Recent year data. All data is rounded to the nearest whole dollar amount.

B. 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).

NCBM projected service area is Dickson, Benton, Cheatham, Hickman, Houston, Humphreys and Stewart Counties. There are not any inpatient psychiatric facilities in the service area. Following are charges of existing psychiatric facilities outside our service area.

County	Hospital	Gross Charges	Adjustments	Net Revenue
Davidson	St Thomas West	$2,427.50	$1,828.43	$599.07
	TriStar Centennial	$4,808.64	$4,189.31	$619.33
	TriStar Skyline Madison	$3,930.82	$3,450.26	$480.57
	Vanderbilt University	$1,347.54	$1,546.38	$496.19
Maury	Behavioral Healthcare	$1,005.89	$39.56	$966.33
Montgomery	Behavioral Healthcare	$883.43	$90.47	$792.96
Williamson	Rolling Hills	$1,164.68	$694.36	$470.32

Source: 2018 Joint Annual Report

This project Year 1

Facility	Gross Charges	Adjustments	Net Revenue
Natchez Center for Behavioral Medicine	$1,200.00	$427.35	$774.61

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

NCBM projects an ADC of 9.1 in the 1st year of operation. Based on the analysis of the service area population and the incidence rates of mental illness, and the psychiatric ER visit data from TriStar Horizon this is a reasonable forecast. The 2nd year utilization of 12.9 ADC is also reasonable and sufficient for obtaining a positive Net Operating Income in Year 2 as the new hospital matures and is increasingly recognized in the community.

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

The utilization and financial projections indicate a positive cash flow in year two and thereafter. The hospital reaches breakeven in the 2nd Quarter of year 2.

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 Section B-Economic Feasibility-6A**

NHC and Reliant are the principal parties that will be a source of funding for the project. The substantial resources of these organizations are documented in the attachments and will sustain the start-up of the project.

Reliant is a private company; therefore, do not have Audited Financials. Their 2019 Financials as well as NHC audited financials are located in Attachment Section B – Economic Feasibility - 6A.

B. Net Operating Margin Ratio: The Net Operating Margin Radio 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).

Utilizing information from the Historical and 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.

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 2023	Projected Year 2 Year 2024
Net Operating Margin Ratio	N/A	N/A	N/A	(41.1%)	5.60%

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: The 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: ((Long-Term Debt)/Long-Term Debt + Total Equity {Net Assets}) X 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 or totally funded by debt financing.**

The parties related to the applicant are appropriately capitalized to undertake the NCBM project. Please refer to the below.

NHC Capitalization Ratio Calculation

Dollars in ($000s)	**2019**
Long-term debt	$ 0
Total equity	779,069
Total net assets	779,069
Capitalization Ratio	**0%**

Source: Audited Financial Statements

Reliant Capitalization Ratio Calculation

Dollars in ($000s)	**2019**
Long-term debt	$ 78,155
Total equity	329,780
Total net assets	407,935
Capitalization Ratio	**19.2%**

Source: Unaudited Financial Statements – Balance Sheet

7. 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.

NCBM will participate in state and federal revenue programs, including contracts with Medicare and all TennCare MCO's. Furthermore, NCBM will follow the same financial assistance policies that are currently in place at Reliant's existing psychiatric hospitals.

Applicant's Projected Payor Mix, Year 1

Total Facility Chart

Payor Source	Projected Goss Operating Revenue	As a % of Total
Medicare/Medicare Managed Care	3,178,960	80%
TennCare/Medicaid	397,370	10%
Commercial/Other Managed Care	317,896	8%
Self-Pay	39,737	1%
Other (Specify)Tricare, VA, WC,	39,737	1%
Total*	3,973,700	100%
Charity Care	32,820	

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

8. 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: https://www.bls.gov/oes/current/oes_tn.htm.

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/Statewide Average Wage
A. Direct Patient Care Positions				
Position 1				
Position 2				
Position "etc."				
Total Direct Patient Care Positions				

B. Non-Patient Care Positions				
Position 1				
Position 2				
Positio				
Total Non-Patient Care Positions				
Total Employees *(A+B)*				
C. Contractual Staff				
Total Staff *(A+B+C)*				

Table C - Economic Feasibility - 8
Natchez Trace
Projected Staffing Year 1

Position Classification	Existing FTEs	Projected FTEs Yr 1	Estimated Mean Hourly Rate	Areawide Median Hourly Wage Rate
A. Patient Care Positions	N/A			
Chief Nursing Officer (RN)		1.00	$ 46.00	$ 30.79
Nurse Practitioner		1.00	$ 67.00	$45.79
Nurse Supervisor (RN)		1.00	$ 35.00	$30.79
Nurse(s)		4.20	$ 31.00	$21.52
Intake Coord		1.00	$ 32.00	21.52
Mental Health Tech/Nursing Aides		8.40	$ 16.00	$13.72
Activity Therapist		1.40	$ 22.00	$20.27
Social Worker		1.40	$ 30.00	$24.35
Total Direct Care Staff		19.40		
B Support Staff Positions				
Administrator		1.00	$ 55.00	
BOM/HR/MR		1.00	$ 24.00	
Billing Clerk		1.00	$ 14.00	
Unit Secretary		1.00	$ 14.00	
Admin Asst		1.00	$ 19.00	
Food Service Coordinator		1.00	$ 17.50	
Medical Records Tech		1.00	$ 17.50	
UR/QI/ED		1.00	$ 31.00	
Total Support Staff		8.00		
C. Contracted Staff				
Medical Director		1.00		
Pharmacist		1.00		
		2.00		
Total Staff (A+B+C)		29.40		

Reliant's management team is experienced in developing, staffing, and operating successful inpatient psychiatric services, including meeting all licensing and regulatory requirements for positions and staffing levels. The applicant does not anticipate any difficulty in securing the necessary personnel to implement the proposed project. The applicant will leverage the existing relationships and resources of NHC which have very strong retention recruitment programs.

Patient care will be provided by a professional team lead by a psychiatrist and comprised of consulting physicians, nursing staff, social worker, psychologists and adjunctive services. The team member's roles and responsibilities include:

Psychiatrist The admission and care of all patients on the geriatric psychiatric unit will be under the direction of a qualified psychiatrist. The Psychiatric Medical Director will be responsible for all clinical decision aspects of the program.

Nursing Staff Nursing staff will play a key role in the interdisciplinary treatment process by providing therapeutic care through application of standard nursing procedures coupled with knowledge and application of psychiatric and psychological therapeutic techniques.

Social Services Social Services will be responsible for providing social history, family contact, group therapy, individual therapy, marital and family therapy, discharge planning and community referral.

These other professionals may be included in the inter-disciplinary team if needed:

Psychological Services A full range of psychological services, including a complete battery of psychological tests, neuropsychological tests, or other tests needed to assist in the differential diagnosis will be provided when deemed necessary by the psychiatrist. The assessment could be important to determine the treatment needs of the patient and develop an appropriate treatment plan.

Occupational Therapist Occupational Therapists will provide services focused on improving the patient's work, daily living and interpersonal skills.

Recreational Therapist Recreational Therapists will provide recreational activities that are therapeutic in nature. Activities will focus on restoring and/or maintaining physical and psychosocial functioning.

9. 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 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.

   NCBM's proposal to develop and operate a 16-bed psychiatric hospital addresses a pressing need for additional behavioral health resources in the service area, including inpatient psychiatric services. The Agency's inpatient psychiatric bed need calculation has identified a need for additional beds in the service area and the proposed project, will establish needed behavioral health resources in the community. Furthermore, the high prevalence of behavioral health problems, along with the socio-demographic characteristics of the service area supports the need for additional resources dedicated to mental health. With population growth, the demand for behavioral health services will continue to increase.

   After studying various alternatives, the most viable alternative was to seek joint venture partner to develop the site, construct and operate a geriatric psychiatric hospital that would provide a service of behavioral health services to the geriatric population in a service area that currently does not have any inpatient psychiatric services.

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

   NCBM is proposing a 16 bed inpatient psychiatric hospital in Dickson County to service a seven county area that currently does not have any inpatient psychiatric services. As a leader in geriatric and senior care services, NHC and Reliant feels called to assist in this important area. NHC knows first-hand, through patients in our health care centers, Home Care operations, and Hospice operations, that many seniors in Tennessee suffer from various mental health conditions. NHC and Reliant have collaborated to create a long-range plan for NCBM. The plan creates an environment of quality and clinical care excellence for psychiatric patients as it builds on the strengths of all both organizations.

   Although NHC operates an existing nursing home facility within Dickson County adding this service to the nursing facility was discarded as there is not enough space available for such addition.

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.

   If approved, the applicant will provide the Tennessee Health Services and Development Agency reports annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need. Furthermore, the applicant files Joint Annual Reports Annually

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 staffing chart presented in its CON application;

      The applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application.

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

      The applicant will obtain and maintain all applicable state licenses in good standing.

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

      The applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application.

   4) For an existing healthcare institution applying for a CON - Has it maintained substantial compliance with applicable federal and 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
      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)

      NOT APPLICABLE

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);

   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

   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%.

2) Been subjected to any of the following:

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

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

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

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

   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

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

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

   h. Is presently subject to a corporate integrity agreement.

Response: The newly formed applicant, Natchez Center for Behavioral Medicine, LLC is not subject to any of the actions identified above.

The applicant, Natchez Center for Behavioral Medicine, LLC, is not aware of any other identified actions against any entity with more than 5% ownership.

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.

The applicant will participate, within 2 years of implementation of the project, in self-assessment and external assessment against nationally available benchmark data to accurately assess their level of performance in relation to established standards and to implement ways to continuously improve

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

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

Credential	Agency	Status (Active or Will Apply)
Licensure	□ Health □ Intellectual and Developmental Disabilities X Mental Health and Substance Abuse Services	Will Apply
Certification	X Medicare X Medicaid/TennCare Other_____	Will Apply
Accreditation	Joint Commission Accrediation	Will Apply with a CMS approved agency (DNV GL or Joint Commission),

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?

The applicant will accept a condition placed on the certificate of need relating to obtaining/maintaining license, certification and/or accreditation.

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.

☐	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?
☐	For Cardiac Catheterization projects: a. Documenting a plan to monitor the quality of its cardiac catheterization program, including but not limited to, program outcomes and efficiencies; and b. Describing how the applicant will agree to cooperate with quality enhancement efforts sponsored or endorsed by the State of Tennessee; and c. Describing how cardiology staff will be maintaining: d. Adult Program: 75 cases annually averaged over the previous 5 years; e. Pediatric Program: 50 cases annually averaged over the previous 5 years.
☐	For Open Heart projects: 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; g. Describing how at least a surgeon will be recruited and retained (at least one shall have 5 years experience); h. Describing how the applicant will participate in a 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).
☐	For Comprehensive Inpatient Rehabilitation Services projects: Retaining or recruiting a physiatrist?
☐	For Home Health projects: Documenting the existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system.
☐	For Hospice projects: Documenting the existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system.
☐	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.
☐	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 and Facilities; and participating in the Tennessee Initiative for Perinatal Quality Care (TIPQC).

☐	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.
✠✠✠	For Inpatient Psychiatric projects: • Describing or demonstrating appropriate accommodations for: • Seclusion/restraint of patients who present management problems and children who need quiet space, proper sleeping and bathing arrangements for all patients);
	• Proper sleeping and bathing arrangements; • 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); • A staffing plan that will lead to quality care of the patient population served by the project. • An existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems; and • If other psychiatric facilities are owned or administered, providing information on satisfactory surveys and quality improvement programs at those facilities. Involuntary admissions if identified in CON criteria and standard review
☐	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.
☐	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 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.
☐	For Relocation and/or Replacement of Health Care Institution projects: Describing how facility and/or services specific measures will be met.

In regards to the staffing and quality care of the patient, staffing, recruitment and retention of quality employees and associates is the first step to providing quality care. Inpatient psychiatric treatment is still a "hands on" process. Every employee will go through a comprehensive training and orientation program before being placed in the schedule. Once on the floor and actively participating in treatment, new employees will be assigned to a "mentor" in the same job class. The mentor will actively provide feedback and encouragement while monitoring the new employee's skill development.

Additionally, the hospital's clinical departments will conduct regularly scheduled in-service training and staff discussion groups aimed at continually raising awareness levels of staff to signs and symptoms, appropriate interventions, education about the medications prescribed for patients.

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.

   NHC has been a part of the Dickson County community for over 49 years and has established relationships with the area providers. Through its joint venture partnership, the proposed hospital will be able to maintain many of the same working and referral relationships with existing acute and post-acute providers in the service area. NCBM will also be able to maintain many of the same working and referral relationships with managed care organizations, including the TennCare MCOs. This will minimize any disruption in service delivery and continuity of care. We anticipate additional transfer agreements with other acute care and health care providers in our service area.

   There are currently 6 hospitals and 11 nursing facilities in the service area that the hospital would anticipate having a working relationship with. Some of these include the following:

   TriStar Horizon Medical Center
   Camden General Hospital
   TriStar Ashland City Medical Center
   Saint Thomas Hickman Hospital
   Houston County Community Hospital
   Three Rivers Hospital

   Camden Healthcare and Rehabilitation Center
   Hillcrest Healthcare
   The Waters of Cheatham
   NHC HealthCare, Dickson
   Dickson Health & Rehab
   Hickman Community Nursing Home
   Life Care Center of Centerville
   Signature Healthcare of Erin
   Humphrey's County Nursing Home
   AHC Waverly
   Diversicare of Dover

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

Currently, there are not any geriatric inpatient psychiatric beds in the proposed service area. NCBM's proposal to develop and operate a psychiatric hospital will have a positive effect on the community and the healthcare delivery system. The project will meet a need for additional inpatient psychiatric beds, which is supported by the Agency's inpatient psychiatric bed need calculation. Also, the project will expand the availability of behavioral health resources, improve access to behavioral health services to all segments of the service area's population, regardless of financial status or ability to pay and add to the number of inpatient psychiatric providers that will accept involuntary admissions. Improved access is especially important for NCBM's service area population, which has a significant amount of mental illness and poverty.

The psychiatric hospital will be built on a medical/long term care campus that offers efficiencies for patients, families, providers, and operations of the facility. The close proximity to the hospital/ER provides access to diagnostic procedures and available specialists that decreases travel time and efficiently promotes clinical liaison, and provides support for patients with co-morbid medical conditions.

In 2016, TDMHSAS, Tennessee Hospital Association and Tennessee College of Emergency Physicians formed a workgroup to address the length of time that psychiatric emergency patients waited in hospital emergency departments before securing placement at inpatient psychiatric hospital. In September 2019, the TDMHSAS appointed Dr. Sanford Herman as the Department's Medical Director of Community Behavioral Health to further refine the methods of the state's emergency physicians.

Local Hospital ER's have reported waiting an average of 10 hours in 2019 before successfully arranging admission into an appropriate behavioral health hospital. YTD statistics at TriStar Horizon report a 40% increase in wait times in excess of 14 hours before a successful transfer of a Behavioral Health patient can be accomplished. These same referrals also require significant travel to an available facility once an opening occurs. This can be stressful on anyone but particularly on a geriatric patient and their family members.

Approval of this project will help meet the increasing needs for these specialized services as well as provide patients and providers throughout the region with additional choices of premium care, enable lower health care costs, and stimulate economic activity in the area of the facility.

Please see Letters of Support located at the end of the Attachments.

B. Negative Effects

There are currently not any geriatric psychiatric beds in the service area and the closest provider is approximately 35 miles away.

Although any new provider will have some impact on existing services, the negative impact of NCBM's project is expected to be minimal as the need for the project has been established by the Agency's inpatient psychiatric bed need calculation as well as other factors that demonstrate the need for the project.

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.

Reliant's management team is experienced in developing, staffing, and operating successful inpatient psychiatric services, including meeting all licensing and regulatory requirements for positions and staffing levels. The applicant does not anticipate any difficulty in securing the necessary personnel to implement the proposed project. The applicant will leverage the existing relationships and resources of NHC, which have very strong retention recruitment programs. NHC Dickson has successfully operated a Long Term Care facility in Dickson for years. It has established collegial relationships with several educational institutions to train, mentor and develop healthcare professionals. Through its affiliation with Freed-Hardeman University nurses, have become care givers in the NHC system; and through TCAT LPN's have been trained and developed, and through affiliation with Austin Peay State University's department of Social Worker students have been apart of practicums, rotations, and field experiences that led to permanent placement in the healthcare workforce. Additionally, NHC Dickson continues to operate its own Certified Nurse Assistant training program that produces graduates for its needs and many other nursing facilities in the service area.

The applicant will implement a formal referral program that will include the following elements: recognition of both the referrer and the referral, a gift card system, sign on bonuses, as well as, retention bonuses for all employees. The hospital will utilize internet based networking sites to advertise openings and encourage applications.

In addition to these initiatives the Applicant will manage a traditional program of recruitment and retention activities.

Recruitment and retention of quality employees and associates is the first step to providing quality care. Inpatient psychiatric treatment is still a "hands on" process. Every employee will go through a comprehensive training and orientation program before being placed in the schedule.

Once on the floor and actively participating in treatment, new employees will be assigned to a "mentor" in the same job class. The mentor will actively provide feedback and encouragement while monitoring the new employee's skill development.

Additionally, the hospital's clinical departments will conduct regularly scheduled in-service training and staff discussion groups aimed at continually raising awareness levels of staff to signs and symptoms, appropriate interventions, education about the medications prescribed for patients.

Please see response to Section B Economic Feasibility – 8 for a listing of projected human resources required by the proposal per the licensing requirements. The proposed project will require a total of 19.40 Direct Care FTE's (Year 1).

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.

The hospital will be accredited by CMS approved agency (DNV GL or Joint Commission), Medicare and Medicaid certified and licensed by the Tennessee Department of Mental Health and Substance Abuse Services. The applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff.

In addition, Reliant Health Care, as an operator of inpatient psychiatric hospitals, is also experienced in the licensure and certification process, including state hospital licensure and Joint Commission accreditation.

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.).

Where appropriate, NCBM is expected to maintain the same relationships as its joint venture partners.

NHC has educational affiliations with numerous schools and organizations, including:

Austin Peay University
Freed Hardeman University - Dickson
Tennessee College of Applied Technology

Additionally, NHC Dickson continues to operate its own Certified Nurse Assistant training program that produces graduates for its needs and many other nursing facilities in the service area.

Dr. Robert E. Spencer, Director of the Bachelor of Science in Nursing at Freed Hardeman University - Dickson has provided a letter of support for the project.

4. Outstanding Projects:

A. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

The applicant does not have any outstanding CONs; however, following are outstanding CONS by NHC.

Outstanding Projects					
CON Number	Project Name	Date Approved	*Annual Progress Report(s)		Expiration Date
			Due Date	Date Filed	
CN1404-011	Health Center of Hermitage, The	6/25/2014	8/1/20	7/30/30	8/1/2022
CN1809-041	NHC Healthcare – Kingsport	12/12/2018	2/1/20	1/30/20	2/1/2021
CN1911-047A	Knoxville Center for Behavioral Medicine, LLC	2/26/2020	4/1/21	N/A	4/1/2023

* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

B. Describe the current progress, and status of each applicable outstanding CON.

Health Center of Hermitage, The: Change of site/relocation of 90 beds to be Medicare certified [as approved by CN1306-022A] from the original site at Bell Road, Woodland Point Drive and Couchville Pike; on approximately 14.02 acres at 4214 Central Pike, Hermitage (Davidson County), TN. A three year extension was received on 6/26/19. As stated, in the 7/30/20 Annual Progress Report, over the last year, NHC had been in discussion with multiple developers that desire to partner with NHC to complement our senior healthcare campus. In the past 6- 8 months, the healthcare industry has experienced significant changes due to the impact and response to COVID-19; therefore, the development of this site has been delayed.

NHC Healthcare – Kingsport: Addition of 30 Medicare SNF nursing home beds to an existing 60 bed nursing home. Project is under construction and anticipate completion by 12/31/20.

Knoxville Center for Behavioral Medicine, LLC: The establishment of a 64-bed mental health hospital (24 adult psychiatric, 24 adult co-occurring beds, and 16 geriatric psychiatric beds) located at an unaddressed site at Middlebrook Pike and Old Weisgarber Road, Knoxville (Knox County), TN. The applicant is owned by National HealthCare Corporation (60%), Tennova/Knxoville HMS Holdings, LLC (15%), University of Tennessee Medical Center (15%), and Reliant Healthcare (10%). CON was approved on 2/26/20.

5. Equipment Registry – For the applicant and all entities in common ownership with the applicant.

Not Applicable

A. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)? _____

B. If yes, have you submitted their registration to HSDA? If you have, what was the date of submission?_____

C. If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission? _____

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 https://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.

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

   While this principle focuses mainly on the goals and strategies that support health policies and programs at the individual, community, and state level that will help improve the health status of Tennesseans, this project is consistent in that it supports an especially problematic healthcare issue in Tennessee. It is undisputed that mental illness is a major healthcare problem in the U.S. and that it is especially problematic in Tennessee, which ranks low on indicators of mental health when compared to the rest of the United State. In addition, the population residing in the proposed service area has a relatively high prevalence of mental illness, which is exacerbated by its socio-demographic characteristics and the lack of mental health resources in the area. The proposed project, will establish needed behavioral health resources in the community, including inpatient psychiatric beds, will help address these mental health problems and, thus, improve the mental health of the people in the service area.

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

   Currently, the availability of mental health resources is limited for the population living in the service area. There are currently no geriatric psych beds in Dickson County and the proposed service area. As demonstrated, there is a need for additional inpatient psychiatric beds and the service area has a need for additional mental health professionals. The proposed project, which will help address these resource shortages by developing and operating a 16-bed psychiatric hospital that will have services to geriatric patients. The project will maintain access to care, both geographically and economically. The addition of these services will ensure access to mental health treatment for the service area residents, including those residents with limited financial resources as it is NCBM's intent to provide care to all patients, regardless of ability to pay. In part, NCBM will provide care to the economically disadvantaged through full participation in the TennCare program, as well as the elderly, many with fixed incomes, through full participation in the Medicare program. KCBM will also maintain a broad charity care policy and provide significant discounts to uninsured patients.

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.

The psychiatric hospital will be built on a medical/long term care campus that offers efficiencies for patients, families, and operations of the facility. The close proximity to the hospital/ER provides access to diagnostic procedures and available specialists that decreases travel time and efficiently promotes clinical liaison. The close proximity to the ER provides support for patients with co-morbid medical conditions that require closer attention than could otherwise be provided in a geriatric psychiatric hospital located off campus.

The hospital will be located adjacent to a to be constructed 84 unit Assisted Living/Memory Care facility to be called NHC Place, Natchez. NHC Place, Natchez will share services with the applicant such as food service, laundry, maintenance, and other similar services that the hospital requires for successful

NCBM's proposal to develop and operate a 16-bed psychiatric hospital addresses an important health issue for the residents of the state of Tennessee. Mental illness is a major health concern in Tennessee as it is throughout the United States. As previously discussed, on most measures of mental health, Tennessee ranks low compared to the rest of the United States. Mental Health America ("MHA"), the nation's largest community-based advocacy group for the those living with mentally illness, identified Tennessee as being the nation's 39th state (out of 50 states and the District of Columbia) on overall mental health. The prevalence of mental illness in the service area is similarly high. Also, there is a limited availability of behavioral health resources, including mental health professionals. With these risk factors, the 7-county service region of NCBM is at a higher risk of experiencing mental health problems and at a higher risk of having these problems go untreated.

This project will greatly improve access to behavioral health services, including inpatient psychiatric services. Reliant's experience operating inpatient psychiatric hospitals will complement the highly-regarded patient care services that NHC currently provide, resulting in a collaboration that will deliver the best outcomes in patient care. The joint venture will also be an important component of the hospitals' overall continuum of services, as they continue to build out the continuum in anticipation of additional reimbursement changes from payors who increasingly tie payment to improved coordination of care and improved health outcomes.

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

NHC and Reliant have consistently maintained the highest standards for quality and safety. Similarly, NCBM will pursue and achieve appropriate quality and safety standards. It will be licensed by the State of Tennessee, fully accredited by a CMS approved agency (DNV GL or Joint Commission), and certified by the Centers for Medicare and Medicaid Services. In addition, NCBM will monitor quality and outcomes, and report data to the appropriate regulatory and accreditation agencies. Reliant has performance improvement and utilization management policies and procedures that are utilized by its existing psychiatric hospitals. It is anticipated that these, or similar, policies will be available for NCBM. Copies of Reliants's performance improvement and utilization management policies are provided in Attachment Section B-A.1.18.

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

The proposed project supports workforce development by allowing qualified health care personnel to remain within the state to develop or maintain their skills and abilities by establishing a site for inpatient psychiatric services. Additionally, NHC educational programs and/or affiliations with numerous schools and organizations, which support the development, recruitment, and retention of a sufficient and quality health workforce for the service are and the state as a whole. NHC has established collegial relationships with several educational institutions to train, mentor and develop healthcare professionals. Through its affiliation with Freed-Hardeman University, nurses have become care givers in the NHC system; and through TCAT LPN's have been trained and developed, and through affiliation with Austin Peay State University's department of Social Work students have been apart of practicums, rotations, and field experiences that led to permanent placement in the healthcare workforce. Additionally, NHC HealthCare, Dickson continues to operate its own Certified Nurse Assistant training program that produces graduates for its needs and many other nursing facilities in the service area.

Reliant's management team is experienced in developing, staffing, and operating successful inpatient psychiatric services. Reliant will recruit its staff through representation in career fairs and recruiting conventions, and through relationships with area colleges, universities and nursing programs. In its recruiting efforts, Reliant will leverage the existing relationships and resources of NHC which have very strong retention and recruitment programs.

The addition of an inpatient psychiatric hospital will complement and improve the healthcare system and provide an additional environment for training and developing mental health specialists in the area. It will contribute to improving the quality and availability of trained, experienced professionals to take care of elderly patients in the service area.

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: 9/9/20

Date LOI was Published: 9/9/20

Please see Letter of Intent and Proof of Publication in the Attachments – Letter of Intent and Proof of Publication

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.

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 within 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.**

   Please see Project Completion Forecast Chart below.

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.

Phase	Days Required	Anticipated Date [Month/Year]
1. Initial HSDA decision date		**Dec-2020**
2. Architectural and engineering contract signed	**30**	**Feb-2021**
3. Construction documents approved by the Tennessee Department of Health	**270**	**Oct-2021**
4. Construction contract signed	**30**	**Nov-2021**
5. Building permit secured	**30**	**Nov-2021**
6. Site preparation completed	**30**	**Dec-2021**
7. Building construction commenced		**Jan-2022**
8. Construction 40% complete	**150**	**May-2022**
9. Construction 80% complete	**150**	**Oct-2022**
10. Construction 100% complete (approved for occupancy)	**70**	**Dec-2022**
11. *Issuance of License	**30**	**Jan-2023**
12. *Issuance of Service	**30**	**Mar-2023**
13. Final Architectural Certification of Payment	**90**	**Mar-2023**
14. Final Project Report Form submitted (Form HR0055)	**30**	**Apr-2023**

***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 Rutherford

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

SIGNATURE/TITLE

Sworn to and subscribed before me this 14th day of September (Month), 2020 (Year) a Notary

Public in and for the County/State of Rutherford, State of Tennessee.

NOTARY PUBLIC

STATE OF TENNESSEE NOTARY PUBLIC RUTHERFORD COUNTY

My commission expires 5.18 (Month/Day), 2024 (Year).

ATTACHMENTS

Section A-4AB

Type of Ownership or Control
Articles of Organization, Certificate of Existence, Organizational Chart

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

Filing Information

Name: **Natchez Center for Behavioral Medicine, LLC**

General Information

SOS Control #	**001128530**	Formation Locale:	DELAWARE
Filing Type:	Limited Liability Company - Foreign	Date Formed:	08/13/2020
	09/09/2020 3:20 PM	Fiscal Year Close	12
Status:	Active	Member Count:	1
Duration Term:	Perpetual		
Managed By:	Member Managed		

Registered Agent Address
NATIONAL REGISTERED AGENTS, INC.
300 MONTVUE RD
KNOXVILLE, TN 37919-5546

Principal Address
100 E VINE ST
MURFREESBORO, TN 37130-3734

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
09/09/2020	Initial Filing	B0920-2153

Active Assumed Names (if any)	Date	Expires

APPLICATION FOR CERTIFICATE OF AUTHORITY
LIMITED LIABILITY COMPANY (ss-4233)

Business Services Division
Tre Hargett, Secretary 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, maximum fee = $3,000)

For Office Use Only

To The Secretary of the State of Tennessee:
Pursuant to the provisions of T.C.A. § 48-249-904 of the Tennessee Revised Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the Limited Liability Company is: Natchez Center for Behavioral Medicine, LLC

   If different, the name under which the certificate of authority is to be obtained is: _____

NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign Limited Liability Company if its name does not comply with the requirements of T.C.A. § 48-249-106 of the Tennessee Revised Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to T.C.A. § 48-249-106(d).

2. The state or country under whose law it is formed is: Delaware

   and the date of its formation is: 8 / 13 / 2020 (Month / Day / Year) and the date it commenced doing business in Tennessee is: ___ / ___ / ___ (Month / Day / Year)

   NOTE: Additional filing fees and proof of tax clearance confirming good standing may apply if the Limited Liability Company commenced doing business in Tennessee prior to the approval of this application. See T.C.A. § 48-249-913(d) and T.C.A. § 48-249-905(c)

3. This company has the additional designation of:

4. The name and complete address of its registered agent and office located in the state of Tennessee is:
   Name: National Registered Agents, Inc.
   Address: 300 Montvue Rd
   City: Knoxville State: TN Zip Code: 37919-5546 County: Knox

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: (Not to exceed 90 days)
   Effective Date: ___ / ___ / ___ (Month / Day / Year) Time: _____

7. The LLC will be: [X] Member Managed [ ] Manager Managed [ ] Director Managed [ ] Board Managed [ ] Other

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

9. Period of Duration: [X] Perpetual [ ] Other ___ / ___ / ___ (Month / Day / Year)

10. The complete address of its principal executive office is:
    Address: 100 E. Vine St.
    City: Murfreesboro State: TN Zip Code: 37130
    Business Email: _____

B0920-2153 09/09/2020 3:20 PM Received by Tennessee Secretary of State Tre Hargett

APPLICATION FOR CERTIFICATE OF AUTHORITY
LIMITED LIABILITY COMPANY (ss-4233)

Business Services Division
Tre Hargett, Secretary 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, maximum fee = $3,000)

For Office Use Only

The name of the Limited Liability Company is: Natchez Center for Behavioral Medicine, LLC

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

Address: _____

City: _____ State: _____ Zip Code: _____

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.

☐ I certify that this entity meets the requirement of T.C.A. § 48-249-1123(b)(3)

Licensed Profession: _____

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

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

If the provisions of T.C.A. § 48-249-309(i) (relating to foreign series LLCs) apply, then the information required by that section should be attached as part of this document.

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: ____/____/____ (Month Day Year)

☐ 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 FOR THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT AN ATTORNEY.

16. Other Provisions: Majority Member: NHC/OP, L.P.
DE File # 3515747

8/28/2020
Signature Date

KHulsey
Signature

Secretary of the GP of the Majority Member
Signer's Capacity (if other than individual capacity)

Kristina Hulsey
Name (printed or typed)

B0920-2154 09/09/2020 3:20 PM Received by Tennessee Secretary of State Tre Hargett

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "NATCHEZ CENTER FOR BEHAVIORAL MEDICINE, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRD DAY OF SEPTEMBER, A.D. 2020.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "NATCHEZ CENTER FOR BEHAVIORAL MEDICINE, LLC" WAS FORMED ON THE THIRTEENTH DAY OF AUGUST, A.D. 2020.

Jeffrey W. Bullock, Secretary of State

3437966 8300

SR# 20207079840

Authentication: 203590165

Date: 09-03-20

You may verify this certificate online at corp.delaware.gov/authver.shtml

STATE OF DELAWARE
CERTIFICATE OF FORMATION
OF LIMITED LIABILITY COMPANY

The undersigned authorized person, desiring to form a limited liability company pursuant to the Limited Liability Company Act of the State of Delaware, hereby certifies as follows:

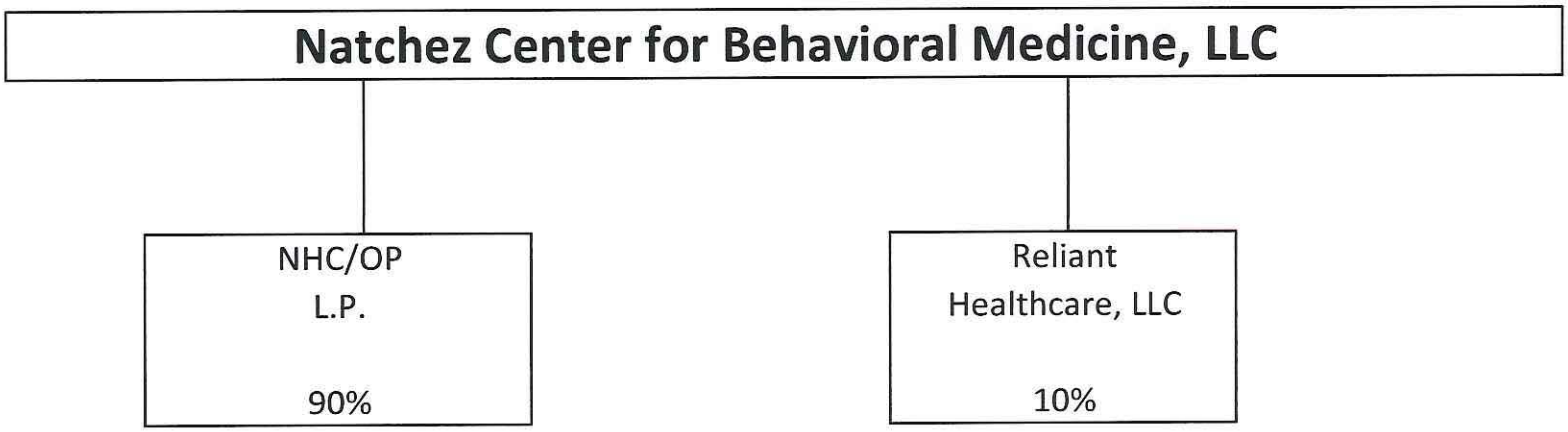
1. The name of the limited liability company is Natchez Center for Behavioral Medicine, LLC.

2. The Registered Office of the limited liability company in the State of Delaware is located at 1209 Orange St. (street), in the City of Wilmington, Zip Code 19801. The name of the Registered Agent at such address upon whom process against this limited liability company may be served is National Registered Agents, Inc.

By: KHulsey
Authorized Person

Name: Kristina Hulsey
Print or Type

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:30 AM 08/13/2020
FILED 11:30 AM 08/13/2020
SR 20206731436 - File Number 3515747


Natchez Center for Behavioral Medicine, LLC
NHC/OP
L.P.
90%
Reliant
Healthcare, LLC
10%

Section A-5

Management Agreement

Waller Draft
09/02/2020

PRE-OPENING AND MANAGEMENT SERVICES AGREEMENT

This PRE-OPENING AND MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made and entered into as of _____ __, 2020 (the "Effective Date"), by and between NATCHEZ CENTER FOR BEHAVIORAL MEDICINE, LLC, a Delaware limited liability company (the "Company"), RELIANT HEALTHCARE, LLC, a Delaware limited liability company (the "Manager"), and NHC NATCHEZ PROPERTIES, LLC, a Delaware limited liability company ("NHC").

RECITALS

The Company is a joint venture formed between Manager and NHC/OP, L.P, for the purpose of planning, developing, financing, and operating a new sixteen (16) bed geriatric behavioral health hospital in Dickson, Tennessee for the treatment of individuals suffering from mental and emotional illnesses (the "Unit") contiguous with a ___-bed skilled nursing facility and ___-bed memory care unit (collectively, the "Facility"). The Manager is in the business of developing and managing psychiatric facilities like the Unit. The Company wishes to obtain such management services from the Manager, and the Manager wishes to provide such management services, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Capitalized words and phrases used in this Agreement shall have the meaning set forth in this Article I unless defined elsewhere herein:

1.1 "Affiliate" of a specified Person means any other Person who directly or indirectly controls, is controlled by, or is under common control with such specified Person. For this purpose "control" of a Person means possession, directly or indirectly (through one or more intermediaries), of the power to direct or cause the direction of management and policies of such Person through ownership of voting securities (or other ownership interests), contract, voting trusts or otherwise.

1.2 "Approval" means, with respect to a Person, either the written consent of such Person or the affirmative vote of that Person at a meeting, as the case may be, to do that for which the Approval of such Person is given. "Approve" means, with respect to a Person, giving Approval for any such action.

1.3 "Approved by the Company" or "Approval by the Company" means the voting requirement imposed by the Operating Agreement for Approval by the Governance Committee.

1.4 "Business Plan" means the Business Plan as defined in the Operating Agreement.

1.5 "Governance Committee" means the committee described in Section 6.1 of the Operating Agreement.

1.6 "Lease Agreement" means that certain Lease Agreement between the Company and NHC Natchez Properties, LLC, dated _____ ___, 2020 pursuant to which the Company leases the space for the operation of the Unit.

1.7 "Permit" means all governmental approvals, licenses and consents necessary for operation of the Unit other than those required to be obtained or maintained by NHC Natchez Properties, LLC pursuant to the Lease Agreement.

1.8 "Operational" means the time at which the Unit admits its first patient.

1.9 "Operating Agreement" means the Limited Liability Company Agreement of the Company between NHC/OP, L.P. and Reliant, as the same may be amended from time to time.

1.10 "Person" means any natural person or Organization. "Organization" means any corporation (including both nonprofit and business corporations), partnership (both limited and general), joint venture, limited liability company, governmental agency or subdivision, trust, estate or other entity, but does not include joint tenancies, tenancies in common or tenancies by the entirety.

1.11 "Proprietary Information" means any and all information that is of a proprietary or confidential business nature, such information to include, but not be limited to: (a) matters of a technical nature, including, but not limited to, trade secrets, methods, data and know-how, inventions, machines, computer programs and documentation and similar items or research projects that are identified either orally or in writing as being of a confidential or proprietary nature; (b) matters of a business nature, including, but not limited to, information about costs, purchasing, profits, marketing, sales, strategies and lists of actual or potential patients, customers or referral sources; and (c) any information recorded in writing or in machine-readable format which is designated as confidential. "Proprietary Information" shall not, however, include information that: (i) is or becomes generally available to the public through no fault of the Company or any of its agents or Unit Employees; (ii) is learned by the Company, its agents or Unit Employees from a third party (other than Manager) entitled to disclose it; or (iii) is developed by or for the Company independently of information received from the Manager.

ARTICLE II
APPOINTMENT

2.1 Exclusive Appointment. The Company hereby engages and appoints the Manager as the exclusive provider of the pre-opening and management services described in Sections 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.11, 4.13, 4.16, 4.18 and 4.19 of this Agreement (collectively, the "Pre-Opening and Management Services") in connection with the Unit.

2.2 Term. Subject in all events to the provisions of Article V, the initial term of this Agreement shall commence on the date hereof (the "Commencement Date") and shall continue for a period of five (5) years and shall thereafter be renewed automatically for additional one (1) year terms, unless the Manager gives written notice to the Company of the non-renewal of this Agreement not less than one hundred twenty (120) days prior to the expiration of the then current term of this Agreement.

2.3 Acceptance of Appointment. Manager accepts the engagement and appointment by the Company hereunder to the extent, for the period, and upon the terms herein provided. Manager agrees to use diligence in providing, or causing to be provided, the Pre-Opening and Management Services for the Unit.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Company's Representations and Warranties. The Company hereby represents and warrants that: (a) the Company has full right and authority to engage and appoint the Manager for the

purposes and consideration herein set forth and that the person signing this Agreement on behalf of the Company is duly authorized to execute this Agreement on the Company's behalf; and (b) the Company shall fully cooperate with the Manager in the Company's securing and keeping in effect all Permits necessary to the conduct the business and operations of the Unit.

3.2 Manager's Representations and Warranties. The Manager hereby represents and warrants that it is validly existing and in good standing under the laws of the state of its organization; is qualified to do business in the State of Tennessee; it and each of its Key Employees (as hereinafter defined) and other employees providing services pursuant to this Agreement is not, and is under no known threat of being, excluded or suspended from participating in any federal or state health care program; and has all requisite power and authority to enter into and perform its obligations under this Agreement.

3.3 NHC's Representations and Warranties. NHC hereby represents and warrants that it is validly existing and in good standing under the laws of the state of its organization; is qualified to do business in the State of Tennessee; and has all requisite power and authority to enter into and perform its obligations under this Agreement.

ARTICLE IV
AUTHORITY AND DUTIES OF FACILITY MANAGER

4.1 General Authority.

(a) Subject to the provisions hereof, Manager shall provide, or cause to be provided, the applicable Pre-Opening and Management Services for the Unit in a manner consistent with good business practices in the community served by the Unit and within the health care industry. Subject to the provisions hereof, Manager shall provide or cause to be provided, the Pre-Opening and Management Services for the Unit in any manner that the Manager deems reasonably appropriate to satisfy the day to day requirements of the business and operations of the Unit.

(b) Notwithstanding anything herein to the contrary, the Company and its Governance Committee shall retain ultimate control over all matters required by applicable state and federal licensing laws and reimbursement regulations to be under the control of the licensed facility's governing body.

(c) Manager shall not possess or exercise any control or supervision over the provision of medical services at the Unit. The parties acknowledge that Manager is not authorized or qualified to engage in any activity that may be construed or deemed to constitute the practice of medicine. To the extent any act or service required by this Agreement to be performed by Manager is construed to constitute the practice of medicine by any applicable governmental authority, the requirement to perform such act or service shall be deemed waived and unenforceable.

4.2 Intentionally Omitted.

4.3 Business Plan. Within ninety (90) days prior to the beginning of each fiscal year of the Company, the Manager shall prepare and submit to the Governance Committee a proposed Business Plan for such fiscal year. The Business Plan shall include those items required by the Operating Agreement and shall be Approved by the Company in accordance with the Operating Agreement.

4.4 Personnel.

(a) Manager or its Affiliates shall employ a Program Administrator, Nursing Manager, and Community Education Director (each, a "Key Employee") and shall provide the Company with the benefit of their full-time services. The Manager shall have the right to control and direct the Key Employees as to the performance of their duties and as to the means by which such duties are performed. All costs associated with the employment of Key Employees shall be within the compensation range set forth in the Approved Budgets (as hereinafter defined) and shall be deemed operating costs of the Company.

(b) Manager shall identify and recommend for hiring by the Company such other personnel as Manager deems reasonably necessary and appropriate for the operation of the Unit ("Unit Employees"); provided however that the Key Employees shall be employed by Manager. Manager shall be responsible for training, supervising and recommending termination of such personnel by the Company. The Company has the right to approve and remove Unit Employees, and Manager shall replace any such person upon the written request of the Company.

(c) The Manager and its respective officers, directors, agents, and employees shall be held harmless and indemnified by the Company for claims, demands, losses, or liabilities incurred or arising out of or relating to the continued employment or termination of employment of the Key Employees and Unit Employees during the term of this Agreement.

4.5 Peer Review and Quality Assurance. In consultation with Manager, the Company shall adopt a peer review and quality improvement program to monitor and evaluate the quality and cost-effectiveness of the services provided by the Unit's Medical Staff and support personnel. The Company shall ensure that the Company and its Medical Staff carry out their respective duties to review the credentials of potential appointees to the Medical Staff, to perform quality assurance functions, and to otherwise resolve professional competency issues. Upon request of the Company, Manager shall provide administrative assistance to the Company in performing peer review and quality assurance activities.

4.6 Service Contracts. The Manager shall have the authority, as an agent for the Company, to enter into reasonable contracts for water, electricity, gas, fuel, telephone, varmint extermination, trash removal and other necessary services reasonably deemed by the Manager to be necessary or advisable for the operation of the Unit. All such contracts and any obligations thereunder shall be the sole responsibility of the Company. The Manager shall not enter into any contract or agreement on behalf of the Company that exceeds the monetary or other thresholds set forth herein, in the Approved Budgets, or in the Operating Agreement without approval by the Company.

4.7 Pre-Opening Services. Subject to the terms and conditions of this Agreement, the Manager shall provide, or cause to be provided, those pre-opening services listed on Schedule 2.1A of that certain Development Agreement dated July 20, 2018 between the Manager and National Healthcare Corporation, a copy of such Schedule is attached hereto as Exhibit A.

4.8 Management Services. Subject to the terms and conditions of this Agreement, the Manager shall provide, or cause to be provided, the following services:

(a) Assisting the Company in maintaining its ability to serve Medicare/Medicaid patients;

(b) Arranging for the Company's hazard, worker's compensation, employee dishonesty (bonds), liability and other insurance coverage reasonably prudent in connection with the business and operation of the Unit, provided, however, that the physicians practicing in the Unit shall obtain their own malpractice insurance;

(c) Recommending, and following the Company's approval, implementation of staffing schedules and locally competitive wage structures and personnel policies for Unit Employees;

(d) Recommending, and following the Company's approval, implementation of employee benefit programs for Unit Employees;

(e) Negotiating on behalf of the Company contracts with and associated fee payment schedules with managed care plans, insurance companies, state and Federal agencies or other third party payors, subject to the provisions of the Business Plan Approved by the Company or written approval of the Company;

(f) Managing the property and assets of the Company's business with respect to the Unit;

(g) Recommending, and following the Company's approval, implementing credit, billing and collection policies and procedures;

(h) Recommending, and following the Company's approval, implementing policies and operating procedures relating to the business and operations of the Unit;

(i) Arranging for the purchase or lease of all supplies and equipment used in connection with the business and operations of the Unit, including standard formats for all charts, invoices and forms;

(j) Reviewing, directing and having responsibility for all accounting and bookkeeping services for the Company in the operation of the Unit;

(k) Recommending and, following the Company's approval of, implementing policies and procedures for the timely creation, preparation, filing and retrieval of patient records;

(l) Arranging for the repair and maintenance of the premises in which the Unit operates consistent with the Company's responsibilities under the terms of the Lease Agreement;

(m) Receiving and addressing complaints from patients of the Unit; and

(n) Conducting and directing the day-to day operations of the Unit.

4.9 Books and Records. In connection with the duties and obligations set forth in Section 4.8(j), the Manager shall keep books of account and such other separate and segregated records reflecting the results of operation of the Unit in accordance with the Operating Agreement. The Manager shall make available and preserve such records at the locations and for as long as required by the Operating Agreement.

4.10 Reserved.

4.11 Payment of Expenses. With respect to the payment of any expenses which are the responsibility of the Company, the Manager shall use its commercially reasonable efforts to pay all such expenses within the time period, if any, required to obtain any applicable early payment discounts; provided that the Unit Account (as hereinafter defined) contains or the Company otherwise provides Manager with the necessary funds to satisfy such expenses and provided further that the timing of paying such amount is prudent and reasonable in the sole discretion of the Manager.

4.12 Alterations. Except as otherwise herein provided, no material alterations, additions or improvements shall be made in or to the premises in which the Unit is located by the Manager except those that are allowed under the Lease Agreement and either (i) specifically set forth in the applicable Business Plan or (ii) otherwise Approved by the Company.

4.13 Returns Required by Law. The Manager shall, on behalf of the Company, cause to be executed and filed punctually when due all forms, reports and returns required by law relating to the Unit Employees. Each of the Company and the Manager shall fully comply with all applicable laws and regulations having to do with workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions and other employer-employee related matters (including, without limitation, tax withholding and information reporting requirements).

4.14 Other Information. The Manager shall furnish to the Company within a reasonable time after request, such other information with respect to the Unit as the Company may from time to time reasonably request.

4.15 Cooperation. The parties shall cooperate with each other in all reasonable respects in defending or disposing of any claims, suits, or other legal proceedings that may be made or instituted against either party relating to the Unit. The Company shall cooperate with the Manager in all reasonable respects in fulfilling the Manager's duties under this Agreement.

4.16 Compliance with Legal and Regulatory Requirements.

(a) Subject to compliance with the Approved Budget, the Manager shall use its reasonable efforts to assist the Company and Unit in complying with all applicable laws, ordinances, orders, rules, regulations and requirements. Without limiting the foregoing, the Manager shall comply with all Permits necessary for operation of the Unit. Reasonable costs of such compliance shall be operating expenses borne by the Company.

(b) The parties agree that no part of this Agreement shall be construed to induce or encourage the referral of patients or the purchase of health care services or supplies. The parties acknowledge that there is no requirement under this Agreement or any other agreement between the parties that either party refer any patients to any health care provider or purchase any health care goods or services from any source.

4.17 Reserved.

4.18 Collections and Bank Accounts.

(a) Manager shall use commercially reasonable efforts to cause the Unit Employees to timely bill and collect all fees and other amounts due for goods and services provided by the Unit in accordance with the Company's billing and collection policies and procedures.

(b) In connection with the billing and collection services to be provided hereunder, throughout the term of this Agreement, Company grants to Manager a limited power of attorney and appoints Manager as the Company's exclusive agent, and Manager hereby accepts such limited power of attorney and appointment, to bill and collect all fees and other amounts due in the name of and on behalf of Unit or the Company.

(c) Notwithstanding the foregoing, Company shall have the final authority and responsibility for the amounts billed and collected for goods and services provided by the Unit, provided

that Company shall not direct Manager, Key Employees, Unit Employees or any of the Company's agents to violate any applicable law in connection with such billing and collection services, including without limitation the waiver of co-payments or deductibles or implementation of professional or courtesy discounts.

(d) In connection with the foregoing, the Manager shall on behalf of Company establish and maintain one bank account in Tennessee, for the purpose of depositing collections for the account of the Unit (the "Unit Account") in the name of, owned by, and for the benefit of the Company, with a bank acceptable to the Company. Unless otherwise Approved by the Company, the Unit Account shall be styled as follows: _____, Operating Trust Account.

(e) The Manager shall use commercially reasonable efforts to cause Unit Employees to deposit on a daily basis all sums collected in connection with the goods or services provided in connection with the business or operations of the Unit in the Unit Account. All funds in the Unit Account shall at all times be for the exclusive benefit of the Company and shall not be commingled with any funds in any other project account or any funds of the Manager. A person or persons designated by the Manager and Approved by the Company shall be authorized signatories on the Unit Account. Funds may be withdrawn from the Unit Account for items contained in the Approved Budget and as otherwise contemplated by this Agreement or the Operating Agreement.

4.19 Reports. The Manager on or before the fifteenth (15th) day of each month (or on such other date as provided below) shall deliver, or cause to be delivered, to the Company separate reports of the previous months' operations for the Unit, which reports shall include:

(a) Income statement - accrual basis (month and year-to-date versus budget);

(b) Variance report (narrative form - month and year-to-date);

(c) Balance sheet;

(d) Accounts receivable aging report;

(e) Deposit summary report; and

(f) Any and all other reports reasonably requested by the Company.

4.20 Operating and Capital Budgets.

(a) Ninety (90) days before the end of each Fiscal Year during the term hereof, the Manager shall prepare and submit to the Company a proposed Operating Budget and a proposed Capital Budget (together, the "Proposed Budgets") for the operations of the Unit for each forthcoming Fiscal Year, which Proposed Budgets shall utilize accounting categories reasonably acceptable to and Approved by the Company.

(b) The Company will consider the Proposed Budgets and then will consult with the Manager as soon as reasonably possible after the Company receives same in order to agree on approved budgets, which shall be comprised of an "Approved Operating Budget" and an "Approved Capital Budget" for the Unit. Approval by the Company of such budgets shall be evidenced in writing. The Approved Operating Budget and the Approved Capital Budget are herein together called the "Approved Budgets."

(c) The Manager agrees to use all reasonable efforts to ensure that the actual costs of operations of the Unit shall not exceed either Approved Budget for the Unit. During each applicable Fiscal Year, the Manager agrees to promptly inform the Company of any major increases in costs and expenses that were not foreseen during the budget preparation period and thus were not reflected in the Approved Budgets. The Company acknowledges that from time to time actual operating figures may not fall within the amounts established by the Approved Budgets due to circumstances not reasonably in control of the Manager.

ARTICLE V
TERMINATION

5.1 Termination. Unless sooner terminated as provided herein, or by mutual written consent, or by either party pursuant to Section 5.2, this Agreement shall continue in full force and effect for the full term of this Agreement; provided, however, that NHC shall have the right to cause the Company to terminate this Agreement pursuant to Section 5.5 hereof.

5.2 Termination for Breach.

(a) In the event of any material breach of this Agreement, the non-defaulting party may terminate this Agreement upon sixty (60) days' prior written notice to the defaulting party; provided, however, that if the defaulting party shall cure such breach or default within such sixty-day notice period, this Agreement shall continue in full force and effect. Notwithstanding the foregoing, in the event that the material breach involves the Company's failure to pay the Fees (as hereinafter defined), the notice and cure period shall be only ten (10) days.

(b) This Agreement shall, upon the election of either Manager or NHC acting on behalf of the Company, be terminated upon notice from such party in accordance with the terms of the Operating Agreement relating to the sale of Manager's equity interest in the Company.

5.3 Damage, Destruction, Condemnation, or Exclusion. Notwithstanding anything herein contained to the contrary, in the event of (i) damage to or destruction of the Facility so that it shall become unreasonable for the Unit to provide the services for which it was intended, (ii) in the event of a taking of a substantial portion of the Facility, by condemnation, or similar proceeding, (iii) in the event of a termination of the Lease Agreement, (iv) in the event that the Company determines to stop operating the Unit; or (v) in the event either party is excluded or suspended from participating in any federal or state health care program, then, in any such event this Agreement may be immediately terminated by either party to this Agreement without notice.

5.4 Bankruptcy, Reorganization, and Insolvency. Either party may terminate this Agreement if the other party shall apply for or consent to the appointment of a receiver, trustee or liquidator of itself or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or take advantage of any insolvency law, or if an order, judgment or decree shall be entered by a court of competent jurisdiction, on the application of a creditor, adjudicating such party a bankrupt or insolvent or approving a petition seeking reorganization of such party or of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for a period of ninety (90) consecutive days.

5.5 Termination upon Notice by NHC. Upon not less than sixty (60) days' prior written notice, NHC shall have the right to cause the Company to terminate this Agreement effective as of a termination date designated by NHC upon payment by the Company of a lump sum termination fee to

the Manager payable on the designated termination date in the following applicable amount **[confirm amounts]**: (i) if the designated termination occurs during the first year of the initial five year term then the termination fee shall equal One Hundred Fifty Thousand Dollars ($150,000); (ii) if the designated termination occurs during the second year of the initial five year term then the termination fee shall equal One Hundred Thousand Dollars ($100,000); and (iii) if the designated termination occurs during the third year of the initial five year term or thereafter then the termination fee shall equal Fifty Thousand Dollars ($50,000). Additionally, upon the designated termination date, Manager shall be required to sell to NHC and NHC shall be required to purchase all of the Manager's equity interest in the Company for a cash purchase price as agreed upon by Manager and NHC within thirty (30) days or, in the absence of such agreement, at the Appraised Value (as defined in the Operating Agreement). The purchase and sale shall be governed by, and the Manager and NHC shall execute, a purchase agreement substantially in the form of the Purchase Agreement described in Section 12.7 of the Operating Agreement, pursuant to which the Manager shall, in accordance with this Section 5.5, sell, assign, transfer and deliver to NHC and NHC shall purchase all of the Manager's equity interest in the Company free and clear of any and all liens, claims and encumbrances, other than those arising pursuant to the Operating Agreement or applicable law. For avoidance of doubt, no termination fee shall be payable to the Manager if this Agreement is terminated in accordance with any other Section of this Agreement other than this Section 5.5.

5.6 Termination upon Notice by Manager. Upon not less than sixty (60) days' prior written notice, Manager shall have the right to terminate this Agreement effective as of a termination date designated by Manager.

5.7 Effect of Termination. Upon expiration or termination of this Agreement pursuant to the terms hereof, the Manager and the Company shall have no further duties and obligations to one another with respect to the Unit relating to such termination except with respect to claims, obligations and liabilities resulting from events occurring prior to the date of termination; provided, however, as follows:

(a) The Manager shall deliver to the Company a final report for the Unit and shall relinquish its rights to make disbursements from the Unit Account, if any, to the Company or its designee within thirty (30) days after such termination provided that Company has paid any and all fees and expenses due to Manager;

(b) The Manager shall promptly render a full accounting to the Company relating to the Unit, and the parties to this Agreement shall use all reasonable efforts to cooperate with each other to accomplish an orderly transfer of the operation and management of the Unit provided that Company has paid any and all fees and expenses due to Manager;

(c) The Manager shall promptly deliver to the Company copies of all accounts, papers, records and other information related to the Unit in the Manager's computer database (or digital storage devices) held by the Manager in connection with the business of the Company which does not constitute Proprietary Information of Manager provided that Company has paid any and all fees and expenses due to Manager; and

(d) The Company shall pay any outstanding Fees or expense reimbursement due to Manager no later than thirty (30) days after the expiration or termination of this Agreement.

ARTICLE VI
COMPENSATION

6.1 Intentionally Omitted.

6.2 Pre-Opening Fee. As set forth in the Development Agreement, Manager shall receive the fees ("Pre-Opening Fee") set forth in Schedule 6.2 of the Development Agreement, a copy of which is attached hereto as Exhibit B in exchange for providing the Pre-Opening Services.

6.3 Management Fee. In exchange for receiving the Management Service from the Manager, the Company shall pay Manager a fee equal to Two Hundred Thousand Dollars ($200,000) per year (the "Management Fee") and together with the Pre-Opening Fee, the "Fees"). The Management Fee shall be paid in equal monthly installments due on or before the fifteenth (15th) day of the following month. The Management Fee shall increase each year by 3% over the previous year's Management Fee.

6.4 Pro-Ration; Modification. In the event that the commencement or termination of this Agreement falls on a date other than the first day of month, the first and last monthly payments of the Management Fee shall be prorated accordingly. Nothing in this Agreement shall limit the ability of the Company and Manager to execute an amendment to this Agreement in order to alter the Management Fee payable hereunder.

6.5 Reimbursement of Expenses. Manager will be reimbursed for all direct out-of-pocket expenses reasonably incurred in connection with the provision of the Pre-Opening and Management Services, including without limitation reasonable travel, lodging and meal expenses, overnight delivery costs, and itemized long distance calls, and the costs (wages and benefits) incurred by Manager in connection with the employment of Key Personnel. Within fifteen (15) days following the end of each month, Manager shall send the Company an expense report and invoice reflecting the expenses incurred and Fees earned by Manager with respect to the immediately preceding month.

6.6 Payment of Fees and Expenses. In the event that the Unit Account has adequate funds, the Manager may deduct the Fees and expense reimbursement due to Manager directly from the Unit Account; otherwise, the Company shall pay the Manager within three (3) business days upon notification by the Manager that the Unit Account does not contain adequate funds to pay the Fees or expense reimbursement.

ARTICLE VII
INSURANCE

7.1 Company's Insurance. The Unit shall be insured by the Company and at the Company's expense against the hazards and in amounts as the Company shall determine from time to time in amounts no less than those required by the Lease Agreement; provided, however, the Company agrees to maintain comprehensive general liability insurance coverage of at least One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate annual total. Such insurance shall be maintained with insurance companies and acquired by the Company through such insurance brokerages or agencies as shall be determined by the Company with the assistance of Manager. All policies insuring the Company provided for herein or in the Lease Agreement shall name the Manager as an additional insured. The Company agrees to furnish to the Manager certificates evidencing the existence of the insurance carried by the Company on the Unit, which certificates shall provide that the Manager shall receive at least thirty (30) days' notice from the insurance carrier prior to any cancellation or material alteration of any such insurance coverage.

7.2 Employee Insurance.

(a) With respect to the Key Employees, the Manager shall continuously maintain and supply to the Company certificates evidencing the existence of the following insurance policies:

(i) Workers' compensation insurance in accordance with the statutory requirements of the State of Tennessee;

(ii) Employer's liability insurance in accordance with the requirements, if any, of the laws of the State of Tennessee;

(iii) Employee dishonesty insurance with coverage of at least One Hundred Thousand Dollars ($100,000); and

(iv) Malpractice insurance in such amounts as agreed by the parties.

(b) With respect to the Unit Employees, the Company shall continuously maintain and supply to the Manager certificates evidencing the existence of the following insurance policies:

(i) Workers' compensation insurance in accordance with the statutory requirements of the State of Tennessee;

(ii) Employer's liability insurance in accordance with the requirements, if any, of the laws of the State of Tennessee;

(iii) Employee dishonesty insurance with coverage of at least One Hundred Thousand Dollars ($100,000); and

(iv) Malpractice insurance in such amounts as agreed by the parties.

All insurance carried by either the Company or the Manager shall be endorsed to specify that same may not be canceled or materially altered without the insurance carrier's first giving the other at least thirty (30) days' prior written notice thereof.

7.3 Cooperation with Insurance Carriers. The Manager shall cooperate with and provide reasonable access to the Unit to agents of any and all insurance companies and/or insurance brokerages or agencies who may, from time to time, be involved with the issuance of insurance policies or with inspections of the Unit in connection with insurance policies then in force. The Manager agrees to use all reasonable efforts to comply with any and all requirements of such insurance companies or their agents, and agrees to exercise due care not to use the Unit premises or permit the same to be used for any purpose which would make void or voidable any of such insurance policies, and shall not keep or knowingly allow to be kept on the Unit premises any material, machinery, equipment, substance or other things which may make void or voidable any such insurance policies.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

8.1 Independent Contractor Status; Not a Partnership. In performing its services hereunder, Manager is acting as an independent contractor, and neither the Manager nor the Key Employees shall be considered employees of the Company or of the Unit. The Company and Manager agrees and acknowledges that, as an independent contractor, the Manager retains the right to contract with and provide services to facilities and persons other than the Company. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the Company and Manager. Neither the Manager nor any Key Employee shall be subject to any Company policies solely

applicable to Unit Employees, or eligible for any benefit plan offered by the Company. All records maintained by the Manager except Proprietary Information of the Manager shall at all times be and constitute the property of the Company and shall be surrendered to the Company in accordance with the terms hereof, without charge or expense upon the termination or expiration of this Agreement. Proprietary Information of the Manager in the possession or control of the Company or its affiliates shall be returned by the Company upon written request by the Manager.

8.2 Entire Agreement. This Agreement, including any and all exhibits and schedules hereto, together with the Operating Agreement and the Business Associate Agreement between the parties, constitutes all of the understandings and agreements of whatever nature or kind existing, with respect to the Manager's operation and management of the Unit in accordance with the terms hereof, and no other agreement, statement or promise relating to the Unit or management thereof that is not in writing and signed by the Manager and the Company shall be binding.

8.3 Notices. All notices required hereunder by either party to the other shall be in writing, delivered personally, sent by certified or registered mail, return receipt requested, or by overnight courier to the address shown below or to such other address as either party may from time to time designate by written notice thereby. Notices shall be deemed to have been duly given on the first to occur of either (a) the date delivered personally or (b) the date which is three (3) days following deposit with the United States Postal Service, certified, return receipt requested.

FACILITY MANAGER:

Reliant Healthcare, LLC
One Chase Corporate Drive, Suite 400
Birmingham, AL 35244
Attn: James Harper

And a copy to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attn: Brian R. Browder, Esq.

NHC:

NHC Natchez Properties, LLC
[_____]
[_____]
Attn: [_____]

And a copy to:

National HealthCare Corporation
100 E. Vine Street, Suite 1400
Murfreesboro, TN 37130
Phone: (615) 890-2020
Fax: (615) 890-0123
Attn: Josh A. McCreary, General Counsel, Sr. Vice-President and Secretary

COMPANY:

Natchez Center for Behavioral Medicine, LLC
[_____]
[_____]
Attn: [_____]

8.4 Consents. Whenever under any provision of this Agreement the approval or consent of either party is required, such approval or consent shall not be unreasonably delayed, conditioned or denied.

8.5 Books and Records; Certain Federal Requirements. Manager agrees, in accordance with the provisions of 42 U.S.C. §1395x and 42 C.F.R. §402.300 - 402.304, if applicable, to make available to the Secretary of Health and Human Services ("HHS"), the Comptroller General ("CG") or their duly authorized representatives, all contracts, books, documents and records of the Manager as are necessary to verify the nature and extent of the costs of services provided hereunder, until the expiration of four years after the furnishing of services pursuant to this Agreement. Manager also agrees that, if services are provided pursuant to any subcontract with an Affiliate, that Manager shall have a contract with each such subcontractor requiring such subcontractor to make available to HHS, CG or their duly authorized representatives, all contracts, books, documents and records of the Manager as are necessary to verify the nature and extent of the costs of services provided hereunder, until the expiration of four years after the furnishing of services pursuant to this Agreement. In the event of a request by HHS or CG for such access, Manager agrees, to the extent permitted by applicable law, to notify and consult with the Company immediately concerning the response that will be made to such request.

8.6 Severability. Subject to the change in law provisions of Section 8.20, if any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions and provisions shall remain in full force and effect.

8.7 Counterparts. This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall, together, constitute and be one and the same instrument.

8.8 Governing Law. The laws of the State of Tennessee shall govern the validity, construction and interpretation of this Agreement, without reference to conflict of laws principles.

8.9 Binding Effect. Neither party may assign or in any way transfer this Agreement or any of the party's obligations hereunder to a third part that is not an affiliate without prior written approval of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

8.10 Non-Waiver. The failure of NHC, the Company or Manager to seek redress for violation or to insist upon the strict performance of any covenant, agreement, provision or condition of this Agreement, shall not constitute a waiver of the terms of such covenant, agreement, provision or condition, and NHC, the Company and Manager shall have all remedies provided herein and by applicable law with respect to any subsequent act which would have originally constituted a violation.

8.11 Legal Fees. In the event either party initiates arbitration or litigation to enforce or protect its rights under this Agreement, the materially prevailing party shall be entitled to recover from the

unsuccessful party, in addition to any other damages or relief awarded or obtained, all court costs, discovery expenses and reasonable attorney's fees incurred in connection with such litigation.

8.12 Assignment. Except as set forth herein, Manager shall not, directly or indirectly, assign or otherwise transfer this Agreement, or any interest herein or obligation hereunder, without the prior written consent of NHC, which may be withheld in NHC's reasonable discretion. For purposes of this Agreement, any change in the direct or indirect beneficial ownership of Manager or in the management of Manager that results in either (a) Manager having majority beneficial ownership by one or more individuals other than Jim Harper individually or by any entity not majority beneficially owned, directly or indirectly, by Jim Harper or (b) any individual other than Jim Harper holding and exercising the power and authority of chief executive officer (or equivalent) of Manager shall be deemed an assignment by Manager requiring the prior written consent of NHC. In no event may Manager assign this Agreement unless the assignee shall have executed and delivered to NHC a written assumption of this Agreement in form and substance satisfactory to NHC in NHC's sole discretion. Notwithstanding the foregoing, NHC and Company shall be permitted, without the consent of Manager, to assign this Agreement to any Affiliate of NHC or Company. All of the provisions contained in this Agreement shall be binding upon and inure to the benefit of the respective lawful successors and permitted assigns of each Party.

8.13 No Third Party Beneficiaries. This Agreement is made solely and specifically among and for the benefit of the parties hereto and their respective successors and assigns, and no other Person, unless express provision is made herein to the contrary, shall have any rights, interests or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

8.14 Emergencies. It is expressly agreed that notwithstanding anything herein contained to the contrary, whenever under the terms of this Agreement the Manager is required to obtain the written consent of the Company prior to the taking of any action, the Manager may act upon obtaining only the oral consent of the Company if an emergency exists such that under the circumstances a delay in the Manager's action would be imprudent and not in the best interests of the Company. In any such situation the consent of the Company shall be confirmed in writing as soon as reasonably practicable thereafter.

8.15 Company's Limited Liability. No equity owner of the Company, whether direct or indirect, or any direct or indirect partners in such equity owner or any disclosed or undisclosed officers, shareholders, principals, directors, employees, partners, servants or agents of the Company or any of the foregoing or any investment advisor of the Company (including any assignee or successor of the Company) or other holder of any equity interest in the Company, shall be personally liable for the performance of the Company's obligations under this Agreement.

8.16 Arbitration. Any dispute or controversy arising under, out of, in connection with, or in relation to this Agreement, or any amendment hereof, or breach hereof, shall be determined and settled by arbitration in Davidson County, Tennessee, in accordance with the rules of the American Arbitration Association and applying the laws of the State of Tennessee. Any award rendered by the arbitrator shall be final and binding upon each of the parties, and judgment thereof may be entered in any court having jurisdiction thereof. Except as otherwise set forth in Section 8.11, each party shall be responsible for the expense of its own attorney's fees incurred in any such arbitration. Except as otherwise set forth in Section 8.11, all other costs of any such arbitration shall be borne equally by the parties. During the pendency of any such arbitration and until final judgment thereon has been entered, this Agreement shall remain in full force and effect unless otherwise terminated as provided herein.

8.17 Headings; Scope. All headings in this Agreement are for convenience of reference only and are not intended to define or limit the scope or intent of this Agreement. This Agreement constitutes

the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior understandings and agreements in regard hereto. All exhibits, schedules, instruments and other documents referred to herein, and as the same may be amended from time to time, are by this reference made a part hereof as though fully set forth herein.

8.18 Construction. Common nouns and pronouns and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person, Persons or other reference in the context requires. Every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against either party.

8.19 Further Action. Each party to this Agreement, upon the request of the other party, agrees in good faith to cooperate and to perform all reasonable further acts and to execute, acknowledge or deliver any instruments or documents and to perform such reasonable additional acts as may be reasonably necessary, appropriate or desirable to carry out the provisions of this Agreement.

8.20 Compliance with Laws. The parties to this Agreement agree to perform all acts with respect to the Unit in compliance with all relevant consent decrees and applicable laws and regulations, administrative pronouncements and judicial decisions thereunder, including but not limited to, the Sherman Act (15 U.S.C. §§ 1 and 2) and the Federal Trade Commission Act (15 U.S.C. § 45) and all other relevant antitrust statutes, the Stark Law (42 U.S.C. § 1395 nn) and the Federal Anti-Kickback Statute (42 U.S.C. 1320a-7b).

8.21 Change in Law.

(a) Legal Event; Consequences. Notwithstanding any other provision of this Agreement, if the governmental agencies that administer the Medicare, Medicaid, or other Federal healthcare programs (or their representatives or agents), or any other Federal, State or local governmental agency, or any court or administrative tribunal passes, issues or promulgates any law, rule, regulation, standard, interpretation, order, decision or judgment, including but not limited to those relating to any regulations pursuant to State or Federal anti-kickback or self-referral statutes (collectively or individually, "Legal Event"), which, in the good faith judgment of one party (the "Noticing Party"), materially and adversely affects either party's licensure, accreditation, certification, or ability to refer, to accept any referral, to bill, to claim, or to present a bill or claim to, or to receive payment or reimbursement from, any Federal, State or local governmental or non-governmental payor, or which subjects the Noticing Party to a risk of prosecution or civil monetary penalty, then the Noticing Party may give the other party notice of intent to amend or terminate this Agreement in accordance with the next subparagraph.

(b) Notice Requirements. The Noticing Party shall give notice to the other party together with an opinion of counsel setting forth the following information:

(i) The Legal Event(s) giving rise to the notice;

(ii) The consequences of the Legal Event(s) as to the Noticing Party;

(iii) The Noticing Party's intention to either:

1. Terminate this Agreement due to unacceptable risk of prosecution or civil monetary penalty; or

2. Amend this Agreement, together with a statement that the purpose thereof is one or more of the following: (A) to further comply with

any anti-kickback or self-referral statutory provisions or rules or regulations created or affected by the Legal Event(s); and/or (B) to satisfy any licensure, accreditation or certification requirements created or affected by the Legal Event(s); and/or (C) to eliminate or minimize the risk of prosecution or civil monetary penalty;

(iv) The Noticing Party's proposed amendment(s); and

(v) The Noticing Party's request for commencement of the Renegotiation Period (as defined below).

(c) Renegotiation Period; Termination. In the event of notice under either subparagraph (b)(iii)(1) or (b)(iii)(2) above, the parties shall have thirty (30) days from the giving of such notice ("Renegotiation Period") within which to attempt to amend this Agreement in accordance with the Noticing Party's proposal (if any) or otherwise as the parties may agree. If this Agreement is not so amended within the Renegotiation Period, this Agreement shall terminate as of midnight on the 10th day after said notice was given. Except as otherwise prohibited by applicable law, any amounts owing to either party hereunder shall be paid, on a pro rata basis, up to the date of such termination, and any obligation hereunder that is to continue beyond expiration or termination shall so continue pursuant to its terms. All opinions of counsel presented by the Noticing Party hereunder, and any corresponding opinions given by the other party in response, shall be deemed confidential, and privileged and given solely for purposes of renegotiation and settlement of a potential dispute, and shall not be deemed disclosed so as to waive any privileges otherwise applicable to said opinions.

8.22 No Obligation to Make Referrals. The parties acknowledge that none of the benefits granted the parties under this Agreement is conditioned on any requirement or expectation that the parties or any Affiliates of any party make referrals to, be in a position to make or influence referrals to, or otherwise generate business for the other party. The parties further acknowledge that neither party nor its Affiliates is restricted from referring any service to, or otherwise generating any business for any other entity of their choosing.

8.23 Force Majeure or Commercial Impracticability. Either party shall be excused for failures and delays in performance of its respective obligations under this Agreement due to any cause beyond the reasonable control and without the fault of such party including, without limitation (a) acts of God, such as fire, flood or earthquake; (b) acts of government, such as civil injunctions or enacted statutes or regulations; (c) acts or events caused by third parties such as riot, strike or explosion; or (d) inability due to any of the aforementioned causes to obtain necessary labor, material or facilities. The provision shall not, however, release such party from using its best efforts to avoid or remove such cause and such party shall continue performance hereunder promptly whenever such causes are removed. Upon claiming any such excuse or delay in performance, such party shall give prompt notice thereof to the other party, provided that failure to give such notice shall not in any way limit the operation of this provision.

8.24 Cumulative Remedies. None of the rights and remedies of any of the parties hereunder shall be mutually exclusive. Each party agrees that the other party would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the party may be entitled, at law or in equity, each party shall be entitled to injunctive relief to prevent or remedy breaches of the provisions of this Agreement and to specifically enforce the terms and provisions hereof.

8.25 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES THE RIGHT TO A TRIAL BY JURY AS TO ANY MATTER ARISING OUT OF OR CONCERNING THE SUBJECT MATTER OF THIS AGREEMENT.

8.26 Business Associate. Manager acknowledges that the services it provides hereunder may make it a business associate of the Company and the parties agree and acknowledge that the HIPAA Business Associate Agreement between the Company and Manager dated _____ ___, 2020, is in full force and effect.

8.27 Non-Disclosure and Non-Use. Neither party will disclose any Proprietary Information of the other party without the other party's express written authorization. Neither party shall use such Proprietary Information for any purpose other than to carry out its duties and responsibilities under this Agreement or under any other agreement between the parties. Each party will keep such Proprietary Information confidential and will use commercially reasonable efforts to ensure that its affiliates and representatives who have access to such Proprietary Information comply with these non-disclosure and non-use obligations; provided, however, that either party may disclose Proprietary Information to those of its affiliates and representatives who need to know Proprietary Information for the purposes of this Agreement or any other agreement between the parties.

[***Signature Page Follows***]

The undersigned do hereby duly execute this Agreement as of the day and year first above written, and adopt, accept, ratify, confirm and agree to be bound by, all of the terms and provisions contained herein.

COMPANY:

NATCHEZ CENTER FOR BEHAVIORAL MEDICINE, LLC

By: _____
Name: _____
Title: _____

FACILITY MANAGER:

RELIANT HEALTHCARE, LLC

By: _____
Name: _____
Title: _____

NHC:

NHC NATCHEZ PROPERTIES, LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

2.1A of Development Agreement

(See attached.)

EXHIBIT B

6.2 of Development Agreement

(See attached.)

Section A - 6 A

Lease Agreement

September 9, 2020

NHC Natchez Properties, LLC
c/o Manager
100 E. Vine St.
Murfreesboro, TN 37130

NHC/OP, L.P.
100 E. Vine St.
Murfreesboro, TN 37130

Re: Proposed lease of a portion of 9 acres ± of real estate at Highway 46, Dickson, TN (the "Property")

Dear Sirs:

This letter of intent ("LOI") will serve as our mutual statement of intent with respect to a proposed transaction (the "Transaction") between NHC Natchez Properties, LLC ("NHC Natchez Properties") and Natchez Center for Behavioral Medicine, LLC ("Natchez Behavioral") whereby NHC Natchez Properties will lease a portion of the Property to Natchez Behavioral.

1. **The Parties**.

   a. ***NHC/OP, L.P.*** - is an affiliate of National HealthCare Corporation (NHC) and has the Property under contract.
   b. ***NHC Natchez Properties, LLC.*** - is owned by NHC/OP, L.P. and will take title to the Property and serve as the "PropCo."
   c. ***NHC Place at Natchez, LLC.*** - is owned by NHC/OP, L.P. and will operate the assisted living and memory care portions of the building and will serve as the assisted living/memory care "OpCo."
   d. ***Natchez Center for Behavioral Medicine, LLC.*** - is owned 90% by NHC/OP, L.P. and 10% by Reliant Healthcare, LLC. It will operate the geri-psych hospital and serve as its "OpCo."

2. **Basic Transaction.** NHC/OP, L.P. has the Property under contract for purchase. It will purchase the Property and take title through its affiliate, NHC Natchez Properties. After closing, NHC Natchez Properties will develop and construct an assisted living, memory care, and geri-psych hospital on the Property. The assisted living and memory care will be operated by NHC Place at Natchez, LLC. The portion of the Property housing the geri-psych hospital will be leased to Natchez Behavioral (also referred to herein as the "Tenant").

3. **Form of Lease.** Natchez Behavioral will lease the portion of the Property used for the geri-psych hospital (the "Hospital Property") from NHC Natchez Properties for a rent equal to 7.5% of the total project cost payable in equal monthly installments.

4. **Term.** The initial lease term will be 10 years with 2 five-year renewals.

5. **Rent Escalator.** The rent will be subject to a 2% escalator each calendar year over the prior year's rent beginning with the third year of the lease term.

6. **Miscellaneous Conditions.**
   a. Natchez Behavioral, as Tenant, shall pay certain operating expenses, which shall mean those reasonable costs incurred by NHC Natchez Properties in the management, operation, maintenance, and repair of the Hospital Property. Tenant will also be responsible for insurance and real estate taxes.
   b. Tenant shall pay all utilities.
   c. Tenant shall have sole control of 24 hours a day, 7 days per week access to the Hospital Property during the lease term.
   d. Tenant shall be permitted to make alterations to the Hospital Property so long as they do not affect the structures and improvements. Any other alterations shall require NHC Natchez Properties' approval, which shall not be unreasonably withheld.
   e. Tenant shall not assign the lease except to an affiliate, without permission, not to be unreasonably withheld.
   f.

7. **Good Faith Estimate of Total Lease Payments**. The parties agree that a good faith estimate of total lease payments over the term of the lease is $4,228,701. This amount is a good faith estimate and is subject to a final, definitive lease agreement acceptable to the parties.

8. **Public Announcement.** The parties agree there will be no public announcement or press release with respect to the Transaction.

9. **Expenses.** Each party shall pay its own expenses, including legal and accounting fees, if any, in connection with this LOI and the Transaction.

10. **Subject to Definitive Agreement.** This LOI is not a contract to enter a definitive lease agreement, but the parties do agree to work in good faith to negotiate a mutually acceptable definitive lease agreement. The final terms of the agreement between the parties will be set forth in such definite lease agreement. Each party reserves the right to withdraw from the negotiation at any time for any reason.

NHC Natchez Properties and Natchez Behavioral acknowledge that this Letter of Intent shall be submitted to the Tennessee Health Service and Development Agency in connection with Natchez Behavioral' s certificate of need application.

Please acknowledge your acceptance and agreement to this LOI by executing same below.

Sincerely,
NHC Natchez Properties, LLC
By: _____
Stephen F. Flatt, President of the GP
of the single member

[additional signatures appear on the following page]

Agreed to and Accepted:

Natchez Center for Behavioral Medicine, LLC

By: _____
Stephen F. Flatt, President of the GP
of its sole member

NHC/OP, L.P.

By: NHC/Delaware, Inc., its general partner
By: _____
Mike Ussery, Vice-President

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Agreement"), dated for reference purposes as of June 25, 2020 (the "Agreement Date"), by and between CENTRAL TENNESSEE HOSPITAL CORPORATION, a Tennessee corporation ("Seller") and NHC/OP, L.P., a Delaware Limited Partnership ("Buyer.")

WHEREAS, Seller is the owner of certain real property comprising approximately 52.85 acres of land situated on Highway 46 in Dickson County, Tennessee, being Dickson County Tax Parcel No. 129 088.00 and being generally depicted on Exhibit "A" attached hereto and incorporated herein by reference (the "Parent Parcel"); and

WHEREAS, on the terms and conditions set forth herein, Seller desires to sell and Buyer desire to purchase a portion of the Parent Parcel consisting of approximately nine (9) acres of undeveloped land as generally depicted on Exhibit "B" attached hereto and incorporated herein by reference, together with Seller's interest, if any, in all rights privileges and easements appurtenant thereto (collectively, the "Property").

IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS of the parties hereto it is agreed as follows:

1. Sale and Purchase. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, upon and subject to the terms and conditions set forth in this Agreement, the Property.

2. Purchase Price. The total purchase price for the Property shall be $130,000.00 multiplied by the total acreage of the Property (rounded to the nearest 1/100th of an acre) as set forth on the approved Survey (as hereinafter defined) (the "Purchase Price") payable as follows:

(a) The sum of Fifty Thousand and No/100 Dollars ($50,000.00) shall be paid as an earnest money deposit (the "Earnest Money") to First American Title Insurance Company, National Commercial Services, 611 Commerce Street, Suite 3101, Nashville, TN 37203 (the "Escrow Agent") within three (3) business days after the execution of this Agreement. The Earnest Money shall be held, at Buyer's risk, in a non-interest-bearing account. The Earnest Money shall be held, and disbursed, by the Escrow Agent in accordance with the terms of this Agreement. Subject to the terms of this Agreement, the Earnest Money shall be applied to the payment of the Purchase Price at the time of Closing.

(b) The balance of the Purchase Price, subject to any credits or adjustments provided for in this Agreement, shall be paid in full at the Closing by wire transfer of immediately available funds to an account designated by Seller.

3. Review of Property. (a) At all times prior to the Closing, upon at least 48-hours' prior notice to Seller, Buyer and its representatives, contractors, agents and employees may, at Buyer's sole risk and expense, enter upon the Property for the purpose of inspecting the Property and for the purposes of conducting engineering and environmental studies and investigations, soil and subsoil tests, surveys, feasibility studies and planning and other testing and exploration work necessary, appropriate or desirable for inspecting or examining the Property or for developing or formulating plans for Buyer's intended use of the Property; provided, however, Buyer may not perform any invasive or destructive testing without Seller's prior approval, which Seller may withhold in its sole discretion. Buyer shall repair any damage to the Property occurring as a result of any of the foregoing if this Agreement is terminated pursuant to the terms of this Agreement and Buyer shall indemnify and hold Seller harmless from and against any losses, claims, damages, liabilities, penalties, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) arising or resulting from any entry upon the Property by Buyer or Buyer's representatives, contractors, agents or employees. Buyer's obligations and liabilities under this Section 3(a) shall survive the expiration or termination of this Agreement. Prior to entering the Property for any reason, Buyer shall provide proof of insurance reasonably acceptable to Seller should Seller request same.

(b) Buyer shall have a period of one hundred eighty (180) days after the Agreement Date (the "Inspection Period"), in which to determine whether the condition and suitability of the Property are satisfactory to Buyer; provided, however, the Buyer may extend the Inspection Period by up to four (4) consecutive periods of thirty (30) days each upon written notice to Seller given prior to the expiration of the original Inspection Period or the first extension thereof, as applicable. If the Property is not satisfactory to Buyer, Buyer may elect not to purchase the Property by delivering written notice of termination to Seller and the Escrow Agent on or before 5:00 p.m. Central Time on the last day of the Inspection Period, as the same may have been extended. Upon receipt of any such timely notice, the Escrow Agent shall return the Earnest Money to Buyer and this Agreement shall terminate and no party hereunder shall have any further rights or obligations under this Agreement other than those rights and obligations that are expressly stated to survive the termination of this Agreement. Following the Inspection Period, as may be extended, Buyer shall be deemed to have conducted a full and complete inspection of the Property and shall have no further right to terminate this Agreement pursuant to this Section 3(b). If Buyer fails to give timely notice of termination as permitted in this Section, all rights of termination or rescission under this Section 3(b) shall be deemed waived. Buyer shall not disclose

the contents or results of any environmental assessment or study relating to the Property to any third party (including any governmental agency) at any time prior to the time that title to the Property is conveyed to Buyer.

(c) Within one hundred twenty (120) days after the Agreement Date, Buyer shall file a notice of intent for CON approval for sixteen (16) geriatric psych beds and any additional beds which Seller may approve in its sole discretion. Seller shall reasonably support Buyer's efforts to obtain such approval.

4. Condition to Closing. (a) Seller's obligation to close on the sale and purchase of the Property shall be conditioned upon Seller having satisfied itself that the sale of the Property pursuant to the terms of this Agreement will not result in a violation of any applicable laws and regulations, including without limitation, federal and state health care laws and regulations. Such health care laws and regulations include, without limitation, Medicare Anti-Kickback and Stark laws and regulations. In the event Seller makes any such determination, it shall notify Buyer in writing within five (5) days and identify the law or regulation alleged to be violated.

(b) Buyer's obligation to close on the sale and purchase of the Property shall be conditioned upon: (i) Buyer having not terminated the Agreement as provided herein; (ii) certificate of need (CON) approval for sixteen (16) geriatric psych beds for the Property; and (iii) approval by the National HealthCare Corporation (NHC) board of directors.

5. Conveyance of Property. Upon payment of the Purchase Price at Closing, Seller shall deliver to Buyer Seller's executed and recordable special warranty deed conveying the Property (the "Special Warranty Deed"). The Special Warranty Deed shall convey fee simple title to the Property to Buyer subject to the following "Permitted Exceptions:" (i) any rights of the public in streets and highways adjoining the Property; (ii) zoning and building laws, ordinances, resolutions and regulations; (iii) real estate taxes and assessments for public improvements which are not delinquent and not yet due and payable; (iv) any covenants, easements, agreements and other matters of record affecting the Property that are accepted or waived by Buyer pursuant to Section 6(a) below; (v) set back lines, easements, rights of way, encroachments, boundary line disputes and other matters that would be disclosed by an accurate survey and inspection of the Property; (vi) any lien or other matter created by reason of the acts or omissions of Buyer; and (vii) the Declaration of Covenants and Restrictions in substantially the same form as Exhibit "C" attached to and incorporated herein by reference (the "Declaration").

6. Title Evidence; Survey. (a) Seller shall cause to be delivered to Buyer a commitment for an Owner's Policy of Title Insurance (the "Title Commitment") issued by First American Title Insurance Company (the "Title Company"), pursuant

to which the Title Company shall commit to issue to Buyer an Owner's Policy of Title Insurance naming Buyer as the proposed insured in the amount of the Purchase Price. Seller shall use commercially reasonable efforts to cause the Title Company to deliver the Title Commitment and exception documents to Buyer no later than thirty (30) days after the Agreement Date. If Buyer objects to any item, exception or other matter shown on the Title Commitment, Buyer shall have until the fifteenth (15th) day after receipt of the Title Commitment within which to notify Seller in writing of such objections (the "Title Objections"). Seller shall have a period of fifteen (15) days (the "Cure Period") from the date that Seller receives Buyer's written Title Objections, within which to eliminate or otherwise remedy the Title Objections, or obtain from the Title Company an endorsement to the Title Commitment reasonably satisfactory to Buyer, pursuant to which the Title Company agrees to remove the Title Objections from the owner's policy to be issued pursuant to the Title Commitment. If Seller fails or refuses within the Cure Period to (i) eliminate any such Title Objection, or (ii) obtain an endorsement reasonably satisfactory to Buyer agreeing to the deletion of such Title Objection from the owner's policy to be issued pursuant to the Title Commitment, then Buyer shall have the option, exercisable within ten (10) days from the expiration of the Cure Period, to (x) accept the status of the title subject to such Title Objections and proceed with this Agreement, or (y) terminate this Agreement by delivering to Seller and Escrow Agent written notice of termination. Buyer's failure to deliver written notice of termination shall be deemed an acceptance of the status of title subject to such Title Objections. In the event that Seller is unable or unwilling to eliminate or cure any such Title Objections or to obtain an endorsement reasonably satisfactory to Buyer deleting such Title Objections as aforesaid, the provisions of this Section shall be Buyer's sole remedy, it being understood that Seller shall have no obligation to eliminate, insure over or otherwise remove any Title Objections. If this Agreement is terminated pursuant to this Section 6(a), then the Escrow Agent shall return the Earnest Money to Buyer and thereafter no party hereunder shall have any further rights or obligations under this Agreement other than those rights and obligations that are expressly stated to survive termination. Following the fifteenth (15th) day after receipt of the Title Commitment, Buyer shall have no further right to object to any item, exception or other matter shown on the Title Commitment, and following the fifth day after the Cure Period, Buyer shall have no further right to terminate this Agreement pursuant to this Section 6(a) except as provided below in Section 6(b).

(b) If any title matter first arises after the effective date of the Title Commitment, Buyer shall have the same right to object to such matters as it had after having been given the opportunity to review the initial Title Commitment; provided, however, that Buyer shall make written Title Objections to Seller and the Title Company no later than ten (10) days after Buyer has received notice of any such new title matter.

(c) Seller shall obtain and deliver to Buyer a current ALTA survey of the Property (the "Survey") prepared by Ragan Smith. Buyer will work with the surveyor to establish the exact boundary lines of the Property. The Survey shall be subject to the approval of Seller and Buyer, such approval not to be unreasonably withheld. Once approved, the legal description of the Property contained on the Survey shall be deemed to be the Property for all purposes under this Agreement. If Seller and Buyer have not both approved the Survey prior to the expiration of the Inspection Period, as the same may have been extended, this Agreement shall automatically terminate, the Earnest Money shall be refunded to Buyer and neither party shall have any further rights or obligations under this Agreement except for those which expressly survive such termination.

7. The Closing. (a) The sale and purchase of the Property (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of the Escrow Agent or such other location as the parties may agree upon on the earliest practicable date mutually agreed upon by Buyer and Seller, but in no event later than the date that is thirty (30) days after the expiration of the Inspection Period, as may be extended, which date is herein called the "Closing Date."

(b) At the Closing, the following actions shall be taken and shall be deemed to occur simultaneously:

(i) Deliveries By Seller. Seller shall deliver to Buyer:

(A) Seller's duly executed and acknowledged transferable and recordable Special Warranty Deed.

(B) A certified copy of the board resolution of Seller authorizing the sale of the Property.

(C) A written certificate complying under the Foreign Investment in Land Act and the regulations thereunder ("FIRPTA"), certifying that Seller is neither a foreign person nor subject to withholding under FIRPTA, and containing Seller's tax identification and address.

(ii) Deliveries by Buyer. Buyer shall deliver to Seller the Purchase Price (less all credits adjustments and prorations including without limitation as provided in Section 7 (c) of this Agreement) due at the Closing in accordance with this Agreement;

(iii) Deliveries By Buyer and Seller. Seller and Buyer shall jointly deliver a closing statement to each other.

(c) Except as otherwise set forth hereinafter, if the transaction contemplated by this Agreement is consummated, the following items shall be paid, prorated or adjusted as of 12:01 a.m. on the Closing Date ("Proration Date"), in the manner hereinafter set forth:

(i) All real estate taxes and all personal property taxes due and owing as of the Proration Date, and all installments of assessments for public improvements or other matters or facilities which constitute a lien against the Property as of the Proration Date and which are due and payable prior to the Proration Date, whether payable in installments or not, and all penalties and interest thereon shall be paid by Seller on or before the closing.

(ii) Real estate taxes and current installments of assessments not yet due and owing as of the Proration Date shall be prorated as of the Proration Date upon the tax year of the applicable taxing authority so that the portion of the prorated taxes allocable to the period from the beginning of each tax year through the Proration Date shall be credited to Buyer and the portion of the current taxes allocable to the portion of such tax year following the Proration Date to the end of such tax year shall be the responsibility of Buyer. The adjustment shall be predicated upon most recently available tax bills or actual rates and assessments, provided that such real estate taxes shall be reprorated forthwith upon Buyer's receipt of the actual tax bill or bills for the tax year or tax years in question. Such proration shall be based size of the Property compared to the size of the entire Parent Parcel.

(iii) Seller shall pay all costs and be responsible for all expenses, liabilities (actual or contingent), claims and obligations incurred, accrued or arising prior to the Proration Date in connection with the ownership, management, operation, repair, or maintenance of the Property. Buyer shall pay all costs and be responsible for all expenses, liabilities (actual or contingent), claims and obligations incurred, accrued or arising after the Proration Date in connection with the ownership, management, operation, repair or maintenance of the Property.

(iv) Buyer shall reimburse Seller for the cost of the Survey at Closing. In addition, Buyer will reimburse Seller at Closing for a portion of a previously prepared topographical survey that includes the Property. Buyer's share of such topographical survey shall be $20,500 multiplied by a fraction, the numerator of which is the final acreage of the Property as determined by the Survey and the denominator of which is 40.

(v) Seller shall bear and pay all title examination fees, title insurance premiums (excluding premiums and charges for endorsements and excluding that portion of such premiums charged for title insurance coverage in excess of the Purchase Price or in connection with any loan), and one-half of the

Escrow Agent's fees. Buyer shall pay the cost of all title insurance premiums and charges for any endorsements to the Title Commitment or the policy of title insurance issued pursuant thereto and for any title insurance coverage in excess of the Purchase Price or in connection with any loan, all costs associated with Buyer's financing (if any), all transfer taxes and recording fees for the Special Warranty Deed and one-half of the Escrow Agent's fees.

(vi) All other items which are customarily prorated in transactions similar to the transaction contemplated hereby, and which were not heretofore dealt with, will be prorated as of the Proration Date.

(d) All prorations shall be calculated on the basis of a 365-day year. Seller and Buyer hereby agree that if any of the aforesaid prorations cannot be calculated accurately on the Proration Date, then the same shall be calculated within thirty (30) days after the Proration Date and either party owing the other party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other party.

8. Representations, Warranties and Covenants of Seller. Seller hereby represents and warrants to Buyer that:

(a) Seller is a corporation, duly organized, validly existing and in good standing under the laws of the State of Tennessee; this Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are or at the time of delivery will be duly authorized, executed, and delivered by Seller and are or at the time of delivery will be legal, valid, and binding obligations of Seller, and do not and at the Closing will not violate any provisions of any agreement to which Seller is a party or to which it is subject;

(b) Seller is not a party to any leases or other unrecorded agreements which will be binding upon Buyer or the Property after Closing (unless specifically assumed by Buyer); and

(c) To Seller's knowledge, there is no litigation pending or threatened against the Property or Seller which would materially and adversely affect the Property or Seller's ability to consummate the transactions contemplated by this Agreement.

9. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that:

(a) Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware and all documents executed by Buyer which are to be delivered to Seller at the Closing are or at the time of

delivery will be duly authorized, executed, and delivered by Buyer and are or at the time of delivery will be legal, valid, and binding obligations of Buyer, and do not and at the Closing will not violate any provisions of any agreement to which Buyer is a party or to which it is subject; and

(b) To Buyer's knowledge, there is no litigation pending or threatened against Buyer which would materially and adversely affect Buyer's ability to consummate the transactions contemplated by this Agreement.

10. Property Sold As Is; Release of Liability. (a) Buyer acknowledges and agrees that except as specifically provided in this Agreement and as will be provided in the Special Warranty Deed at Closing, Seller has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (i) the value, nature, quality or condition of the Property, including without limitation, the water, soil and geology, (ii) the income to be laws, rules, ordinances or regulations of any applicable derived from the Property, (iii) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon, (iv) the compliance of or by the Property or its operation with any governmental authority or body, (v) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property, (vi) the manner or quality of the construction or materials, if any, incorporated into the Property, (vii) the manner, quality, state of repair or lack of repair of the Property, or (viii) any other matter with respect to the Property. Buyer further acknowledges and agrees that except as specifically provided in this Agreement, the sale of the Property as provided for herein is made on an "as is", "where is" condition and basis with all faults. The provisions of this Section 10(a) shall survive the Closing.

(b) From and after Closing, Buyer waives, releases, and forever discharges Seller, its directors, officers, shareholders, employees, and agents, and their respective heirs, successors, personal representatives and assigns (collectively, the "Released Parties"), of and from any and all suits, legal or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorneys' fees and expenses of whatever kind and nature, in law or in equity, known or unknown (collectively, "Liabilities"), that Buyer ever had, now has, or in the future may have, against any of the Released Parties, based upon, or arising directly or indirectly out of the condition, status, quality or nature of the Property.

11. Condemnation. In the event that, prior to Closing, condemnation proceedings are commenced against the Property, Buyer shall have the right, exercisable by giving notice of such decision to Seller and Escrow Agent within

fifteen (15) days after receiving written notice of such condemnation proceedings, to terminate this Agreement, in which case Escrow Agent shall return the Earnest Money to Buyer and neither party shall have any further rights or obligations under this Agreement other than those rights and obligations that are expressly stated to survive the termination of this Agreement. If Buyer elects to accept the Property in its then condition, all condemnation awards payable to Seller by reason of such condemnation shall be paid or assigned to Buyer.

12. Default and Termination.

(a) If Seller defaults in any material respect in the performance of any of the Seller's obligations under this Agreement for any reason other than the Buyer's default, then Buyer may elect, as its sole and exclusive remedy, either to terminate this Agreement by delivering written notice thereof to Seller and Escrow Agent, in which event Escrow Agent shall return the Earnest Money to Buyer, or to pursue the remedy of specific performance.

(b) If the Buyer defaults in any material respect in the performance of any of the Buyer's obligations under this Agreement for any reason other than the Seller's default, then Seller's sole and exclusive remedy shall be to terminate this Agreement by delivering written notice thereof to Buyer and Escrow Agent, in which event Escrow Agent shall pay the Earnest Money to Seller as full and liquidated damages.

13. Escrow Agent.

(a) "Earnest Money" shall mean the $50,000.00 deposited in accordance with Section 2 above. The Escrow Agent shall promptly deposit the Earnest Money and hold the same and disburse the same in accordance with this Agreement. Failure of clearance of the Earnest Money shall not excuse Buyer from performance under this Agreement, and shall be a breach of the Agreement by Buyer.

(b) The Earnest Money deposit shall be applied against the Purchase Price at Closing, or refunded to Buyer or paid to Seller if this transaction is not closed, as the case may be, all in accordance with the terms of this Agreement.

(c) The Earnest Money shall be invested by Escrow Agent in a non-interest-bearing account.

(d) In performing any of its duties hereunder, the Escrow Agent shall not be liable to a party or to any third person for any misdelivery to Buyer or Seller of monies subject to the escrow, nor shall the Escrow Agent incur any liability

to anyone for any damages, losses or expenses, except for the Escrow Agent's own willful default, gross neglect or breach of trust.

(e) In the event Escrow Agent has doubts as to its duties or liabilities under this Agreement, the Escrow Agent may, in its discretion, continue to hold monies in escrow until the parties mutually agree on disbursement thereof, or until a court of competent jurisdiction shall determine the rights of the parties thereto. Alternatively, the Escrow Agent may elect to deposit the funds held with a court having jurisdiction of the dispute, and upon notifying the parties of such disposition, all liability of the Escrow Agent under this Agreement shall terminate.

(f) In the event of any action between Buyer and Seller in which the Escrow Agent is made a party by virtue of serving as Escrow Agent under this Agreement, or in the event of any suit in which the Escrow Agent interpleads the monies in escrow, the Escrow Agent shall be entitled to recover all costs including a reasonable attorney's fee through all trials, appeals and other proceedings from the losing party.

14. Miscellaneous.

(a) Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when actually delivered if given by hand delivery or transmitted by overnight courier service, or if mailed when deposited in a United States Post Office, registered or certified mail, postage prepaid, return receipt required; provided that the same is delivered to or addressed as follows:

If to Seller:

c/o HCA
1100 Dr. Martin L. King, Jr. Boulevard
Suite 500
Nashville, TN 37203
Attention: Vice President, Real Estate

With a copy to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attn: Morgan W. Jones

If to Buyer:

National HealthCare Corporation
100 E. Vine St.
Murfreesboro, TN 37130
Attn: Andy Clark

With copy to:

National HealthCare Corporation
100 E. Vine St.
Murfreesboro, TN 37130
Attn: Josh A. McCreary, SVP, General Counsel

or such other address as either party may from time to time specify in writing to the other.

(b) Brokers and Finders. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who will claim a right to a commission or finder's fee as a procuring cause of the sale contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom such other broker or finder makes his claim shall be responsible for such commission or fee and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against the same.

(c) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns. Notwithstanding the foregoing, Buyer may not assign this Agreement or any of its rights hereunder without the prior consent of Seller, which consent Seller may withhold in its sole and absolute discretion; provided, however, Buyer may assign its rights hereunder to any entity controlling, controlled by or under common control with Buyer without Seller's prior written consent, but with prior written notice to Seller. Seller may assign its rights to receive the proceeds of sale, subject to the terms of this Agreement.

(d) Amendments and Terminations. Except as otherwise provided herein, this Agreement may be amended or modified by, and only by, a written instrument executed by Seller and Buyer.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

(f) Merger of Prior Agreements. This Agreement supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

(g) Enforcement. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

(h) Captions. Captions and paragraph headings are for convenience of reference only, and shall not be used in connection with the construction or interpretation of any provision of this Agreement.

(i) Entire Agreement. This Agreement contains the entire agreement of the parties relating to the property and there are no other agreements or understandings, written or oral concerning the same.

(j) Time. Time is of the essence in this Agreement.

(k) Execution. The presentation of this Agreement for review by Buyer does not constitute an offer on the part of Seller to enter into the transactions described herein and this Agreement will become effective and legally binding only when it has been signed by a duly authorized officer or representative of each of the parties and delivered to the other party.

(l) Buyer Certification. It is Seller's policy not to contract with "Ineligible Persons." An "Ineligible Person" is defined as any individual or entity who: (a) is currently excluded, debarred or otherwise ineligible to participate in the Federal healthcare programs or in the Federal procurement or non-procurement programs; or (b) has been convicted of a criminal offense related to the provision of healthcare items or services, but has not yet been excluded, debarred or otherwise declared ineligible. In connection therewith, Buyer is required to verify that his contractors are not listed on the General Services Administration's List of Parties Excluded from Federal Programs and the List of Excluded Individuals/Entities maintained by the Office of Inspector General of the Department of Health and Human Services. Buyer hereby certifies that it is not an Ineligible Person as defined above. Seller and Buyer enter into this Agreement with the intent of conducting their relationship and implementing the covenants contained herein in full compliance with applicable federal, state and local law, including without limitation, the Medicare/Medicaid Anti-Kickback statute (the "Anti-Kickback Law") and Section 1877 of the Social Security Act (the "Stark Law"), as amended.

Notwithstanding any unanticipated effect of any of the provisions of this Agreement, neither party will intentionally conduct itself under the terms of this Agreement in a manner that would constitute a violation of the Anti-Kickback Law or the Stark Law. Without limiting the generality of the foregoing, Seller and Buyer expressly agree that nothing contained in this Agreement shall require either party to refer any patients to the other, or to any affiliate or subsidiary of the other.

(m) Counterparts. This Agreement may be executed in one or more counterparts. Signatures transmitted by facsimile, .pdf or other electronic means shall be deemed original signatures for all purposes hereunder.

(n) Agreement Date. The term "Agreement Date" as used herein shall mean the later of the date Seller executes this Agreement or the date Buyer executes this Agreement.

(o) Business Day. In the event that the date for taking any action under this Agreement (including, but not limited to, the giving of a notice of termination or closing) falls on a Saturday, Sunday or legal holiday, then such time period shall automatically be extended until 5:00 p.m. Central Time on the next regularly scheduled business day in Nashville, Tennessee.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Agreement Date first above written.

SELLER:

CENTRAL TENNESSEE HOSPITAL CORPORATION, a Tennessee corporation

By: Nicholas L Paul
Name: Nicholas L. Paul
Title: Vice President
Date: 6/25/2020

BUYER:

NHC/OP, L.P., a Delaware limited partnership

By: Stephen F. Flatt
Name: Stephen F. Flatt
Title: President of ITS General Partner

The undersigned, being the Escrow Agent referred to in Section 2(a) of the foregoing Real Estate Purchase and Sale Agreement, hereby acknowledges receipt of the $50,000.00 Earnest Money deposit and agrees to hold and disburse the Earnest Money in accordance with the terms of the foregoing Real Estate Purchase and Sale Agreement.

Dated: _____, 2020.

ESCROW AGENT:

FIRST AMERICAN TITLE
INSURANCE COMPANY

By:_____
Name:_____
Title:_____

First American Title Insurance Company National Commercial Services
611 Commerce St., Ste. 3101 Nashville, TN 37203

PR: NATLAC **Ofc:** 2004 (1934) **DATE:** 06/30/2020

RECEIPT NO.: 200419985

RECEIPT FOR DEPOSIT

FILE NO.: NCS-1018726-NAS

FUNDS IN THE AMOUNT OF: $50,000.00

WERE RECEIVED FROM: NHC/OP, L.P.

CREDITED TO THE ACCOUNT OF: Buyer

TYPE OF DEPOSIT: Wire **REPRESENTING**: Earnest Money Deposit

Comments:

Property Location: 52.85 acres, Highway 46, Dickson, TN

BY: Rita Bost, 06/30/2020

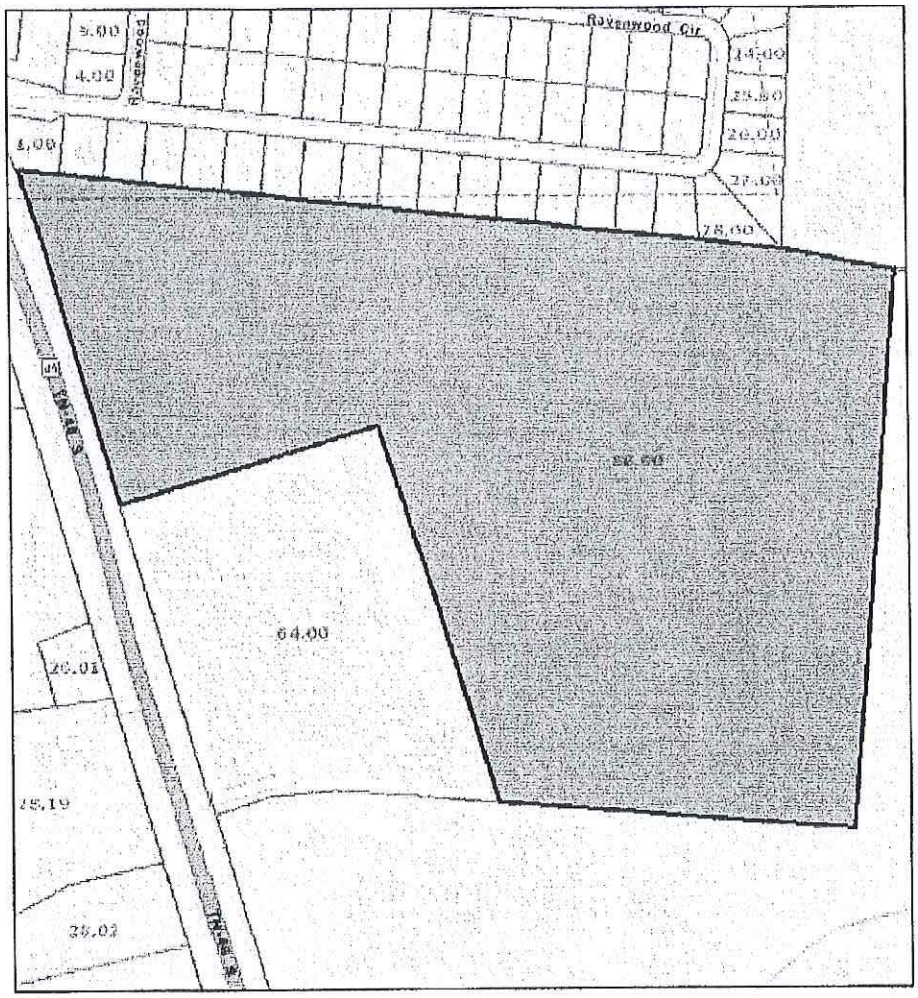
ESCROW OFFICER: Rita Bost

"The validity of this receipt, for the deposit referenced, is subject to clearance by the depository financial institution and credit to our account."

Other Copy

EXHIBIT A
To Real Estate Purchase and Sale Agreement

Dickson County - Parcel: 129 088.00



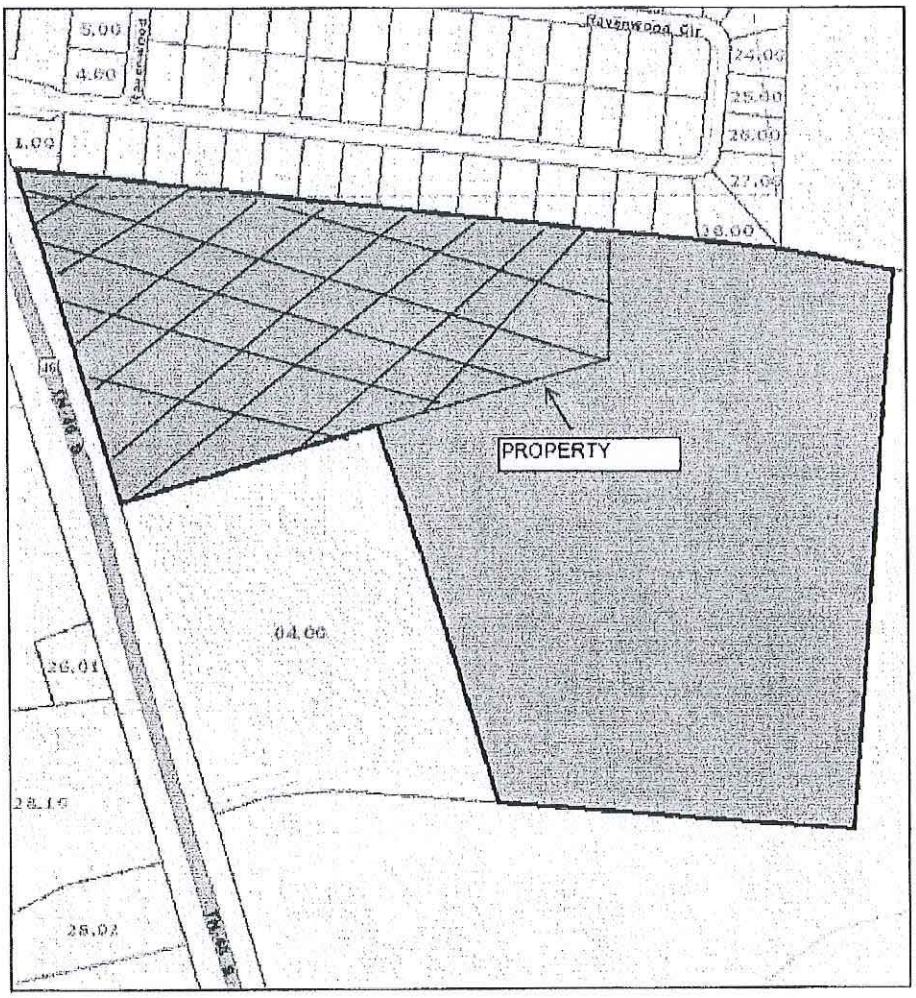
Date: March 3, 2020
County: Dickson
Owner: CENTRAL TENNESSEE HOSPITAL CORP
Address: HWY 46
Parcel Number: 129 088.00
Deeded Acreage: 0
Calculated Acreage: 62.85
Date of Imagery: 2017

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community
TN Comptroller - OLG
State of Tennessee, Comptroller of the Treasury, Office of Local Government

The property lines are sampled from information maintained by your local county Assessor's office but are not conclusive evidence of property ownership in any court of law.

A-4834-4395-0262.3

EXHIBIT B
To Real Estate Purchase and Sale Agreement



Date: March 3, 2020
County: Dickson
Owner: CENTRAL TENNESSEE HOSPITAL CORP
Address: HWY 46
Parcel Number: 129 088.00
Deeded Acreage: 0
Calculated Acreage: 52.85
Date of Imagery: 2017

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community
TN Comptroller - OLG
State of Tennessee, Comptroller of the Treasury, Office of Local Government

The property lines are compiled from information maintained by your local county Assessor's office but are not conclusive evidence of property ownership in any court of law

A-4834-4395-0262.3

EXHIBIT C
To Real Estate Purchase and Sale Agreement

This instrument prepared by:
Morgan W. Jones, Esq.
Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219

DECLARATION OF COVENANTS AND RESTRICTIONS

This Declaration of Covenants and Restrictions (this "Declaration") is made effective as of the ___ day of _____, 2020, by Central Tennessee Hospital Corporation, a Tennessee corporation ("Declarant") under the following circumstances:

A. Declarant is the owner of that certain land located in Dickson County, Tennessee described in Exhibit A attached hereto and made a part hereof (the "Hospital Land").

B. Declarant is the owner of that certain land located in Dickson County, Tennessee described in Exhibit B attached hereto and made a part hereof (the "Development Land").

C. Declarant anticipates selling the Development Land and, in connection with such sale, desires to submit the Development Land to certain covenants, conditions and restrictions as set forth herein for the benefit of Declarant.

NOW, THEREFORE, Declarant declares that all of the Development Land shall be held, developed, encumbered, leased, occupied, improved, built upon, used and conveyed subject to this Declaration.

ARTICLE I

DEFINITIONS

1.1 In addition to the terms defined elsewhere in this Declaration, the following words, unless the context otherwise requires, shall have the following meanings:

"Declarant" shall mean Central Tennessee Hospital Corporation, a Tennessee corporation.

"Development Land" shall have the meaning described in Recital B of this Declaration.

"Development Land Owner" shall mean any Person that is the owner of record fee simple title to the Development Land (or any portion thereof), but only during and with respect to the period of such Person's ownership; provided, however, if any such owner of record fee simple title to the Development Land (or any portion thereof) leases the Development Land (or any portion thereof) to another Person for a term of 50 years or more pursuant to a lease, which lease or a memorandum thereof is Recorded, then until the expiration or termination of the term of such lease, "Development Land Owner" shall also include the then-current lessee or tenant under such lease.

"Hospital" shall mean any hospital, medical surgical hospital or specialty hospital located from time to time on the Hospital Land.

"Hospital Land" shall have the meaning described in Recital A of this Declaration.

"Hospital Land Owner" shall mean any Person that is the owner of record fee simple title to any portion of the Hospital Land, but only during and with respect to the period of such Person's ownership; provided, however, if any such owner of record fee simple title to any portion of the Hospital Land leases the Hospital Land (or any portion thereof) to another Person for a term of 50 years or more pursuant to a lease, which lease or a memorandum thereof is Recorded, then until the expiration or termination of the term of such lease, "Hospital Land Owner" shall also include the then-current lessee or tenant under such lease.

"Hospital Owner" shall mean, in the event that there is more than one Person that is a Hospital Land Owner, that Person who is the record fee simple owner of the land on which the Hospital is located.

"Improvements" shall mean all buildings and related site improvements constructed or located on the Development Land, now or in the future.

"Mortgage" shall mean any mortgage, deed of trust or similar lien which is Recorded, secures the payment of any indebtedness and encumbers all or any part of a Tract or any interest therein.

"Mortgagee" shall mean the holder of any Mortgage.

"Persons" or "person" shall mean any one or more natural persons, corporations, partnerships, limited liability companies, firms, trustees, trusts, governments, governmental authorities or other entities.

"Physician" shall mean any person licensed in the State of Tennessee as a medical doctor for the provisions of medical care to human beings.

"Recorded" shall mean filed for record in the land records of Dickson County, Tennessee.

ARTICLE II

PERMITTED USES; GENERAL RESTRICTIONS; ARCHITECTURAL REVIEW

2.1 The use of the Development Land (or any portion thereof) shall be limited to the construction, maintenance and operation of a senior living and/or senior healthcare community that may include skilled nursing, assisted living, memory care and/or geriatric psychiatry services.

2.2 Notwithstanding the foregoing, however, the uses described in Schedule 2.2 attached hereto and incorporated herein (the "Restricted Uses") shall not be permitted on the Development Land (or any portion thereof). Any Development Land Owner who violates the foregoing restrictions, or in the event the Development Land (or any portion thereof) is leased, any lessee or tenant of the Development Land (or any portion thereof) who violates the foregoing restrictions, shall indemnify and hold harmless Hospital Land Owner against all costs, expenses, damages, liability, or loss caused by any violation hereof of any provision of this Declaration by such Development Land Owner, or such tenant or subtenant, as the case may be, and their respective agents, contractors, partners, officers, directors, employees and invitees. Notwithstanding the foregoing, in the event the restrictions set forth in this Article II are violated by a lessee of Development Land Owner (which lessee does not constitute a Development Land Owner as defined in Article I), Development Land Owner shall not be liable to indemnify and hold harmless Hospital Land Owner against all costs, expenses, damages, liability or loss caused by any violation hereof by such lessee unless Development Land Owner has been given written

notice of such violation by Hospital Land Owner and Development Land Owner shall have failed to cure such violation not later than sixty (60) days after receipt of such notice of violation.

2.3 All signs to be installed or constructed on the Development Land that are visible from outside any building constructed on the Development Land shall be subject to the prior written approval of Hospital Land Owner, such approval not to be unreasonably withheld or delayed.

2.4 Hospital Land Owner shall have the right to approve: (a) the architectural design and exterior appearance of any Improvements which are constructed on the Development Land; and (b) the size of any Improvements which are constructed on the Development Land. Prior to commencing construction of any Improvements on the Development Land, Development Land Owner shall submit architectural drawings, engineering plans and site plans relating to the Improvements (the "Plans") to Hospital Land Owner for Hospital Land Owner's approval (which approval may be granted or withheld in Hospital Land Owner's sole and absolute discretion). Within twenty (20) business days after receipt of the Plans, Hospital Land Owner shall provide written notice to Development Land Owner either approving or disapproving, either in whole or in part, any such matter contained therein. In the event Hospital Land Owner shall disapprove the Plans, either in whole or in part in accordance with clause (a) and clause (b) of this Section 2.4, Hospital Land Owner shall notify Development Land Owner in writing of those items on which Hospital Land Owner's disapproval is based, with the reasons for Hospital Land Owner's disapproval of such items. If Hospital Land Owner does not either approve or disapprove the Plans within such twenty (20) business day review period as provided above, then Development Land Owner shall provide Hospital Land Owner with a second written request for approval, which shall include a complete copy of the first request for approval (including, without limitation, all documents and other items submitted with such first request) and which shall set forth in bold letters the following: FAILURE TO RESPOND WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE SHALL RESULT IN DEEMED APPROVAL. If, upon receipt of such second notice, Hospital Land Owner fails to respond accordingly within five (5) business days, then such submittal shall be deemed approved by Hospital Land Owner. Once Hospital Land Owner has approved a specific set of Plans, any alterations in the Plans or the Improvements affecting the exterior appearance of the Improvements or increasing the number of gross square feet in the tenantable Improvements must be re-submitted to Hospital Land Owner for Hospital Land Owner's approval (which approval as to the matters described in clause (a) and clause (b) of this Section 2.4 may be granted or withheld in Hospital Land Owner's sole and absolute discretion).

2.5 This Article II is for the sole benefit of the Hospital Land and only Hospital Land Owner shall have the right to enforce this Article II. Notwithstanding the foregoing, in the event Hospital Land Owner, as lessee, leases space in any improvements on the Development Land, neither Hospital Land Owner nor its sublessees shall be obligated to comply with the provisions of this Article II. In the event more than one Person that is a Hospital Land Owner, the terms and provisions of this Article II shall be for the sole benefit of Hospital Owner and only Hospital Owner shall have the right to enforce this Article II or waive the provisions of this Article II.

ARTICLE III

ENFORCEMENT

3.1 Except as to any rights granted exclusively to a particular Hospital Land Owner, Declarant and/or Development Land Owner shall have the right to enforce the terms, covenants and restrictions of this Declaration. Enforcement may be made by prosecuting any proceeding against the party or parties violating or attempting to violate the terms, covenants and restrictions of this Declaration.

This right of enforcement shall include the right to recover damages and/or to seek injunctive relief to prevent the violation.

3.2 Declarant and/or Hospital Land Owner shall have the right to enter upon any part of the Development Land (or any portion thereof) and any buildings or improvements thereon at any reasonable time, after giving Development Land Owner ten (10) business days written notice, for the sole purpose of inspecting for a possible violation or breach of the covenants and restrictions. Subject to the notice requirements of the immediately preceding sentence, Declarant and/or Hospital Land Owner may only enter any space in the building or improvements on the Development Land that is leased to a Person other than Declarant or Hospital Land Owner for the purpose of inspecting compliance with Article II if Declarant and/or Hospital Land Owner is accompanied by a representative of Development Land Owner. Where the inspection shows that a violation or breach of the covenants and restrictions of Article II exists, Hospital Land Owner may pursue any of the remedies available to it under this Article III or under applicable laws. Notwithstanding the foregoing, Declarant or Hospital Land Owner shall be permitted to, without notice and without being accompanied by a representative of Development Land Owner: (a) enter any public areas in the building or improvements on the Development Land; (b) enter any non-public areas in the building or improvements which are subject to any lease to Declarant or Hospital Land Owner, as lessee; or (c) enter any non-public areas in the building or improvements which are subject to a lease to a Person upon the request and invitation of such Person. In the more than one Person that is a Hospital Land Owner, the terms and provisions of this Section 3.2 shall be for the sole benefit of Hospital Owner and only Hospital Owner shall have the rights described in this Section 3.2.

3.3 The remedies specified in this Article III are cumulative and do not preclude resort to any other remedy at law or in equity by any party adversely affected (but limited to the Person or Persons that have the right to enforce the relevant provision of this Declaration) by any violation or breach of the covenants and restrictions.

3.4 In any proceeding for the enforcement of any of the provisions of this Declaration or for the restraint of a violation of any such provision, the losing party shall pay the actual attorney's fees and court costs of the prevailing party.

3.5 No delay or failure on the part of any aggrieved party to pursue any available remedy with respect to a violation of any of the provisions of this Declaration shall be held to be a waiver by such party of, or an estoppel of that party to assert, any right available to such party upon the recurrence or continuation of such violation or the occurrence of any different violation. No provision of this Declaration shall be construed so as to place upon Declarant, any Hospital Land Owner, any Development Land Owner (except as may be otherwise provided in this Declaration) or any other aggrieved party any duty to take any action to enforce this Declaration.

3.6 The provisions of this Declaration shall remain in effect and be enforceable until the date ninety-nine (99) years after the recording of this Declaration and shall be extended automatically for four (4) successive twenty-five (25) year periods, unless an instrument terminating this Declaration executed by Hospital Land Owner is Recorded

ARTICLE IV

RIGHT OF FIRST REFUSAL AND RIGHT OF FIRST OFFER

4.1 (a) If the Development Land Owner shall receive a bona fide offer from any third party for the purchase, acquisition or lease of the Development Land or any part thereof or interest therein, which offer Development Land Owner desires to accept, or if Development Land Owner desires to sell, transfer

or lease or make a bona fide offer to sell, transfer, assign or lease the Development Land or any part thereof or interest therein to a third party, Development Land Owner shall promptly deliver to Hospital Land Owner, c/o HCA, 1100 Dr. Martin L. King, Jr. Boulevard, Suite 500, Nashville, Tennessee 37203, Attention: Vice President, Real Estate (or such other address as Hospital Land Owner may designate by written notice to Development Land Owner), a written notice setting forth the full terms and conditions of the proposed transaction, and a complete, un-redacted copy of such offer, in the case of a purchase or other transfer, or a complete un-redacted copy of the proposed lease agreement, in the case of a lease or an assignment of any leasehold interest of Development Land Owner. The sale, assignment or transfer in one or more transactions of 25% or more of the ownership interest in Development Land Owner, which is intended to transfer 25% or more of the beneficial interest of Development Land Owner shall constitute a sale of the Development Land for purposes of this Section 4.1; provided, however, that nothing in this Declaration shall be construed as prohibiting, or requiring the consent of Hospital Land Owner for, nor shall Hospital Land Owner have a right of first refusal with respect to (i) a transfer with respect to the Development Land as a result of a foreclosure of a First Mortgage or a deed in lieu of foreclosure of a First Mortgage or the first transfer following an acquisition on account of any such foreclosure or deed in lieu of foreclosure or (ii) any lease of space within the Improvements on the Development Land provided such lease is for less than all or substantially all of the Improvements. Hospital Land Owner may, within sixty (60) days after receipt of such notice, elect to purchase, acquire or lease the Development Land or such portion thereof or interest therein (or such ownership interest in Development Land Owner) which is subject to any offer as described above (which is hereinafter called the "Offer Property") on the same terms and conditions as those set forth in such notice, except that if the terms provide for an inspection or due diligence period of less than sixty (60) days, Hospital Land Owner will have a "free look" period of no less than sixty (60) days if it exercises the right of first refusal. Further, regardless of the actual terms presented in the Offer Notice, it will be a condition to Hospital Land Owner's obligation to close its purchase that Hospital Land Owner will have satisfied itself in its sole and absolute discretion that all aspects and terms of the acquisition or lease of the Offer Property, as applicable, (1) are at fair market value and (2) will not result in a violation of any applicable laws and regulations, including without limitation, federal and state health care laws and regulations or of any of Hospital Land Owner's legal policies regarding health care legal compliance. Such health care laws and regulations include, without limitation, Medicare Anti-Kickback and Stark laws and regulations.

(b) The failure of Hospital Land Owner to exercise this right of first refusal with respect to any proposed sale, lease, or other transfer by Development Land Owner shall not result in termination of the right of first refusal with respect to the Development Land or any portion thereof or interest therein (or interest in Development Land Owner) sold, leased, transferred, or assigned as this right of first refusal shall be a continuing right binding upon Development Land Owner and all successors to Development Land Owner with respect to all subsequent proposed sales, leases, transfers, or assignments of the Development Land or any portion thereof or interest therein (or interest in Development Land Owner). Furthermore, in the event that any proposed sale, lease, assignment or other transfer as to which Hospital Land Owner did not exercise its right of first refusal as above provided, is not completed and closed by Development Land Owner within one hundred eighty (180) days after notice thereof was given to Hospital Land Owner, or if prior to the closing of such transaction the terms available to the proposed purchaser, lessee, assignee or transferee are modified and made materially more favorable, then Development Land Owner must reoffer the Offer Property to Hospital Land Owner in the same manner provided above and Hospital Land Owner shall have sixty (60) days from receipt of Development Land Owner's reoffer within which to exercise the right of first refusal under this Section 4.1.

(c) If the consideration to be paid pursuant to any acceptable third party offer to purchase the Offer Property or otherwise acquire the same from Development Land Owner shall include property other than cash, Hospital Land Owner may exercise its right of first refusal with respect to such transaction and shall pay as consideration therefor the same amount of cash and the same exchange property as set forth in the proposed offer, or an all cash purchase price in an amount equal to the sum of the cash portion of the consideration, plus the fair cash value of the property which the purchaser proposed to exchange for the Offer Property. If any acceptable third party offer to Development Land Owner for the Offer Property shall include other property owned by Development Land Owner, Hospital Land Owner's right of first refusal shall, at Hospital Land Owner's election, be applicable to the Development Land or the applicable portion thereof or interest therein (or interest in Development Land Owner) alone, at a purchase price which shall be that part of the price offered by the third party which the value of the Development Land or any portion thereof or interest therein (or interest in Development Land Owner) bears to the value of all the property included in such third party offer.

4.2 If Development Land Owner desires to market or offer for sale, transfer, assignment or lease (other than a lease of less than substantially all of the tenant space within the Improvements) the Development Land or any part thereof or interest therein, then before offering the Development Land or part thereof or interest therein for sale, transfer, assignment or lease, the Development Land Owner shall offer to sell, transfer, assign or lease the Development Land or part thereof or interest therein, as the case may be, to Hospital Land Owner by delivering to Hospital Land Owner, at the address set forth in Section 4.1(a) above (or such other address as Hospital Land Owner may designate by written notice to Development Land Owner) a written offer (the "Offer") setting forth the terms of the proposed sale, transfer, assignment or lease, together with a current rent roll for the Improvements (if applicable), current financial statements for the Development Land and such marketing materials as the Development Land Owner intends to provide in connection with any offer to a third party (such offer, together with the rent roll (if applicable), financials and marketing materials shall be referred to herein as the "ROFO Offer"). Development Land Owner shall promptly provide the Hospital Land Owner with such additional information with respect to the proposed offer and the MOB Land and Improvements as the Hospital Land Owner may reasonably request. Notwithstanding anything to the contrary set forth in this Section 4.2, any proposed change in the control of Development Land Owner by merger, consolidation, stock transfers, transfers of partnership interests, transfers of membership interests or other means of transferring control of Development Land Owner or its business in a single transaction or a series of related transactions to anyone other than an affiliate of Development Land Owner shall be deemed to be a transfer of all of the Development Land and shall be subject to this Section. Development Land Owner shall neither market nor offer to any Person other than Hospital Land Owner the Development Land or any part thereof or interest therein for sale, transfer, assignment or lease for a period of ninety (90) days after delivery of the ROFO Offer to Hospital Land Owner (the "Negotiation Period"); provided, however, the Hospital Land Owner may at its sole option terminate the Negotiation Period by delivering written notice thereof to the Development Land Owner. During the Negotiation Period, Development Land Owner shall not directly or indirectly, initiate or hold discussions with any Person other than Hospital Land Owner concerning any sale, transfer, assignment or lease of the Development Land or any part thereof or interest therein. If during the Negotiation Period, Hospital Land Owner elects to accept Development Land Owner's ROFO Offer, with such changes and modifications thereto as are mutually acceptable to Hospital Land Owner and Development Land Owner, then Hospital Land Owner and Development Land Owner shall enter into definitive agreements regarding such sale, transfer, assignment or lease, as the case may be; provided, however, if any party determines for whatever reason to terminate further negotiations with respect to the definitive agreements, then such party may unilaterally terminate such negotiations by written notice delivered to the other parties and there shall be no liability between the parties. If by the end of the Negotiation Period Hospital Land Owner and Development Land Owner have not entered into definitive agreements, then Development Land Owner may market or offer the Development Land or any part thereof or interest therein for sale, transfer, assignment or lease. If

Development Land Owner has not entered into a definitive agreement with a Person for the sale, transfer, assignment or lease of the Development Land by the end of the 180th day after the end of the Negotiation Period and the Development Land Owner desires to continue to market or offer for sale, transfer, assignment or lease the Development Land or any part thereof or interest therein, then the Development Land Owner must re-offer to Hospital Land Owner the Development Land or any part thereof or interest therein, as the case may be, in which event all of the terms of this Section shall apply to such re-offer except that the Negotiation Period with respect to such re-offer shall be thirty (30) days. The sale, transfer, assignment or lease of the Development Land or any part thereof or interest therein to any Person shall not result in termination of the rights set forth in this Section with respect to the Development Land or any portion thereof or interest therein sold, leased, transferred, or assigned but the rights set forth in this Section shall be a continuing right binding upon such Development Land Owner and all future Development Land Owners with respect to all subsequent proposed sales, leases, transfers, or assignments of the Development Land or any portion thereof or interest therein.

ARTICLE V

FUTURE DEVELOPMENT OF HOSPITAL LAND

5.1 Easements. In the event that a Hospital is constructed on the Hospital Land or if the Hospital Land is otherwise developed, the Development Land Owner will reasonably cooperate with the Hospital Land Owner to grant utility easements, access easements and/or any other type of easements on, over or across the Development Land which may be necessary or desirable in connection with such development; provided, however, that no such easement shall materially and adversely affect the use or value of the Development Land.

ARTICLE VI

GENERAL PROVISIONS

6.1 General Provisions. As long as any of the restrictions, covenants or agreements granted and/or declared in this Declaration remain in effect, then the Development Land (or any portion thereof), the Development Land Owner, the Hospital Land, and the Hospital Land Owner are subject to all of the following:

(a) The rights granted, declared and created herein and the various terms, conditions, restrictions and agreements set forth herein shall be (i) covenants running with the land and (ii) binding upon and inure to the benefit of Declarant, Hospital Land Owner, Development Land Owner and their respective heirs, successors and assigns and all those claiming by, through or under each such owner or its or his/her heirs, successors and assigns; provided, however, that the (x) right to enforce or waive the Restricted Uses (as defined in Section 2.2) are solely for the benefit of Hospital Land Owner or the Hospital Owner if more than one Person constitutes a Hospital Land Owner, and (y) the architectural approval rights granted in Section 2.4 shall inure exclusively to the benefit of Hospital Land Owner or the Hospital Owner if more than one Person constitutes a Hospital Land Owner.

(b) Nothing contained herein shall be construed or deemed to constitute a dedication, express or implied, of any real property to or for any public use or purpose whatsoever.

(c) In connection with the use and enjoyment of the rights granted and declared herein for the benefit of Hospital Land Owner such Hospital Land Owner shall comply with all applicable laws, regulations, orders and requirements of all governmental entities having jurisdiction over the same, whether federal, state or local.

(d) No breach of the covenants, conditions and restrictions contained herein shall defeat or render invalid the lien of any Mortgage now or hereinafter executed upon any portion of the land subject to this Declaration; provided, however, that the rights of any Mortgagee shall be subject to all of the covenants, conditions and restrictions of this Declaration, and if any portion of such property subject to any Mortgage is sold under a foreclosure of any Mortgage or is conveyed to the Mortgagee or any other Person in lieu of foreclosure, any purchaser at such sale or any such grantee and his successors and assigns shall hold any and all property so purchased and acquired subject to all of the covenants, conditions and restrictions of this Declaration.

(e) Nothing under or in connection with this Declaration requires or shall require any Physician conducting a medical practice on the Development Land (or any portion thereof), or any person associated with any such Physician to refer any patient to any health care facility that may be located on the Hospital Land, or order or purchase any item or service from Declarant or Hospital Land Owner, or any entity affiliated with Declarant or Hospital Land Owner.

6.2 Change of Ownership. The covenants and restrictions provided for in this Declaration shall remain in full force and effect and shall be unaffected by any change in ownership of the Development Land or any part thereof or the Hospital Land or any part thereof or by any change of use, demolition, reconstruction, expansion or other circumstances, except as specified herein.

6.3 Amendment, Etc. This Declaration or any provisions hereof, or any covenants and conditions contained herein, may be terminated, extended, modified or amended, but only by a written instrument duly executed by Hospital Land Owner and Development Land Owner (except as otherwise provided in this Declaration). No such termination, extension, modification or amendment shall be effective until an appropriate instrument has been properly executed by the appropriate parties and Recorded.

6.4 Severability. If any term or provision of this Declaration, or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Declaration, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

6.5 Governing Law; Legal Requirements. This Declaration shall be governed, construed and enforced in accordance with the laws of the State of Tennessee.

6.6 Exhibits. All exhibits referred to herein are attached hereto and made a part hereof.

[execution on following page]

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date listed below.

DECLARANT:

CENTRAL TENNESSEE HOSPITAL CORPORATION, a Tennessee corporation

By: _____
Print Name: Nicholas L. Paul
Print Title: Vice President
Date signed: _____

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared Nicholas L. Paul, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be Vice President of Central Tennessee Hospital Corporation, a Tennessee corporation, the within named bargainor, and that he as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President.

Witness my hand and seal, at office in Nashville, Tennessee, this the _____ day of _____, 2020.

_____
Notary Public, State of _____

My Commission Expires:
_____

_____
Printed Name of Notary

EXHIBIT A

TO DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

Legal Description of Hospital Land

EXHIBIT B

TO DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

Legal Description of Development Land

SCHEDULE 2.2

TO DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

SCHEDULE OF RESTRICTED USES

I. The Development Land or any portion thereof shall not be used for any of the following uses without the written consent of Hospital Land Owner:

(a) An acute care hospital, medical surgical or specialty hospital (excluding a geriatric psychiatry facility having up to 16 beds);

(b) The operation of a rehabilitation center, an extended care facility, an outpatient or inpatient clinic, a surgical center, an emergency center, a home health service, a health maintenance organization or similar direct care provider, an ambulance service, a birthing center, or an inhalation or physical therapy center;

(c) A health care facility that has facilities for overnight accommodations of patients, excluding a skilled nursing, memory care, or assisted living facility or a geriatric psychiatry facility having up to 16 beds;

(d) An outpatient or inpatient surgery center;

(e) An oncology treatment facility; or

(f) A facility providing diagnostic or therapeutic testing services including without limitation, the following:

(1) diagnostic imaging services, including without limitation, the following:

(A) fluoroscopy;

(B) x-ray;

(C) plane film radiography;

(D) ultrasound;

(E) mammography and breast diagnostics;

(F) nuclear medicine testing;

(G) computerized tomography (CT);

(H) radiation therapy; or

(I) magnetic resonance imaging.

(2) Cardiac catherization laboratory services, interventional laboratory services or procedures or invasive laboratory services or procedures.

(3) The provision of any medical or related service to or for any person that is in addition to the examination and diagnosis of patients performed directly by a Physician or by other health care professionals under the direct supervision of a Physician, or a facility operated for the provision of any such service as listed in paragraphs f(1) and f(2).

(g) No drugs or medicines may be dispensed on the Development Land to persons other than as customarily dispensed in senior living facilities and psychiatric hospitals in Middle Tennessee. The installation and use of any diagnostic, laboratory or radiology equipment on the Development Land shall be subject to the prior written approval of Hospital Land Owner, which approval Hospital Land Owner may withhold in the exercise of its reasonable business judgment. No such equipment installed and used on the Development Land with Hospital Land Owner's approval may be used in a manner or for purposes that violate the intent of the provisions of this Schedule. There is no implication that the restrictions set forth in 1(b) above shall limit the services and treatments that are incidental to and customarily present and performed in the operation of a senior living facility.

II. The following uses shall be strictly prohibited on the Development Land:

(a) No portion shall be used as an abortion clinic;

(b) No portion shall be used for industrial or manufacturing purposes;

(c) No portion shall be used as a flea market, a tattoo parlor, or for the sale or display of pornographic materials or drug paraphernalia;

(d) No portion shall be used as a junkyard or a trailer park, or for the sale of mobile homes, or for the outside overnight storage of motor vehicles, boats or mobile homes;

(e) No portion shall be used for the operation of a carnival, billiard parlor, off-track betting facility, discotheque or dance hall, or massage parlor;

(f) No portion shall be used for the operation of an amusement park or any other commercial amusement use, including, but not limited to, putt-putt golf, outdoor batting cages, go-cart tracks, archery or rifle ranges, playgrounds, or water slides; and

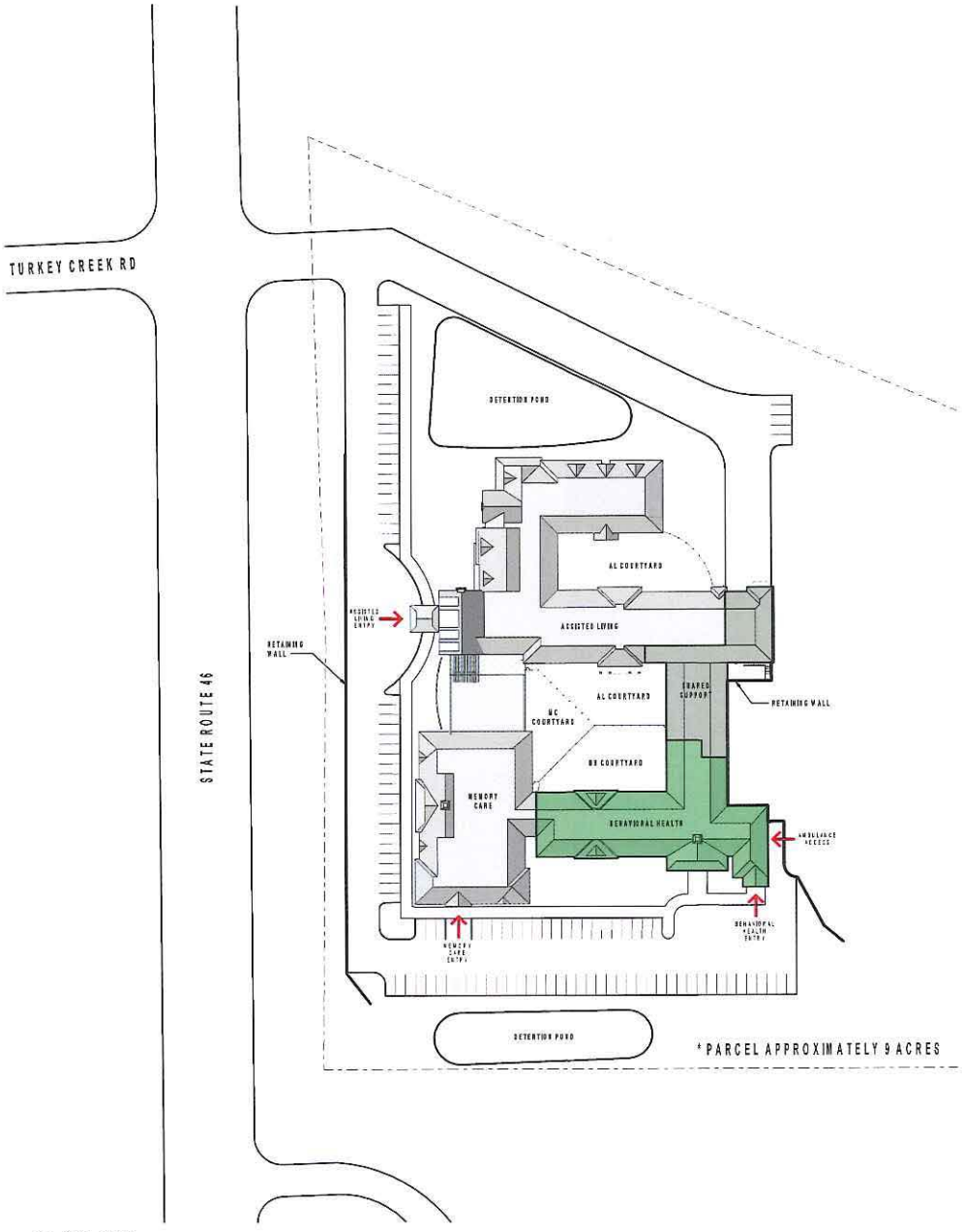
(g) No building located on or constituting part of the Development Land shall have a metal exterior (other than architectural metal, such as metal trims), and no structure of a temporary nature shall be allowed on the Development Land at any time; provided, however, temporary structures, such as trailers may be used by the contractors and subcontractors while the Improvements are being constructed.

III. Notwithstanding anything to the contrary in this Declaration, services that are incidental and customary to a senior living facility or geriatric psychiatry facility and provided to patients of Physicians practicing medicine in medical offices on the Development Land shall not be prohibited as a restricted use if: (a) such patients were not referred to such Physicians for the purpose of obtaining such services or procedures; or (b) such services are incidental to and a necessary part of the customary and usual operations of a senior living facility or geriatric psychiatry facility in Middle Tennessee (i.e., no provision of services to third parties), so long as such services are merely ancillary and incidental to such Physician's primary medical practice and neither constitute such Physician's primary medical practice or specialty, or constitute the predominant services rendered by the Physician to such Physician's patients.

IV. The Development Land Owner shall indemnify and hold harmless the Hospital Land Owner against all reasonable costs, expenses, damages, liability, or loss caused solely by any violation hereof of any provision of this Declaration by the Development Land Owner, or its tenants and subtenants, as the case may be, and their respective agents, contractors, partners, officers, directors, employees and invitees. This indemnification obligation is in addition to, and does not replace, any other indemnification obligation of Development Land Owner elsewhere in this Declaration.

Section A – 6B-1 a-d

Plot Plan



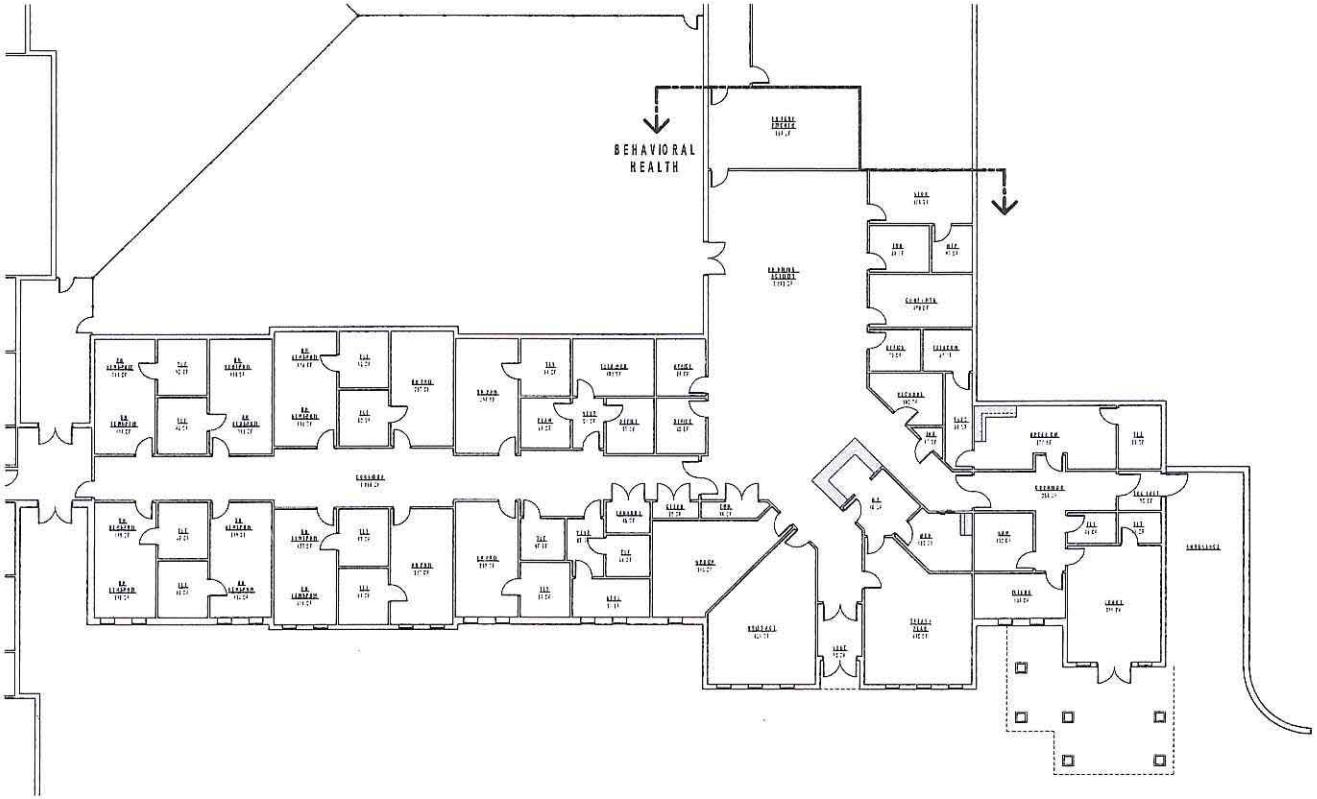
SITE PLAN
SCALE: 1" = 40'-0"

ESa | NHC NATCHEZ - CON PACKAGE
Dickson, TN | 19023.30 | 09/01/2020

Ravenwood Cir
Ravenwood Dr
Turkey Cir
Old Tennessee 46
*Approximate

Section A – 6B-2

Floor Plan



BEHAVIORAL HEALTH

ADMINISTRATION - [illegible] SF

DINING - [illegible] SF

PATIENT ROOM - [illegible] SF

SHARED SUPPORT - [illegible] SF

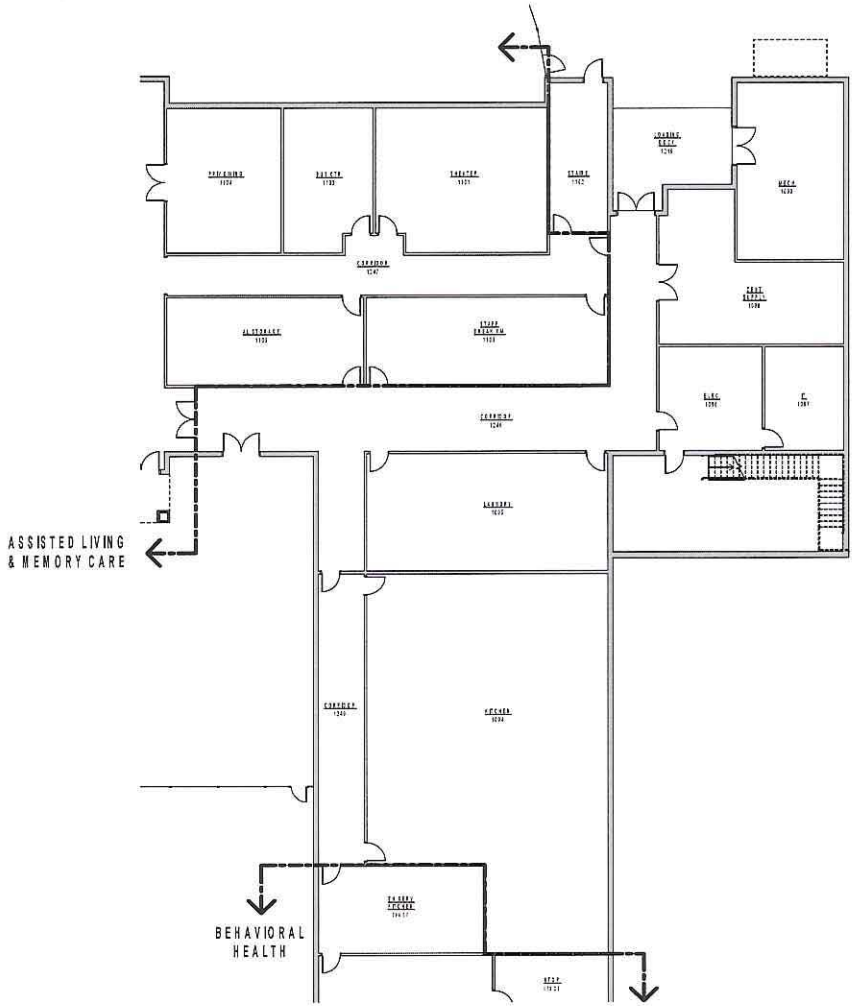
TOTAL - [illegible] SF

ENLARGED PLAN OF BEHAVIORAL HEALTH

SCALE: [illegible]

ESa | NHC NATCHEZ - CON PACKAGE

Dickson, TN | 19023.30 | 09/11/20



ENLARGED PLAN OF BACK OF HOUSE AND SHARED SPACE
SCALE: 1/8" = 1'-0"

ESa | NHC NATCHEZ - CON PACKAGE
Dickson, TN | 19023.30 | 09/11/20

Section A – 6B-3

Public Transportation

The City of Dickson does not have public transportation, but the Mid-Cumberland Human Resource Agency (MCHRA) Public Transit serves as a vital function in meeting the mobility needs of people in Dickson and surrounding counties. As a public mass transportation service, it provides a basic level of rural mobility to those who depend on some form of public transportation.

Founded in 1974, the Mid-Cumberland Human Resource Agency is an independent, non-profit organization committed to helping individuals and communities become more self-sufficient. Mid-Cumberland provides services that work toward improving the health, well-being, and economic opportunities of people needing critical support or of those who may have an immediate need.

Mid-Cumberland makes a positive difference in the lives of Tennesseans by working in partnership with them to foster independent living and, in the process, restore hope and dignity to their lives. Headquartered in Nashville, Mid-Cumberland spans Middle Tennessee with offices in 13 counties. Its governing body is composed of consumer and agency representatives as well as elected officials from the counties served in the Mid-Cumberland region.

OUR MISSION

To help people help themselves by providing knowledge and resources to improve the quality of life.

BACKGROUND

Since its founding more than 40 years ago by visionary leaders, Mid-Cumberland has been one of Middle Tennessee's premier support services organizations. Mid-Cumberland distinguishes itself by its team of professionals offering compassionate services to children, youth, seniors, and disabled individuals. The Mid-Cumberland is a non-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Service Code created under the Human Resource Agency Act, as amended.

FUNDING

Mid-Cumberland, a non-profit organization, receives financial contributions from United Way, private donations, and county, city, state and federal sources. Over the years, Mid-Cumberland has formed unique alliances with community organizations to provide services for those in need.

DONATE NOW (/DONATE)

SERVING 13 COUNTIES

Our service area includes Cheatham, Davidson, Dickson, Houston, Humphreys, Montgomery, Robertson, Rutherford, Stewart, Sumner, Trousdale, Williamson, and Wilson counties, with our central office in Nashville (*Davidson County*).

COUNTIES (/COUNTIES)

TO SCHEDULE A RIDE CALL 1-800-945-4125

The Rural Transportation System for the Mid-Cumberland Region of Tennessee

WITH FARES OFTEN LOWER THAN THE COST OF A GALLON OF GAS!

Mid-Cumberland Public Transit is a curb-to-curb rural transportation system with flexible schedules to meet the needs of its passengers.

Rides are scheduled on a first-come, first-served basis, with priority given to medical appointments. While we request advance notice, it is not required. Please be assured your personal information will remain confidential.

We are a general public provider, equal-opportunity employer, and serve all 12 Middle Tennessee counties. As a non-profit, tax-exempt organization, all donations are tax-deductible.

FOR ADDITIONAL INFORMATION (HTTP://WWW.MCHRATRANSIT.ORG)

FEES

Generally, in-county fares range from $2.00–$3.00 each way and out-of-county fares will be determined when you make your reservation. We keep our fares affordable—quite often, lower than the cost of a gallon of gas!

Office Hours

Monday–Friday

8:00 a.m.–4:30 p.m.

Operating Hours

Monday–Friday

6:00 a.m. to 6:00 p.m.

GENERAL FARE INFORMATION

SCHEDULE A RIDE (/PUBLIC-TRANSIT-COUNTIES)

PURCHASE A BUS PASS (HTTP://WWW.MCHRATRANSIT.ORG/PURCHASE)

One way in city: $2.00

One way in county: $3.00

Additional stop on scheduled route: $1.00

Each county line crossed: $5.00

Flat rates to Nashville (*one way*): $10.00 - $15.00

POLICIES

- We request 24-hour notice for in-county trips
- We request 72-hour notice for out-of-county trips
- Passengers must be ready 30 minutes prior to scheduled pick-up time
- Cancellations must be made at least two hours notice prior to scheduled pick-up time
- Drivers wait a maximum of five minutes after arrival to ensure other passengers are not late for their appointments
- No eating, drinking, or smoking inside our vehicles
- Service animals are welcome
- Personal Care Attendants (PCAs) are welcome for those needing assistance during transport

PERSONS WITH DISABILITIES

The Mid-Cumberland Human Resource Agency is committed to providing equal access and opportunity to qualified individuals with disabilities in all programs, services, and activities. In some cases, individuals with disabilities may need reasonable modifications to policies and procedures to ensure access to transit services. Mid-Cumberland Human Resource Agency will provide reasonable modifications, as necessary, to afford equal access to programs for persons with disabilities. Mid-Cumberland Human Resource Agency will take appropriate steps to ensure that persons with disabilities have an equal opportunity to participate.

WE PROVIDE ROUTINE SERVICE TO THE GENERAL PUBLIC, WITH PARTICULAR CARE TO SENIORS AND PERSONS WITH SPECIAL NEEDS; PASSENGERS ARE ASSURED A SAFE, COMFORTABLE RIDE AND WE MAKE EVERY EFFORT TO ENSURE PROMPT ARRIVAL.

DONATE NOW (HTTPS://INTERLAND3.DONORPERFECT.NET/WEBLINK/WEBLINK.ASPX?NAME=E188995&ID=5)

"

"What does Mid-Cumberland Public Transit mean to me? I am 91 years old and have no husband or children. It is my only means of visiting the doctor and grocery shopping. I am very grateful to Mid-Cumberland."

— Vivian S.

READ MORE TESTIMONIALS (/TRANSPORTATION-TESTIMONIALS)

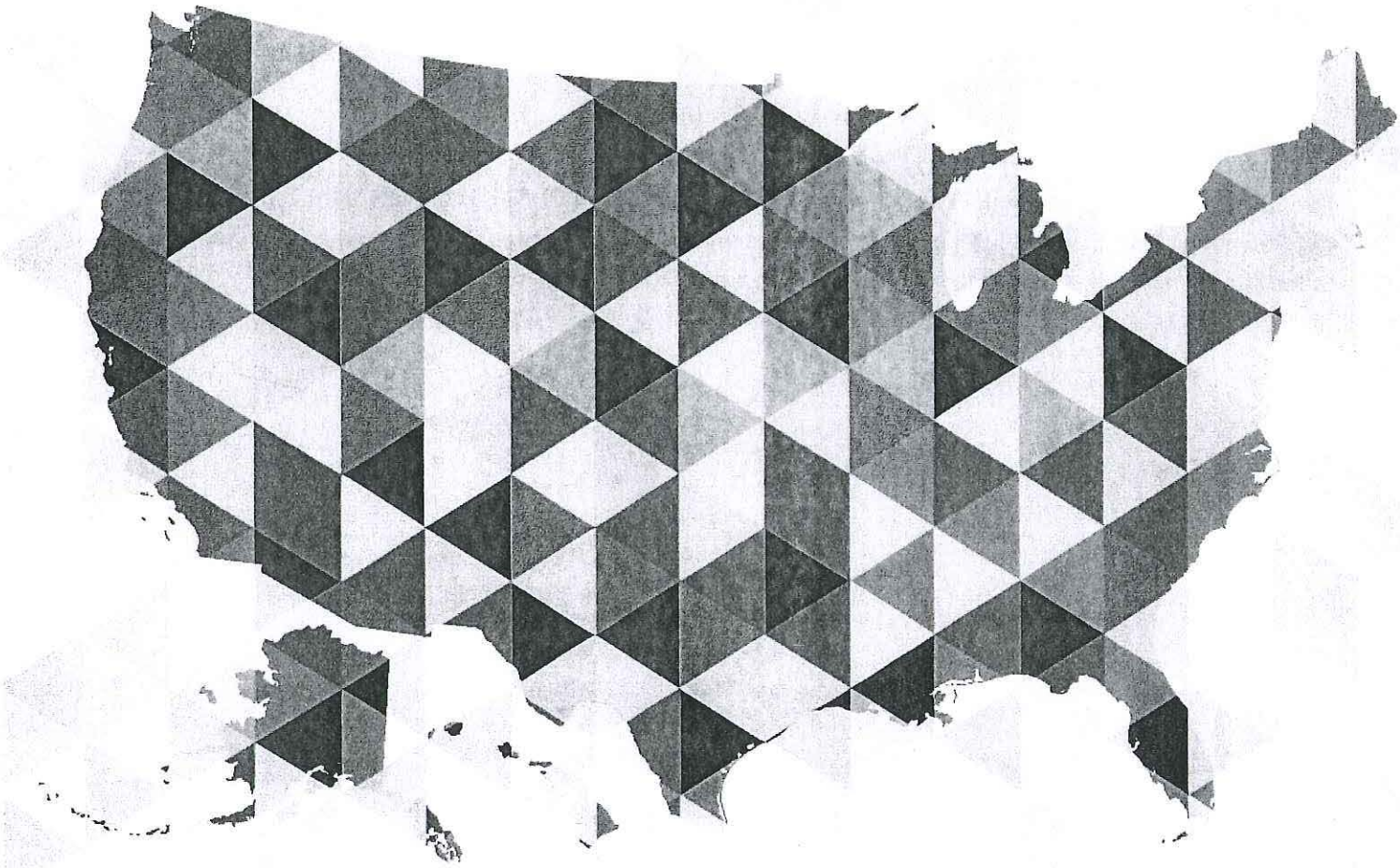
FUNDING PARTNERS

Mid-Cumberland Public Transit receives funding in part from the Tennessee Department of Transportation, Section 5311, Title III-B of the Older Americans Act (distributed through the Greater Nashville Regional Council), support from local counties and cities, other purchase-of-service contracts, and fares.

Attachment Section B 1-1

The State of Mental Health in America 2020 State Rankings

THE STATE OF MENTAL HEALTH IN AMERICA 2020



MHA
Mental Health America

Overall Ranking

An overall ranking 1-13 indicates lower prevalence of mental illness and higher rates of access to care. An overall ranking 39-51 indicates higher prevalence of mental illness and lower rates of access to care. The combined scores of all 15 measures make up the overall ranking. The overall ranking includes both adult and youth measures as well as prevalence and access to care measures.

The 15 measures that make up the overall ranking include:

1. Adults with Any Mental Illness (AMI)
2. Adults with Substance Use Disorder in the Past Year
3. Adults with Serious Thoughts of Suicide
4. Youth with At Least One Major Depressive Episode (MDE) in the Past Year
5. Youth with Substance Use Disorder in the Past Year
6. Youth with Severe MDE
7. Adults with AMI who Did Not Receive Treatment
8. Adults with AMI Reporting Unmet Need
9. Adults with AMI who are Uninsured
10. Adults with Cognitive Disability who Could Not See a Doctor Due to Costs
11. Youth with MDE who Did Not Receive Mental Health Services
12. Youth with Severe MDE who Received Some Consistent Treatment
13. Children with Private Insurance that Did Not Cover Mental or Emotional Problems
14. Students Identified with Emotional Disturbance for an Individualized Education Program
15. Mental Health Workforce Availability

The chart is a visual representation of the sum of the scores for each state. It provides an opportunity to see the difference between ranked states. For example, Rhode Island (ranked 1) has a score that is higher than Maryland (ranked 12). California (ranked 23) has a score that is closest to the average.

State	Rank
Pennsylvania	1
New York	2
Vermont	3
Rhode Island	4
Maryland	5
Minnesota	6
Massachusetts	7
New Jersey	8
Iowa	9
Connecticut	10
Delaware	11
Hawaii	12
Wisconsin	13
New Hampshire	14
North Dakota	15
District of	16
Michigan	17
Ohio	18
Maine	19
Illinois	20
Kentucky	21
California	22
Nebraska	23
South Dakota	24
Missouri	25
Indiana	26
Virginia	27
Arizona	28
Colorado	29
Louisiana	30
New Mexico	31
Florida	32
Arkansas	33
Mississippi	34
North Carolina	35
Georgia	36
West Virginia	37
Texas	38
Tennessee	39
Alabama	40
Oklahoma	41
Kansas	42
Montana	43
South Carolina	44
Washington	45
Alaska	46
Wyoming	47
Utah	48
Idaho	49
Oregon	50
Nevada	51

15.00 10.00 5.00 0.00 -5.00

Attachment Section B-A.1.18.

Reliant Healthcare Performance Improvement and Utilization Review

Organizational Performance Improvement Plan

PURPOSE:

- The purpose of the organizational Performance Improvement Plan at OBCCD is to ensure that the Governing Body, medical staff and professional service staff demonstrate a consistent endeavor to deliver safe, effective, optimal patient care and services in an environment of minimal risk.

- In keeping with OBCCD's mission; to foster, nurture and perpetuate the concept of a family centered, quality conscious and cost-effective medical center of excellence, the organizational Performance Improvement Plan allows for a systematic, coordinated, continuous data driven approach to improving quality focusing upon the processes and mechanisms that address these values.

- As patient care is a coordinated and collaborative effort, the approach to improving quality involves multiple departments and disciplines in establishing the plans, processes and mechanisms that comprise the Performance improvement activities at OBCCD. The organizational program, established by the medical staff and interdisciplinary Performance Improvement Committee, with support and approval from the Governing Body, has the responsibility for monitoring every aspect of patient care and service (including contracted services), from the time the patient enters the hospital through diagnosis, treatment, recovery and discharge in order to identify and resolve any breakdowns that may result in suboptimal patient care and safety, while striving to continuously improve and facilitate positive patient outcomes.

GOALS OF PERFORMANCE IMPROVEMENT:

- The primary goals of the organizational Performance Improvement Plan are to continually and systematically plan, design, measure, assess and improve quality of critical focus areas, improve healthcare outcomes and reduce and prevent medical/health care errors. To achieve these goals, the plan strives to:

- Incorporate quality planning throughout the facility

- Collect data to monitor quality

- Provide a systematic mechanism for the facility's appropriate individuals, departments and professions to function collaboratively in their efforts toward Performance improvement, providing feedback and learning throughout the hospital

- Provide for a hospital-wide program that assures the facility designs processes (with special emphasis on design of new or revisions in established services) well and systematically measures, assesses and improves its quality to achieve optimal patient health outcomes in a collaborative, cross-departmental, interdisciplinary approach. These processes include mechanisms to assess the needs and expectations of the patients and their families, staff and others. Process design contains the following focus elements:

    - Consistency with the organization's mission, vision, values, goals and objectives and plans
    - Meets the needs of individuals served, staff and others
    - Fosters the safety of patients and the quality of care, treatment and services
    - Supports a culture of safety and quality
    - Use of clinically sound and current data sources
    - Is based upon sound business practices
    - Incorporates available information from internal sources and other organizations about the occurrence of medical errors and sentinel events to reduce the risk of similar events in this institution
    - Utilizes the results of Performance improvement, patient safety and risk reduction activities

- Management of change and Performance improvement supports both safety and quality through the hospital

- The organization incorporates information related to these elements, when available and relevant, in the design or redesign of processes, functions or services.

- Assure that the improvement process is organization-wide, monitoring, assessing and evaluating the quality and appropriateness of patient care, patient safety practices and clinical quality to resolve identified problems and improve quality. Appropriate reporting of information to the Governing Body to provide the leaders with the information they need in fulfilling their responsibility for the quality of patient care and safety is a required mandate of this plan.

- Necessary information is to be communicated among department/services when problems or opportunities to improve patient care and patient safety practices involve more than one department/service.

- The status of identified problems and action plans is tracked to assure improvement or problem resolution.

- Information from departments/services and the findings of discrete performance improvement activities and adverse patient events are used to detect trends, patterns of quality or potential problems that affect more than one (1) department/service.

- The objectives, scope, organization and mechanisms for overseeing the effectiveness of monitoring, assessing, evaluation and problem-solving activities in the Performance Improvement program are evaluated annually and revised as necessary.

- Treatment and services affecting the health and safety of patients are identified. Included are those that occur frequently or affect large numbers of patients; place patients at risk of serious consequences or deprivation of substantial benefit if care is not provided correctly or not provided when indicated; or care provided is not indicated, or those tending to produce problems for patients, their families or staff.

- Internal structures can adapt to changes in the environment.

SCOPE OF ACTIVITIES:

- The scope of the organizational Performance improvement program includes an overall assessment of the efficacy of Performance improvement activities with a focus on continually improving care provided, and patient safety practices conducted, throughout the hospital. The program consists of these focus components: Performance improvement, patient safety, and performance assessment/improvement and quality control activities. Collaborative and specific indicators of both processes and outcomes of care are designed, measured and assessed by all appropriate departments/services and disciplines of the facility in an effort to improve patient safety and organizational Performance. These indicators are objective, measurable, based on current knowledge and experience and are structured to produce statistically valid, data driven, quality measures of care provided. This mechanism also provides for evaluation of improvements and the stability of the improvement over time.

- The scope of the organizational Performance Improvement program includes Performance Improvement priorities identified by leaders, as well as quality of the following medical staff functions:

- The monitoring, assessment and evaluation of the patient care and the clinical Quality of all individuals with clinical privileges. At monthly/bimonthly meetings of medical staff service committees, findings of the Infection Control/Environment of Care/Safety Committee, continuous Performance improvement activities of the medical staff and all appropriate departments/services and disciplines that impact patient care and safety and medical staff services within the medical staff service committee will be reviewed, assessed and evaluated below are a few of the items that maybe monitored:

  - Medication Management, including significant medication errors and adverse drug reactions
  - Medical Records/Information Management Function
  - Pharmacy and Therapeutics Function
  - Mortality and Morbidity Review
  - Behavior Management and Treatment
  - Safety Management
  - Risk Management
  - Infection Prevention and Control
  - Utilization Management
  - Patient and Family perceptions of care, treatment and services (satisfaction surveys
  - ORYX Core Measures that over three (3) or more consecutive quarters for the same measure identify the hospital as a negative outlier

- Patient care and quality control activities in the following services may be monitored, assessed and evaluated:

  - Nursing Services
  - Social Work Services and Discharge Planning
  - Contracted Services- Nutritional Services, pharmacy, imaging, speech therapy, physical therapy, and occupational therapy.

- Assessment of the quality of the following patient care and organizational functions may include:

  - Environment of Care
  - Emergency Management
  - Human Resources
  - Infection Prevention and Control
  - Medical Records/Information Management
  - Leadership
  - Life Safety
  - Medication Management
  - Medical Staff
  - Nursing
  - Provision of Care, Treatment and Services
  - Record of Care, Treatment and Services
  - Rights and Responsibilities of the Individual
  - Waived Testing

- Relevant findings from Performance improvement activities performed are considered part of:

  - Reappraisal/reappointment of medical staff members
  - The renewal or revision of the clinical privileges of individuals who practice independently

- The mechanism used to appraise the competence of all those individuals not permitted by the hospital to practice independently

ORGANIZATION:

- To achieve fulfillment of the objectives, goals and scope of the organizational Performance Improvement Plan, the organizational structure of the program is designed to facilitate an effective system of monitoring, assessment and evaluation of the care and services provided throughout the hospital.

- The Governing Body is responsible for the quality of patient care provided.

  - The Governing Body requires the medical staff to implement and report on the activities and the mechanisms for monitoring, assessing and evaluating patient safety practices and the quality of patient care, for identifying and resolving problems and for identifying opportunities to improve patient care and services or quality throughout the facility. This process addresses those departments/disciplines that have direct or indirect affect on patient care, including management, administrative functions and contracted services.

  - The Governing Body requires the detail and frequency of data collection for all indicators and quality processes as outlined in this plan.

  - The Governing Body provides for resources and support systems for the Performance improvement functions and risk management functions related to patient care and safety.

  - The Governing Body has a responsibility to evaluate the effectiveness of the Performance Improvement activities performed throughout the hospital and the organizational Performance Improvement program as a whole.

  - Leaders set priorities for data collection.

  - With authority delegated by the Governing Body, the medical staff strives to improve and assure the provision of quality patient care through the monitoring, assessment and evaluation of quality measurement and outcome.

  - The medical staff provides effective mechanisms to monitor, assess and evaluate the quality and appropriateness of patient care and the clinical quality of all individuals with delineated clinical privileges. These mechanisms are under the purview of the medical staff peer review process. Consistent with this process, Performance improvement opportunities are addressed, and important problems in patient care or safety are identified and resolved.

  - The Medical Executive Committee delegates the oversight responsibility for Performance Improvement activity monitoring, assessment and evaluation of patient care services provided throughout the facility to the Performance Improvement Committee (the Performance Improvement Committee meets monthly, or at least ten (10) times per year).

  - With designated responsibility from the Performance Improvement Committee, the Infection Control/Environment of Care/Safety Committee will operate as an independent committee dedicated to implementation and monitoring of the effectiveness of the Patient Safety Program.

- The scope of the Performance Improvement includes an ongoing assessment, using internal and external knowledge and experience, to prevent error occurrence, maintain and improve patient safety. Patient safety occurrence information from aggregated data reports and individual incident occurrence reports will be reviewed by the Infection Control/Environment of Care/Safety Committee to prioritize organizational patient safety activity efforts.

- Included in the duties of the Infection Control/Environment of Care/Safety Committee will be a review of these data reports, and through use of the Performance improvement priority criteria grid, the committee will select at least one (1) high-risk safety process for proactive risk assessment annually. The proactive risk assessment will be performed through the following methodology:

  - Assessment of the intended and actual implementation of the process to identify the steps in the process where there is, or may be, undesirable variation. Identify the possible effects of the undesirable variation on patients, and how serious the possible effect on the patient could be

  - For the most critical effects, conduct a root cause analysis to determine why the undesirable variation leading to that effect may occur

  - When undesirable patterns, trends or variations in the organization's quality related to the safety or quality of care is identified, the adequacy of staffing, including nurse staffing, shall be considered in the analysis of possible causes:

    - Adequacy of staffing shall include number, skill mix, competency of all staff, and processes addressing workflow, competency assessment, credentialing, staff supervision, orientation and continuing education, as applicable.
    - Staff effectiveness indicators shall be used, as appropriate, to help to identify possible staffing issues.
    - Redesign the process and/or underlying systems to minimize the risk of that undesirable variation or to protect patients from the effects of that undesirable variation
    - Test and implement the redesigned process
    - Identify and implement measures of the effectiveness of the redesigned process
    - Implement a strategy for maintaining the effectiveness of the redesigned process over time

- The Infection Control/Environment of Care/Safety Committee will report committee findings, determinations and actions to the Performance Improvement Committee for review. Information reporting will contain concurrent data related to ongoing patient safety and medical error issues, as well as information related to the proactive risk assessment and improvement endeavor.

- The Performance Improvement Committee will serve as the oversight committee for the Infection Control/Environment of Care/Safety Committee, however the two (2) committees will work jointly to provide for optimal patient safety practices throughout the organization.

METHODOLOGY:

A modified Total Quality Management (TQM) methodology is utilized to plan, design, measure, assess and improve functions and processes related to patient care and safety throughout the organization.

Plan:

- Assign responsibility incorporating all staff.
- Delineate scope of care/service to include all services and staff.

Design:
- Design new processes well.

Measure:
- Identify and monitor the important functions of care
- Establish an organization-wide, uniform measurement system.
- Collect and organize data for priority issues as part of a continual measurement process.
- Data is collected to determine:
    - Whether design specifications for new processes were met
    - The level of quality and stability of existing processes
    - Priorities for possible improvement of existing processes

Assess:
- Incorporate an interdisciplinary assessment process that includes four basic comparisons: with self, with others, with standards, and with best practices.
- Assess care when benchmarks or thresholds are reached in order to identify opportunities to improve quality or resolve problem areas

Improve:
- Assess the effectiveness of the actions.
- Take actions to correct identified problem areas or improve quality
- Evaluate the effectiveness of the actions taken and document the improvement in care
- Communicate the results of the monitoring, assessment and evaluation process to relevant individuals, departments or services

Data Collection:
Data will be collected from internal sources (staff) and external sources (patients, referral sources, etc.). The following data sources maybe included and reviewed for use in the development of Performance measures:

- Staff opinions and needs
- Staff perceptions of risks to patients and suggestions for improving patient safety
- Quality measures from organization approved internal and external databases
- Infection control surveillance and reporting
- Patient and family perceptions of care, treatment and services (satisfaction surveys)
- Risk management
- Utilization management
- Quality control
- Customer demographics and diagnoses

Performance measures for processes that are known to jeopardize the safety of patients or associated with sentinel events will be monitored. This includes high risk, high volume and problem prone processes. At a minimum quality measures related to the following processes, as appropriate to care and services provided, are monitored with the approval and at the suggested frequency of the Performance Improvement Committee:

- Management of hazardous conditions
- Medication management
- Care or services to high-risk populations

- Infection Prevention and Control

Benchmarks or thresholds that trigger intensive assessment and evaluation are established. Undesirable patterns or trends in quality are analyzed; however, an in-depth analysis is conducted for the following when the levels of quality, patterns or trends vary substantially from those expected:

- All serious adverse drug events
- All significant medication errors
- Healthcare associated infections
- Hazardous conditions
- Staffing Effectiveness
- ORYX Core Measures that over three (3) or more consecutive quarters for the same measure identify the hospital as a negative outlier

Medical Records/Information Management:

- Performance improvement activities throughout the organization are dependent upon the management of information function. This function is performed in an interdisciplinary collaborative approach throughout the facility. As the management of information is a function that is comprehensive, impacting all services within the facility, the review of this function is performed as a collaborative process when medical staff and departmental Performance improvement activities are conducted. Outcomes are reflected in the specific departments and hospital-wide through the auspices of the Performance Improvement Committee's review and analysis of Performance improvement data.

- This function is performed to obtain, manage and use information to enhance and improve individual and organizational quality in effective communication, patient care and safety, governance, management and support processes. The quality of the medical record is reviewed for accuracy, timeliness, completeness and legibility.

- Performance Improvement Oversight Responsibility:

  - The outcome of review performed by the medical staff for all hospital functions will be submitted to the Performance Improvement Committee for their analysis, as well as the Medical Executive Committee and Governing Body for their approval.

  - The results of Performance improvement activities medical staff and organizational function review performed throughout the facility will be considered in the decision process for determination of educational programs for medical staff, hospital staff and other individuals that this education may benefit.

  - Relevant findings from the outcome of Performance Improvement activities performed to monitor, assess and evaluate the patient safety practices and patient care and services provided by individuals who are not subject to the medical staff privilege delineation process will be considered as part of clinical competence evaluations. A report in summary format of the findings of clinical competence evaluations for these individuals will be submitted to the Governing Body for information and evaluation purposes.

REPORTING FORMAT:

- The findings, conclusions, recommendations, actions taken to improve quality and the results of actions taken are documented and reported through established channels.

- Results of the outcomes of Performance Improvement and patient safety activities identified through data collection and analysis, performed by the medical staff service committees, ancillary, nursing, Infection Control/Environment of Care/Safety Committee and FMEA team activity will be reported to the Performance Improvement Committee on a monthly/bimonthly/quarterly basis as designated.

- The Performance Improvement Committee will report, to the Medical Executive Committee minimally on a quarterly basis, their analysis of the quality of patient care and services provided throughout the facility. This report will include a review of the Performance improvement process as it is performed by the Infection Control/Environment of Care/Safety Committee, medical staff, management and administrative and nursing departments.

- The Performance Improvement Committee will provide the Governing Body with a report of the relevant findings from all Performance improvement activities performed throughout the institution at least on a quarterly basis.

- Organization leaders responsible for the hospital-wide patient safety program shall review a written report of the results of any analysis related to the adequacy of staffing and any actions taken to resolve identified problems.

ANNUAL EVALUATION AND APPROVAL:

To assure that the appropriate approach to planning processes of improvement; setting priorities for improvement; assessing Performance systematically; implementing improvement activities on the basis of assessment; and maintaining achieved improvements, the organizational Performance improvement program is evaluated for effectiveness at least annually, including the identification of the number of distinct Performance Improvement projects, and revised as necessary.

CONFIDENTIALITY:

- All information related to quality improvement activities performed by the medical staff or hospital staff member n accordance with this plan are confidential.

  - Confidential information may include but is not limited to: the medical executive committee minutes, Performance Improvement Executive Report, electronic data gathering and reporting, untoward incident reporting and clinical profiling.

  - Some information may be disseminated on a "need to know basis" as required by agencies such as federal review agencies, regulatory bodies, the National Practitioners Data Bank, or any individual or agency that proved a "need to know basis" as approved by the Medical Executive Committee, hospital administration and/or the Governing Body.

SECUREMENT

Medical Staff Information:

- Records of Medical Staff review activities will be secured in Administration per responsibility of the performance improvement director.

Department/Service Information:

- Records of organizational departments/services will be secured in each department/service area per responsibility of the leader. With discretion, results from performance improvement activities may be posted on the department's communication center.

ACCESSABILITY

Data/Records:

- Confidential data and records will only be accessible to those participating in the performance improvement activities and those agencies responsible for ascertaining the existence of ongoing and effective quality improvement activities.

CONFLICT OF INTEREST

Review of Care via FPPE/OPPE

- No physician shall be responsible for reviewing his or her own care.
- If practice questioned is not within the expertise of the department, provision will be made to have cases evaluated by an outside expert in the same medical specialty.

IMMUNITY FROM LIABILITY

Peer Review

Health Care Quality Improvement Act:

If a professional review body meets all the standards specified in section 1112(a) of the HealthCare Quality Improvement Act (PLAN: 99.660)

The professional review body;

- Any person acting as a member of staff
- Any person under a contract or other formal agreement with the body; and,
- Any person who participates with or assists the body with respect to the action.
- Shall not be liable in damages under any law of the United States or, of any state, with respect to the action, except as related to civil rights actions.

RETENTION OF RECORDS

Minutes

- All minutes of committee meetings will be kept permanently either in their original form, or on microfilm or on computer disc.

Medical Staff Information

- Medical staff information, excluding data retrieval, will be kept permanently in the original form, on microfilm or on computer disc.

Department/Service Information

- Department/service reports, including data retrieval, will be kept for three years in the original form. These can then be destroyed by shredding.

Database/Registry Information

- Data Retrieval forms will be kept for three years. Reports will be maintained as long as pertinent to the organization's PI activities. These can then be destroyed by shredding.

ORGANIZATIONAL PERFORMANCE IMPROVEMENT PLAN APPROVALS

ADOPTION:
This Organizational Performance Improvement Plan has been reviewed, approved and adopted by the Governing Body, the medical staff acting through its Medical Executive Committee and by the hospital administration as attested to by the signatures below:

_____ _____
Governing Body Signature Date

_____ _____
Chairperson, PI Committee Signature Date

_____ _____
CEO/Administrator Signature Date

Utilization Management Plan

PREAMBLE:

- The OBCCD's Utilization Management Plan's objective is to provide both quality patient care and effective utilization of available health facilities and services. There must be effective cooperation between the hospital administration and the medical staff to assure that this goal is achieved.

- The Utilization Management Plan strives for appropriate allocation of the hospital's resources by provision of quality patient care in the most cost-effective manner. It provides for timely review of the medical necessity for admissions, continued stays and services rendered. The Utilization Management Plan addresses overutilization, underutilization, inefficient scheduling of resources and denials of service from external agencies.

- The Utilization Management Plan will include a review of services furnished by the hospital and the medical staff to patients entitled to benefits under the Medicare and Medicaid programs.

- The Utilization Management Plan applies to all patients regardless of payment source. The Program does not address or include utilization review conducted by members of the medical staff under contract with, or via other means of delegation by, a third-party payer.

UTILIZATION MANAGEMENT COMMITTEE STRUCTURE:

- The Utilization Management Committee is a standing committee of the medical staff. Membership shall consist of sufficient members to afford, insofar as feasible, representation from the major services. Members of the Utilization Management Committee may not make determinations which exceed the scope of their licensure. Other members of the medical staff may be asked to review cases when their expertise is required.
- Subcommittees may be established by the committee as it may deem appropriate.

MEETINGS:

The Utilization Management Committee shall meet as often as necessary at the call of its chairperson, but at least bimonthly. More frequent meetings shall be held, when needed, to complete agenda business in a timely manner. A simple majority of all voting members shall constitute a quorum.

CONFLICT OF INTEREST:

Physicians may not participate in the review of any cases in which he/she has been or anticipates being professionally involved. Physicians having a direct or indirect financial interest in the case(s) being reviewed may not participate in the utilization management activities pertaining thereto. Individuals having a direct financial interest in the hospital may not participate in utilization management activities.

CONFIDENTIALITY:

- The proceedings of the Utilization Management Committee, its subcommittees and its derivative documents and minutes are confidential and protected from discoverability under Federal Regulation Title 42 Section 456.213 Members of the committee have a duty to preserve this confidentiality.

- To assure confidentiality, patient references will be only a medical record number and physician references will be only as an assigned code number. The Utilization Management Committee must abide by the Health Information Portability and Accountability Act (HIPAA) in maintaining the confidentiality of the patient's medical information.

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REVIEW INFORMATION:

- Definitions:

  - Physician Reviewer is a physician member of the medical staff and Utilization Management Committee who is assigned responsibility for performing certain review functions under this Utilization Management Plan. Such physicians must have training in, and evidence of interest and awareness about, the utilization management process.

    Each physician reviewer will be responsible for review of all cases referred by the Utilization Review Committee, making appropriate determination regarding the medical necessity for the patient's need for the acute level of hospital care, and contacting the attending physician if a negative determination is considered. In addition, physician reviewers shall serve as liaison between the Utilization Management Committee and the medical staff. In the event a physician reviewer is unable to review a case referred by the Review Coordinator due to conflict of interest or for other reasons, the Chairperson must assign an alternate physician reviewer.

  - The Review Coordinator, under the direction of the Utilization Management Committee, has the oversight responsibility for the following activities:

    - Admission Review, to be performed within one (2) working days following admission
    - Continued Stay Review (duration of stay), to be performed concurrently
    - Professional services provided
    - Appeals of premature discharge
    - Referral to physician reviewers of all patients who do not meet criteria for acute level hospital care on admission or duration of stay
    - Review of denied referrals.
    - Performance of other duties as delegated by the Utilization Management Committee

  - Discharge Planning is an integral part of utilization management and must be initiated as early after admission to facilitate timely discharge. Discharge planning does not require a physician order. Criteria for initiating discharge planning is developed to help identify patients whose diagnoses, therapy and psychosocial or other health-related circumstances (high-risk screening criteria) usually require discharge planning.

    Discharge Planning staff will be appointed by hospital administration. The hospital's discharge planning activity shall include placement in alternative care facilities and arrangement for appropriate community resources to improve or maintain the patient's health status on an outpatient basis. Collaboration with

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nursing, other members of the healthcare team, the patient's family or significant other and attending physician must be documented in the medical record.

- Working day is a day when Utilization Management staff are available to perform, review, and shall be, at a minimum, Monday through Friday of every calendar week, excluding holidays observed by OBCCD.

- Prospective Review:

  Problems identified are resolved through the utilization management process. Appropriate steps shall be taken to ensure that patients will not be injured as the result of financial decisions or denials by external review agencies.

- Concurrent Review:

  Concurrent review includes Admission Review and Duration of Stay and focuses on the medical necessity for admission and continued stay for all patients. The source of payment must not be the sole determinant in identifying patients for concurrent review. The proportion of cases to be reviewed will be determined by factors including the hospital's case load, identified problems and specific practitioners with known or suspected patterns of inappropriate utilization.

- Admission Review is an assessment of the medical necessity for a patient's admission to the hospital as an inpatient.

  - Within one (1) working day of admission, the Review Coordinator must screen the medical record of patients identified for review to determine the medical necessity and appropriateness of admission. The Review Coordinator will utilize the InterQual Criteria, or other appropriate screening criteria.

  - If the admission does not meet the screening criteria for medical necessity, the Review Coordinator will refer the case to a physician reviewer who performs review based on clinical judgment, not screening criteria. If the physician reviewer finds the admission to be inappropriate, the physician reviewer then notifies the patient's attending physician and affords him/her an opportunity to present his/her views before a final determination is made. If the physician reviewer is unable to reach the attending physician, the physician reviewer shall send a certified letter, return receipt requested, requesting a prompt response from the attending physician.

  - In cases of dispute between the attending physician and the physician reviewer, a physician reviewer in the same or related specialty as the attending physician must be consulted. Concurrence from two (2) physician reviewers will be required in all adverse decisions that the attending physician protests.

  - If a determination is made that the admission was not medically necessary, the attending physician shall be afforded an opportunity to appeal the decision as set forth under Section XIII, Appeals Process. Should the adverse determination be upheld, the Utilization Management Committee will

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send written notification to the Chief Executive Officer, the patient (or his/her representative) and the attending physician no later than two (2) working days following admission.

- When there is a conflict between considerations of cost and quality care, it will be the responsibility of the Utilization Management Committee to resolve the matter in favor of quality care.

- Duration of Stay is the patient's need for continued stay at the acute level of hospital care.

  - The duration of stay date is assigned by the Review Coordinator (see admission review), based on the patient's principal diagnosis, severity of illness, intensity of service and/or other criteria established by the Utilization Management Committee. Justification for continued stay is based on the attending physician's documentation in the medical record.

  - In cases of a dispute between the attending physician and the physician reviewer, a physician reviewer in the same specialty as the attending physician must be consulted. Concurrence from two (2) physician reviewers will be required in all adverse determinations that the attending physician protests.

  - When the patient is a Medicare beneficiary and it has been determined to deny care, the CMS specified denial letters are used to notify the patient and the PRO of the denial. If the Medicare beneficiary is part of a managed care program and the HMO denies the service, the HMO provides the CMS specified denial letter and notifies the PRO.

- Review screening criteria will be established by the Utilization Management/Information Management Committee [i.e., Severity of Illness/Intensity of Service (SI/IS)].
  - Retrospective Review:

    - Retrospective review will be performed in the following circumstances:

      - Problem cases not identified by concurrent review

      - Random sampling of cases to pick up situations that are new or to verify that the system is working properly

      - Address cases of underutilization

      - Appeals of premature discharge

      - Review cases post discharge for which third party payers' question or deny care

      - Required by a third-party payer

    - Focused Review:

- "Focusing" is review of known or suspected specific problems.

- The Utilization Management Committee shall initiate focused review of records and approve the sampling methods. Focused review will apply to all patients regardless of payment source.

- Focused review may be based on diagnosis, procedure, admission, duration of stay, physician, ancillary services provided, Diagnosis Related Group, delay of services and all professional services performed on the hospital premises with respect to the medical necessity for these services. Cases denied for payment by third party payers are also included.

- The Utilization Management Committee shall identify cases that are associated with unusually high costs or excessive services, identify classes of admissions wherein patterns of care are found to be questionable. Patterns of resource utilization should be evaluated on a retrospective basis as a part of the overall evaluation of the quality of care provided within the hospital.

- If analysis indicates inappropriate use of hospital resources, corrective action should be specific to the problem and may include concurrent review, educational or training programs, amended staff patterns, provision of new equipment or facilities, or improved scheduling of resources or adjustments in staff privileges. Questions that deal with appropriateness and quality of the professional services rendered will be referred to the medical staff department or committee(s) responsible for that service. That department/committee will in turn study, analyze and act upon its findings and will also report back the results of such studies to the Utilization Management Committee.

- To demonstrate that corrective action has been effective, follow-up must be implemented until it is shown the problem has been corrected.
- The Performance Improvement Committee may, as appropriate, refer problems to the Utilization Management Committee for the Utilization Management Committee to conduct reviews of appropriateness and medical necessity of admission, continued stays, supportive services and provision of discharge planning.

RESPONSIBILITIES OF HOSPITAL GOVERNING BODY:

- The Governing Body, through hospital administration, will provide a Review Coordinator to aid the Utilization Management Committee in carrying out its review function and to maintain the records of all Utilization Management Committee activities. Administration will also provide appropriate clerical support.

- Administration will further support the Utilization Management Committee by assembling information, providing meeting space and by acting as liaison with all hospital departments/services. Administration will be responsible to assure the committee access to medical records necessary for performance of its review activities and will consider and act upon the recommendations made by the committee and ratified by the Medical Executive Committee with respect to hospital policy, procedures and staffing.

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- Social Services with collaboration of physicians and nursing staff will provide discharge planning services, which will include information regarding community resources to assure continuity of care and the timely transfer of medical information.

DENIALS:

- Denials must be specifically documented. If there is concurrence between the attending physician and the physician reviewer, based on documentation in the medical record that will suffice. If there is not concurrence between the attending physician and the physician reviewer, the case must be reviewed by another physician reviewer of the same specialty as the attending physician. Both physician reviewers must agree to deny a contested case. Appeal of denial will be available as provided in this plan.

- Denials from external review organizations will be communicated to the attending physician, if there is not concurrence between the attending physician and the external review agency, a physician reviewer will be contacted to review the case. If the physician reviewer agrees with the attending physician, services will continue as determined as necessary for the care of the patient and the Utilization Management Committee will assist with the appeal process.

DISCIPLINE:

The Utilization Management Committee is not a disciplinary committee. Any perceived problems with medical staff members will be forwarded to the Administrative Services for consideration. Medical staff members who frequently experience utilization management denials may be subjected to preadmission monitoring, focused review or other restrictions which Administrative Services deems necessary to correct the utilization related problem(s).

EVALUATION OF THE UTILIZATION MANAGEMENT PLAN:

- The OBCCD Utilization Management Plan must be reviewed and updated or modified as necessary, based upon the ongoing evaluation of the utilization management activities and their relationship to the quality of patient care.

- The evaluation of the entire Utilization Management Plan and its effectiveness in allocating resources must be documented and the results reported.

- A summary of findings and specific recommendations resulting from the Utilization Management Plan are reported to the Medical Executive Committee.

COMMITTEE RECORDS:

- The Utilization Management Committee will maintain written records of all its activities. Minutes of each committee meeting shall be documented and will include:

  - The name of the committee

  - The date and duration of each meeting

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- The names of the committee members present and absent
- Description of its activities in the following areas:
  - A summary of reviews of admissions, continued stays and all subsequent reviews which will include:
    - Number in each category
    - Committee action for cases not approved
    - Copies of written notification letters sent
    - Cases discussed (identified by hospital number)
    - Worksheets used for Committee review function
    - Recommendations of the Committee
    - Focused reviews, including subject studied, the reason for the study, the date the study was started, the date the study was completed, as well as the follow up recommendations made from the previous studies that have been implemented.
  - Each month a copy of the approved Utilization Management Committee minutes will be forwarded to the Medical Executive Committee signed by the Committee Chairperson.

APPROVAL OF PLAN:

- The Utilization Management Plan will be reviewed, evaluated and approved by the Medical Executive Committee and the Governing Body, and constitutes the official plan, policy and procedure for conduct of utilization management of OBCCD's services.
- The Utilization Management Plan will be available upon request to the Secretary of Health and Human Services, or his/her designated agents, and to duly authorized licensing and inspecting bodies for the purpose of determining whether the plan and the hospital meet required standards.
- This plan will be reviewed, evaluated and updated as necessary, every two (2) years.

APPEALS PROCESS:

- If the attending physician disagrees with the adverse findings of the physician reviewers, he/she may at any time request a reconsideration by the Utilization Management Committee. If the patient is in the hospital at the time the request is submitted to the Utilization Management Committee, the reconsideration should be granted within 24 hours following receipt of the request, but in no circumstances longer than three (3) working days following receipt of the request. A special meeting of the Utilization Management Committee shall be called to

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review the denial. If the patient has left the hospital, the request will be made in writing and submitted to the Utilization Management Committee within two (2) months of the date of the initial adverse determination unless such time is extended for good cause. These reviews will be conducted at a regularly scheduled meeting of the Utilization Management Committee.

- In reconsidering an initial determination, the Utilization Management Committee shall review such determination, the evidence and findings upon which such determination was based, and any additional evidence submitted to the committee or otherwise obtained by the committee. In no instance shall a physician reviewer involved in an initial determination be involved in making a reconsidered determination. A reconsideration is not a formal adversary process.

- The Utilization Management Committee performing a reconsideration shall, in reviewing the initial determination, utilize and maintain documentation on at least the following adversary process:

  - The case record which was submitted to the hospital physician reviewer initially when the attending physician proposed to provide the service

  - The findings of the physician reviewers which lead to an adverse initial determination

  - The complete record of the hospital stays of the patient

  - Any additional documentary information submitted by the physician with his/her request for reconsideration

  - Any oral presentation which the attending physician may choose to present to the physician or committee conducting reconsideration

  - The Utilization Management Committee shall make a reconsidered determination affirming, modifying or reversing the adverse initial determination. In all cases, the findings of the Utilization Management Committee shall be binding.

APPROVALS OF THE UTILIZATION MANAGEMENT PLAN

_____ _____

Utilization Management Committee Date

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Medical Executive Committee _____ Date _____

Chief Executive Officer _____ Date _____

Governing Body _____ Date _____

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Joint Commission Accreditation Report

NHC Reliant Psychiatric Services, LLC
d/b/a Osage Beach Center for Cognitive Disorders
Osage Beach, MO

The Joint Commission

Final Accreditation Report

NHC Reliant Psychiatric Services, LLC
840 Passover Road
Osage Beach, MO 65065

Organization Identification Number: 550293
Unannounced OQPS Event: 4/26/2019 - 4/26/2019

Program Surveyed
Hospital

Final Report: Posted 5/7/2019

The Joint Commission
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The Joint Commission
Executive Summary

Program	Survey Dates	Event Outcome	Follow-up Activity	Follow-up Time Frame or Submission Due Date
Hospital	04/26/2019 - 04/26/2019	Requirements for Improvement	Clarification (Optional)	Submit within 10 Business Days from the final posted report date
			Evidence of Standards Compliance (ESC)	Submit within 60 Calendar Days from the final posted report date

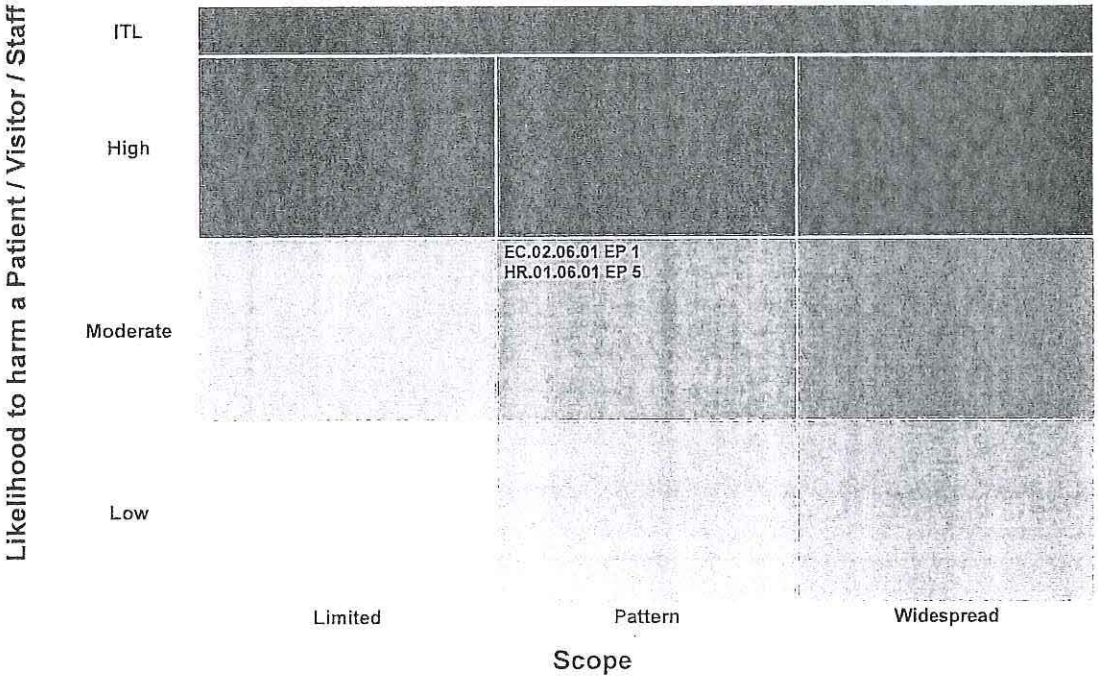
The Joint Commission
What's Next - Follow-up Activity

Program: Hospital

Standard	EP	SAFER™ Placement	CoP	Tag	Included in the Evidence of Standard Compliance (within 60 calendar days)
EC.02.06.01	1	Moderate / Pattern	§482.13 (c)(2)	A-0144	✓
HR.01.06.01	5	Moderate / Pattern			✓

The Joint Commission
SAFER™ Matrix

Program: Hospital



The Joint Commission
The Centers for Medicaid and Medicare Services (CMS) Summary

Program: Hospital

CoP(s)	Tag	CoP Score	Corresponds to:
§482.13	A-0115	Standard	
§482.13(c)(2)	A-0144	Standard	HAP/EC.02.06.01/EP1

The Joint Commission
Requirements for Improvement

Program: Hospital

Standard	EP	SAFER™ Placement	EP Text	Observation	CoP	CoP Score
EC.02.06.01	1	Moderate Pattern	Interior spaces meet the needs of the patient population and are safe and suitable to the care, treatment, and services provided.	1). Observed in Tracer Activities at NHC Reliant Psychiatric Services, LLC (840 Passover Road, Osage Beach, MO) site . In 2 of 14 patient beds, observations were made of two (2) beds located close to the nursing station that had restraint clips on the beds that could have the potential for self harm. The leadership indicated and provided evidence that retro-fit hardware had been ordered and would be delivered and installed within a week. In the meantime staff would be doing their usual every fifteen (15) minute rounding checks, checking the two (2) designated beds and that any patient identified as suicidal would be placed on 1:1 observation.	§482.13(c)(2)	Standard
HR.01.06.01	5	Moderate Pattern	Staff competence is initially assessed and documented as part of orientation.	1). Observed in Competency Session at NHC Reliant Psychiatric Services, LLC (840 Passover Road, Osage Beach, MO) site . In 1 of 2 HR files reviewed, observations were made that new employees did not have education and competence regarding suicide as it relates to assessment, observation and documentation. A new employee did not have any specific documentation related to suicide. An employee who had been employed for several years had repeated documentation regarding suicide. The leadership indicated that suicide information would now become routine for new employees and annual review for other employees.		

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Appendix

Conditions of Participation Text

Program: Hospital

CoP	Tag	CoP Standard text
§482.13 Condition of Participation: Patient's Rights	A-0115	§482.13 Condition of Participation: Patient's Rights A hospital must protect and promote each patient's rights.
§482.13(c)(2) Standard: Privacy and Safety	A-0144	(2) The patient has the right to receive care in a safe setting.

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Appendix

Standard and EP Text

Program: Hospital

Standard	EP	Standard Text	EP Text
EC.02.06.01	1	The hospital establishes and maintains a safe, functional environment. Note: The environment is constructed, arranged, and maintained to foster patient safety, provide facilities for diagnosis and treatment, and provide for special services appropriate to the needs of the community.	Interior spaces meet the needs of the patient population and are safe and suitable to the care, treatment, and services provided.
HR.01.06.01	5	Staff are competent to perform their responsibilities.	Staff competence is initially assessed and documented as part of orientation.

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Appendix

Report Section Information

SAFER™ Matrix Description

All Requirements for Improvement (RFIs) are plotted on the SAFER matrix according to the likelihood the issue could cause harm to patient(s), staff, and/or visitor(s), and the scope at which the RFI is observed. Combined, these characteristics identify a risk level for each RFI, which in turn will determine the level of required post-survey follow up. As the risk level of an RFI increases, the placement of the standard and Element of Performance moves from the bottom left corner to the upper right. The definitions for the Likelihood to Harm a Patient/Staff/Visitor and Scope are as follows:

Likelihood to Harm a Patient/Staff/Visitor:
- Low: harm could happen, but would be rare
- Moderate: harm could happen occasionally
- High: harm could happen any time

Scope:
- Limited: unique occurrence that is not representative of routine/regular practice
- Pattern: multiple occurrences with potential to impact few/some patients, staff, visitors and/or settings
- Widespread: multiple occurrences with potential to impact most/all patients, staff, visitors and/or settings

The Evidence of Standards Compliance (ESC) or Plan of Correction (POC) forms with findings of a higher risk will require two additional fields within the ESC or POC. The organization will provide a more detailed description of Leadership Involvement and Preventive Analysis to assist in sustainment of the compliance plan. Additionally, these higher risk findings will be provided to surveyors for possible review or onsite validation during any subsequent onsite surveys, up until the next full triennial survey occurs. The below legend illustrates the follow-up activity associated with each level of risk.

SAFER™ Matrix Placement	Required Follow-Up Activity
HIGH/LIMITED HIGH/PATTERN HIGH/WIDESPREAD	• Two additional areas surrounding Leadership Involvement and Preventive Analysis will be included in the ESC or POC • Finding will be highlighted for potential review by surveyors on subsequent onsite surveys up to and including the next full survey or review
MODERATE/PATTERN MODERATE/WIDESPREAD	
MODERATE/LIMITED LOW/PATTERN LOW/WIDESPREAD	• ESC or POC will not include Leadership Involvement and Preventive Analysis
LOW/LIMITED	

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Appendix

Report Section Information

CMS Summary Description

For organizations that utilize The Joint Commission for deeming purposes, observations noted within the Requirements for Improvement (RFI) section that are crosswalked to a CMS Condition of Participation (CoP)/Condition for Coverage (CfC) are highlighted in this section. The table included within this section incorporates, from a Centers for Medicare and Medicaid Services (CMS) perspective, the CoPs/CfCs that were noted as noncompliant during the survey, the Joint Commission standard and element of performance the CoP/CfC is associated with, the CMS score (either Standard or Condition Level), and if the standard and EP will be included in an upcoming Medicare Deficiency Survey (MEDDEF) if applicable.

Requirements for Improvement Description

Observations noted within the Requirements for Improvement (RFI) section require follow-up through the Evidence of Standards Compliance (ESC) process. The identified timeframes for submission for each observation are found in the Executive Summary section of the Final Report. If a follow-up survey is required, the unannounced visit will focus on the requirements for improvement although other areas, if observed, could still become findings. The time frame to perform the unannouced follow-up visit is dependent on the scope and severity of the issue identified within Requirements for Improvement.

The Joint Commission

Appendix

Report Section Information

Clarification Instructions

Documents not available at the time of survey
Any required documents that are not available at the time of survey will no longer be eligible for the clarification process. These RFIs will become action items in the post-survey ESC process.

Clerical Errors
Clerical errors in the report will no longer be eligible for the clarification process. The Joint Commission will work with the organization to correct the clerical error, so that the report is accurate. The corrected RFIs will become action items in the post-survey process.

Audit Option
There will no longer be an audit option as part of the clarification process. With the implementation of the SAFER™ matrix, the "C" Element of Performance (EP) category is eliminated. The "C" EPs were the subject of Clarification Audits.

The clarification process provides an organization the opportunity to demonstrate compliance with standards that were scored "not compliant" at the time of the survey. The organization has 10 business days from the date the report is published on the extranet site to submit the clarification. *The Evidence of Standards Compliance (ESC) due dates will remain the same whether or not the organization submits a clarification and/or is successful in the clarification process.*

Clarifications may take either of the following forms:

- An organization believes it had adequate evidence available to the surveyor(s) and was in compliance **at the time of the survey.** (Please note that actions taken during or immediately after the survey will not be considered.) The organization must use the clarification form to support their contention.

- The organization has detailed evidence that was not immediately available **at the time of the survey.** The clarification must include an explanation as to why the surveyor(s) did not have access to the information or why it was not provided to the surveyor(s) at the time of the survey. However, any required documents that are not available at the time of survey are not eligible for the Clarification Process. These RFIs will become action items in the post-survey ESC process.

- Please do not submit supplemental documentation unless requested by The Joint Commission. If additional information is requested, the organization will be required to highlight the relevance to the standards in the documentation.

Sample Quality Dashboard

DEPARTMENT: Patient Satisfaction

Start Date	INPATIENT	Target	Sample Size	Q1	Q2	Q3	Q4	YTD
1/1/2020	Survey completion (Total # of surveys/total # of	90%	all	131	135			266
				150	167			317
				87.33%	80.84%	0.00%	0.00%	83.91%
1/1/2020	General rating of hospital	90%	all	462	129			591
				524	137			661
				88%	94%	0%	0%	89%
1/1/2020	I would return to this hopsital if ever needed treatment	90%	all	455	127			582
				524	137			661
				87%	93%	0%	0%	88%

DEPARTMENT: Social Services

Start Date	INPATIENT	Target	Sample Size	Q1	Q2	Q3	Q4	YTD
1/1/2020	Psychosocial assessment completed within 72 hours of admission	90%	10	152	168			320
				153	168			321
				99.35%	100.00%	0.00%	0.00%	99.69%

DEPARTMENT: Nursing

Start Date	INPATIENT	Target	Sample Size	Q1	Q2	Q3	Q4	YTD
1/1/2020	Initial treatment plan completed within 8	90%	10	153	166			319
				153	168			321
				100.00%	98.81%	0.00%	0.00%	99.38%
1/1/2020	Proper labeling of multidose vials	90%	10	30	30			60
				30	30			60
				100.00%	100.00%	0.00%	0.00%	100.00%

DEPARTMENT: UM

Start Date	INPATIENT	Target	Sample Size	Q1	Q2	Q3	Q4	YTD
1/1/2020	Readmission rate within 30 days	<15%	all	1	1			2
				153	165			318
				0.65%	0.61%	0.00%	0.00%	0.63%

DEPARTMENT: Human Resources

Start Date	INPATIENT	Target	Sample Size	Q1	Q2	Q3	Q4	YTD
1/1/2020	Turnover Rate	<5%	all	3	8			11
				132	131			263
				2.27%	6.11%	0.00%	0.00%	4.18%
1/1/2020	Job Competencies Completed by all Staff	100%	all	0	0			0
				132	0			132
				0.00%	0.00%	0.00%	0.00%	0.00%
1/1/2020	90 day evaluations completed for all new employees	100%	all new orientees	6	0			6
				6	6			12
				100.00%	0.00%	0.00%	0.00%	50.00%

1/1/2020	Annual evaluations are current with all staff	100%	all new orientees	6	4			10
				6	8			14
				100.00%	50.00%	0.00%	0.00%	71.43%
1/1/2020	Required orientation elements completed by all staff	100%	all staff	0	0			0
				132	131			263
				0.00%	0.00%	0.00%	0.00%	0.00%

DEPARTMENT: Infection Control

Start Date	*INPATIENT*	Target	Sample Size	Q1	Q2	Q3	Q4	YTD
1/1/2020	Total Community Acquired Infections (total CAI/#	<1%	all	29	19			48
				1155	1201			2356
				2.51%	1.58%	0.00%	0.00%	2.04%
1/1/2020	Total Hospital Acquired Infections (#) (total HAI/#	<1%	all	0	0			0
				1155	1201			2356
				0.00%	0.00%	0.00%	0.00%	0.00%
1/1/2020	TB PPD Compliance staff 100%	100%	all	129	106			235
				129	119			248
				100.00%	89.08%	0.00%	0.00%	94.76%

National Patient Safety Goals

	INPATIENT	Target	Sample Size	Q1	Q2	Q3	Q4	YTD
1/1/2020	Two Identifiers	90%	10	30	30			60
				30	30			60
				100.00%	100.00%	0.00%	0.00%	100.00%
1/1/2020	Handwashing	90%	10	30	30			60
				30	30			60
				100.00%	100.00%	0.00%	0.00%	100.00%
1/1/2020	Critical Lab Communication (total # reported	90%	all	0	0	0	0	0
				0	0	0	0	0
				0.00%	0.00%	0.00%	0.00%	0.00%
1/1/2020	Medication Reconciliation completed upon Admissions	90%	0	116	168			284
				116	168			284
				100.00%	100.00%	0.00%	0.00%	100.00%
1/1/2020	Medication Reconciliation completed upon discharge	90%	10	114	164			278
				114	170			284
				100.00%	96.47%	0.00%	0.00%	97.89%
1/1/2020	Suicide Risk Assessment completed upon Admission	90%	10	30	165			195
				30	168			198
				100.00%	98.21%	0.00%	0.00%	98.48%
1/1/2020	Suicide Risk Assessment completed upon Discharge	90%	10	30	160			190
				30	170			200
				100.00%	94.12%	0.00%	0.00%	95.00%

1/1/2020	Clinical alarms are responded to within 2 minutes	1	Report pulls 100%	4	2			6
				4	2			6
				100%	100%	0%	0%	100%
1/1/2020	Prepared medication is labeled properly	90%	all	30	30			60
				30	30			60
				100.00%	100.00%	0.00%	0.00%	100.00%
1/1/2020	Compliance with blood thinner protocol (total # of	90%	all	0	1			1
				0	1			1
				0.00%	100.00%	0.00%	0.00%	100.00%

Section B - Economic Feasibility – 1 E (1-4)

Letter from Architect

ESa

Moving forward together to create environments that shape lives.

September 11, 2020

J. Andrew Clark
Assistant Vice President of Development
National HealthCare Corporation
100 East Vine Street
Murfreesboro, TN 37130

Sent via email: aclark@nhccare.com

RE: NHC Natchez- Geriatric Behavioral Health Facility with Assisted Living and Memory Care

Dear Andy,

ESa is in agreement with the budget for the building construction cost of $4,225,863 (based on 12,138 sf BH space @ $310/sf + 2,000 sf shared space @ $170/sf + 3% contingency) for the Geriatric Behavioral Health portion of this project.

If you have further questions, please feel free to call.

Sincerely,

David W. Minnigan, AIA
Principal

ARCHITECTURAL NARRATIVE

National HealthCare Corporation
A New Assisted Living, Memory Care and Geriatric Behavioral Health Community
Dickson, TN

Prepared by:
Earl Swensson Associates, Inc.

ESa Project No: 19023.30
Certificate of Need Package Narrative – September 1, 2020

PROPOSED PROJECT SCOPE

Scope of work:
Architectural CON design site and building construction as outlined below:

Site Area: Approximately 10 acres located on State Highway 46 Natchez Parkway in Dickson (Dickson County), Tennessee

Assisted Living – 57 Apartments; 61 Beds; 56,143 GSF	
Studio Apartments	20
Alcove Apartments	4
1 Bedroom Apartments	29
2 Bedroom Apartments (shared bath)	4 (8 beds)
	57 (61 beds)
Memory Care – 24 Apartments; 28 Beds; 17,554 GSF	
Studio Apartments	20
Semi-Private Apartments (shared bath)	4 (8 beds)
	24 (28 beds)
Geriatric Behavioral Health – 10 Rooms, 16 Beds 12,138 GSF* dedicated	
Private Rooms	4
Semi-Private Rooms	6 (12 beds)
	10 (16 beds)

*GBH will utilize 2000 s.f. of shared space, for a total gross of 14,138 GSF

Total gross area approximately 87,835 gross square feet of new construction.

Applicable Building Codes:
2018 International Code Council
2018 International Property Maintenance Code
2018 Existing Building Code
2018 International Building Code
2018 International Residential Code
2018 International Fire Code
2018 International Plumbing Code
2018 International Energy Efficiency Code (2009 Tables)
2018 International Mechanical Code
2018 International Fuel Gas Code
2010 Accessibility Code ADA Standards
2006 NFPA 101 Life Safety Code

2017 National Electrical Code

DESCRIPTION OF CONSTRUCTION

Type of Construction:

The Assisted Living (Group I-1, Condition 1) portions of the building will be two-story, Type IIB construction (per IBC), load-bearing cold formed steel framing with 1 hour floor/ceiling separation assembly on 1 hour load-bearing partitions to support that assembly, bearing on concrete foundations and slab on grade. (allowable 4 story and 30,000/flr multi-story) The building will be separated with smoke compartments based on required square footages. The Assisted Living Building includes the primary shared service areas for the entire facility. The building will be fully sprinklered. There is no occupancy separation required between the Assisted Living and Memory Care. There is a two-hour occupancy separation required between the Assisted Living and the Geriatric Behavioral Health Unit. This will also need to be a two-hour fire wall due to square footage limitations.

The Memory Care (Group I-1, Condition 2) portions of the building will be an attached single-story structure, Type IIB construction (per IBC), load-bearing cold formed steel framing bearing on concrete foundations and slab on grade. (allowable 3 story and 40,000/flr one-story) The building will be separated with smoke compartments based on required square footages. The building will be fully sprinklered. There no occupancy separation required between the Memory Care and the Assisted Living. There is a two-hour occupancy separation required between the Memory Care and the Geriatric Behavioral Health Unit. This will also need to be a two-hour fire wall due to square footage limitations. It will utilize load-bearing cold formed steel framing and roof trusses on a concrete slab at grade.

The Geriatric Behavioral Health Unit (Group 1-2) portions of the building will be an attached single-story structure, Type IIB construction (per IBC), load-bearing cold formed steel framing bearing on concrete foundations and slab on grade. (allowable 1 story and 44,000/flr one-story) The building will be separated with smoke compartments. The building will be fully sprinklered. There is a two-hour occupancy separation required between the Geriatric Behavioral Health Unit and the Memory Care. This will also need to be a two-hour fire wall due to square footage limitations. There is a two-hour occupancy separation required between the Geriatric Behavioral Health Unit and the Assisted Living. This will also need to be a two-hour fire wall due to square footage limitations.

Exterior materials are to be a combination of fiber cement board veneer and modular brick masonry. Roofing will consist of a combination of fiberglass shingle sloped roofs, forming mansards around a membrane flat roof on either tapered rigid insulation or sloped lightweight concrete, and metal roofing.

Interior Materials

Interior design to be:

Walls –Assisted Living, Memory Care, and Geriatric Behavioral Health

- Wall construction to be metal studs with 5/8" gypsum wallboard unless noted otherwise.
- Rated wall assemblies will comply with UL assembly details.

Doors

- Doors in corridors and common areas (including resident unit entry doors) requiring a fire rating of 20 minutes or less will be MDF composite molded panels (Milliken Millwork or approved equal).
- Doors requiring a fire rating greater than 20 minutes will be hollow metal in hollow metal frames.
- Doors at resident room toilets and closets are to be pre-hung MDF composite molded panels (Milliken Millwork or approved equal).

Door Hardware

- Medium duty cylindrical core door hardware.
- Access Control locking at all exterior egress doors in the Memory Care and Geriatric Behavioral Health portions of the building.
- Access control keypads at all protected staff areas including, Staff Break, Medication Room, Staff Toilet, Kitchen, Service Corridor

Ceilings

- Resident apartments
    - AL: All floors to have suspended gypsum board ceilings.
    - MC & GBHU: Gypsum board suspended from roof trusses using resilient hat channels
- Corridors will have a suspended 2x2 acoustical ceiling tile and slim profile grid system, Armstrong Ultima Tegular or equal.
- Common areas will primarily have a suspended acoustical ceiling tile and slim profile grid system with decorative and functional gyp. board furr-downs. Armstrong Ultima Tegular 2x2 or equal.
- All built-in millwork work surfaces in public and common areas will have overhead gyp. board furr-downs at 7'-0" +/-.

Toilet Accessories

- Resident Bath Rooms:
    1 vanity mirror the width of the vanity top x 36" high
    1 vanity towel ring
    1 robe hook
    1 towel bar (same as a grab bar) near shower
    3 grab bars in shower
    1 Shower rod (curtain is OFE)
    1 Toilet tissue holder
    1 Medicine cabinet
    3 grab bars at toilet in 10% of resident bath rooms

- Public and Staff Toilet Rooms:
    1 vanity mirror the width of the vanity top x 36" high
    1 robe hook
    1 Toilet tissue dispenser
    3 grab bars at toilet

Other

- Employee Lounge will have Penco, Vanguard (or approved similar) 2-tier metal lockers with closed metal base and sloped top. Locking to be via padlocks (provided by others). Total of 8 compartments in each lounge room.
- Fire extinguisher cabinets to be semi-recessed steel welded cabinets.
- Fireplaces to be direct-vented, Town and Country TC42D or approved similar.

Doors

- Exterior service doors are to be flush steel doors in galvanized hollow metal frames.
- Exterior entry doors and doors in vestibule at Memory Care to be full-glass storefront type doors.
- Entry doors at IL/AL entry vestibule are to be bi-parting automatic glass entry doors.
- Exterior doors at porches and courtyards are to be a fiberglass French style patio doors.

Windows

- Exterior windows to be fiberglass single-hung in standard factory color. (Marvin Integrity or approved similar).
- Windows in Memory Care and Geriatric Behavioral Health units to have opening restrictors to prevent opening beyond 4".

Wall Cladding

- Exterior Walls are to be a combination of fiber cement lap-siding board (James Hardie or approved similar) and modular brick.
- Trim and soffit materials are to be a painted fiber cement board (James Hardie or approved similar).

Roofing

- Roofing at slopes and gables is to be a 20-year fiberglass shingle; flat roof areas to be a single-ply membrane, TPO or EPDM. Gabled roofs will be drained to gutters and downspouts, flat roof areas will need rainwater leaders run through the building.
- Sloped roofs will be insulated with vented, insulated panels above trusses and flat roofs to have tapered rigid insulation boards on decking.
- Dormers and porches to be standing seam metal roofing

Attachments

- Conceptual Architectural Site Plan, Floor Plans and Exterior Elevations.

End of Document

Section B - Economic Feasibility – 2

Project Funding

NHC

NATIONAL HEALTHCARE CORPORATION

September 14, 2020

Mr. Logan Grant, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

RE: Natchez Center for Behavioral Medicine, LLC – New 16 Bed Psychiatric Hospital to be located in Dickson County

Dear Mr. Grant:

National HealthCare Corporation, a NYSE American publicly traded company with over $50,000,000 of cash and cash equivalents, as stated in the 2019 Audited Financials will make available all the necessary funds for the construction and development of the above referenced project of approximately $5,400,000. These funds are available on immediate notice.

Should you have any further questions or comments, please advise.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Brian F. Kidd
Senior Vice President, Controller and Principal Accounting Officer

NHC

NATIONAL HEALTHCARE CORPORATION

September 14, 2020

Mr. Logan Grant, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

RE: Natchez Center for Behavioral Medicine, LLC – New 16 Bed Psychiatric Hospital to be located in Dickson County

Dear Mr. Grant:

National HealthCare Corporation ("NHC") and Reliant Healthcare ("Reliant"), through their affiliates, intend to operate a psychiatric hospital in Dickson County through a joint venture.

National HealthCare Corporation, a NYSE American publicly traded company with over $50,000,000 of cash and cash equivalents, as stated in the 2019 Audited Financials, will contribute to the joint venture cash in the amount of $1,800,000 for the operation and working capital for the above referenced project. These funds are available on immediate notice.

Should you have any further questions or comments, please advise.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Brian F. Kidd
Senior Vice President, Controller and Principal Accounting Officer

SERVISFIRST BANK
Post Office Box 1508
Birmingham, Alabama 35201-1508
T 205.949.0302 F 205.949.0303
servisfirstbank.com

August 24, 2020

Servis 1st Bank

Logan Grant, Executive Director
Health Services and Development Agency
Andrew Jackson Building
500 Deadrick Street, 9th Floor
Nashville, TN 37243

Re: Documentation of Funding/Financing Availability for Reliant Healthcare, LLC to invest in Natchez Trace Center for Behavioral Medicine

Dear Mr. Grant:

Mr. Harper, President of Reliant Corporation, has requested that I write you concerning its investment in the project captioned above. He expressed to me, Reliant Healthcare intends to be a 10% member in the LLC formed to own this hospital with an estimated investment of $200,000.00.

I am writing to confirm that as of this date, Reliant Healthcare has cash and credit available with ServisFirst Bank, to provide the above mentioned amount to complete this transaction, should the Certificate of Need be awarded.

Please accept this letter as a supplement to the financial statements submitted on behalf of Reliant Healthcare Corporation.

Sincerely,

Will Hawkins
FVP/Commercial Banking

Attachment Section B-Economic Feasibility-6A

National HealthCare Corporation Audited Financials

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)
X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2019
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 001-13489

(Exact name of registrant as specified in its Corporate Charter)

Delaware	**52-2057472**
(State of Incorporation)	(I.R.S. Employer Identification No.)

100 E. Vine Street
Murfreesboro, Tennessee 37130
(Address of principal executive offices)
Telephone Number: **615–890–2020**

Securities registered pursuant to Section 12(b) of the Act.

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Shares of Common Stock	NHC	**NYSE American**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well–known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No X

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes X No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S–T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit such files). Yes X No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non–accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer X Accelerated filer ☐ Non–accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b–2 of the Exchange Act). Yes ☐ No X

The aggregate market value of Common Stock held by non–affiliates on June 30, 2019 (based on the closing price of such shares on the NYSE American) was approximately $858 million. For purposes of the foregoing calculation only, all directors, named executive officers and persons known to the Registrant to be holders of 5% or more of the Registrant's Common Stock have been deemed affiliates of the Registrant.
The number of shares of Common Stock outstanding as of February 13, 2020 was 15,333,145.

Documents Incorporated by Reference

The following documents are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14 of this Form 10–K:
The Registrant's definitive proxy statement for its 2020 shareholder's meeting.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of National HealthCare Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of National HealthCare Corporation (the Company) as of December 31, 2019 and 2018, and the related consolidated statements of operations, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 21, 2020 expressed an unqualified opinion thereon.

Adoption of ASU No. 2016-02

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for leases in the year ended December 31, 2019 due to the adoption of ASU No. 2016-02, *Leases (Topic 842)*, on a modified retrospective basis.

Adoption of ASU No. 2016-01

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of classification and measurement of investments in certain equity investments and the presentation of fair value changes in the years ended December 31, 2018 and 2019 due to the adoption of ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that response to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Estimation of Professional Liability Claims Reserves

Description of the Matter	The Company's accrued risk reserves totaled $96,011,000 as of December 31, 2019. As described in Note 16 to the consolidated financial statements, the accrued risk reserves include professional liability claims reserves for unpaid reported professional liability claims and estimates for incurred but unreported claims. The Company's policy with respect to the professional liability claims reserves is to use an actuary to assist management in estimating the exposure for claims obligations (for both asserted and unasserted claims).

Auditing management's professional liability claims reserves was complex and highly judgmental due to the significant estimation required in determining the reserves, particularly the assumptions of the severity of asserted claims and the quantity and severity of unknown claims.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the effectiveness of controls over the Company's professional liability claims reserve determination, including controls over management's review of the significant assumptions described above. For example, we tested controls over management's review of the actuarial analysis, the significant actuarial assumptions and the data inputs provided to the actuary.

To test the professional liability claims reserves, our audit procedures included, among others, testing the completeness and accuracy of the underlying claims data provided to the Company's actuarial specialist, obtaining legal confirmation letters to evaluate the reserves recorded on significant litigated matters, and reviewing the Company's insurance contracts by policy year to assess the Company's self-insured retentions, deductibles, and coverage limits. In addition, we involved our actuarial specialists to assist in our evaluation of the methodologies applied by management's specialist and assessing the accuracy of the Company's reserves. We also compared the reserves recorded to a range developed by our actuarial specialists based on independently selected assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2009.

Nashville, Tennessee

February 21, 2020

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2019	2018	2017
Revenues:			
Net patient revenues	$ 947,872	$ 932,774	$ 916,742
Other revenues	48,511	47,575	47,153
Net operating revenues	996,383	980,349	963,895
Costs and expenses:			
Salaries, wages and benefits	592,831	582,721	572,043
Other operating	268,442	254,038	249,833
Facility rent	40,518	40,923	40,367
Depreciation and amortization	42,419	41,894	42,652
Interest	3,135	4,697	4,890
Total costs and expenses	947,345	924,273	909,785
Income from operations	49,038	56,076	54,110
Other income:			
Non-operating income	26,747	17,670	20,439
Unrealized gains on marketable equity securities	12,230	1,138	–
Income before income taxes	88,015	74,884	74,549
Income tax provision	(20,039)	(16,185)	(18,867)
Net income	67,976	58,699	55,682
Net loss attributable to noncontrolling interest	235	265	523
Net income attributable to National HealthCare Corporation	$ 68,211	$ 58,964	$ 56,205
Earnings per share attributable to National HealthCare Corporation stockholders:			
Basic	$ 4.47	$ 3.87	$ 3.70
Diluted	$ 4.44	$ 3.87	$ 3.69
Weighted average common shares outstanding:			
Basic	15,270,154	15,224,886	15,189,920
Diluted	15,360,046	15,236,826	15,218,962
Dividends declared per common share	$ 2.06	$ 1.98	$ 1.89

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

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2019	2018	2017
Net income	$ 67,976	$ 58,699	$ 55,682
Other comprehensive income (loss):			
Unrealized gains (losses) on investments in restricted marketable debt securities	6,842	(2,574)	1,644
Unrealized gains on investments in marketable equity securities	–	–	1,073
Reclassification adjustment for realized gains on sale of securities	(127)	(18)	(262)
Income tax (expense) benefit related to items of other comprehensive income (loss)	(1,410)	544	(1,019)
Other comprehensive income (loss), net of tax	5,305	(2,048)	1,436
Net loss attributable to noncontrolling interest	235	265	523
Comprehensive income attributable to National HealthCare Corporation	$ 73,516	$ 56,916	$ 57,641

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

NATIONAL HEALTHCARE CORPORATION
Consolidated Balance Sheets
(in thousands)

	December 31, 2019	December 31, 2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 50,334	$ 43,247
Restricted cash and cash equivalents, current portion	8,944	9,967
Marketable equity securities	152,453	140,223
Restricted marketable debt securities, current portion	20,576	18,676
Accounts receivable	92,975	97,274
Inventories	7,441	7,470
Prepaid expenses and other assets	4,075	3,863
Notes receivable, current portion	1,695	1,289
Federal income tax receivable	2,560	–
Total current assets	341,053	322,009
Property and Equipment:		
Property and equipment, at cost	1,017,204	979,088
Accumulated depreciation and amortization	(481,774)	(444,438)
Net property and equipment	535,430	534,650
Other Assets:		
Restricted cash and cash equivalents, less current portion	1,732	1,706
Restricted marketable debt securities, less current portion	126,830	153,917
Deposits and other assets	5,124	5,602
Operating lease – right-of-use assets	202,909	–
Goodwill	20,995	20,995
Notes receivable, less current portion	13,384	9,707
Investments in unconsolidated companies	39,191	32,362
Total other assets	410,165	224,289
Total assets	$ 1,286,648	$ 1,080,948

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

NATIONAL HEALTHCARE CORPORATION
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31, 2019	December 31, 2018
Liabilities and Equity		
Current Liabilities:		
Trade accounts payable	$ 18,903	$ 19,759
Finance lease obligations, current portion	4,166	3,924
Operating lease liabilities, current portion	24,243	–
Accrued payroll	69,826	67,618
Amounts due to third party payors	15,108	16,108
Accrued risk reserves, current portion	29,520	28,643
Other current liabilities	15,029	14,249
Dividends payable	7,968	7,623
Current maturities of long-term debt	10,000	–
Total current liabilities	194,763	157,924
Long–term debt	-	55,000
Finance lease obligations, less current portion	14,963	19,128
Operating lease liabilities, less current portion	178,666	-
Accrued risk reserves, less current portion	66,491	67,381
Refundable entrance fees	7,455	8,078
Obligation to provide future services	2,035	2,172
Deferred income taxes	24,012	18,550
Other noncurrent liabilities	16,058	15,204
Deferred revenue	3,136	3,054
Total liabilities	507,579	346,491
Equity:		
Common stock, $.01 par value; 45,000,000 shares authorized; 15,332,206 and 15,255,002 shares, respectively, issued and outstanding	153	153
Capital in excess of par value	222,787	219,435
Retained earnings	553,093	516,435
Accumulated other comprehensive income (loss)	2,560	(2,745)
Total National HealthCare Corporation stockholders' equity	778,593	733,278
Noncontrolling interest	476	1,179
Total equity	779,069	734,457
Total liabilities and equity	$ 1,286,648	$ 1,080,948

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

Reliant Healthcare, LLC

Audit Excerpts

Reliant Healthcare, LLC

PROFIT AND LOSS

January - December 2019

	TOTAL
Income	
40116 IP Rev Deducts-Denials	315.00
40320 Mgmt Fees	358,803.95
40322 Development Fees	75,000.00
40325 Service/Fee Income	90.00
40400 Non Operating Revenue	18.64
Total Income	**$434,227.59**
GROSS PROFIT	**$434,227.59**
Expenses	
60000 Personnel Costs	118,971.38
60530 Profit Sharing 401k match	1,080.51
61000 Purchased Services	1,868.22
62500 Other Professional Fees	82,590.71
63000 Supplies	5,024.26
64000 Utilities	4,036.06
65000 Insurance	16,136.95
65500 Travel & Entertainment	9,949.71
67000 Marketing	1,679.00
68000 Development	90,434.49
82000 Other Expense	17,565.26
90000 Interest Expense	10,087.79
94000 Rent or Lease	33,667.32
95000 Taxes	0.00
Total Expenses	**$393,091.66**
NET OPERATING INCOME	**$41,135.93**
Other Income	
40330 Gain (Loss) Disposal of Asset	630,592.57
Total Other Income	**$630,592.57**
Other Expenses	
91000 Depreciation	8,412.54
Other Miscellaneous Expense	-5,000.00
Total Other Expenses	**$3,412.54**
NET OTHER INCOME	**$627,180.03**
NET INCOME	**$668,315.96**

Reliant Healthcare, LLC

BALANCE SHEET

As of December 31, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
10000 Regions	265,146.97
10050 Servis1st Checking	793.11
10100 Wells Fargo 4950	0.00
10150 Wells Fargo 3251	0.00
10200 Payroll Clearing	0.00
Total Bank Accounts	**$265,940.08**
Accounts Receivable	
11000 Accounts Receivable	27,588.58
Total Accounts Receivable	**$27,588.58**
Other Current Assets	
13100 Prepaid Insurance	0.00
13150 Prepaid Payroll	0.00
14000 Undeposited Funds	0.00
14100 Note Receivable - Employee	0.00
14200 Note Receivable - JH	0.00
18001 Investments-Satilla JV	0.00
18002 Investments-Osage Beach JV	-7,253.83
Total Other Current Assets	**$ -7,253.83**
Total Current Assets	**$286,274.83**
Fixed Assets	
15000 Furniture & Equipment	0.00
15003 Other fixed assets	0.00
15010 Vehicles	93,059.71
15020 Machinery & Equipment	0.00
Total Fixed Assets	**$93,059.71**
Other Assets	
18000 Investment	35,000.00
Total Other Assets	**$35,000.00**
TOTAL ASSETS	**$414,334.54**

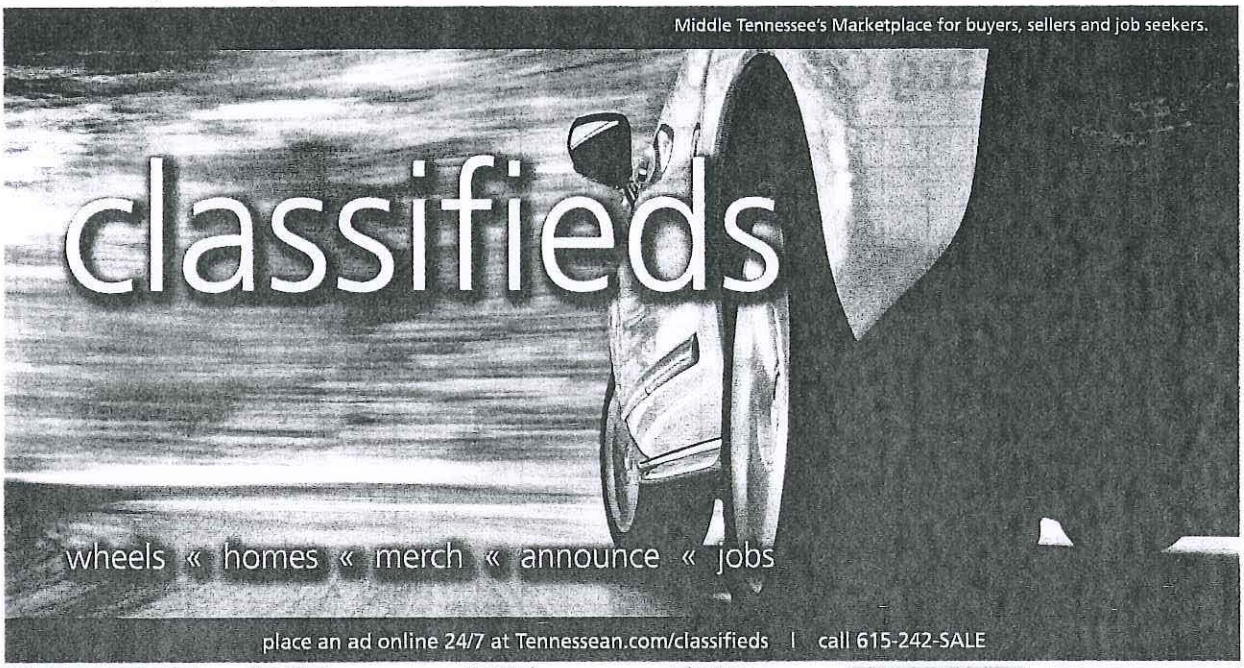
Reliant Healthcare, LLC

BALANCE SHEET

As of December 31, 2019

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	4,642.93
Total Accounts Payable	**$4,642.93**
Other Current Liabilities	
21000 Note Payable Members	0.00
21500 Note Payable - ServisFirst	0.00
22000 Wells Fargo LOC	0.00
23000 Current maturities-Long Term Debt	0.00
24000 Payroll Liabilities	0.00
24050 Accrued Salaries	0.00
24060 Simple IRA Withholding	315.91
24070 Accrued 401(k) match	1,080.51
25000 Accrued Expenses	360.00
25100 Accrued Interest	0.00
Total Other Current Liabilities	**$1,756.42**
Total Current Liabilities	**$6,399.35**
Long-Term Liabilities	
23500 JP Morgan Chase-Auto	0.00
23600 Bank of America-Auto	78,155.07
26000 Chase Auto Finance	0.00
26100 Wells Fargo Dealer Svcs	0.00
Total Long-Term Liabilities	**$78,155.07**
Total Liabilities	**$84,554.42**
Equity	
30000 Opening Balance Equity	0.00
30300 Partner Distributions-Harper	-297,644.29
30320 Partner Distributions-Luccasen	0.00
30400 Partner Contributions-Harper	-396,640.18
32000 Retained Earnings	355,748.63
Net Income	668,315.96
Total Equity	**$329,780.12**
TOTAL LIABILITIES AND EQUITY	**$414,334.54**

Attachment – Proof of Publication



ALL CLASSIFIED ADS are subject to the applicable rate card, copies of which are available from our Advertising Dept. All ads are subject to approval before publication. The Dickson Herald reserves the right to edit, refuse, reject, classify or cancel any ad at any time. Errors must be reported in the first day of publication. The Dickson Herald shall not be liable for any loss or expense that results from an error in or omission of an advertisement. No refunds for early cancellation of order.

In some cases, statutes or regulations apply to advertising; you should consult a legal advisor in appropriate circumstances. We make no certifications, warranties, or representations that your advertising complies with laws. You are solely and exclusively responsible for your own advertising or advertising which you have placed.

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Dickson County

19th ANNUAL HUMPHREYS COUNTY YARD SALE. September 11&12 BARGAINS GALORE! COUNTY WIDE! Map available at www.facebook.com/30milesale and www.HumphreysCountyYardSale.com Like us on Facebook for LOTS MORE INFO.

Montgomery County

CLARKSVILLE, Moving Sale, 1255 BRIGADE DR, Sat 9/5, 7-1. Dir: exit 8 clothes home items bikes.

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best deal for you...

SUV

Toyota Highlander Hybrid - 2007, 1 owner, all documents avail., services done rent with Beaman Toyota. Lots of extras. $5,000. 615-804-6544

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Needed for Nashville Ready Mix to work on concrete trucks, dumptrucks and truck tractors. Immediate full time positions available. Monday-Saturday. Overtime after 40 hours. Competitive hourly pay starting at $28/hr (hourly rate based on qualifications). Positions available in Middle TN. Uniforms will be provided. Benefits after 90 days including paid health insurance, paid holidays, and more. Paid vacation time off after 6 months.

Call Ivan at
615-256-2071
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2 Sueral plots at Mount Olivet Cemetery, Nashville, TN, Garden of Gethsemane, Plot 180-D, Spaces 3 & 4, $6,000. 402-466-1332

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Public Notices

Public Notices

0004362057

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that:

Natchez Center for Behavioral Medicine, LLC
(Name of Applicant)

New Psychiatric Hospital
(Facility Type-Existing)

owned by: Natchez Center for Behavioral Medicine, LLC with an ownership type of Limited Liability Company and to be managed by: Reliant Healthcare, LLC intends to file an application for a Certificate of Need for: the establishment of a new sixteen (16) bed psychiatric hospital at an unaddressed site at Highway 46 and Turkey Creek Road in Dickson, TN 37055 (Dickson County). The proposed project will provide sixteen (16) beds for geriatric patients. The project will be a joint venture of affiliates of National HealthCare Corporation and Reliant Healthcare. The service area consists of Dickson, Benton, Cheatham, Hickman, Houston, Humphreys and Stewart Counties. The project will be licensed by the Tennessee Department of Mental Health and Substance Abuse Services. The project involves the construction of approximately 14,200 square feet. No major medical equipment is involved. Total project costs are estimated to be $5,709,429.00.

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

The contact person for this project is
Dere R. Brown
Director of Health Planning

who may be reached at:
National HealthCare
Corporation
100 Vine, Street, 12th Floor
Murfreesboro, TN 7130
615-890-2020

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

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

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.

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Pets
all your favorites...

Domestic Pets

POMERANIAN PUPPIES - Absolutely adorable, home raised, CKC, 1st shots & wormed. $650. 931-797-9096

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Public Notices

04358972

PUBLIC NOTICE
Passage of Ordinances by Dickson City Council

Ordinance #1483

Ordinance to Rezone Two properties Located at 300 Highway 70 East, Tax Map 111A, Group D, Parcels 001.00 and 002.00 from R-1 Low-Density Residential) to B-3 (Highway Commercial) Requested by Brookwood Development Corporation

Continued to next column

Continued from last column

Passed First Reading: August 3, 2020 / Passed Second and Final Reading: September 1, 2020

Ordinance #1485

An Ordinance to Rezone One Property Located at Highway 70 East at Hensley Drive, Tax Map 111A, Group A, Parcel 005.00, from B-1 (Office, Professional, Medical) to B-3 (Highway Commercial) Requested by Barney Regen

Passed First Reading: August 3, 2020 / Passed Second and Final Reading: September 1, 2020

These ordinances shall take effect immediately after passage on second and final reading, the welfare of the city requiring the same.

Don L. Weiss Jr., O.D., Mayor

Finding a job shouldn't feel like one.

ZipRecruiter
The Smartest Way To Hire
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Auctions

SELL THE WORD OUT about your next auction! Save Time & $$$. One Call For All. Your ad can appear in this newspaper + 101 other TN newspapers. For more info, contact this newspaper's classified dept. or call 931-624-8916. (TnScan)

TIRES, BATTERIES - Raceway Pik-A-Part - Self Serve Salvage Yard Hwy 46 County Home Road, Savannah, TN - We Buy Junk Cars! 731-927 8178 https://protect-us.mimecast.com/s/rbDKCIYKB5hoWPQELFG1yWk?domain=racewaypikapart.com (TnScan)

DISH Network. $59.99 for 190 Channels! Blazing Fast Internet, $19.99/mo. (where available.) Switch & Get a FREE $100 Visa Gift Card. FREE Voice Remote. FREE HD DVR. FREE Streaming on All Devices. Call today! 1-844-274-6074 (TnScan)

DIRECTV - Switch and Save! $49.99/month. Select All-Included Package. 155 Channels. 1000s of Shows/Movies On Demand. FREE Genie HD DVR Upgrade. Premium movie channels, FREE for 3 mos! Call 1-844-230-4803 (TnScan)

The COVID crisis has cost us all something. Many have lost jobs and financial security. Have $10K in Debt? Credit Cards. Medical Bills. Car Loans. Call NATIONAL DEBT RELIEF! We can help! Get a FREE debt relief quote: Call 1-855-717-6490 (TnScan)

DENTAL INSURANCE from Physicians Mutual Insurance Company. Coverage for 350 plus procedures. Real dental insurance - NOT just a discount plan. Do not wait! Call now! Get your FREE Dental Information Kit with all the details! 1-844-278-8285 https://protect-us.mimecast.com/s/J3BxCmZ0DQf5VPOlvuOrPQY?domain=dental50plus.com (TnScan)

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Up to $15,000.00 of GUARANTEED Life Insurance! No medical exam or health questions. Cash to help pay funeral and other final expenses. Call Physicians Life Insurance Company- 877-478-1295 or visit https://protect-us.mimecast.com/s/Z02BCo2nGQUXAPOYkC61k14?domain=life55plus.info (TnScan)

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Help Wanted - RECRUITING HEADACHES? WE CAN Help! Advertise your job opening in this newspaper + 101 newspapers across the state - One Call/Email for All! Contact our classified dept.or email ads@tnpress.com (TnScan)

Attachment – Letter of Intent

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 Dickson Herald (Name of Newspaper) which is a newspaper of general circulation in Dickson (County), Tennessee, on or before September 9 (Month / day), 20 20 (Year) for one day.

==========

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Natchez Center for Behavioral Medicine, LLC (Name of Applicant), New Psychiatric Hospital (Facility Type-Existing)

owned by: Natchez Center for Behavioral Medicine, LLC with an ownership type of Limited Liability Company

and to be managed by: Reliant Healthcare, LLC intends to file an application for a Certificate of Need for: the establishment of a new sixteen (16) bed psychiatric hospital at an unaddressed site at Highway 46 and Turkey Creek Road in Dickson, TN 37055 (Dickson County). The proposed project will provide sixteen (16) beds for geriatric patients. The project will be a joint venture of affiliates of National HealthCare Corporation and Reliant Healthcare. The service area consists of Dickson, Benton, Cheatham, Hickman, Houston, Humphreys and Stewart Counties. The project will be licensed by the Tennessee Department of Mental Health and Substance Abuse Services. The project involves the construction of approximately 14,200 square feet. No major medical equipment is involved. Total project costs are estimated to be $5,709,429.00.

The anticipated date of filing the application is: September 14, 20 20

The contact person for this project is Dere R. Brown (Contact Name) Director of Health Planning (Title)

who may be reached at: National HealthCare Corporation (Company Name) 100 Vine, Street, 12th Floor (Address)

Murfreesboro (City) Tennessee (State) 37130 (Zip Code) 615 / 890-2020 (Area Code / Phone Number)

Dere R. Brown (Signature) 9/9/20 (Date) dbrown@nhccare.com (E-mail Address)

==========

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

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

==========

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

==========

Attachment – Letters of Support

SENATOR KERRY ROBERTS

September 8, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243
RE: Support for 16 Bed Behavioral Health Hospital, Dickson, TN

Dear Logan,

Please accept this letter as my support of the proposed NHC and Reliant Healthcare joint venture behavioral health hospital.

Those affected by mental health issues are increasing daily and current options are limited, especially in Dickson and its surrounding counties. This project will give additional choices and much needed specialized services to those in need, while allowing them to stay close to home.

If you wish to discuss this further, please do not hesitate to contact me at 615-741-4499.

Sincerely,

Kerry

Senator Kerry Roberts
Chairman, Senate Committee for Government Operations

Cordell Hull Building, Suite 730, 425 5th Avenue North, Nashville, Tennessee 37243

Michael G. Curcio
STATE REPRESENTATIVE
69th LEGISLATIVE DISTRICT

LEGISLATIVE OFFICE:
425 5th Avenue North
Suite 630, Cordell Hull Building
Nashville, TN 37243

(615) 741-3513
(615) 253-0244 fax

rep.michael.curcio@capitol.tn.gov

House of Representatives
State of Tennessee

NASHVILLE

Chairman of Judiciary
Naming, Designating, & Private Acts
Calendar& Rules

Joint Fiscal Review

Civil Justice Sub-Committee
Criminal Justice Sub-Committee
Children& Families Sub-Committee
Constitutional Protection &
Sentencing Sub-Committee

September 4, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Bldg
Nashville, TN 37243

Mr. Grant,

I write this letter in support for the Certificate of Need application filed by National HealthCare Corporation for a new sixteen bed behavioral health hospital in Dickson County.

The prevalence of mental illness among the elderly population continues to increase. Currently, there are limited choices of providers for these specialized services in Dickson and the surrounding counties. Approval of this project can help meet the increasing need for these specialized services as well as provide patients and providers additional choices.

I fully support this joint venture's Certificate of Need application, and I hope you keep my thoughts in mind. Thank you for your time and consideration.

All the best,

Michael G. Curcio

Michael G. Curcio
Chairman of Judiciary

Mary Littleton
State Representative
78th Legislative District

Office: (615) 741-7477

House of Representatives
State of Tennessee

634 Cordell Hull Bldg.
Nashville, TN 37243

1-800-449-8366 ext. 17477

September 3, 2020

Mr. Logan Grant, Executive Director
Tennessee Health and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

Mr. Grant:

As the representative for Tennessee House District 78, I am writing to express my support for the 16-Bed Behavioral Health Hospital in Dickson, Tennessee. Adding this location for geriatric psychiatric services would be very beneficial to our community.

I have resided in Dickson for over 40 years, and I feel the need to use my voice in order to get the amenities my citizens need that would be proposed by this joint venture. Approval of this project would help meet the increasing need for those specialized services as well as provide patients and providers additional choices. The project with improve the quality of mental health services in not only Dickson, but potentially be an example for other communities in need.

Please feel free to reach out with any other questions or concerns.

Best Regards,

Mary Littleton

Mary Littleton

District 78

Mayor Bob Rial
Dickson County Tennessee

September 3, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.

The prevalence of mental illness among the elderly population continues to increase. Currently, there are limited choices of providers for these specialized services to our citizens. Approval of this project can help meet the increasing need for these specialized services as well as provide patients and providers additional choices. Currently, our citizens are having to travel outside Dickson, and in some instances a significant distance, to receive the type services being proposed.

The access to have geriatric psychiatric care in our area will be a wonderful asset to the City of Dickson. Thank you for considering our support of this Certificate of Need and the services it will provide for the Tennesseans of Dickson and the surrounding areas.

Sincerely,

Bob Rial
Mayor
Dickson County Tennessee

4 Courthouse Square . P.O. Box 267 . Charlotte, TN. 37036 . 615-789-7000

NAMI Dickson County
National Alliance on Mental Illness

September 4, 2020

Logan Grant, Executive Director
Health Services and Development Agency
Andrew Jackson Building
500 Deadrick Street 9th Floor
Nashville, TN 37243

Re: Certificate of Need Application for a new Behavioral Health Hospital

Dear Mr. Grant,

Please accept this letter of support from NAMI Dickson County (the local affiliate of NAMITN) on behalf of the proposed Behavioral Health Hospital to be located in Dickson County. The need for additional behavioral health services, especially for specialized geriatric care, is great and expected to rise at a high rate in our area.

I have seen firsthand that those in need of mental health services often experience delays for inpatient treatment due to a lack of available beds. Most have to seek treatment many miles away. Having a state licensed, 16 bed facility locally would help get treatment for patients quicker, and therefore lead to better outcomes. The partnership between Reliant Healthcare and National Healthcare will bring a great deal of experience that will greatly benefit those in need of specialized geriatric care in Dickson and surrounding counties. This facility will also accept Medicare, Tenncare, and all contracted commercial insurances making it accessible to patients in need.

On behalf of NAMI Dickson County and our community, I urge the Commission to approve this important application to improve access to mental health services in our area.

Sincerely,

Clarissa Layton
NAMI Dickson County
Board Member
P.O. Box 1376
Dickson, TN 37056
615-326-9545

Dickson County • Chamber

September 8th, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

It is my pleasure to express support for the Certificate of Need application for a new 16-bed behavioral health hospital in Dickson.

This project will be a joint venture National HealthCare Corporation and Reliant Healthcare. NHC has been in operation for over 49 years and is one of Tennessee's largest post-acute care providers. Reliant Healthcare contributes over 36 years of experience in behavioral healthcare.

The joint venture between these leading healthcare providers and their request to add inpatient geriatric psychiatric services to their continuum of care, is logical and contributes to the orderly development in its long-term plan for the residents of Dickson and the surrounding counties.

Thank you for your consideration to this project.

Sincerely,

President/CEO

205 South Main Street • Dickson, TN 37055 • (615) 446-2349
DicksonCountyChamber.com

CHEATHAM COUNTY

A great place to raise a family

County Mayor
Kerry R. McCarver
kerry.mccarver@cheathamcountytn.gov
Phone: (615) 792-4316
Fax: (615) 792-2001

September 1, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express our support for the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.

The prevalence of mental illness among the elderly population continues to increase. Currently, there are limited choices of providers for these specialized services in Dickson and the surrounding counties, including Cheatham County. Approval of this project can help meet the increasing need for these specialized services as well as provide patients and providers additional choices.

The access to have psychiatric care in our area will be a wonderful asset. Thank you for considering our support of this Certificate of Need and the services it will provide for the Tennesseans of Dickson and Cheatham Counties.

Sincerely,

Kerry R. McCarver

100 Public Square • Suite 105 • Ashland City, TN 37015

Benton County Sheriff's Office

Kenny Christopher, Sheriff
Post Office Box 56 - 116 South Rosemary Ave.
Camden, Tennessee 38320 Ph: (731) 584-4632
Fax: 731-584-8963

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

August 31, 2020

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.

The prevalence of mental illness among the elderly population continues to increase. Currently, there are limited choices of providers for these specialized services in Dickson and the surrounding counties. Approval of this project can help meet the increasing need for these specialized services as well as provide patients and providers additional choices.

The access to have psychiatric care in our area will be a wonderful asset. Thank you for considering our support of this Certificate of Need and the services it will provide for the Tennesseans of Dickson and surrounding counties area.

Respectfully,

Ken Christopher

Sheriff Ken Christopher

HICKMAN COUNTY GOVERNMENT
OFFICE OF COUNTY MAYOR
114 NORTH CENTRAL AVENUE, SUITE 204
CENTERVILLE, TENNESSEE 37033
PHONE 931-729-2492 • FAX 931-729-6150
MAYOR@HICKMANCO.COM

September 4, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.

The prevalence of mental illness among the elderly population continues to increase. Currently, there are limited choices of providers for these specialized services in Dickson and the surrounding counties. Approval of this project can help meet the increasing need for these specialized services as well as provide patients and providers additional choices.

The access to have psychiatric care in our area will be a wonderful asset. Thank you for considering our support of this Certificate of Need and the services it will provide for the Tennesseans of Dickson and surrounding counties area.

Sincerely,

Mark A. Bentley

Mark A. Bentley
Hickman County Mayor

Humphreys County Sheriff's Office

Sheriff Chris Davis

112 Thompson Street, Waverly TN 37185

931-296-2301 office 931-296-2633 fax

September 8, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.
The prevalence of mental illness among the elderly population continues to increase. Currently, there are limited choices of providers for these specialized services in Dickson and the surrounding counties. Approval of this project can help meet the increasing need for these specialized services as well as provide patients and providers additional choices.

The access to have psychiatric care in our area will be a wonderful asset. Thank you for considering our support of this Certificate of Need and the services it will provide for the citizens of Dickson and surrounding counties.

Sincerely,

Chris Davis, Sheriff
Humphreys County

Stewart County Mayor's Office

Robin Brandon, County Mayor
P O Box 487, Dover, TN 37058
Phone: 931-232-3100 Fax: 931-232-3111

August 31, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.

The prevalence of mental illness among the elderly population continues to increase as opportunities for treatment in our area decreases. Currently, there are extremely limited choices of providers for these specialized services in Dickson and the surrounding counties, which includes Stewart County. Approval of this project will help meet the increasing need for these specialized services as well as provide patients and providers throughout the Region with additional choices of premium care.

The opportunity to have an additional psychiatric care facility in our rural area will be a wonderful asset that will be utilized more than you can imagine. The need is there. Thank you for considering our support of this Certificate of Need and the services it will provide for the Tennesseans of Dickson, Stewart, and the surrounding counties.

Sincerely,

Robin Brandon

Stewart County Mayor

226 Lakeview Drive

Dover, Tennessee 37058

CARIS
healthcare
Hospice: Your Life, Our Mission

September4, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed geriatric behavioral health hospital to be filed by National HealthCare and Reliant Healthcare.

As a hospice care provider, I can attest to the need for additional mental health services in the service area. This project will provide specific individualized programs for our geriatric population and expand the availability of behavioral health resources, improve access to behavioral health services of the service area's population, regardless of financial status or ability to pay.

Thank you for your consideration of this CON application.

Sincerely,

Christopher Wolk, Admin

www.carishealthcare.com
106 Hwy 70 East, Suite 5 § Dickson, TN 37055 § 615.441.5296 § fax 615.446.8381

FREED-HARDEMAN UNIVERSITY | DICKSON
The Renaissance Center • 855 Highway 46 South • Dickson, Tennessee 37055 • 800.FHU.FHU1 • www.fhu.edu/dickson

September 11, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

As the Director of the Bachelor of Science in Nursing (BSN) Program at Freed-Hardeman University Dickson's campus, I fully support the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.

Freed-Hardeman's nursing program is accredited by the Commission on Collegiate Nursing Education as well as the Tennessee State Board of Nursing. FHU transitioned to the B.S.N. program in 2011 and for the past three years our students have obtained a 100% NCLEX exam pass rate.

NHC HealthCare, Dickson, serves as a clinical rotation site for FHU's nursing curriculum. The addition of a behavioral health hospital in Dickson would not only be a benefit to the community, it would also provide a specialized clinical setting for our nursing students as well as additional employment opportunities for our BSN graduates.

Sincerely,

Dr. Robert E. Spencer, JD, MSN, RN, APN, FNP-BC
Associate Professor of Nursing
Coordinator Dickson Campus
Freed-Hardeman University

Supplemental 1
August 24, 2020

September 24, 2020

Mr. Phillip Earhart
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, Andrew Jackson Bldg., 9th Floor
Nashville, TN 37243

RE: Certificate of Need Application CN2009-029
Natchez Center for Behavioral Medicine, LLC

Dear Phillip:

Attached please find the additional information to the above referenced CON application and supplemental request.

If you have any questions, please do not hesitate to contact me at 615-890-2020.

Sincerely,

Dere R. Brown
Director of Health Planning and Licensure/Certification
Authorized Representative for the Applicant

1. **Section A, Applicant Profile**

   The project contact information for Dere Brown is listed as 100 Vine Street in the LOI and as 100 E. Vine Street in the application. Please clarify.

   Response: The two addresses for the contact person listed above are equivalent; however, to be consistent with the LOI filing the contact information is 100 Vine Street, Murfreesboro, TN 37130.

2. **Section A, Executive Summary, B. Rationale for Approval, and Need, Item 1. (Project Specific Criteria-Inpatient Psychiatric Item #1.)**

   The need table on page 5 is noted. However, using the bed need formula of 30 beds/100,000 population, the gross bed need for 36,889 is 11, not 10. Please clarify. If needed, please provide a replacement page 5 and 18.

   Response: Please see attached Replacement page 5 & 18.

   Why did the applicant calculate there is a net need of 8 beds in the proposed service area for the disabled <65 category while it is not included in the criteria and standards for inpatient psychiatric beds?

   Response: Based on US. Census Bureau Data, the proposed service area has higher disability rates than the state of Tennessee or the U.S. The applicant used the same methodology to the specialized disabled population as reference to need for this population.

   Upon NCBM analysis of the demographics of the proposed service area, the disabled and/or handicapped and co-morbid persons was observed as an underserved group in a rural area.

   The choice to identify and plan to serve this group is in response to STANDARDS AND CRITERIA 2. g.: "the willingness of the provider to provide inpatient psychiatric services to all populations (including those requiring hospitalization on an involuntary basis, individuals with co-occurring substance use disorders, and patients with comorbid medical conditions)."

   Further, in the Behavioral Health Indicators for Tennessee and the United States - 2018 Data Book published by TDMHSAS in "other mental health indicators" it is reported that 'Adults (18+) who are limited in any activities because of physical, mental, or emotional problems" was 24.9% for the State and 20.6% for the US in a survey conducted in 2015-2016.

This placed Tennessee in the bottom 20% of the States in the survey, which means Tennessee has a higher incidence rate for disabilities than most other states in the US.

TriStar Horizon Medical Center, located in Dickson (Dickson County), Tennessee, operated a 7-bed licensed geriatric inpatient psychiatric unit which appeared to have closed around 2012 according to the 2011 JAR. Please justify the need for 16 geriatric beds while it appeared Horizon Medical Center's average daily census averaged between 4.35 patients in 2011 to 4.72 patients in 2010. In addition, please justify the need for 8 beds for the disabled <65 category, while there were 44 patient days that served that population in 2011 as reflected in the following table.

TriStar Horizon Geriatric Unit-7 beds	2010- Patient Days	2011 Patient Days
Ages 18-64	137	44
65+	1,589	1,547
Total	1,726	1,591
Occupancy	67.5%	62%

<u>Response:</u> The applicant cannot speak on behalf of TriStar Horizon Medical Center's operations, occupancy and closing of their 7-bed licensed geriatric inpatient psychiatric unit approximately 10 years ago. However, over the last ten years, the geriatric population in the service area has increased and is anticipated to increase by 10.68% over the next four years.

In addition, based on the State's bed need formula for the geriatric population there is a calculated need for inpatient psychiatric care beds.

As stated above, the proposed service area has a higher disability rate than the State of Tennessee and in addition to utilizing this population to the need formula, the justification for the 8 beds for the disabled adults is based on the combination of the following factors.

<u>The Behavioral Health Indicators for Tennessee and the United States – 2018 Data Book,</u> published by TDMHSAS in May 2018 reports "Adults who are limited in any activities because of physical, mental, or emotional problems" are 24.9% of the population. This statistic is for the entire State of Tennessee which ranks the State in the bottom 20% of all states when compared to the US prevalence rate of 20.6%. The source for the prevalence rate uses survey data from CDC.

The applicant chose to utilize the US Census for 2019 estimates because the prevalence indicator could be obtained for each county in the proposed service area and then applied to the proposed service area, as opposed to a statewide average. The definition of "Disability" is based on the Census Bureau's "American Community Survey (ACS) over a 5-year period. The ACS defines disability as: "identifies serious difficulty with four basic areas of functioning - hearing, vision, cognition, and ambulation." These functional limitations are supplemented by questions about difficulties with selected activities from the Katz Activities of Daily Lining (ADL) and Lawton Instrumental Activities of Daily Living (IADL) scales....." The prevalence rate for the proposed service area, using the US Census definition of disability, is 15.66%. For planning purposes this is a more conservative number and results in a lower estimate of the number of people categorized as disabled. Further, the admission criteria and the ADL's will be similar for both the geriatric and the disabled populations.

In addition, there are several publications that reference disability and mental conditions. One was published by David Russell, PhD, et al entitled Physical Disability and Suicidal Ideation: A Community-Based Study of Risk/Protective Factors for Suicidal Thoughts published in 2009. The key takeaway is: "Data from an ethically diverse and representative sample of disable and nondisabled adults (n= 1,768) reveal that physical disability is associated with a greater risk of lifetime suicidal ideation."

Another research paper "The Impact of Comorbidity of Mental and Physical conditions on Role Disability in the US Adult Household Population" by Kathleen R. Merikangas, PhD; et al and published in 2007. The results of the study can be summarized: "Number of disability days was significantly related to employment status, with means varying from a low of 17.9 among students to a high of 121.4 among the unemployed/disabled."

Therefore, based on the State of Tennessee data, the US Census data, and the studies linking mental illness and disability, the applicant concluded that the disabled adult population in the proposed service area represented a "special need" and addressed it in its plans for the 16-bed inpatient psychiatric hospital.

Please provide a source for the 27,870 total population disabled under age 65.

Response: The Source of the disabled under age 65 population is the US Census Bureau. The number of consumers to be served (27,870) is the result of multiplying the 2024 estimated census of 177, 989 persons times the prevalence rate for each county which averages 15.66% for the proposed service area.

What is the age range of the population category "disabled < 65"?

Response: Data used for the disabled <65 is based on the US Census Bureau for ages 18-64.

What will be the age range of patients that will be treated at the proposed geriatric psychiatric facility?

Response: Each individual admission is based on orders by the admitting physician. Of primary consideration is whether the patient will benefit from treatment. It is also important if the patient would be socially compatible with other patients. It not uncommon for a geriatric inpatient psychiatric hospital to treat patients below the age of 65. Normally the geriatric inpatient services are suitable for adults aged 50 and older; however, it is possible a younger patient would be admitted based on their presenting condition.

It should be noted, based on the US Census Bureau Data, the proposed service area has higher disability rates than the state of Tennessee or the U.S., the geriatric hospital anticipates services to this specialized population (some under the age of 65 with disabilities as determined by the Social Security Administration) with similar psychiatric and daily activity levels needs.

It is noted by the applicant; physical disability is found to be related to depressive symptoms. In addition, the applicant projects there is a net need for 8 inpatient psychiatric beds in the proposed service area for the physically disabled <65. However, please provide evidence that those individuals would require inpatient psychiatric care instead of a lower level of care such as outpatient, intensive outpatient, or partial hospitalization.

Response: There will be patients appropriate for outpatient and PHP; as well as, patients who need inpatient psychiatric services.

Admission criteria require patients to exhibit symptoms sufficient to medically justify an admission to the hospital. A physician's order for admission based on an analysis of the data presented by the patient, patient's family or the referral source starts the assessment phase of the treatment program.

After evaluation, if patients with significant medical issues do not meet the admission requirement the proposed hospital will have transfer and affiliation agreements to refer these patients to providers that are more appropriate for the patient's medical condition.

According to the TDMHSAS "Fast Facts", the psychiatric inpatient admission rate of 2.3 admissions per 1,000 population aged 18+. This utilization rate times the disabled adult population in the proposed service would project approximately 64 admissions for the disabled group in Year One.

Please provide 2018 JAR utilization statistics from Behavioral Healthcare Ctr. of Columbia (Maury County), Behavioral Healthcare of Clarksville (Montgomery County), and Rolling Hills (Williamson County) that justifies including the population "disabled < 65" in the bed need.

Response: Following is the utilization statistics for the referenced hospitals; however, according to the 2018 JAR filings two of the above referenced hospitals are "specifically for geriatric patients". (Behavioral Healthcare of Columbia and Behavioral Healthcare of Clarksville). Rolling Hills is a licensed 130 bed hospital servicing all populations with a 24 bed geriatric unit.

County	Hospital	Designated Beds	2018 Patient Days			Total Patient Days	2018 Occ.
			<18	18-64	65+		
Maury	Behavioral Healthcare	16	N/A	307	3,220	3,527	60.4%
Montgomery	Behavioral Healthcare	26	N/A	162	4,335	4,497	47.4%
Willilamson	Rolling Hills	130	6,522	25,260	1,736	33,518	70.6%
	TOTAL	172	6522	25,729	9,291	41,542	66.2%

Source: Joint Annual Report Schedule G

As noted in the Standards and Criteria Determination of Need, "an applicant proposes a geriatric psychiatric unit, the age range 65+ shall be used." NCBM utilized the need formula based on the 65+ population and calculated an 11 bed need in the proposed service area. As the geriatric hospitals above reported patients between 18-64, NCBM anticipates also servicing patients under the age of 65. Normally the geriatric inpatient services are suitable for adults aged 50 and older; however, it is possible a younger patient would be admitted based on their presenting condition.

It should be noted, the Joint Annual Report does not report data based on a patient's disability. As stated in the CON application and in response to the questions above, based on US Census Bureau Data the proposed service area has higher disability rates than the state of Tennessee or the U.S. The geriatric hospital will also provide services to this specialized population (some under the age of 65 with disabilities as determined by the Social Security Administration) with similar psychiatric and daily activity level needs.

3. **Section A, Project Details, Item 6.A (Legal Interest in the Site) Page 10**

Please provide a copy of the deed to the land from Central Tennessee Hospital Corporation to document its control of the land.

Response: Please see attached General Warranty Deed.

Please clarify the options of the due diligence and approval periods so that it is clear that the Option to Purchase agreement will remain in effect beyond the date that this application will be heard by the Agency.

Response: According to Page 2 of the Real Estate Purchase and Sale Agreement, "Buyer shall have a period of one hundred eighty (180) days after the Agreement Date (the "Inspection Period"), in which to determine whether the condition and suitability of the Property are satisfactory to Buyer; provided however, the Buyer may extend the Inspection Period by up to four (4) consecutive periods of thirty (30) days....."

The PSA was executed on 6/25/20; if all extensions are necessary the Option to Purchase agreement would remain in effect until April 2021, well beyond the December 2020 HSDA meeting.

4. **Section A. Applicant Profile, Item I, 6B (2) Floor Plan**

Please provide a more legible floor plan.

Response: Please see attached more legible floor plan.

5. **Section B, Need, Item l.a. (Psychiatric Inpatient Services-Service Specific Criteria-)**

On page 20, it is noted the 65+ population of Dickson County is projected to be 10,754, or 13.44% of the total population. However, the percentage appears incorrect. If needed, please provide a replacement page 20 (labeled as 20R).

Response: Please see attached Replacement page 20.

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August 24, 2020

THIS INSTRUMENT PREPARED BY:
Jeffrey A. Calk, Esq.
Waller Lansden Dortch & Davis
A Professional Limited Liability Company
511 Union Street, Suite 2100
Nashville, Tennessee 37219-1760

Jackie W. Farthing, Register
Dickson County Tennessee
Rec #: 123189 Instrument 131124
Rec'd: 20.00
State: 18269.12 Recorded
Clerk: 1.00 11/25/2003 at 12:07 PM
EDP: 2.00 in Volume
Total: 18292.12 V764
Pages 80-83

Address New Owner as follows: Send Tax Bills to: Map-Parcel No.

Central Tennessee Hospital Corporation Same Map 135 OK
One Park Plaza Part of Parcel 1.01
Nashville, Tennessee 37203

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STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

The actual consideration or value, whichever is greater, for this transfer is $4,937,588.06.

Jeffrey A. Calk
Affiant

Subscribed and sworn to before me, this the 21st day of November, 2003.

Dana B. Smith
Notary Public

DANA B. SMITH NOTARY PUBLIC AT LARGE WILLIAMSON COUNTY, TENN.

My Commission Expires: My Commission Expires OCT. 8, 2005

GENERAL WARRANTY DEED

FOR AND IN CONSIDERATION OF the sum of Ten Dollars, cash in hand paid by the hereinafter named GRANTEE, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Nathan Bedford Forrest Limited Partnership, a Tennessee limited partnership, in its capacity as a limited partnership and as debtor-in-possession, hereinafter collectively called "GRANTOR", have bargained and sold, and by these presents do transfer and convey unto Central Tennessee Hospital Corporation, a Tennessee corporation, hereinafter called "GRANTEE", its successors and assigns, a certain tract or parcel of land in Dickson County, State of Tennessee, described as follows, to wit:

See Exhibit A attached hereto and incorporated herein by reference (the "Property").

Said Property is transferred free and clear of all limitations, restrictions, and encumbrances except for those matters described on Exhibit B attached hereto and incorporated herein (the "Permitted Encumbrances").

This is unimproved property located in Dickson, Tennessee, and Grantor represents and warrants that the Property is not Grantor's usual place of residence.

TO HAVE AND TO HOLD the said Property, with the appurtenances, estate, title and interest thereto belonging to the said GRANTEE, its successors and assigns, forever, and GRANTOR does covenant with the said GRANTEE that it is lawfully seized and possessed of said Property in fee simple, has a good right to convey it, and the same is unencumbered except for the Permitted Encumbrances; and GRANTOR does further covenant and bind itself, its heirs and assigns, to warrant and forever defend the title to the said Property to the said GRANTEE, its successors and assigns, against the lawful claims of all persons whomsoever. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

WITNESS our hand this 21st day of November, 2003.

NATHAN BEDFORD FORREST LIMITED PARTNERSHIP, in its capacity as a limited partnership and as a debtor-in-possession

By: Group Headquarters, Inc.
Its: General Partner

By: _____
Bradford L. Huebner
Its: President

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STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared **Bradford L. Huebner**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be the President of Group Headquarters, Inc., a Nevada corporation and the General Partner of NATHAN BEDFORD FORREST LIMITED PARTNERSHIP, the within named bargainor, a Tennessee limited partnership, and that he as such President of such General Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited partnership by the said General Partner, by himself as President of such General Partner.

Witness my hand and seal, at office in Nashville, Tennessee, this the 21st day of November, 2003.

Dana B. Smith
NOTARY PUBLIC

My Commission Expires: My Commission Expires OCT. 8, 2005

DANA B. SMITH
NOTARY PUBLIC AT LARGE
WILLIAMSON COUNTY, TENN.

Exhibit A

Legal Description

Being a tract of land situated in the City of Dickson, Dickson County, Tennessee, and being a portion of Parcel 1.01 located on Tax Map 135, as of record in Volume 659, page 572, Register's Office, Dickson County, Tennessee; and being more particularly described according to the survey made by Michael R. Williams, RLS #1906, dated September 22, 2003, as follows:

Beginning at an iron pin new located in the easterly right-of-way of State Route 46, the said pin being located South 19 deg 03 min 16 sec East, 116.57 feet from a concrete monument old, the said monument being located at the intersection of the easterly right-of-way of State Route 46 and the southerly right-of-way line of Ravenwood Circle, the said pin also being the southwesterly corner of the Ravenwood Subdivision, as of record in Plat Book 2, page 56, R.O.D.C., TN. and being the northwesterly corner of the subject property described herein;

Thence, with the southerly property line of the Ravenwood Subdivision, South 83 deg 17 min 47 sec East, passing through an iron pin old at a distance of 1967.46 feet, the said pin being the southeast corner of Ravenwood Subdivision, and with a severance line for an additional 320 feet, for a total distance of 2287.46 feet to an iron pin new;

Thence, continuing with a severance line, the following bearings and distances:
Thence, South 05 deg 56 min 51 sec West, 1450.13 feet to an iron pin new;
Thence, North 83 deg 17 min 47 sec West, 1290.14 feet to an iron pin new;
Thence, with a curve to the left, the said curve having a delta angle of 22 deg 57 min 25 sec, a radius of 550.00 feet, a chord bearing of South 85 deg 13 min 30 sec West, a chord distance of 218.90 feet, for an arc length of 220.37 feet to an iron pin new;
Thence, South 73 deg 44 min 48 sec West, 102.44 feet to an iron pin new;
Thence, with a curve to the left, the said curve having a delta angle of 81 deg 28 min 09 sec, a radius of 30.00 feet, a chord bearing of South 33 deg 00 min 44 sec West, a chord distance of 39.15 feet, for an arc length of 42.66 feet to an iron pin new situated in the said easterly right-of-way line of State Route 46;

Thence, with the right-of-way, the following bearings and distances;
Thence, North 07 deg 43 min 21 sec West, 51.53 feet to a concrete monument old;
Thence, North 16 deg 15 min 12 sec West, 400.00 feet to a concrete monument old (disturbed);
Thence, North 21 deg 57 min 50 sec West, 150.75 feet to an iron pin old (disturbed);
Thence, North 16 deg 15 min 12 sec West, 676.41 feet to a concrete monument old (disturbed);
Thence, with a curve to the left, the said curve having a radius of 5804.58 feet, a chord bearing of North 18 deg 24 min 30 sec West, a chord distance of 436.54 feet, for an arc length of 436.64 feet to the point of beginning, containing 2,868,736 square feet or 65.857 acres, more or less.

Being part of the property conveyed to Nathan Bedford Forrest Limited Partnership, a Tennessee Limited Partnership, by deed from Bedford Forrest, L.L.C., of record in Volume 659, page 572, said Register's Office.

Grantor and the Property are subject to a Chapter 11 bankruptcy petition (Case No. 302-10473-MH3-11) filed in the United States Bankruptcy Court for the Middle District of Tennessee. The Bankruptcy Court has approved the sale of the Property to Grantee pursuant to court orders entered on April 1, 2003, July 10, 2003 and September 12, 2003, respectively. A certified copy of each of the foregoing Court Orders has been recorded in the Register's Office for Dickson County, Tennessee immediately preceding the recording of this General Warranty Deed.

Exhibit B

Permitted Encumbrances

1. Subject to a right-of-way for Highway 46 and Nails Creek Road.

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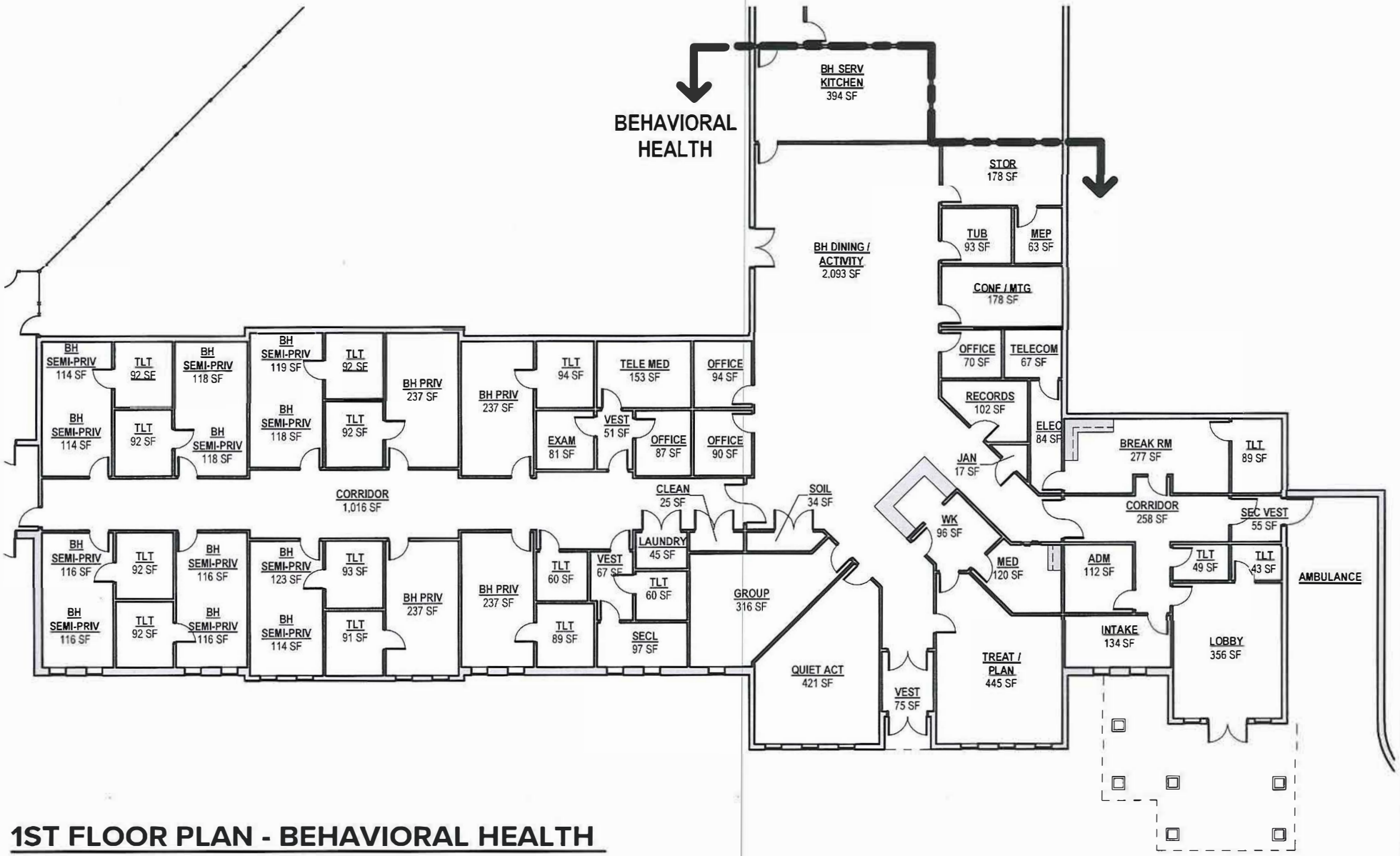


1ST FLOOR PLAN - BEHAVIORAL HEALTH

SCALE: 1" = 20'-0"

ESa

NHC NATCHEZ - CON PACKAGE

Dickson, TN - 19023.30 - 09/18/20

The applicant indicates the 2018 Joint Annual Report for nursing homes indicates there were 450 nursing home residents with a diagnosis of mental illness in the service area. However, the 2018 NHC Healthcare Dickson Joint Annual Report, on page 17, reported of the 800 patients in 2018 there were no patients with a mental health diagnosis during the entire reporting period. Please clarify.

The number of mental health diagnosis in the 2018 JAR for NHC HealthCare, Dickson is incorrect. According to the Health Information Manager at NHC HealthCare, Dickson, in 2018 the number of patients with a diagnosis of mental illness according to ICD-10 was 521.

What was the number/percentage of residents during 2018, at NHC Healthcare Dickson, with a diagnosis of mental illness?

As stated above the number of residents in 2018 with a diagnosis of mental illness was 521 which is approximately 65% of residents.

How many patients from NHC Healthcare Dickson were admitted to a geri-psychiatric facility in 2018?

NHC HealthCare, Dickson internal discharge reporting, indicates five residents were transferred to a geriatric psychiatric hospital. If a patient is transferred to the ER to be evaluated for psych issues/placement and the ER transfers them to a psych unit, NHC HealthCare, Dickson would report the transfer to an Acute Care Hospital, not to the Psych Hospital. Unfortunately, the center does not the data to capture those patients.

What type of mental health services are provided/accessible at NHC Healthcare Dickson?

NHC HealthCare, Dickson has access to a Psychiatric Nurse Practitioner and a Psychologist. Due to the number referrals, each are in the facility at least weekly.

The table on page 21 is noted. What does "N/A" represent for the five nursing homes in the column labeled "# of residents with mental illness"?

If a number was not reported as it relates to the # of residents with mental illness, N/A was entered in this column.

Please complete the following chart for the proposed service area using the 2018 Joint Annual Report.

Nursing Home	County	2018 Number of residents with mental illness diagnosis	2018 Total Numbers of residents	% of Total Patients with Mental Illness Diagnosis
Total				

Nursing Homes in Proposed Service Area	County	# Residents with mental illness	2018 Total Number of Residents	% of Total Patients with mental illness
Dickson Health & Rehab	Dickson	22	175	12.6%
NHC HealthCare, Dickson	Dickson	521*	800	65.1
Camden Healthcare & Rehab	Benton	91	269	33.8%
Hillcrest Healthcare	Cheatham	250	188	133.0%
The Waters of Cheatham	Cheatham	31	202	15.3%
Hickman Community Nursing Home	Hickman	46	55	83.6%
Life Care Center of Centerville	Hickman	Did Not Report	77	N/A
Signature Healthcare of Erin	Houston	Did Not Report	123	N/A
Humphreys County Nursing Home	Humphreys	Did Not Report	64	N/A
Waverly Health Care & Rehab Center	Humphreys	12	182	6.6%
Diversicare of Dover	Stewart	Did Not Report	68	N/A
Total		973	2,203	44.2%

Source: 2018 Joint Annual Report Schedule F
*NHC HealthCare, Dickson inadvertently failed to complete Schedule F. Question 6; however, data has been updated.

Please complete the following referral sources for inpatient admissions in Year One

Emergency Room Physicians	70
Primary Care Physicians	24
Hospitals	35
Probate Court	10
Nursing Homes	40
Self-Referrals	34
Other	13
Total	226

6. **Section B, Need, Item 2.b. (Psychiatric Inpatient Services-Service Specific Criteria-) Indigent Population**

It is noted the applicant will serve 2% self/pay charity patients. However, please clarify why the applicant is classifying self-pay clients as indigent care.

Response: The intent is 2% uninsured/under insured patients with (1%) being "self-pay" and (1%) qualifying for charity/indigent designation. Further, it has been the applicant's experience that many "under insured" patients fall into the self-pay category where heavy discounts occur and payment plans for balances are common.

It appears the proposed project's charity care calculates to 0.82% of project costs, not 2%. Please clarify.

Response: As noted above, 1% are charity patients. In year 1 it is assumed it will be approximately 2 months before CMS accreditation is completed; therefore, all revenue prior to CMS accreditation will be written off as a contractual adjustment; therefore, no charity care the first 2 months since no project revenue prior to CMS accreditation will billed. In year 1 the charity care numerator represents 10 months of charity care revenue while the total revenue denominator represents 12 months of revenue resulting in the 0.82%. In year 2 the charity care numerator and the total revenue denominator are both 12 months and charity care calculates to 1%.

7. **Section B, Need, Item 2.c. (Psychiatric Inpatient Services-Service Specific Criteria-) Additional Factors-Specialty Beds**

   It is noted the applicant will provide services to the under age 65 with disabilities. How many patients will be served in Year One and Year Two that falls within this category?

   Response: NCBM estimates approximately 64 in Year One and 90 in Year Two

8. **Section B, Need, Item 2.d. (Psychiatric Inpatient Services-Service Specific Criteria-) Additional Factors-Continuum of Care**

   Please clarify if the applicant will offer outpatient, intensive outpatient treatment (IOP), and/or partial hospitalization services.

   Response: NCBM will offer outpatient, IOP, and PHP on site. Additionally, NCBM will offer telemedicine services to patients as an alternative to these on-site services.

   Please clarify if telemedicine will be provided as part of hospital services, or mainly on an outpatient basis.

   Response: NCBM will offer telemedicine services as a part of hospital services.

   What experience does the applicant have in providing geriatric telemedicine services?

   Response: At Reliant Healthcare's psychiatric hospital in Missouri, Osage Beach Center for Cognitive Disorders (OBCCD), it provides telemedicine services through its Medical Director (a Psychiatrist), a Psychiatric Nurse Practitioner, and a Licensed Clinical Social Worker. They provide pre-admission screenings, in hospital consultation, and post discharge follow-up. These services have been in place for over 2 years.

It is noted the applicant plans to use telemedicine services in emergency rooms. Please clarify if telemedicine can be used for involuntary admissions pursuant to Tennessee Code 33-6-404.

Response: A review of Tennessee Code 33-6-404 shows that the Qualified Mental Health Provider can provide an examination by either "Face-to-Face" or "Telehealth."

9. **Section B, Need, Item 3. (Psychiatric Inpatient Services-Service Specific Criteria-) Incidence and Prevalence**

   There is a typo on page 27 (100,00). Please correct and submit a replacement page 27.

   Response: Attached please find the replacement page 27R.

10. **Section B, Need, Item 8. (Psychiatric Inpatient Services-Service Specific Criteria-) Services to High-Need Populations**

    How many estimated involuntary admissions does the applicant project in Year One and Year Two?

    Response: NCBM estimates involuntary admissions of 32 in Year 1 and 45 in Year 2.

11. **Section B, Need, Item 9. (Psychiatric Inpatient Services-Service Specific Criteria-) Relationship to Existing Applicable Plans**

    Please provide the source that was used to calculate mileages and drive times in the chart provided on page 32.

    Response: The source to calculate mileage and drive time was Google Maps.

12. **Section B, Need, Item 12. (Psychiatric Inpatient Services-Service Specific Criteria-) Institution for Mental Disease Classification**

    Please indicate if the applicant will be classified as an IMD since it will be providing care to the 21-64 age group.

    Response: According to The Federal Regulations specifying Institutes for Mental Diseases (IMD) institutions with 16 or fewer beds do not qualify to be an IMD. The regulation reads: "Because IMDs are defined to be institutions with more than 16 beds, the IMD exclusion applies only to institutions with at least 17 beds."

13. **Section B, Need, Item 13. (Psychiatric Inpatient Services-Service Specific Criteria-) Continuum of Care**

It is noted the applicant plans to use telemedicine to reinforce compliance with treatment plans produced during hospitalization. Please note portions of the proposed service area may have limited cell phone and internet coverage. What is the planned continuum of care alternatives in those instances?

Response: In those instances where telemedicine is not possible or practical the alternative will be for the patient to be seen at the proposed hospital for services.

Please clarify if intensive outpatient treatment is a covered service under Medicare.

Response: Intensive Outpatient Patient (IOP) is defined as receiving at least two services in a 24-hour period on a frequency less than Partial Hospitalization and more than outpatient. Medicare does not have a benefit specifically for IOP but does reimburse for services "Incident to" the services of the physician. Thus, when the physician writes a treatment plan and orders for this level of care it is reimbursed by Medicare on a per service basis. Services typically include individual therapy and group therapy.

14. **Section B, Need, Item 15, Adequate Staffing (Psychiatric Inpatient Services-Service Specific Criteria-)**

Please clarify if there is a shortage of qualified registered nurses specializing in inpatient psychiatric care in the proposed service area. What is the applicant's plan to recruit and hire qualified registered nurses specializing in psychiatric care?

Response: As it relates to a shortage of qualified registered nurses specializing in inpatient psychiatric care, the applicant does not anticipate any difficulty in securing the necessary personnel to implement the proposed project. The applicant will leverage the existing relationships and resources of NHC, which have strong retention recruitment programs as well as provide resources in the community including colleges, trade schools, and general support to the human resource function to be able to meet the staffing needs of the proposed hospital.

NHC HealthCare, Dickson has successfully operated a long term care facility in Dickson for over 49 years. It has established collegial relationships with several educational institutions to train, mentor and develop healthcare professionals. Through its affiliation with Freed-Hardeman University, nurses have become care givers in the NHC system; and through Tennessee College of Applied Technology, LPN's have been trained and developed, and through affiliation with Austin Peay State University's department of Social Work students have been a part of practicums, rotations, and field experiences that led to permanent placement in the healthcare workforce. Additionally, NHC HealthCare, Dickson continues to operate its own Certified Nurse Assistant training program that produces graduates for its needs and many other nursing facilities in the service area.

The applicant will utilize internet based networking sites to advertise openings and encourage other qualified nurses. The hospital will offer a retraining and mentoring program allowing nurses from other specialties the opportunity to become qualified psychiatric nurses.

15. Section B, Need, Item 16. Community Linkage Plan. (Psychiatric Inpatient Services-Service Specific Criteria-)

Does the applicant plan to provide unique support letters from physicians, mobile crisis teams, and managed care organizations in support of the application **detailing instances of unmet need** for psychiatric inpatient services in the proposed service area?

Response: Please see additional support letters for the project. NCBM expects to receive additional support letters for the project. Upon receipt of the support letters, they will be forwarded to HSDA

16. Section B, Need, Item 17. (Psychiatric Inpatient Services-Service Specific Criteria-) Access

Please complete the following table that demonstrates the driving distances from major cities in the proposed service area to the proposed site, and to existing geriatric inpatient psychiatric programs.

City	Camden	Ashland City	Dickson	Centerville	Erin	Waver	Dover
County	Benton	Cheatham	Dickson	Hickman	Houston	Humphreys	Stewart
Davidson County							
Cumberland Behavioral Health							
St. Thomas West							
Tri-Star Centennial							
Tri-Star Skyline Madison							
Vanderbilt							
Henry County							
Henry County Medical Center							
Maury County							
Behavioral Healthcare of Columbia							
Montgomery							
Behavioral Healthcare of Clarksville							
Weakley							
Behavioral Healthcare Center at Martin							
Williamson County							
Rolling Hills							

City / County	Camden / Benton	Ashland City / Cheatham	Dickson / Dickson	Centerville / Hickman	Erin / Houston	Waverly / Humphrey	Dover / Stewart	Average length of Travel in miles
Davidson County								
Cumberland Behavioral Health	94	23.7	47.3	75	62.5	75.5	80.5	65.50
St. Thomas West	93.1	22.4	44.2	59.8	71.2	74.1	84.9	64.24
TriStar Centennial	98.9	21	45.8	65.9	69.6	72.5	82.3	65.14
Tri Star Skyline Madison	104	23.5	50.4	70.8	71.7	80.2	77.3	68.27
Vanderbilt	92.3	24.2	42.9	72.3	74.6	75.9	82.3	66.36
Henry County								
Henry County MC	22	94.9	66.7	77.3	46	43	82.8	61.81
Maury County								
Behavioral Healthcare of Columbia	89	70.2	41.6	34.1	71.5	65.8	92.2	66.34
Montgomery								
Behavioral Healthcare of Clarksville	78	30.4	55.9	68.4	34.4	52.7	38.1	51.13
Weakley								
Beahavioral Healthcare Center at Martin	56	123	99.3	111	79.1	75.6	64.2	86.89
Williamson County								
Rolling Hills	99.2	39.8	47.6	54	77.5	80.5	99.6	71.17
Dickson County								
NCBM	49.8	34	6	23.2	35.9	30.1	56.6	33.66

All mileage estimates provided by Google Maps

17. Section B. Need. Item 4.A Service Area Demographics

On page 42, the applicant indicates approximately 3.9% of the total is projected to reside in Dickson County in 2024. However, it appears the applicant was referring to the total population change in Dickson County of 3.92%. Please clarify.

Response: Please see attached Revised page 42 referencing approximately 32 percent of the total is projected to reside in Dickson County in 2024.

18. Section B. Need. Item 4.B Service Area Demographics

The applicant indicates the City of Dickson and the proposed location of the hospital are centrally located in the seven-county service area. Please provide a map demonstrating the applicant is centrally located.

Response: Please see map on the following page.

19. Section B, Need, Item 5., Service Area Utilization

Please complete the following tables for inpatient geriatric psychiatric services contiguous or near the counties in the proposed service area.

Geriatric Inpatient Psychiatric Utilization Trends, 2016-2018

Hospital	Designated Beds (2020)	2016 Patient Days	2017 Patient Days	2018 Patient Days	'16- '18 % Change	2016 Occup.	2017 Occup.	2018 Occup.
St. Thomas West								
Centennial								
Skyline-Madison								
VUMC								
Sub-Total Davidson County								
Henry Co. Medical Ctr.								
Behavioral Healthcare of Columbia								
Behavioral Healthcare of Clarksville								
Behavioral Healthcare at Martin								
Rolling Hills								
Total								

Geriatric Inpatient Psychiatric Utilization Trends, 2016-2018

County	Hospital	Designated Beds (2020)	2016 Patient Days	2017 Patient Days	2018 Patient Days	'16 - '18 % Change	2016 Occ.	2017 Occ.	2018 Occ.
Davidson	St Thomas West*	24	3,541	3,677	3,473	-1.9%	40.3%	42.0%	39.6%
	TriStar Centennial	56	9,157	8,055	7,688	-16.0%	44.7%	39.4%	37.6%
	TriStar Skyline Madison**	14	1,919	3,068	3,332	73.6%	N/A	60.0%	65.2%
	Vanderbilt University	8	1,365	2,388	2,836	107.8%	46.6%	81.8%	97.1%
	SUBTOTAL	102	14,063	17,188	17,329	23.2%	43.7%	46.2%	46.5%
Henry	Henry County Medical***	12	N/A	1,418	1,846	N/A	N/A	N/A	42.1%
Maury	Behavioral Healthcare	16	3,606	3,391	3,527	-2.2%	61.6%	58.1%	60.4%
Montgomery	Behavioral Healthcare	26	N/A	4,851	4,497	N/A	N/A	51.1%	47.4%
Weakley	Behavioral Healthcare***	16	3,557	3,978	3,655	2.8%	60.7%	68.1%	62.6%
Willilamson	Rolling Hills	24	Did Not Report	Did Not Report	1,736	N/A	N/A	N/A	19.8%
	TOTAL	196	21,226	29,408	32,590	53.5%	48.3%	50.4%	45.6%

Source: 2018 Joint Annual Report: Schedule H - Psychiatric

* St. Thomas West has a license for 24 geriatric psych beds; however, in 2016 - 2018 reported 15 staffed beds. Occupancy based on 15 staffed beds for these years would be 64.4%, 67.2% and 63.4%

* Cumberland Behavioral has received a CON to develop at 76 bed psychiatric hospital (40 adult and 36 geriatric). Upon CON approval St. Thomas West will surrender their 24 licensed geriatric psych beds.

**TriStar Skyline Madison opened their Geriatric Unit in 2016, actual occupancy is unknown. Patient Days are being omitted from 2016 total.

***Henry County Medical geriatric unit opened in 2017, actual occupancy is unknown. Patient Days are being omitted from 2017 total

****Behavioral Healthcare of Martin is licensed for 16 beds; however, in 2016 and 2018 reported 12 and 13 staffed beds. Occupancy based on these staff beds would be 80.9% and 77.0%.

20. Section B. Economic Feasibility Item 1.B (Project Cost)

It is noted the total project costs to the developer is $5,317,029 and serves as the fair market value of the project. Please breakout the $5,317,029 fair market value. In addition, where is the fair market value documented in the Project Cost Chart?

Response: In review of project cost chart, B.1. should have been completed due to the applicant acquiring the property by lease. Please see Revised Project Cost Chart.

The FMV are cost incurred to the lessor in developing and constructing the project and all costs are greater than the total lease payments.

A&E	$165,360
Legal	$43,982
Acquisition of Site	$214,240
Preparation of Site	$325,600
Total Construction Costs	$4,225,863
Fixed Equipment	$235,273
Interim Financing	$49,069
Total	$5,259,387

If the applicant will fund the proposed project with cash reserves, why is interim financing cost of $49,069 in the Project Cost Chart?

Response: Interim Financing is Not Applicable. Please see revised Project Cost Chart.

21. Section B. Economic Feasibility Item 2 (Funding Letter)

The funding letters are noted. However, the combined funding indicated in the letters are short of the total in the Project Cost Chart. Please clarify.

Response: NHC has provided a letter stating $5,400,000 is available for the construction and development of the project. This amount exceeds the developer costs. NHC and Reliant have provided a letter stating $1,800,000 and $200,000 will be contributed to the joint venture. This amount will cover the $392,400 moveable equipment, $25,000 in Legal Fees as well as the start up and working capital.

The project filing fee is being paid by the applicant's joint venture partners from current operations.

22. Section B. Economic Feasibility Item D. (Projected Data Chart)

Please clarify medical record fees in the amount of $6,500 in Year One and $9,500 in Year Two.

Response: These amounts are the applicant's estimated medical records fees for copying records, responding to subpoenas, certifying delivery of records to courts. Year Two volume increases, therefore, these fees increase in Year Two.

23. Section B, Economic Feasibility, Item H., Staffing,

Please clarify the reason(s) there are no licensed therapists in the staffing chart.

Response: While licensed therapists are Qualified Mental Health Providers under Tennessee State Law they are not recognized by Medicare for Medicare reimbursement. The hospital uses Licensed Clinical Social Workers (LCSW) whenever possible. LCSWs are provided in the staffing plan

The applicant mentions patient care consisting of psychologists and occupational therapists. However, those professionals are not listed in the proposed project's staffing chart. Please clarify.

Response: These professionals are contracted and should have been identified under that category. They are included in the applicant's budget and a revised Staffing exhibit is attached.

Who is an eligible mental health provider that can provide telehealth services under Medicare?

Response: Section 1842(b)(18)(C) of the Social Security ACT defines practitioners as:

- **Physician**
- **Physician Assistant**
- **Nurse practitioner**
- **Clinical nurse specialist**
- **Certified registered nurse anesthetist**
- **Certified nurse-midwife**
- **Clinical social worker**

Table C - Economic Feasibility - 8
Natchez Trace
Projected Staffing Year 1

Position Classififcation	Existing FTEs	Projected FTEs Yr 1	Estimated Mean Hourly Rate	Areawide Median Hourly Wage Rate
A. Patient Care Positions	N/A			
Chief Nursing Officer		1.00	$ 46.00	$30.79
Nurse Practionner		1.00	$ 67.00	$45.79
Nurse Supervisor		1.00	$ 35.00	$30.79
Nurse(s)		4.20	$ 31.00	$21.52
Intake Cood		1.00	$ 32.00	$21.52
Mental Health Tech		8.40	$ 16.00	$13.72
Activity Therapist		1.40	$ 22.00	$20.27
Social Worker		1.40	$ 30.00	$24.35
Total Direct Care Staff		19.40		
B Support Staff Positions				
Administrator		1.00	$ 55.00	
BOM/HR/MR		1.00	$ 24.00	
Billing Clerk		1.00	$ 14.00	
Unit Secretary		1.00	$ 14.00	
Admin Asst		1.00	$ 19.00	
Food Service Coordinator		1.00	$ 17.50	
Medical Records Tech		1.00	$ 17.50	
UR/QI/ED		1.00	$ 31.00	
Total Support Staff		8.00		
C. Contracted Staff				
Medical Director		1.00		
Psychologist		0.25		
Occupational Therapist		0.25		
Pharmacist		1.00		
		2.50		
Total Staff (A+B+C)		29.90		

- **Clinical psychologist**
- **And registered dietician.**

Therefore, the mental health specialists from the list above who can provide services under Medicare would be: a Psychiatrist, Nurse practitioner, Clinical nurse Specialist with a certificate in mental health, Clinical social worker, and clinical psychologist.

24. Section B, Orderly Development, Item 1

What is the distance from the proposed site to TriStar Horizon Medical Center's main campus?

Response: The distance from the proposed site to TriStar Horizon Medical Center's main campus is approximately 5.4 miles, based on Google Maps.

25. Section B, Orderly Development, Item 2.B. Negative Impact

The applicant notes there are no geriatric beds in the service area and the closest provider is approximately 35 miles away. However, the Behavioral Healthcare Center of Clarksville, located in Montgomery County, is contiguous to Dickson County and is licensed for 26 geriatric inpatient beds. In their original CON application (CN0701-008A), the applicant's service area overlaps with the applicant's proposed service area with the counties of Cheatham, Houston, and Stewart Counties. If approved, how will this application impact utilization at the Behavioral Healthcare Center of Clarksville?

Henry County Medical Center is located in Henry County which is contiguous to the applicant's proposed service area. Henry County Medical Center is licensed for 12 geriatric inpatient beds. If approved, how will this application impact the geriatric inpatient program at Henry County Medical Center?

If approved, the applicant will share Hickman County as a service area county with the Behavioral Healthcare Center at Columbia, CN0703-022A (26 geriatric inpatient psychiatric beds). Please indicate how this application will impact utilization at Behavioral Healthcare Center at Columbia if approved.

Response: Although the above providers service area overlaps NCBM project, there are currently not any freestanding licensed geriatric psychiatric hospitals in the service area and the closest provider is approximately 35 miles away.

Please see chart below indicating that Behavioral Healthcare Center of Clarksville receives less than 8% and Behavioral Healthcare Center at Columbia less than 5% of total admissions/discharges from the respective counties in the proposed service area.

Henry County Medical Center is a licensed 86 bed hospital with a 12 bed geriatric psychiatric unit. Henry County is contiguous to Benton and Stewart County in NCBM's proposed service area. The data below is based on admissions/discharges for the 86 bed hospital. Admissions by county is not available for the geriatric psych unit. It should be noted that in Benton County their total admissions are less than 20% and Stewart County approximately 5%.

Facility	Licensed Geriatric Beds	Admissions/Discharges by County in service area	% of Total
Behavioral Healthcare of Clarksville	26		
Cheatham County		13	6.0%
Houston County		9	4.2%
Stewart County		15	6.9%
Total Hospital Admissions		216	
Henry County Medical Center	12		
Benton County		611	17.0%
Stewart County		188	5.2%
Total Hospital Admissions		3,599	
Behavioral Healthcare Center at Columbia	26		
Hickman County		11	3.6%
Total Hospital Admissions		303	

Source: 2018 Joint Annual Report Schedule G.

Although any new provider will have some impact on existing services, the negative impact of NCBM's project is expected to be minimal as the need for the project has been established by the Agency's inpatient psychiatric bed need calculation as well as other factors that demonstrate the need for the project.

26. Proof of Publication

Please submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

Response: Attached please find the proof of publication affidavit.

Supplemental 1
August 24, 2020

AFFIDAVIT OF PUBLICATION

0004362057
Newspaper Dickson Herald

State of Tennessee

Account Number NAS-10868313
Advertiser NHC HOMECARE

NHC HOMECARE
NHC
305 HIGHWAY 70 E
DICKSON, TN 37055

TEAR SHEET ATTACHED

Jackie Cooper Sales Assistant for the above mentioned newspaper,

hereby certify that the attached advertisement appeared in said newspaper on the following dates:

09/09/20

Jackie Cooper

Subscribed and sworn to before me this 15th day of Sept 2020

Donna Walker
Notary Public

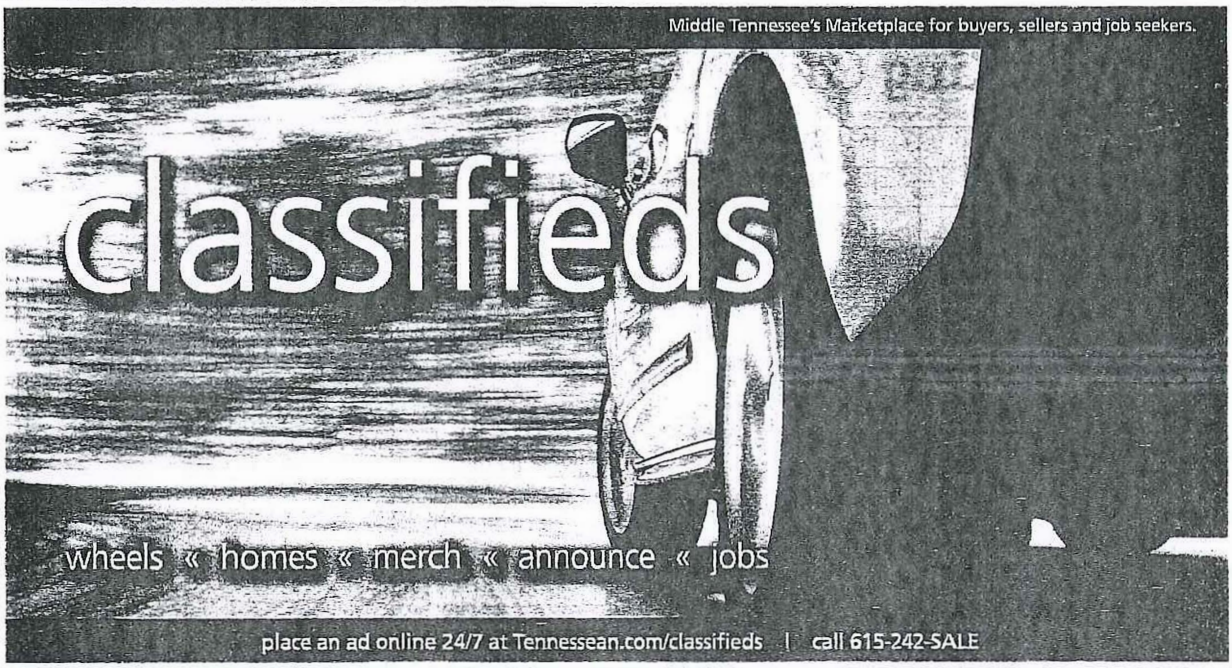
Donna Walker
State of Tennessee Notary Public
Davidson County
My Commission Expires 05/03/21

Affidavits Requested:

1

0004362057NOTIFICATIONOFINTENTTOAPPLYFORACE

Supplemental 1
August 24, 2020



ALL CLASSIFIED ADS are subject to the applicable rate card, copies of which are available from our Advertising Dept. All ads are subject to approval before publication. The Dickson Herald reserves the right to edit, refuse, reject, classify or cancel any ad at any time. Errors must be reported in the first day of publication. The Dickson Herald shall not be liable for any loss or expense that results from an error in or omission of an advertisement. No refunds for early cancellation of order.

In some cases, statutes or regulations apply to advertising; you should consult a legal advisor in appropriate circumstances. We make no certifications, warranties, or representations that your advertising complies with laws. You are solely and exclusively responsible for your own advertising or advertising which you have placed.

The biggest local audience - print and online

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Yard Sale
neighborly deals...

Assorted
Merch
all kinds of things...

Adopt Me
Pets
all your favorites...

Dickson County

19th ANNUAL HUMPHREYS COUNTY YARD SALE. September 11&12 BARGAINS GALORE! COUNTY WIDE! Map available at www.facebook.com/30milesale and www.HumphreysCountyYardSale.com Like us on Facebook for LOTS MORE INFO.

Montgomery County

CLARKSVILLE. Moving Sale. 1255 BRIGADE DR. Sat 9/5. 7-1. Dir: exit 8 clothes home items bikes.

General Merchandise

2 Buerial plots at Mount Olivet Cemetery, Nashville, TN, Garden of Gethsemane, Plot 180-D, Spaces 3 & 4, $6,000. 402-486-1332

Wanted to Buy

WE BUY COMIC BOOKS! Top Prices Paid Will Come To You 1-888-88-COMIC ComicBuyingCenter.com

Domestic Pets

POMERANIAN PUPPIES - Absolutely adorable, home raised, CKC, 1st shots & wormed. $450. 931-797-9096

Wanted: A car that looks good on me. Find what you want in the Dickson Herald Classifieds.

Domestic Pets

GOLDENDOODLES "Absolutely Adorable", vet checked, ready to go $600. Call 931-987-3699

Automotive
Cars
best deal for you...

SUV

Toyota Highlander Hybrid - 2007, 1 owner, all documents avail., services current with Beaman Toyota. Lots of extras. $5,000. 615-804-6544

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CERTIFIED DIESEL MECHANICS

Needed for Nashville Ready Mix to work on concrete trucks, dumptrucks and truck tractors. Immediate full time positions available. Monday-Saturday. Overtime after 40 hours. Competitive hourly pay starting at $28/hr (hourly rate based on qualifications). Positions available in Middle TN. Uniforms will be provided. Benefits after 90 days including paid health insurance, paid holidays, and more. Paid vacation time off after 6 months.

Call Ivan at
615-256-2071
for more information

0004362057

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency, and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that:

Natchez Center for Behavioral Medicine, LLC
(Name of Applicant)

New Psychiatric Hospital
(Facility Type-Existing)

owned by: Natchez Center for Behavioral Medicine, LLC with an ownership type of Limited Liability Company and to be managed by: Reliant Healthcare, LLC intends to file an application for a Certificate of Need for: the establishment of a new sixteen (16) bed psychiatric hospital at an unaddressed site at Highway 46 and Turkey Creek Road in Dickson, TN 37055 (Dickson County). The proposed project will provide sixteen (16) beds for geriatric patients. The project will be a joint venture of affiliates of National HealthCare Corporation and Reliant Healthcare. The service area consists of Dickson, Benton, Cheatham, Hickman, Houston, Humphreys and Stewart Counties. The project will be licensed by the Tennessee Department of Mental Health and Substance Abuse Services. The project involves the construction of approximately 14,200 square feet. No major medical equipment is involved. Total project costs are estimated to be $5,709,429.00.

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

The contact person for this project is
Dere R. Brown
Director of Health Planning

who may be reached at:
National HealthCare Corporation
100 Vine, Street, 12th Floor
Murfreesboro, TN 7130
615-890-2020

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

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

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.

0004358972

PUBLIC NOTICE
Passage of Ordinances by Dickson City Council

Ordinance #1483

Ordinance to Rezone Two Properties Located at 300 Highway 70 East, Tax Map 111A, Group D, Parcels 001.00 and 002.00 from R-1 (Low-Density Residential) to B-3 (Highway Commercial) Requested by Lakewood Development Corporation

Continued to next column

Continued from last column

Passed First Reading: August 3, 2020 / Passed Second and Final Reading: September 1, 2020

Ordinance #1485

An Ordinance to Rezone One Property Located at Highway 70 East at Henslee Drive, Tax Map 111A, Group A, Parcel 005.00, from B-1 (Office, Professional, Medical) to B-3 (Highway Commercial) Requested by Barney Regen

Passed First Reading: August 3, 2020 / Passed Second and Final Reading: September 1, 2020

These ordinances shall take effect immediately after passage on second and final reading, the welfare of the city requiring the same.

Don L. Weiss Jr., D.D., Mayor

Finding a job shouldn't feel like one.
ZipRecruiter
The Smartest Way To Hire
Get started at www.ziprecruiter.com

ions
THE WORD OUT about your next auction! Save Time & $$$. One For All. Your ad can appear in this newspaper + 101 other TN Newspapers. For more info, contact this newspaper's classified dept. Call 931-624-8916. (TnScan)

ES, BATTERIES - Raceway Pik-A-Part - Sell Serve Salvage Yard County Home Road, Savannah, TN - We Buy Junk Cars! (731) 8178
://project-us.mimecast.com/s/rbDKCIYkB5hoWPQELFG1yWk?
ain=racewayalkapart.com (TnScan)

H Network. $59.99 for 190 Channels! Blazing Fast Internet, $/mo. (where available.) Switch & Get a FREE $100 Visa Gift FREE Voice Remote. FREE HD DVR. FREE Streaming on Devices. Call today! 1-844-274-6074 (TnScan)

CTV - Switch and Save! $49.99/month. Select All-Included Page. 155 Channels. 1000s of Shows/Movies On Demand. FREE HD DVR Upgrade. Premium movie channels. FREE for 3 mos! -844-230-4803 (TnScan)

COVID crisis has cost us all something. Many have lost jobs and Social security. Have $10K in Debt? Credit Cards. Medical Bills. Loans. Call NATIONAL DEBT RELIEF! We can help! Get a debt relief quote: Call 1-855-717-6490 (TnScan)

TAL INSURANCE from Physicians Mutual Insurance Company. Coverage for 350 plus procedures. Real dental insurance - NOT just a plan. Do not wait! Call now! Get your FREE Dental Information Kit with all the details! 1-844-278-8285
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ain=dental50plus.com (TnScan)

RING AIDS!! Buy one/get one FREE! High-quality rechargeable hearing aids priced 90% less than competitors. Nearly invisible! money back guarantee! 888-621-5719 (TnScan)

$15,000.00 of GUARANTEED Life Insurance! No medical exam with questions. Cash to help pay funeral and other final
://project-us.mimecast.com/s/6b55Cn5mErSG43BDnTNwNYH?
ain=expenses.call Physicians Life Insurance Company-8-1295 or visit
://project-us.mimecast.com/s/Z02BCo2nGQUXAPOYkC61ICI4?
ain=life55plus.info (TnScan)

tion Viagra users: Generic 100 mg blue pills or Generic 20 mg pills. Get 45 plus 5 free $99 + S/H. Guaranteed, no prescription sary. Call Today 1-844-677-8780 (TnScan)

Wanted - RECRUITING HEADACHES? WE CAN Help! rtise your job opening in this newspaper + 101 newspapers across State. One Call/Email for All! Contact our classified dept.or email rs@tnpress.com (TnScan)

Supplemental 1
August 24, 2020

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF RUTHERFORD

NAME OF FACILITY: Natchez Center for Behavioral Medicine, LLC

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

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 24th day of September, 2020, witness my hand at office in the County of Rutherford, State of Tennessee.

NOTARY PUBLIC

My commission expires August 19 (Month/Day), 2024 (Year).

K HULSEY
STATE OF TENNESSEE NOTARY PUBLIC
RUTHERFORD COUNTY

HF-0043

Revised 7/02

SUPPORT LETTERS

Supplemental 1
August 24, 2020

September 15, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

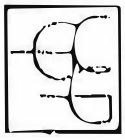
This letter is to express support for the Certificate of Need for a new 16-bed geriatric behavioral health hospital to be filed by National HealthCare and Reliant Healthcare.

As a physician practicing in the area, I can attest to the need for additional mental health services in the service area. This project will provide specific individualized programs for our geriatric population and expand the availability of behavioral health resources, improve access to behavioral health services of the service area's population, regardless of financial status or ability to pay.

Thank you for your consideration of this CON application.

Sincerely,

Viren J. Shah, MD



GERIATRIC
CONSULTING GROUP, PC
Dba Miller Health Group
Thomas Miller, MD
132 Maple Row Blvd, Ste 550
Hendersonville, TN 37075
Phone: 615-822-3000 * Facsimile: 615-822-0073

September 15, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.
The prevalence of mental illness among the elderly population continues to increase. Currently, there are limited choices of providers for these specialized services in Dickson and the surrounding counties. Approval of this project can help meet the increasing need for these specialized services as well as provide patients and providers additional choices.
The access to have psychiatric care in our area will be a wonderful asset. Thank you for considering our support of this Certificate of Need and the services it will provide for the Tennesseans of Dickson and surrounding counties area.

Sincerely,

AG-ACNP

Scarlett McMeen, AG-ACNP BC

Thomas B Miller, MD
Amy Ammarell, ANP * Deborah Gray, AGACNP * George Holburn, ANP
P Michael McClellan, FNP * Scarlett McMeen, AGACNP * John Painter, FNP
Nathan Russell, FNP * Jade Vergara, AGPCNP * Anesa Willoughby, ANP * Cameron Wright, AGNP

Supplemental 1
August 24, 2020

Pulmonary & Sleep Specialists

111 Hwy 70 East, Suite 102

Dickson, TN 37055

615-375-1531

September 21, 2020

Mr. Logan Grant, Executive Director
Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Andrew Jackson Building
Nashville, TN 37243

RE: Support for 16-Bed Behavioral Health Hospital in Dickson, TN

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed geriatric behavioral health hospital to be filed by National HealthCare and Reliant Healthcare.

As a physician practicing in the area, I can attest to the need for additional mental health services in the service area. This project will provide specific individualized programs for our geriatric population and expand the availability of behavioral health resources, improve access to behavioral health services of the service area's population, regardless of financial status or ability to pay.

Thank you for your consideration of this CON application.

Sincerely,

Mohammad A. Alsoub, MD

Supplemental 1
August 24, 2020

September 14, 2020

Mr. Logan Grant, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

RE: Support for a New 16 Bed Psychiatric Hospital to be located in Dickson County

Dear Mr. Grant:

This letter is to express support for the Certificate of Need for a new 16-bed behavioral health hospital to be filed by National HealthCare Corporation and Reliant Healthcare.

As a nursing home provider, I observe the need for geriatric psychiatric services in our area on a consistent basis and note the urgency of having this available for integrating healthcare. Currently, our residents, as well as their family members, must travel approximately an hour to receive inpatient behavioral health care. The approval of this CON would help alleviate drive times and be a benefit by having this post continuum of care in our area to meet the needs of our residents.

Sincerely,

Brandon Vincent
Administrator

812 North Charlotte Street, Dickson, TN 37055-1009 (615) 446-8046 (615) 441-3138

Supplemental 2
August 29, 2020

September 29, 2020

Mr. Phillip Earhart
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, Andrew Jackson Bldg., 9th Floor
Nashville, TN 37243

RE: Certificate of Need Application CN2009-029
Natchez Center for Behavioral Medicine, LLC

Dear Phillip:

Attached please find the additional information to the above referenced CON application and supplemental request.

If you have any questions, please do not hesitate to contact me at 615-890-2020.

Sincerely,

Dere R. Brown
Director of Health Planning and Licensure/Certification
Authorized Representative for the Applicant

1. **Section A, Executive Summary, B. Rationale for Approval, and Need, Item 1. (Project Specific Criteria-Inpatient Psychiatric Item #1.)**

   The table that includes the 2018 JAR utilization statistics from Behavioral Healthcare Ctr. of Columbia (Maury County), Behavioral Healthcare of Clarksville (Montgomery County), and Rolling Hills (Williamson County) that justifies including the population "disabled < 65" in the bed need is noted. However, please revise the table using the Joint Annual Report Schedule H data rather than Schedule G.

   Response: Following is the revised utilization using the Joint Annual Report Schedule H data.

County	Hospital	Designated Beds	2018 Patient Days			Total Patient Days	2018 Occ.
			<18	18-64	65+		
Maury	Behavioral Healthcare	16	N/A	307	3,217	3,524	60.3%
Montgomery	Behavioral Healthcare	26	N/A	162	4,335	4,497	47.4%
Willilamson	Rolling Hills	130	6,522	25,304	1,736	33,562	70.7%
	TOTAL	172	6,522	25,773	9,288	41,583	66.2%

Source: Joint Annual Report Schedule H

2. **Section A. Applicant Profile, Item I, 6B (2) Floor Plan**

   The floor plan is noted. However, it is unclear what type of bathing/shower facilities will be provided in patient room. Please clarify.

   Response: Attached please find an enlargement of the bathing/shower facilities.

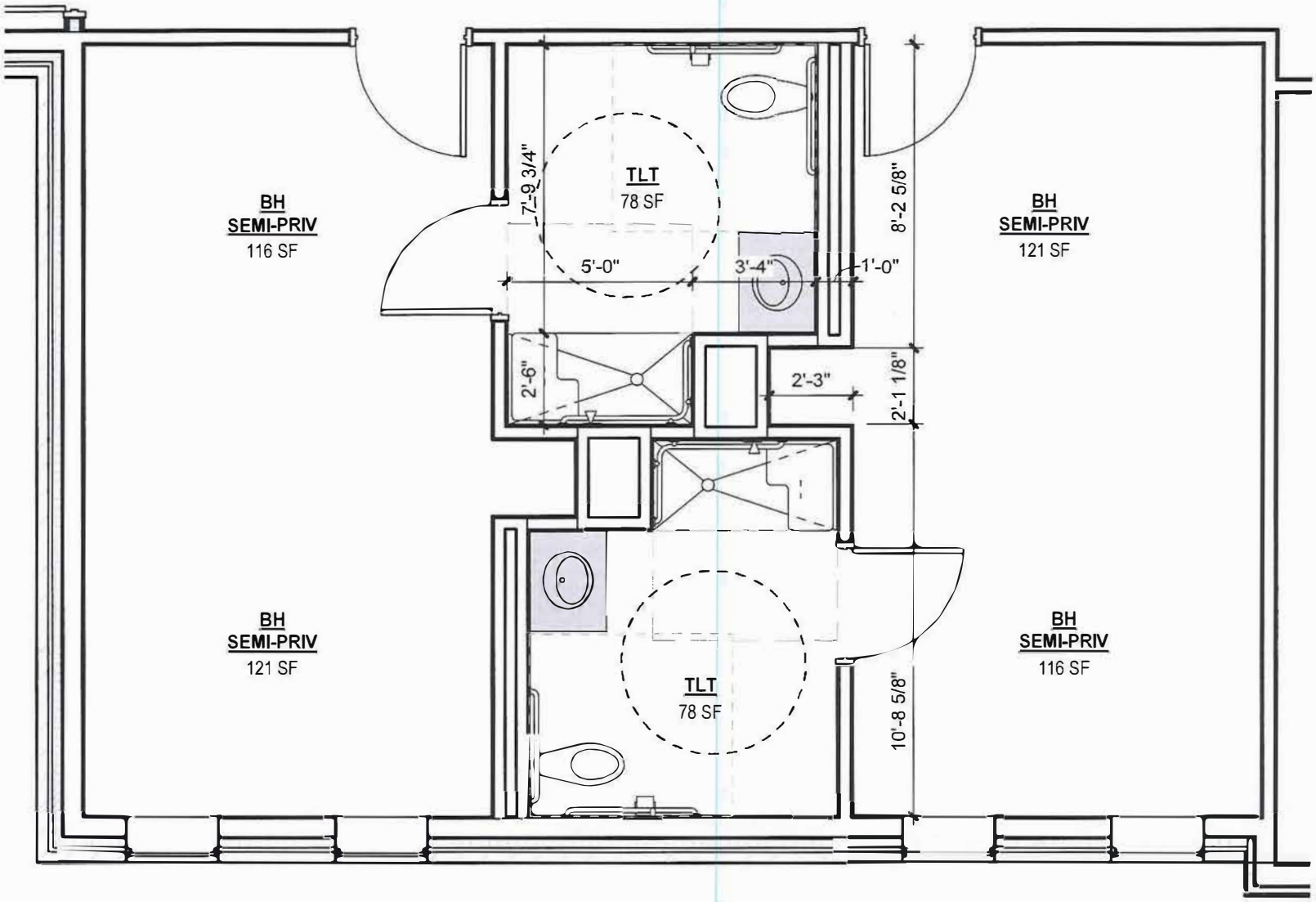
   Please indicate the location of the nursing station in the floor plan.

   Response: Attached please find a revised floor plan indicating the nurse station.

Please clarify the reason(s) semi-private beds that represent 75% of the total beds (12 patients) are located the farthest away from the clinical/nursing areas. In addition, why are offices, exam rooms, and laundry located between patient rooms and the clinical/nursing areas?

Response: The applicant designed the facility so that the private rooms for the most acute patients, places them closest to the nurse's station. The less acute patients located in the semi-private rooms are in clear line of sight from the nurse's station. Our clinical nurse's admin office is closest to the patient's activity areas to assure proper supervision of the nursing staff as they work with the patients. This allows for a more real time approach to effective patient care and modifications in the patient's treatment plans. The patient laundry room is designed for the patients and staff to launder the patient's personal items. This is an active ADL room for the patients, designed to not only assist the patient but to reinforce valuable skills needed for the patient's rehabilitation and recovering. The laundry room will always be a Level II security room and require that patients be observed while utilizing this room. The entire hallway was designed to maintain clear line of sight from the nurse's station and easily accessible from other clinical administrative offices.

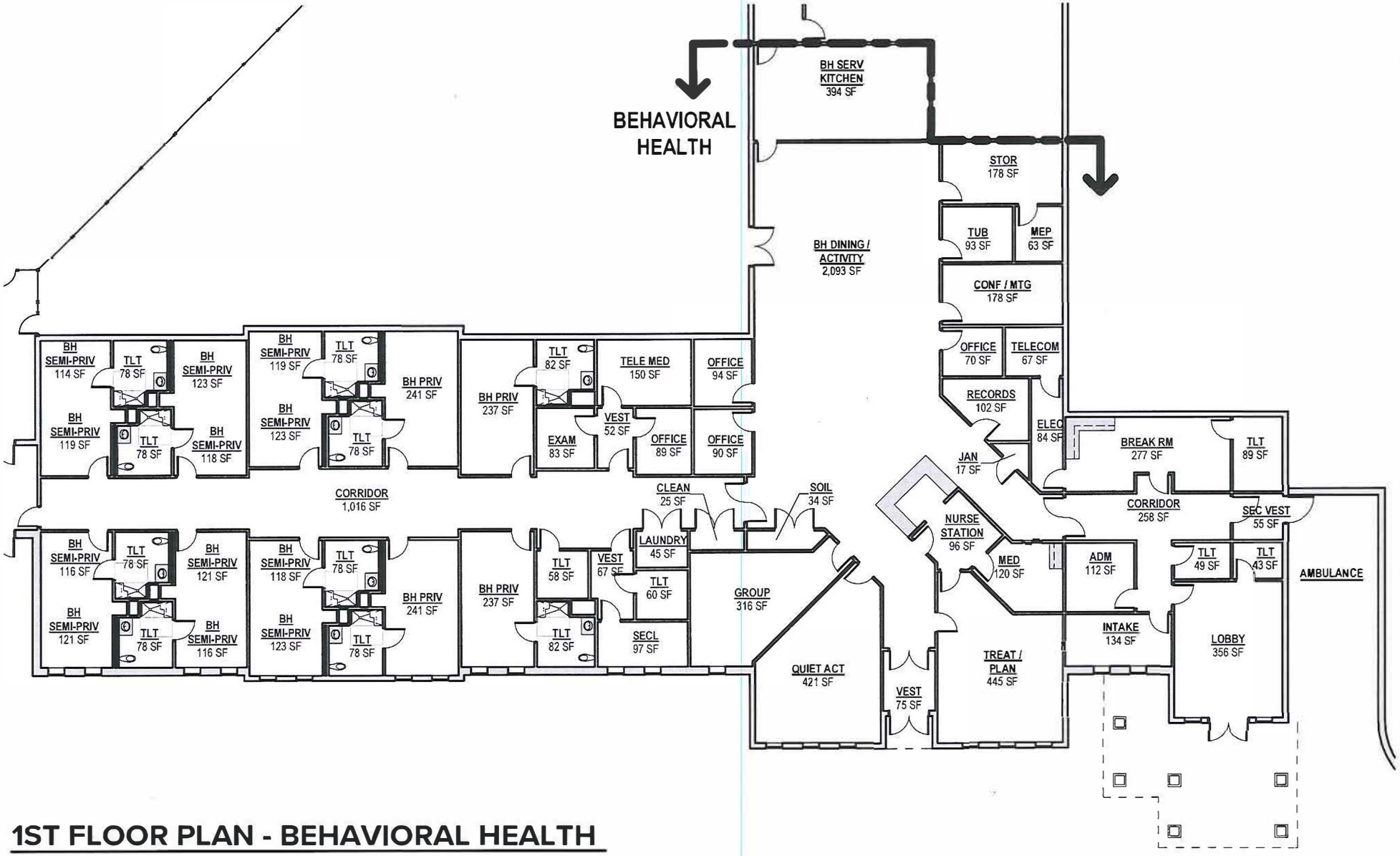
Supplemental 2
August 29, 2020



TYPICAL BEHAVIORAL HEALTH PLAN

ESa | **NHC NATCHEZ - CON PACKAGE**
Dickson, TN - 19023.30 - 09/28/20

Supplemental 2
August 29, 2020



1ST FLOOR PLAN - BEHAVIORAL HEALTH

SCALE: 1" = 20'-0"

ESa

NHC NATCHEZ - CON PACKAGE

Dickson, TN - 19023.30 - 09/18/20

3. **Section B, Need, Item l.a. (Psychiatric Inpatient Services-Service Specific Criteria-)**

The following chart for the proposed service area using the 2018 Joint Annual Report data is noted. However, how is it possible for Hillcrest Healthcare to have 133% of the total patients with mental illness?

Response: According to Hillcrest Healthcare Center's 2018 Joint Annual Report, Schedule F, Utilization Part 2, the number of residents during the entire reporting period with a diagnosis of mental illness was 250 and the facility reported 188 total admissions. (See attached). Based on the Joint Annual Report filing, the % of Total Patients with Mental Illness diagnosis was 133%.

Although data reported by Hillcrest Healthcare calculates over 100% of residents with a diagnosis of mental illness, there have not been any amendments/corrections filed to date with the State in regard to the 2018 JAR filing. To speculate the facility did not have any residents with a mental illness diagnosis in 2018 is unrealistic. Based on prior JAR filings, Hillcrest has reported an increase in residents with a diagnosis of mental illness. In 2016 and 2017, Hillcrest reported 47 and 141 residents with a diagnosis of mental illness. This equates to 22.2% and 79.2% respectively of total patients with mental illness, an increase of 33%.

2018 Nursing Home JAR FINAL

State ID:	110342	Facility Name:	Hillcrest Healthcare	2018

Tennessee Joint Annual Report of Nursing Homes - Schedule F - Utilization - Part 2

Do not enter zero. Blank fields will represent zero residents.

Number of residents during the entire reporting period with a diagnosis of mental illness	250
Number of residents during the entire reporting period with a diagnosis of mental retardation	4

	Enter the number of residents for the entire reporting period whose length of stay correspond to the following categories. This Total should match Total Male & Female Gender Line 33, also the Total Residents Length of Stay Line44, the Total Residents Patient Origin Line 84.	Number of Residents
Length of Stay for the Entire Reporting Period	Less Than 100 Days	126
	100 Days to 180 Days	4
	181 Days to 364 Days	16
	1 Year to Less Than 2 Years	24
	2 Years to Less Than 3 Years	3
	3 Years to Less Than 4 Years	2
	4 or More Years	13
	Total	**188**

4. **Section B, Need, Item 17. (Psychiatric Inpatient Services-Service Specific Criteria-) Access**

The following completed table that demonstrates the driving distances from major cities in the proposed service area to the proposed site, and to existing geriatric inpatient psychiatric programs is noted. However, the completed chart indicates it is 82.8 miles from Stewart County to adjoining Henry County. Please correct and verify all distances listed in the chart are accurate.

City	Camden	Ashland City	Dickson	Centerville	Erin	Waver	Dover
County	Benton	Cheatham	Dickson	Hickman	Houston	Humphreys	Stewart
Davidson County							
Cumberland Behavioral Health							
St. Thomas West							
Tri-Star Centennial							
Tri-Star Skyline Madison							
Vanderbilt							
Henry County							
Henry County Medical Center							
Maury County							
Behavioral Healthcare of Columbia							
Montgomery							
Behavioral Healthcare of Clarksville							
Weakley							
Behavioral Healthcare Center at Martin							
Williamson County							
Rolling Hills							

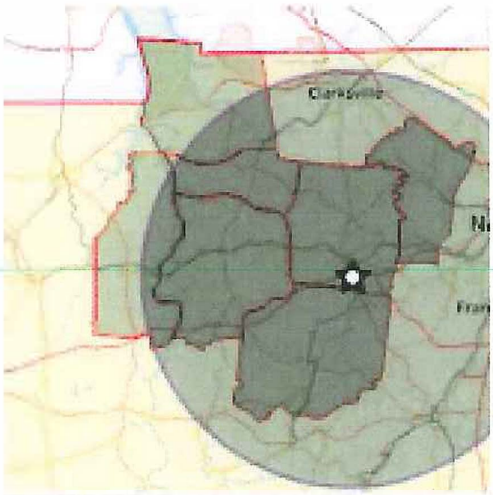
Response: Please see revised chart.

City / County	Camden / Benton	Ashland City / Cheatham	Dickson / Dickson	Centerville / Hickman	Erin / Houston	Waverly / Humphrey	Dover / Stewart	Average length of Travel in miles
Davidson County								
Cumberland Behavioral Health	94	23.7	47.3	75	62.5	75.5	80.5	65.50
St. Thomas West	93.1	22.4	44.2	59.8	71.2	74.1	84.9	64.24
TriStar Centennial	98.9	21	45.8	65.9	69.6	72.5	82.3	65.14
Tri Star Skyline Madison	104	23.5	50.4	70.8	71.7	80.2	77.3	68.27
Vanderbilt	92.3	24.2	42.9	72.3	74.6	75.9	82.3	66.36
Henry County								
Henry County MC	21.9	94.9	66.7	77.3	48.9	43.8	31.1	54.94
Maury County								
Behavioral Healthcare of Columbia	79.5	70.2	41.6	34.1	71.5	65.8	92.2	64.99
Montgomery								
Behavioral Healthcare of Clarksville	78	30.4	55.9	68.4	34.4	52.7	38.1	51.13
Weakley								
Behavioral Healthcare Center at Martin	56	123	99.3	111	79.1	75.6	64.2	86.89
Williamson County								
Rolling Hills	99.2	39.8	47.6	54	77.5	80.5	99.6	71.17
Dickson County								
NCBM	49.8	34	6	23.2	35.9	30.1	56.6	33.66

All mileage estimates provided by Google Maps

5. **Section B. Need. Item 4.B Service Area Demographics**

The applicant indicated the City of Dickson and the location of the proposed project are centrally located in the 7-county service area. However, the map (as shown below) provided by the applicant demonstrates the proposed location is centrally located to areas and counties outside of the proposed service area. The applicant is only centrally located to the circle around the proposed location. It appears the applicant is actually located in the eastern sector of the proposed 7-county service area. What does the circle around the proposed location represent? Please clarify.



CN2009-029, Supplemental #1 Response

<u>Response:</u> Although NCBM is not in the direct center of our service area, we are (as indicated in the response to Question 4 above) closer and more conveniently located, for the residents in our proposed service area, than the majority of the other existing facilities. Improved proximity combined with the continuum of care provided to this predominantly rural service area, while located in a rural area, should provide efficiency, convenience and comfort to the geriatric patient and their family.

6. **Section B, Need, Item 5., Service Area Utilization**

The following completed table for inpatient geriatric psychiatric services contiguous or near the counties in the proposed service area is noted. Please address the following and submit a revised chart:

- Why were 1,919 patient days reported in 2016 for TriStar Skyline Madison while the footnote indicated actual occupancy is unknown and there is no JAR data?

  Response: TriStar Skyline reported their 14 bed geriatric psych unit opened in 2016. It is unknown the exact date of opening; therefore, licensed bed days open and occupancy is unknown for the geriatric inpatient psych unit. The 2016 occupancy is unknown and the 1,919 patient days have been omitted from the 2016 totals.

- The applicant reported no 2016 JAR geriatric inpatient days for Henry County Medical Center. However, Henry County inpatient geriatric utilization is available in Schedule H-Psychiatric utilization in the 2016 Jar as an alternative source.

  Response: So noted; however, in Henry County Medical Center's 2016 JAR, they reported a 22 bed adult inpatient psychiatric unit and 0 bed geriatric inpatient unit (page 28). As a result, the patient days for 65+ were not included in the geriatric unit inpatient utilization table.

  In the 2017 JAR filing, Henry County reported the opening of a 12 bed geriatric unit. It is unknown the exact date of opening; therefore, licensed beds days open and occupancy is unknown for the geriatric inpatient psych unit. The 2017 occupancy is unknown, and the 1,418 patient days have been omitted from the 2017 totals.

- The applicant reported no 2016 JAR patient days for Behavioral Healthcare of Clarksville. However, use 5,433 patient origin days located on page 37 of the JAR as an alternative source to represent utilization.

  Response: Please see revised chart with 5,433 patient days.

- The 2017 8,055 patient days for Tri-Star Centennial is incorrect. Please revise.

  Response: Please see revised chart with corrected patient days.

- Please review all footnotes for accuracy.

Geriatric Inpatient Psychiatric Utilization Trends, 2016-2018

Hospital	Designated Beds (2020)	2016 Patient Days	2017 Patient Days	2018 Patient Days	'16- '18 % Change	2016 Occup.	2017 Occup.	2018 Occup.
St. Thomas West								
Centennial								
Skyline-Madison								
VUMC								
Sub-Total Davidson County								
Henry Co. Medical Ctr.								
Behavioral Healthcare of Columbia								
Behavioral Healthcare of Clarksville								
Behavioral Healthcare at Martin								
Rolling Hills								
Total								

County	Hospital	Designated Beds (2020)	2016 Patient Days	2017 Patient Days	2018 Patient Days	'16 - '18 % Change	2016 Occ.	2017 Occ.	2018 Occ.
Davidson									
	St Thomas West*	24	3,541	3,677	3,473	-1.9%	40.3%	42.0%	39.6%
	TriStar Centennial	56	9,157	8,005	7,688	-16.0%	44.7%	39.2%	37.6%
	TriStar Skyline Madison**	14	1,919	3,068	3,332	73.6%	Unknown	60.0%	65.2%
	Vanderbilt University	8	1,365	2,388	2,836	107.8%	46.6%	81.8%	97.1%
	SUBTOTAL	102	14,063	17,138	17,329	23.2%	43.7%	46.0%	46.5%
Henry	Henry County Medical***	12	N/A	1,418	1,846	N/A	N/A	Unknown	42.1%
Maury	Behavioral Healthcare	16	3,606	3,391	3,527	-2.2%	61.6%	58.1%	60.4%
Montgomery	Behavioral Healthcare	26	5,433	4,851	4,497	-17.2%	57.1%	51.1%	47.4%
Weakley	Behavioral Healthcare****	16	3,557	3,978	3,655	2.8%	60.7%	68.1%	62.6%
Willilamson	Rolling Hills	24	Did Not Report	Did Not Report	1,736	N/A	N/A	N/A	19.8%
	TOTAL	196	26,659	29,358	32,590	22.2%	49.9%	50.3%	45.6%

Source: 2018 Joint Annual Report: Schedule H - Psychiatric

* St. Thomas West has a license for 24 geriatric psych beds; however, in 2016 - 2018 reported 15 staffed beds. Occupancy based on 15 staffed beds for these years would be 64.5%, 67.2% and 63.4%

* Cumberland Behavioral has received a CON to develop at 76 bed psychiatric hospital (40 adult and 36 geriatric). Upon CON approval St. Thomas West will surrender their 24 licensed geriatric psych beds.

**TriStar Skyline Madison opened their 14 bed geriatric unit in 2016. Their licensed bed days open and occupancy are unknown; therefore, the 1,919 patient days are being omitted from the 2016 total.

***Henry County Medical reported 22 adult and 0 geriatric psych beds in 2016; therefore, geriatric (65+) data is not included in 2016 utilization. Henry County reported a 12 bed geriatric unit opend in 2017. Licensed bed days open and occupancy are unknown; therefore, the 1,418 patient days are being omitted from the 2017 total.

****Behavioral Healthcare of Martin is licensed for 16 beds; however, in 2016 and 2018 reported 12 and 13 staffed beds. Occupancy based on staffed beds would be 81.0% and 77.0%.

7. **Section B. Economic Feasibility Item 1.B (Project Cost)**

   The applicant indicates interim financing cost of $49,069 is not applicable. However, it is included in the fair market value of the project. Please clarify.

   Response: NHC will finance the development and construction of the project through cash reserves. This method of finance has costs associated to the funds used and there is an imputed cost of capital. Interim financing reflects this cost and has been included the FMV.

8. **Section B, Economic Feasibility, Item H., Staffing,**

   It is noted the applicant has provided Licensed Clinical Social Workers (LCSWs) in the project's staffing chart. However, LCSWs are not listed. Please clarify.

   Response: Licensed Clinical Social Workers were included under Line Item "Social Worker" on the Staffing Chart; however, attached please find a revised staffing chart which indicates LCSW.

Table C - Economic Feasibility - 8
Natchez Trace
Projected Staffing Year 1

Position Classififcation	Existing FTEs	Projected	Estimated Mean Hourly Rate	Areawide Median Hourly Wage Rate
A. Patient Care Positions	N/A			
Chief Nursing Officer		1.00	$ 46.00	$ 30.79
Nurse Practionner		1.00	$ 67.00	$ 45.79
Nurse Supervisor		1.00	$ 35.00	$ 30.79
Nurse(s)		4.20	$ 31.00	$ 21.52
Intake Cood		1.00	$ 32.00	$ 21.52
Mental Health Tech		8.40	$ 16.00	$ 13.72
Activity Therapist		1.40	$ 22.00	$ 20.27
Licensed Clinical Social Workers		1.40	$ 30.00	$ 24.35
Total Direct Care Staff		19.40		
B Support Staff Positions				
Administrator		1.00	$ 55.00	
BOM/HR/MR		1.00	$ 24.00	
Billing Clerk		1.00	$ 14.00	
Unit Secretary		1.00	$ 14.00	
Admin Asst		1.00	$ 19.00	
Food Service Coordinator		1.00	$ 17.50	
Medical Records Tech		1.00	$ 17.50	
UR/QI/ED		1.00	$ 31.00	
Total Support Staff		8.00		
C. Contracted Staff				
Medical Director		1.00		
Psychologist		0.25		
Occupational Therapist		0.25		
Pharmacist		1.00		
		2.50		
Total Staff (A+B+C)		29.90		

Supplemental 2
August 29, 2020

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF RUTHERFORD

NAME OF FACILITY: Natchez Center for Behavioral Medicine, LLC

I, DERE R. BROWN, 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.

Dere R. Brown
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29th day of September, 2020, witness my hand at office in the County of Rutherford, State of Tennessee.

Kathy T. Henderson
NOTARY PUBLIC

My commission expires 5-18 (Month/Day), 2024 (Year).

KATHY T. HENDERSON
STATE OF TENNESSEE NOTARY PUBLIC
RUTHERFORD COUNTY

HF-0043

Revised 7/02

Supplemental 3
August 30, 2020

September 30, 2020

Mr. Phillip Earhart
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, Andrew Jackson Bldg., 9th Floor
Nashville, TN 37243

RE: Certificate of Need Application CN2009-029
Natchez Center for Behavioral Medicine, LLC

Dear Phillip:

Attached please find the additional information to the above referenced CON application and supplemental request.

If you have any questions, please do not hesitate to contact me at 615-890-2020.

Sincerely,

Dere R. Brown
Director of Health Planning and Licensure/Certification
Authorized Representative for the Applicant

1. **Section B, Need, Item 5., Service Area Utilization**

The following completed table for inpatient geriatric psychiatric services contiguous or near the counties in the proposed service area is noted. However, it is unclear on how many licensed beds were used to calculate occupancies for 2016, 2017, and 2018. Please complete the following table that includes licensed beds for 2016-2018. Please note the year 2016 is a leap year with 366 days.

Response: Please see attached revised chart.

Geriatric Inpatient Psychiatric Utilization Trends, 2016-2018

Hospital	2016 Patient Days	Lic Beds		2017 Patient Days	Lic Beds		2018 Patient Days	Lic Beds		'16- '18 % Change	2016 Occup.	2017 Occup.	2018 Occup.
St. Thomas West													
Centennial													
Skyline-Madison													
VUMC													
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Hospital	2016 Patient Days	Lic Beds	2017 Patient Days	Lic Beds	2018 Patient Days	Lic Beds	'16- '18 % Change	2016 Occup.	2017 Occup.	2018 Occup.
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Skyline-Madison**	Omitted	Omitted	3,068	14	3,332	14	N/A	Unknown	60.0%	65.2%
VUMC	1,365	8	2,388	8	2,836	8	107.8%	46.6%	81.8%	97.1%
Sub-Total Davidson County	**14,063**	**88**	**17,138**	**102**	**17,329**	**102**	**23.2%**	**43.7%**	**46.0%**	**46.5%**
Henry Co. Medical Ctr.***	N/A	0	Omitted	Omitted	1,846	12	N/A	N/A	Unknown	42.1%
Behavioral Healthcare of Columbia	3606	16	3,391	16	3,527	16	-2.2%	61.6%	58.1%	60.4%
Behavioral Healthcare of Clarksville	5433	26	4,851	26	4,497	26	-17.2%	57.1%	51.1%	47.4%
Behavioral Healthcare at Martin****	3557	16	3,978	16	3,655	16	2.8%	60.7%	68.1%	62.6%
Rolling Hills	Did Not Report	Omitted	Did Not Report	Omitted	1,736	24	N/A	N/A	N/A	19.8%
Total	**26,659**	**146**	**29,358**	**160**	**32,590**	**196**	**22.2%**	**49.9%**	**50.3%**	**45.6%**

Source: 2018 Joint Annual Report: Schedule H - Psychiatric

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Supplemental 3
August 30, 2020

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF RUTHERFORD

NAME OF FACILITY: Natchez Center for Behavioral Medicine, LLC

I, DERE R. BROWN, 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.

Dere R. Brown
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 30th day of September, 2020, witness my hand at office in the County of Rutherford, State of Tennessee.

Kathy T. Henderson
NOTARY PUBLIC

My commission expires 5-18 (Month/Day), 2024 (Year).

KATHY T. HENDERSON
STATE OF TENNESSEE NOTARY PUBLIC
RUTHERFORD COUNTY

HF-0043

Revised 7/02