



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

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

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

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**Date:** August 5, 2016

**To:** HSDA Members

**From:**  Melanie M. Hill, Executive Director

**Re:** CONSENT CALENDAR JUSTIFICATION

**Maxim** Healthcare Services, Inc., Brentwood (Williamson County), TN – CN1606-023  
The relocation of a home health agency's principal office from 2416 21st Avenue South, Suite 208, Nashville (Davidson County) to 115 East Park Drive, Suite 200, Brentwood (Williamson County). The service area is Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties. The estimated project cost is \$3,201,828.

As permitted by Statute and further explained by Agency Rule later in this memo, I have placed this application on the Consent Calendar based upon my determination that the application appears to meet the established criteria for granting a Certificate of Need.

Need, Economic Feasibility and Contribution to the Orderly Development of Health Care appear to have been demonstrated as detailed below. As of July 1, 2016, a fourth criterion was added "health care that meets appropriate quality standards". However, the Agency is to develop measures by rule for assessing quality in consultation with the Department of Health (Board for Licensing Health Care Facilities and State Health Planning Division) and the Department of Mental Health and Substance Abuse Services. The Department of Intellectual and Developmental Disabilities will also be included even though it was not included in the legislation because it is a reviewing agency for CON applications. A preliminary meeting is being scheduled with staff from the departments. The Agency will discuss rule-making in more detail after meetings with stake-holders occur.

If Agency Members determine the criteria have been met, a member may move to approve the application by adopting the criteria set forth in this justification or develop another motion for approval that addresses each of the criteria required for approval of a Certificate of Need. If you find one or more of the criteria have not been met, then a motion to deny is in order.

At the time the application entered the review cycle, it was not opposed. If the application is opposed prior to it being heard, it will be moved to the bottom of the regular August agenda and the applicant will make a full presentation.

#### **Summary—**

Maxim Healthcare Services, Inc. (Maxim) proposes to relocate its parent office from Nashville, Tennessee in Davidson County to Brentwood, Tennessee in Williamson County. The need for the relocation is threefold —to provide more space for its licensed home health agency which is the subject of this CON application; to accommodate space for Maxim Healthcare Medical Staffing Division which focuses on medical staffing for hospitals and healthcare facilities; and to accommodate space for its Regional Corporate Home Health Office which houses multiple Regional Leadership teams which helps provide support to teams throughout Tennessee as well as Maxim Healthcare operations through the US. This relocation will increase the available square footage from 6,129 SF to 14,871 SF in the new space.

Maxim Health Care Health Services (<https://www.maximhealthcare.com>) according to its website is an experienced provider of home health, medical staffing, and wellness services. It has extensive experience providing home health, medical staffing, and wellness services in communities nationwide. Maxim operates five home health agencies in Tennessee with parent agencies operating out of Nashville (the subject of this application), Chattanooga, Knoxville, Johnson City, and Memphis. From those five parent home health agency locations, it serves 46 counties in Tennessee. Maxim has provided services in Tennessee for the past 17 years and in the US for the past 27. It provides highly specialized skilled and unskilled care ranging from 4 hours per day up to 24 hour per day. Approximately 81% of services are delivered to TennCare patients, with 79% of them being children and adolescents.

For CON purposes, this is only a change in location of a principal office of a home health agency. It will not have any impact on existing home health providers. As an added benefit, this relocation will provide more space for Maxim's Staffing Division and Corporate Home Health Regional Office. The relocation will not increase reimbursement. This request does not increase the size of the service area it simply relocates a parent agency from one county to an adjoining county to a much larger space that can house a licensed home health agency, regional corporate home health office, and a medical staffing office.

***NOTE TO AGENCY MEMBERS: The Deferred Prosecution Agreement has been reported in previous Maxim applications. Maxim is in Year 5 of its 5-year Corporate Integrity Agreement with the Office of the Inspector General of the Department of Health and Human Services to resolve false Medicaid claims submitted from approximately 1998—2009 to the state and federal government. Maxim has replaced its entire senior leadership team and is not restricted from participating in any state and federally funded health programs.***

**Executive Director Justification -**

**I recommend approval of CN1606-023 for Maxim Healthcare Services for the relocation from 2416 21st Avenue South, Suite 208, Nashville (Davidson County) to 115 East Park Drive, Suite 200, Brentwood (Williamson County). The service area is Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties. My recommendation for approval is based upon my belief the following general criteria for a Certificate of Need have been met.**

**Need-Need** has been demonstrated because the current space will not adequately house the home health agency and its related entities. Maxim has been and continues to be a major participant in all TennCare plans.

**Economic Feasibility-** The project is economically feasible and will be funded by cash reserves according to CFO Ray Carbone. Only \$451,602 of the \$3,201,828 project cost is actual capital cost. The bulk of the cost is related to the lease and will be paid out over the seven years of the lease. Unaudited financial statements were included in the application that demonstrated a current ratio of 1.66:1.

**Health Care that Meets Appropriate Quality Standards-***This new criterion was established as a result of PC 1043 and is effective for all CONs granted after July 1, 2016* it appears that health care is currently meeting appropriate quality standards since there were no deficiencies cited on the last recertification survey by the TDH. Maxim is Medicare/Medicaid certified and accredited by the Accreditation Commission for Health Care (ACHC). Maxim also is an in-network provider with TennCare and is therefore credentialed by MCOs Bluecare, Amerigroup, and UHC Community.

**Contribution to the Orderly Development of Health Care-**The project does contribute to the orderly development of health care because it permits Maxim, a long-time, in-network provider for TennCare specializing in complex cases, to relocate its parent agency to an adjoining county where it will be able to continue to share space with related-Maxim entities but all of them will now have additional space to grow. The relocation will not increase the service area of the home health agency or affect reimbursement rates.

**Based upon these reasons, I recommend approval.**

**Statutory Citation -TCA 68-11-1608. Review of applications -- Report**

(d) The executive director may establish a date of less than sixty (60) days for reports on applications that are to be considered for a consent or emergency calendar established in accordance with agency rule. Any such rule shall provide that, in order to qualify for the consent calendar, an application must not be opposed by any person with legal standing to oppose and the application must appear to meet the established criteria for the issuance of a certificate of need. If opposition is stated in writing prior to

the application being formally considered by the agency, it shall be taken off the consent calendar and placed on the next regular agenda, unless waived by the parties.

**Rules of the Health Services and Development Agency - 0720-10-.05 CONSENT CALENDAR**

- (1) Each monthly meeting's agenda will be available for both a consent calendar and a regular calendar.
- (2) In order to be placed on the consent calendar, the application must not be opposed by anyone having legal standing to oppose the application, and the executive director must determine that the application appears to meet the established criteria for granting a certificate of need. Public notice of all applications intended to be placed on the consent calendar will be given.
- (3) As to all applications which are placed on the consent calendar, the reviewing agency shall file its official report with The Agency within thirty (30) days of the beginning of the applicable review cycle.
- (4) If opposition by anyone having legal standing to oppose the application is stated in writing prior to the application being formally considered by The Agency, it will be taken off the consent calendar and placed on the next regular agenda. Any member of The Agency may state opposition to the application being heard on the consent calendar, and if reasonable grounds for such opposition are given, the application will be removed from the consent calendar and placed on the next regular agenda.
  - (a) For purposes of this rule, the "next regular agenda" means the next regular calendar to be considered at the same monthly meeting.
- (5) Any application which remains on the consent calendar will be individually considered and voted upon by The Agency.

**HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING  
AUGUST 24, 2016  
APPLICATION SUMMARY**

NAME OF PROJECT: Maxim Healthcare Services

PROJECT NUMBER: CN1606-023

ADDRESS: 115 East Park Drive, Suite 200  
Brentwood (Williamson County), Tennessee 37027

LEGAL OWNER: Maxim Healthcare Services, Inc.  
2416 21<sup>st</sup> Avenue South  
Nashville (Davidson County), Tennessee 37212

OPERATING ENTITY: N/A

CONTACT PERSON: Jimmy Nichols  
Area Vice President  
Maxim Healthcare Services  
2416 21<sup>st</sup> Avenue South  
Nashville (Davidson County), Tennessee 37212  
(615) 386-0100

DATE FILED: June 14, 2016

PROJECT COST: \$3,201,828.00

FINANCING: Cash Reserves

PURPOSE FOR FILING: Relocation of the parent office of a home health agency from Davidson County to Williamson County

DESCRIPTION:

Maxim Healthcare Services, Inc. (Maxim) is seeking *consent calendar approval* for the relocation of its parent office from 2416 21<sup>st</sup> Avenue South, Suite 208, Nashville (Davidson County), TN 37212 to 115 East Park Drive, Suite 200, Brentwood (Williamson County), TN 37027. Maxim's service area will not change. The counties included in the service area are Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson.

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If approved, Maxim will close the office in Davidson County and will continue to maintain a branch office in Clarksville (Montgomery County).

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

2. For relocation or replacement of an existing licensed health care institution:
  - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

*The applicant stated that the relocation of the parent office is to provide additional square footage for staff that supports all administrative services. There is not sufficient square footage in the existing building so a move is necessary.*

*It appears that the application meets this criterion.*

- b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

*The applicant reports that in 2015 143 patients were served, 2,195 visits provided and 342,355 hours of care provided. The applicant projects for 2017 216 patients 2,195 visits, and 504,000 hours of care. For 2018 the applicant projects 259 patients, 2,195 visits, and 604,800 hours of care.*

*It appears that the application meets this criterion.*

## Staff Summary

*The following information is a summary of the original application and all supplemental responses. Any staff comments or notes, if applicable, will be in bold italics.*

Maxim Healthcare Services is a provider of home health services specializing in skilled and unskilled care ranging from 4 hours per day up to 24 hours per day. Approximately 81% of services are delivered to TennCare patients, 79% of them children and adolescents.

*Note to Agency members: Even though Maxim primarily focuses on pediatric and adolescent TennCare patients, a pre-requisite of TennCare certification is Medicare certification. To have and maintain Medicare certification Maxim must serve at least one Medicare patient per year. Maxim typically serves one Medicare patient with commercial secondary insurance. Maxim bills Medicare for the patient but Medicare declines payment due to the service being covered by the secondary commercial insurer. The result is Maxim bills Medicare one time during the year but projects no Medicare revenue since payment is declined.*

*During the November 2010 Agency meeting Maxim Healthcare Services-Nashville (CN0506-045A), Maxim Healthcare Services-Memphis (CN0704-029A), and Friendship Private Duty (CN0802-009A) requested that conditions that limited the agencies to private duty services only be removed. The CONs were originally approved with this limiting language because while there was no demonstrated need for a regular Medicare home health agency, there was a need for agencies that could provide private duty services, which includes home visits of much longer duration to a very medically fragile population. Unfortunately, after the CONs were approved, TennCare began to require that home health agencies be Medicare certified in order to contract with TennCare managed care organizations (MCOs). This meant that these agencies could not serve the very population that had prompted their original approval. All of the agencies indicated their intent was to continue to primarily serve the TennCare population and indicated they would serve only enough Medicare patients to maintain Medicare certification so they could continue to be eligible to contract with TennCare MCOs.*

*The Agency approved all three requests and asked HSDA staff to report on these home health agencies' utilization data as documentation of their intent to primarily serve private duty patients as opposed to primarily serving intermittent patients. Private duty patients typically require multiple hour shifts whereas intermittent patients typically require a 1-2 hour visit.*

*There are currently five Maxim home health agencies: one each based in Nashville (Davidson County), Chattanooga (Hamilton County), Knoxville (Knox County),*

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*Johnson City (Washington County) and Memphis (Shelby County). Friendship Private Duty is now known as Angel Private Duty.*

*In the last reporting period no agency reported a Medicare payor mix greater than 1%.*

### **Project Need and Facility Information**

Maxim cites the following reasons for relocation of the principal office:

- Increase square footage of the current principal administrative office to accommodate the growing number of employees needed to manage all aspects of the home health operation.
- The current office space in Davidson County has 6,129 square feet (SF). The proposed space will contain 14,871 SF. In addition to the applicant the proposed office space will also house Maxim HealthCare's Medical Staffing Division, and regional team employees who help provide support to offices throughout Tennessee as well as Maxim Healthcare operations throughout the United States. The applicant expects that 30 employees will work from the proposed principal administrative office.
- Construction costs associated with the project (\$271,250) include updated wall coverings, carpet, and some relocation of new interior walls.
- The applicant provides a chart on pages 12 and 13 of the original application that compares the distance and travel time from major communities in the service area to the current principle office and the proposed principal office. According to the chart the travel time increases by no more than 10 minutes from seven communities and actually decreases in two of the communities. The applicant notes that travel time does not apply to patients but rather to caregivers that work in patients' homes who travel to the administrative site once a week to turn in applicable notes and then at least annually to complete required training.
- The applicant notes that there will be no change in reimbursement rates from moving to Williamson County from Davidson County.

An overview of the project is provided on pages 6-7 of the original application.

The applicant projects the initiation of service upon CON approval at the August 2016 Agency meeting.

### **Ownership**

Maxim Healthcare Services Inc. is a Maryland corporation owned 39.9% by Oak Investment Trust, 39.4% by Oak Investment Trust II, 19.9% owned by Stephen Bisciotti, and 0.8% owned by William Butz. Maxim has provided services in the United States for the past 27 years and in Tennessee for the past 17 years.

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Maxim provides home health services to 46 counties in Tennessee from 5 home health agencies with parent offices located in Nashville, Knoxville, Chattanooga, Memphis, and Johnson City.

*Note to Agency members: In September 2011, Maxim entered into a Civil Settlement Agreement with the United States of America, a Deferred Prosecution Agreement (DPA) with the United States Attorney's Office for the District of New Jersey, and a Corporate Integrity Agreement (CIA) with the Office of Inspector General of the Department of Health and Human Services, to resolve false Medicaid claims submitted by Maxim from approximately 1998 to 2009 to federal and state governments.*

*In September 2013, Maxim successfully met the terms of the two-year DPA and was released from the agreement. Currently Maxim is in Year 5 of its 5 year CIA, and will continue in the agreement at its own election. Maxim is subject to monetary fines and ultimate exclusion for failure to comply but to date, Maxim Healthcare has never been fined.*

*Maxim has since replaced their entire senior leadership team. The applicant indicates there are currently no restrictions that prohibits Maxim from entering into any contract and is allowed to participate in all state and federally funded health programs.*

#### **Service Area Demographics**

- The total population of the nine county service area is estimated at 1,892,624 residents in calendar year (CY) 2016 increasing by approximately 7.5% to 2,034,206 residents in CY 2020.
- The overall statewide population is projected to grow by 4.3% from 2016 to 2020.
- The Age 0-64 population will decrease from 88.0% of the general population in 2016 to 86.6% in 2020. The statewide Age 0-64 population will decrease from 84.0% in 2016 of the general population to 82.2% in 2020.
- The latest 2016 percentage of the service area population enrolled in the TennCare program is approximately 17.7%, as compared to the statewide enrollment proportion of 22.4%.

*Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.*

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### Service Area Historical Utilization

The trend of home health patients served by existing home health agencies licensed to serve one or more counties in the applicant's 9-county service area is presented in the table below:

### Utilization Trends of Home Health Agencies Licensed to Serve One or More Service Area Counties.

	2013 Home Health Patients	2014 Home Health Patients	2015 Home Health Patients	2013-2015 Percent Changed
52 Home Health Agencies	61,056	61,457	59,434	-2.7%

Source: 2013-2015 Home Health Joint Annual Reports

- The chart above demonstrates there has been a 2.7% decrease in home health patients served by home health agencies licensed to serve one or more service area counties.
- There are 52 agencies that serve at least one of the service area counties.

### Applicant Historical and Projected Utilization

	2013	2014	2015	2016 Estimated	2017 Projected	2018 Projected	'15-'18 % Change
Patients	106	110	143	180	216	259	+81.1%
Visits	233	5697	2195	2195	2195	2195	0.0%
Hours	219,449	278,871	342,355	420,000	504,000	604,800	+76.7%

The chart above indicates the following:

- The applicant projects a 20% annual patient growth rate based on the actual growth between 2013 and 2015.
- The applicant expects 0% growth in patient visits since visits are typically associated with Medicare and commercial intermittent-type services which is not Maxim's focus.
- The applicant expects over 75% growth in patient hours between 2015 and 2018. The applicant acknowledged in the supplemental response that 75% over this time period is aggressive but points to increased referral activity from large referral sources including Vanderbilt Children's Hospital and its Complex Care Clinic. Patient hours are associated with

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private duty services which are the bulk of the type of services that Maxim provides.

### **Project Cost**

The estimated total project cost is \$3,201,828 of which \$451,602 is the actual capital cost.

Major cost(s) are:

- Fair Market Value of Facility - \$2,750,226 or 85.9% of total cost
- Construction Cost-\$271,250 or 8.5% of total cost

For details of the Project Cost Chart, see page 27 of the original application

### **Financing**

A June 1, 2016 letter from Ray Carbone, Chief Financial Officer, Maxim Healthcare Services confirms that Maxim will provide approximately \$451,602 of capital expenditures needed to implement the project.

*Note to Agency members: The bulk of the project costs are facility lease costs to be paid over the 7 year term of the lease.*

Maxim Healthcare Services, Inc. unaudited financial statements for the period ending December 31, 2015 indicates \$5,255,625 in cash, total current assets of \$235,887,190, total current liabilities of \$142,423,096 and a current ratio of 1.66:1.

*Note to Agency members: Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.*

### **Historical Data Chart**

- According to the Historical Data Chart, Maxim experienced profitable net operating income for the three most recent years reported: \$885,113 for 2013; \$810,080 for 2014; and \$1,216,200 for 2015.

### **Projected Data Chart**

The Projected Data Chart for Maxim reflects \$19,505,302 in total net revenue on 504,000 patient hours during the first year of operation and \$23,446,594 on 604,800 hours in Year 2. The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal \$2,163,103 in Year 2017 increasing to \$2,660,405 in Year 2018.

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### Charges

In Year One of the proposed project, the average charge per case is as follows:

- The proposed average net charge is \$38.70/hour.
- On page 33 of the original application the applicant compares its charges for home health aide and skilled nursing to several other home health agency charges in the service area. The applicant's charges appear to be comparable to other agencies in the area.

### Medicare/TennCare Payor Mix

- In Year 2017 the applicant projects \$15,604,241 gross TennCare revenues or 80% of total gross revenue. The applicant also projects \$3,901,060 in commercial gross revenue or 20% of total revenue.
- The applicant is an in-network provider for all 3 TennCare MCOs in Tennessee including contractual relationships with TennCare MCOs BlueCare, Amerigroup, and UHC Community.

### Staffing

The applicant's proposed staffing is as follows:

Position	FTEs 2017	FTEs 2018
Director of Business Operations	1.0	1.0
Director of Clinical Operations, RN	1.0	1.0
Clinical Manager, RN	1.0	1.0
Recruiter	8.0	10.0
RN Clinical Supervisor	6.0	7.0
Field Support Specialist	6.0	7.0
<b>Subtotal-Office Staff</b>	<b>23.0</b>	<b>27.0</b>
Home Health Aide	24.0	29.0
Licensed Practical Nurse	156.0	187.0
Registered Nurse	48.0	58.0
<b>Subtotal-Field Staff</b>	<b>228.0</b>	<b>274.0</b>
<b>TOTAL-Office and Field Staff</b>	<b>251.0</b>	<b>301.0</b>

### Licensure/Accreditation

Maxim Healthcare, Inc. is licensed by the Tennessee Department of Health, Division of Health Care Facilities. A letter dated May 1, 2014 from the Tennessee Department of Health, West Tennessee Health Care Facilities; states there were

**MAXIM HEALTHCARE SERVICES, INC.**

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no deficiencies listed as a result of the recertification survey conducted on April 9, 2014.

Maxim has Medicare and Medicaid certification.

Maxim is accredited by the Accreditation Commission for Health Care.

*Corporate documentation and real estate lease are on file at the Agency office and will be available at the Agency meeting.*

Should the Agency vote to approve this project, the CON would expire in two years.

#### **CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT**

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for this applicant.

#### **CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:**

There are no Letters of Intent or pending applications for other health care organizations in the service area proposing this type of service.

#### **Denied Applications:**

**Rainbow Home Health, CN1111-045D**, was denied at the February 22, 2012 Agency meeting for the establishment of a home care organization and the initiation of a full range of home health services, including skilled nursing, physical/occupational/speech therapies, and medical social services for individuals residing in Cheatham County from a home office located at 112 Frey Street in Ashland City (Cheatham County), Tennessee 37015. The estimated cost was **\$262,600.00**. *Reasons for Denial: the prevailing reason for the vote leading to the denial of the project (4 ayes, 6 nays, 0 ties) was based on concerns with nature and scope of information provided by the applicant that did not support the need for the project, the economic feasibility or the orderly development of the project.*

**Rainbow Home Health, CN1203-013D**, was denied at the June 27, 2012 Agency meeting for the establishment of a home care organization and the initiation of a full range of home health services from a home office located at 112 Frey Street, Ashland City (Cheatham County), Tennessee. The estimated project cost was **\$27,950.00**. *Reasons for Denial: the application was denied by unanimous vote based on*

**MAXIM HEALTHCARE SERVICES, INC.**

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*the following: there was no need due to services being adequately provided by existing licensed agencies in the service area; the project was not economically feasible due to the numbers not being justified or showing how the applicant could feasibly provide the service; and the project did not contribute to orderly development as it will impact the utilization and staffing of existing agencies in the service area.*

#### Outstanding Certificates of Need

**Alere Women's and Children's Health, CN1506-025**, has an outstanding Certificate of Need that will expire on December 1, 2017. The application was approved at the October 28, 2015 Agency meeting for the addition of 22 middle Tennessee counties to an existing 14 county service area of a licensed home care organization approved in Matria Healthcare, Inc. Nashville, CN9807-043A, limited to high risk obstetrical patients. The estimated project cost is **\$84,000**. *Project Status: A July 29, 2016 email from a representative of the applicant states that the service in the additional counties is operational and serving patients. HSDA staff awaits a Final Project Report.*

**Implanted Pump Management, CN1406-027A**, has an outstanding Certificate of Need that will expire on August 1, 2017. The application was approved at the June 24, 2015 Agency meeting for the establishment of a home care organization and the initiation of home health services limited to intrathecal pump services. The parent office will be located at 200 Prosperity Place #102, Knoxville (Knox County), TN 37932. There are no branch offices proposed for this project. The service area includes all 95 counties in Tennessee. The estimated project cost is **\$8,100.00**. *Project Status: An Annual Progress Report dated June 7, 2016 stated that the Agency had passed its surveys and was awaiting the official license to start providing services.*

**PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.**

MAF  
8/2/2016

**MAXIM HEALTHCARE SERVICES, INC.**

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**LETTER OF INTENT**



State of Tennessee  
Health Services and Development Agency

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

LETTER OF INTENT

The Publication of Intent is to be published in the Tennessean which is a newspaper  
(Name of Newspaper)  
of general circulation in Davidson, Tennessee, on or before June 10th, 2016  
(County) (Month / day) (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:

Maxim Healthcare Services, Inc. Home Health Agency  
(Name of Applicant) (Facility Type-Existing)

owned by: Maxim Healthcare Services, Inc. with an ownership type of Corporation

and to be managed by: Maxim Healthcare Services Inc. intends to file an application for a Certificate of Need for [PROJECT DESCRIPTION BEGINS HERE]: to relocate its principal office from 2416 21st Ave. South, Nashville, TN 37212

(In Davidson County) to 115 East Park Dr., Suite 200, Brentwood, TN 37027 (In Williamson County), at a cost estimated under Certificate of Need rules at \$3,194,640 (of which \$461,062 is the actual capital cost, the balance being lease expenses). The applicant is licensed as a home health agency by the Board of Licensing Health Care Facilities. The project does not contain major medical equipment or initiate or discontinue any other health service, and it will not change the applicant agency's authorized service area counties (which are Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties).

The anticipated date of filing the application is: on or before June 15, 2016

The contact person for this project is Jimmy Nichols, Area Vice President  
(Contact Name) (Title)

who may be reached at: Maxim Healthcare Services Inc. 2416 21st Ave South  
(Company Name) (Address)  
Nashville TN 37212 615 / 386-0100  
(City) (State) (Zip Code) (Area Code / Phone Number)

[Signature] 6/9/16 jnichol@maxhealth.com  
(Signature) (Date) (E-mail Address)

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

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

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

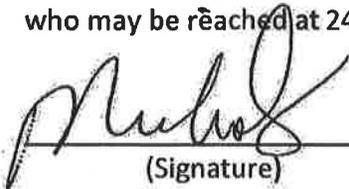
**LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY**

The Publication of Intent is to be published on or before June 10th, 2016, for one day, in the Tennessean, which is a newspaper of general circulation in Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties, Tennessee.

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This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Maxim Healthcare Services (a home health agency), owned and managed by Maxim Healthcare Services, Inc. (a corporation), intends to file an application for a Certificate of Need to relocate its principal office from 2416 21<sup>st</sup> Avenue South, Nashville, TN 37212 (in Davidson County) to 115 East Park Drive, Suite 200, Brentwood, TN 37027 (in Williamson County), at a cost estimated under Certificate of Need rules at \$3,194,640 (of which \$451,602 is the actual capital cost, the balance being lease expenses). The applicant is licensed as a home health agency by the Board for Licensing Health Care facilities. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not change the applicant agency's authorized service area counties (which are Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties).

The anticipated date of filing the application is on or before June 15, 2016. The contact person for the project is Jimmy Nichols, Area Vice President, Maxim Healthcare Services, who may be reached at 2416 21<sup>st</sup> Avenue South, Nashville, TN 37212, 615-386-0100.



(Signature)

6/10/16  
(Date)

jinichol@maxhealth.com

(E-mail Address)

**ORIGINAL  
APPLICATION**

15  
TRAUGER & TUKE  
ATTORNEYS AT LAW  
THE SOUTHERN TURF BUILDING  
222 FOURTH AVENUE NORTH  
NASHVILLE, TENNESSEE 37219-2117  
TELEPHONE (615) 256-8585  
TELECOPIER (615) 256-7444

JUN 14 10 04 AM '16

June 14, 2016

**By hand delivery**

Melanie M. Hill  
Executive Director  
Tennessee Health Services & Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: Maxim Healthcare Services, Inc. certificate of need application for  
Change of Address of Principal Office from Nashville, Tennessee  
To Brentwood, Tennessee

Dear Ms. Hill:

This letter transmits the original and four copies of the Maxim Healthcare Services, Inc. certificate of need application to change its principal office location from Davidson County, Tennessee to Williamson County, Tennessee. Also enclosed are the affidavit and the filing fee. Please date stamp two copies of this application and return them to me in the enclosed envelope.

Because this application is for the relocation of a home health agency's principal office only a few hundred yards into the county that is adjacent to the county in which its current home office is located, we respectfully request that you place this matter on the Consent Calendar agenda for the August 24, 2016 meeting of the Agency.

The contact person for this application is Jimmy Nichols, Area Vice President, Maxim Healthcare Services, Inc. His office telephone number is 615-386-0100.

JUN 14 16 PM 12:23

Ms. Melanie Hill  
June 14, 2016  
Page 2

As always, thank you for your courtesies.

Very truly yours,



Paul W. Ambrosius

Enclosures

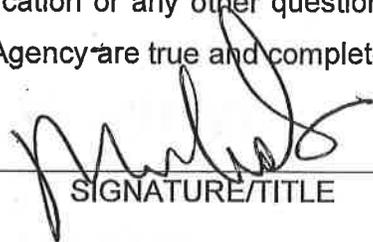
cc: Jimmy Nichols, Area Vice President, Maxim Healthcare Services, Inc.  
Byron R. Trauger, Esq.

AFFIDAVIT

JUN 14 16 PM 14:1

STATE OF Tennessee  
COUNTY OF Davidson

James "Jimmy" Nichols, 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 13<sup>th</sup> day of June, 2016 a Notary  
(Month) (Year)

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

Jimmy W. Davis  
NOTARY PUBLIC

My commission expires January 8, 2019  
(Month/Day) (Year)



**MAXIM HEALTHCARE SERVICES**

**CERTIFICATE OF NEED APPLICATION  
TO RELOCATE  
ITS PRINCIPAL HOME HEALTH AGENCY  
ADMINISTRATIVE OFFICE  
FROM DAVIDSON COUNTY TO WILLIAMSON COUNTY**

**Submitted June, 2016**

**PART A**

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

Maxim Healthcare Services		
<i>Name</i>		
115 East Park Drive, Suite 200	Williamson	
<i>Street or Route</i>	<i>County</i>	
Brentwood	TN	37027
<i>City</i>	<i>State</i>	<i>Zip Code</i>

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

Jimmy Nichols		Area Vice President	
<i>Name</i>		<i>Title</i>	
Maxim Healthcare Services		jinichol@maxhealth.com	
<i>Company Name</i>		<i>E-Mail Address</i>	
2416 21 <sup>st</sup> Avenue South	Nashville	TN	37212
<i>Street or Route</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
Area Vice President	615-386-0100	800-595-2876	
<i>Association With Owner</i>	<i>Phone Number</i>	<i>Fax Number</i>	

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

Maxim Healthcare Services, Inc.		410-910-1500	
<i>Name</i>		<i>Phone Number</i>	
c/o Maxim Healthcare Services, 2416 21 <sup>st</sup> Avenue South		Davidson	
<i>Street or Route</i>		<i>County</i>	
Nashville	TN	37212	
<i>City</i>	<i>State</i>	<i>Zip Code</i>	

**4. Type of Ownership or Control (Check One)**

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

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

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

<i>Name</i>		
<i>Street or Route</i>		<i>County</i>
<i>City</i>	<i>State</i>	<i>Zip</i>
<i>Code</i>		

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

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of 7 Years	x		

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

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

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

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

**9. Bed Complement Data**

NA

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

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

<b>10. Medicare Provider Number:</b>	44-7580
<b>Certification Type:</b>	Home Health
<b>11. Medicaid Provider Number:</b>	5441953
<b>Certification Type:</b>	Home Health

12. &amp; 13. See page 4

**12. If this is a new facility, will certification be sought for Medicare and/or Medicaid?**

**Answer:** This is an existing agency, which contracts with both Medicare and TennCare/Medicaid.

Please note that TennCare requires its home health providers to have a Medicare number. To have and maintain it, a home health agency must serve at least one Medicare patient a year. Maxim Healthcare will serve one Medicare patient each year, but one with commercial secondary insurance. Medicare, upon being billed, will deny the claim and the bill will then go to the secondary insurer. So there is no Medicare revenue projected in the payor mix, although Medicare will receive one nominal billing a year (which it will decline to pay).

**13. Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCO's/BHO's) operating in the proposed service area. Will this project involve the treatment of TennCare participants? If the response to this item is yes, please identify all MCO's/BHO's with which the applicant has contracted or plans to contract.**

Yes. The applicant is currently an in-network provider for all 3 MCO's in Tennessee including Blue Cross Blue Shield of Tennessee (Bluecare), Amerigroup and UHC Community.

## **SECTION B: PROJECT DESCRIPTION**

**B.1. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.**

### **Proposed Services and Equipment**

The project consists of relocation of the principal administrative office of Maxim Healthcare Services, Inc. from its current location of 2416 21<sup>st</sup> Ave. South, Suite 208, Nashville, TN 37212 (Davidson County) to 115 East Park Dr., Suite 200, Brentwood, TN 37027 (Williamson County). The main purpose for this project is to:

1. Increase square footage of current principal administrative office to accommodate the growing number of employees needed to manage all aspects of the home health operation
2. Accommodate space for Maxim Healthcare Medical Staffing division which focuses on medical staffing for hospitals and healthcare facilities
3. Accommodate space for multiple Regional Leadership team which helps provide support to offices throughout Tennessee as well as Maxim Healthcare operations throughout the United States.

### **Ownership Structure**

- The applicant, Maxim Healthcare Services, Inc., is a Maryland corporation, owned privately by the 3 entities listed in Attachment A.4. It has provided services in Tennessee for 17 years and across the U.S. for 27 years.

### **Service Area**

- The current service area for the principal and branch locations will not be affected. The service area for this project consists of Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties. **Maxim Healthcare is not requesting to expand in to any new counties in this application.**

### **Need and Existing Services**

- Administrative services for those patients are provided at the current principal office location at 2416 21<sup>st</sup> Avenue South, Nashville, TN 37212 and from its branch location in Clarksville, Tennessee. Due to continued growth, the principal

office location is requesting to move to 115 East Park Dr., Suite 200, Brentwood, TN 37027, in adjoining Williamson County. The new location will be located just inside the Williamson County line. The current Nashville principal location is a provider of home health services specializing in skilled and unskilled care ranging from 4 hours per day up to 24 hours per day. Approximately 81% of services are delivered to TennCare patients, 79% of them children and adolescents. Maxim Healthcare currently has an active service area census of 164 patients throughout all 9 licensed counties. This includes the current branch location in Clarksville, TN.

#### Project Cost, Funding, and Financial Feasibility

- The only project costs associated with this project are for leasing, furnishing, and equipping a principal administrative office in Brentwood, Tennessee. No major medical equipment is required. The total projected cost for this project under CON rules is \$3,201,828—but the actual capital cost is \$451,602. The rest of the CON cost is lease outlay over seven years at the new location. The actual capital cost consists of leasehold improvements to the space, additional furniture, IT costs, CON application fee, and legal and consulting fees. The funding will be provided by existing cash reserves.

#### Staffing

- Maxim Healthcare in Nashville currently employs 23 administrative and supervisory personnel in the principal location. No patient services are provided in, or from, this principal administrative location.

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

**B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.*) INCLUDING SQUARE FOOTAGE, MAJOR OPERATIONAL AREAS, ROOM CONFIGURATION, ETC.**

1. Scope of the Project

The application is for the relocation of the principal office of a currently licensed home health agency, Maxim Healthcare, from Nashville in Davidson County to Brentwood in Williamson County. It will not change the agency's licensed counties or change any of the services provided to Maxim patients in its licensed counties.

The principal office will be relocated to leased space in an existing office building. The applicant's parent company will lease 14,871 SF of space in this building, to house not only Maxim Healthcare Services, but a related Maxim division not subject to CON review (a staffing agency). Table Two below provides the square footage and renovation cost of updating the space for both companies.

<b>Table Two: Construction Costs of This Project</b>			
	<b>Renovated Construction</b>	<b>New Construction</b>	<b>Total Project</b>
Square Feet	14,871 SF	0	14,871 SF
Construction Cost	\$271,250	0	\$271,250
Constr. Cost PSF	\$18.24 PSF	0	\$18.24 PSF

2. The Applicant, Maxim Healthcare Services

Maxim Healthcare is a national company that has provided homecare for more than 20 years. It serves 46 counties throughout Tennessee through 5 principal offices that are all state-licensed and accredited by the Accreditation Commission for Health Care (ACHC).

### 3. Costs and Funding of the Project

The project cost for CON purposes, which includes the value of leased space, is estimated at \$3,201,828, of which the actual capital cost is \$451,602. The applicant has sufficient cash and operating reserves to fund the full cost of the project.

**APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF \$5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF \$2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART.**

**UTILIZING THE ATTACHED CHART, APPLICANTS WITH HOSPITAL PROJECTS SHOULD COMPLETE PARTS A-E BY IDENTIFYING, AS APPLICABLE, NURSING UNITS, ANCILLARY AREAS, AND SUPPORT AREAS AFFECTED BY THIS PROJECT. PROVIDE THE LOCATION OF THE UNIT/SERVICE WITHIN THE EXISTING FACILITY ALONG WITH CURRENT SQUARE FOOTAGE, WHERE, IF ANY, THE UNIT/SERVICE WILL RELOCATE TEMPORARILY DURING CONSTRUCTION AND RENOVATION, AND THEN THE LOCATION OF THE UNIT/SERVICE WITH PROPOSED SQUARE FOOTAGE. THE TOTAL COST PER SQUARE FOOT SHOULD PROVIDE A BREAKOUT BETWEEN NEW CONSTRUCTION AND RENOVATION COST PER SQUARE FOOT. OTHER FACILITY PROJECTS NEED ONLY COMPLETE PARTS B-E.**

Not applicable.

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

The principal office will be used for administrative purposes only. The applicant is leasing space at market rates for comparable office space and the renovation required is what all new office building tenants require: updated wall coverings, carpet, etc. and some relocation of new interior walls. This is done at market rates with competitive bidding, and is being completed by the lessor, not the applicant.

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

Not applicable.

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

Not applicable.

**B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.**

Not applicable.

**B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):**

1. ADULT PSYCHIATRIC SERVICES
2. ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS
3. BIRTHING CENTER
4. BURN UNITS
5. CARDIAC CATHETERIZATION SERVICES
6. CHILD AND ADOLESCENT PSYCHIATRIC SERVICES
7. EXTRACORPOREAL LITHOTRIPSY
8. HOME HEALTH SERVICES
9. HOSPICE SERVICES
10. RESIDENTIAL HOSPICE
11. ICF/MR SERVICES
12. LONG TERM CARE SERVICES
13. MAGNETIC RESONANCE IMAGING (MRI)
14. MENTAL HEALTH RESIDENTIAL TREATMENT
15. NEONATAL INTENSIVE CARE UNIT
16. NON-RESIDENTIAL METHADONE TREATMENT CENTERS
17. OPEN HEART SURGERY
18. POSITIVE EMISSION TOMOGRAPHY
19. RADIATION THERAPY/LINEAR ACCELERATOR
20. REHABILITATION SERVICES
21. SWING BEDS

Not applicable. No new services are proposed.

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

Maxim Healthcare requests a new location due to growth in both their homecare and medical staffing services. The principal office of the homecare operation is for administrative services only. No clinical or patient care is provided at this location. The principal location will also house multiple regional employees who work with Maxim locations through Tennessee and the United States. There are a very limited number of available spaces in Davidson and Williamson County. The proposed space is just inside the Williamson County line. There will be a total of 30 employees that will work from the proposed principal administrative office including 7 Regional employees.

**B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICAL EQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF \$2.0 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:**

1. For fixed site major medical equipment (not replacing existing equipment):
  - a. Describe the new equipment, including:
    1. Total Cost (As defined by Agency Rule);
    2. Expected Useful Life;
    3. List of clinical applications to be provided; and
    4. Documentation of FDA approval.
  - b. Provide current and proposed schedule of operations.
2. For mobile major medical equipment:
  - a. List all sites that will be served;
  - b. Provide current and/or proposed schedule of operations;
  - c. Provide the lease or contract cost;
  - d. Provide the fair market value of the equipment; and
  - e. List the owner for the equipment.
3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable.

**B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:**

1. SIZE OF SITE (IN ACRES);
2. LOCATION OF STRUCTURE ON THE SITE;
3. LOCATION OF THE PROPOSED CONSTRUCTION; AND
4. NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDERS THE SITE.

**PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.**

See Attachment B.III.A.

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

Nurses and aides employed by the applicant live and work throughout the service area, not at the proposed office location. However, the location of the proposed site is as accessible from service area counties as the current site. Table Three below shows comparative distances and drive times from the new Brentwood office to major communities in the applicant's service area. The proposed site is 1 mile from I-65 North and South. It is also located just off Old Hickory Boulevard, which is a major road in the area. There is a bus route approximately .5 miles away from the proposed site. Caregivers that work in patient homes usually travel to the administrative site once a week to turn in all applicable notes and then at least annually to complete required training.

County	City	To Current Office Site		To Proposed Office Site	
		Miles	Minutes	Miles	Minutes
Cheatham	Ashland City	23	28	31	38
Davidson	Nashville	6	10	10	16
Dickson	Dickson	41	45	39	56
Montgomery	Clarksville	54	58	59	66
Robertson	Springfield	33	42	39	49
Rutherford	Murfreesboro	33	36	38	43
Sumner	Gallatin	40	44	40	46
Williamson	Franklin	20	24	13	20

Wilson	Lebanon	35	51	36	40
AVERAGE DRIVE TIMES			37.5		41.6

Source: Google Maps, May 2016.

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

See attachment B.IV.

**B.V. FOR A HOME CARE ORGANIZATION, IDENTIFY**

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

Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties (9).

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

No change is proposed in the service area.

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

**Current:**

Maxim Healthcare  
2416 21<sup>st</sup> Ave. South, Suite 208  
Nashville, TN 37212

**Proposed:**

Maxim Healthcare  
115 East Park Dr., Suite 200  
Brentwood, TN 37027

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

Clarksville Branch Office:  
93 Beaumont St.  
Clarksville, TN 37040

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

No additional branch offices are being proposed.

**C(I) NEED****C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.**

**A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.**

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

**Home Health Services**

The State Plan Guidelines for a new or expanded Home Health Agency do not apply to this project, which neither initiates nor expands an agency.

**General Criteria for Change of Site**

This is not strictly speaking a change of site "for a proposed new health care institution" but the applicant is addressing these criteria as the closest applicable criteria.

**(4) Applications for Change of Site. When considering a certificate of need application which is limited to a request for a change of site for a proposed new health care institution, the Agency may consider, in addition to the foregoing factors, the following factors:**

**(a) *Need.* The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change the proposed site.**

The applicant will continue to service the existing needs for patients in all 9 counties. The change in the proposed administrative site is to provide additional square

footage for staff that supports all administrative services. There is not sufficient square footage in the existing building so a move is necessary.

**(b) *Economic Factors.*** The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.

There is no change to the population served by the applicant since all services are provided in individual homes in the existing 9 licensed counties. The change in site will allow Maxim Healthcare to hire additional employees to provide administrative services to its home health programs.

**(c) *Contribution to the orderly development of health care facilities and/or services.*** The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.

The applicant does not foresee any delays in providing patient care as a result of the change in location.

## **The Framework for Tennessee's Comprehensive State Health Plan**

### **Five Principles for Achieving Better Health**

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

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

#### **1. Healthy Lives**

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

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

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

#### **2. Access to Care**

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

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

The availability of this highly specialized home health provider in the service area will continue to improve patient access to needed home care.

#### **3. Economic Efficiencies**

***The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system.*** The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

The project will continue to bring to the service area a continued option for the

care of complex cases, both pediatric and adult cases. This project will continue to provide broader access for TennCare patients as well as for complex pediatric patients, which very few of the currently authorized agencies do.

#### **4. Quality of Care**

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

The applicant is currently licensed through The Department of Health and is accredited by the Accreditation Commission for Health Care (ACHC). The applicant is also credentialed with all 3 TennCare MCO's.

#### **5. Health Care Workforce**

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

The principal location will continue to support the development, recruitment and retention of its healthcare workforce. Maxim Healthcare offers employees tuition subsidies for pursuing advanced degrees in this field and attaining academic benchmarks in those courses. It also provides specialized training to its staff to improve their skills.

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

The proposed move of the principal location will help Maxim Healthcare continue to provide necessary administrative services for all homecare needs. The increased square footage will allow Maxim Healthcare to increase its administrative workforce to meet all needs to operate an efficient and effective operation.

**C(I).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON AN 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).**

The applicant's nine-county service area consists of Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties. It will not be changed as a result of this relocation of the principal office. A service area map and a map showing the location of the service within the State of Tennessee are provided as Attachments C, Need--3.

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

Please see Table Four following this page. The nine county service area has a total population of 1,892,624 persons in 2016. By 2020 it is projected to increase by 7.5% to 2,034,206 persons. The applicant primarily serves patients ages 0-64. That group currently numbers 1,664,900. By 2020 it is projected to increase by 5.8%, to 1,760,646 persons. That rate of increase is much higher than the State average of 2.1%.

The median income of service area households is \$56,911, which is 27.5% higher than the State average of \$44,621. The service area has a smaller percentage of its population living in poverty (14.7%) than the State average (18.3%). Similarly, it has 17.7% of its current population enrolled in TennCare compared to a higher statewide average of 22.4%.

**Table Four: Maxim Healthcare Services  
Demographic Characteristics of Service Area  
2016-2020**

Licensed Service Area Counties	Median Age - 2010 Census	Total Population 2016	Total Population 2020	Total Population % Change 2016 - 2020	Total Population Age 0-64 2016	% of Population 0-64	Total Population Age 0-64 2020	% of Population 0-64	% of Population	Age 0-64 Population Change 2016 - 2020	Median Household Income	TennCare Enrollees	Percent of 2016 Population Enrolled in TennCare	Persons Below Poverty Level	Persons Below Poverty Level as % of Population US Census
Cheatham	39.3	40,798	41,692	2.2%	34,867	85.5%	34,517	84.6%	84.6%	-1.0%	\$52,138	7,856	19.3%	5,181	12.7%
Davidson	33.9	680,427	714,756	5.0%	602,856	88.6%	626,442	92.1%	92.1%	3.9%	\$47,434	152,194	22.4%	135,405	19.9%
Dickson	38.7	53,684	56,210	4.7%	45,187	84.2%	46,209	86.1%	86.1%	2.3%	\$45,056	11,580	21.6%	7,677	14.3%
Montgomery	30.0	201,598	221,620	9.9%	183,067	90.8%	199,133	98.8%	98.8%	8.8%	\$50,693	35,466	17.6%	28,022	13.9%
Robertson	37.6	73,796	78,659	6.6%	63,167	85.6%	65,702	89.0%	89.0%	4.0%	\$53,748	14,382	19.5%	9,889	13.4%
Rutherford	32.2	318,638	357,615	12.2%	286,769	90.0%	317,157	99.5%	99.5%	10.6%	\$55,096	51,240	16.1%	46,840	14.7%
Sumner	38.6	178,730	190,261	6.5%	151,234	84.6%	157,342	88.0%	88.0%	4.0%	\$56,193	30,703	17.2%	20,196	11.3%
Williamson	38.5	215,859	234,832	8.8%	188,592	87.4%	199,994	92.7%	92.7%	6.0%	\$91,743	12,627	5.8%	12,088	5.6%
Wilson	39.3	129,094	138,561	7.3%	109,161	84.6%	114,150	88.4%	88.4%	4.6%	\$60,095	19,650	15.2%	13,038	10.1%
Maxim Service Area	36	1,892,624	2,034,206	7.5%	1,664,900	88.0%	1,760,646	93.0%	93.0%	5.8%	\$56,911	335,698	17.7%	278,337	14.7%
State of Tennessee	38.0	6,812,005	7,108,131	4.3%	5,720,489	84.0%	5,841,736	85.8%	85.8%	2.1%	\$44,621	1,525,548	22.4%	1,246,597	18.3%

Sources: TDOH Population Projections, 2015; U.S. Census QuickFacts; TennCare Bureau. PSA data is unweighted average, or total, of county data.

**C(I).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.**

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

**C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY. INPATIENT BED PROJECTS MUST INCLUDE THE FOLLOWING DATA: ADMISSIONS OR DISCHARGES, PATIENT DAYS, AND OCCUPANCY. OTHER PROJECTS SHOULD USE THE MOST APPROPRIATE MEASURES, E.G., CASES, PROCEDURES, VISITS, ADMISSIONS, ETC.**

There are 52 home health agencies (including the applicant) licensed to serve one or more of the applicant's service area counties. Table Five on the following page provides their historic utilization (patients, visits, hours) as reported in their 2013-2015 Joint Annual Reports.

Table Five: Patients Served By Home Health Agencies Licensed in Maxim's Service Area Counties

Health Statistics ID	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	of TN Counties in Agency License	JAR Total Patients Served In TN	2013 JAR Total Patients	2014 JAR Total Patients	2015 JAR Total Patients	2013 JAR Total Visits	2014 JAR Total Visits	2015 JAR Total Visits	2013 JAR Total Hours	2014 JAR Total Hours	2015 JAR Total Hours
19654	Davidson	Alere Women's and Children's Health, LLC	471	3/1/1999	14	202	1,150	1,002	186	1,401	1,623	1,791	2,101	2,433	2,251
26054	Franklin	Amedisys Home Care	82	9/19/1983	16	1,074	1,150	1,002	909	31,629	22,450	22,087	0	0	0
75054	Rutherford	Amedisys Home Health	207	6/7/1984	7	554	661	535	585	17,382	11,532	12,441	0	0	0
19674	Davidson	Amedisys Home Health (Cumberland Bend	254	7/1/1988	16	2,943	5,182	2,148	1,634	138,541	45,883	34,798	0	0	0
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	38	2/2/1976	22	1,598	2,008	1,508	1,205	45,356	30,028	23,552	0	0	0
75064	Rutherford	Amedisys Home Health Care	5	8/23/1984	19	1,431	1,582	1,372	1,265	50,354	35,181	29,977	0	0	0
19684	Davidson	Amedisys Home Health Services	68	10/1/2017	10	358	23	210	638	346	3,300	15,403	0	0	0
95084	Wilson	American National Home Health (Friendship	600	10/24/2000	10	358	311	305	224	24,110	47,579	16,997	0	0	0
19714	Davidson	Angel Private Duty and Home Health, Inc. (F	622	3/24/2009	24	73	123	79	37	532	68	18	5,001	12,541	9,494
19504	Davidson	Brookdale Home Health Nashville (Innovati	289	1/13/1983	22	504	677	587	610	18,200	23,075	31,890	2,103	0	0
19724	Davidson	Careall	295	7/5/1984	22	1,562	1,562	1,665	891	55,475	33,438	13,314	309,593	82,940	106,309
60074	Maury	Careall Homecare Services	194	2/9/1984	18	224	609	881	614	12,688	15,991	9,098	29,187	26,826	30,731
26024	Franklin	Caresouth HHA Holdings of Winchester, LLC	83	1/29/1976	34	1,371	2,030	2,444	2,581	49,317	58,535	60,294	0	0	0
19664	Davidson	Continuous Care Services, LLC	48	8/8/1977	6	407	407	170	163	20,100	7,911	8,083	61,235	29,101	1,201
19734	Davidson	Coram CVS Specialty Infusion Services	624	1/30/2013	38	11	26	26	36	37	3,744	241	98	14,976	873
95034	Wilson	Deaconess Homecare (Cedar Creek HH Care	282	12/18/1978	21	1,210	1,222	1,706	956	30,734	32,948	25,996	0	0	5,804
52024	Lincoln	Deaconess Homecare (Elk Valley)	161	2/25/1976	25	704	842	1,294	731	18,198	23,455	13,872	0	0	2,510
19494	Davidson	Elk Valley Health Services Inc	42	7/17/1984	95	245	277	293	457	9,222	35,655	112,411	729,065	0	945,276
19614	Davidson	Friendship Home Health Agency	323	3/4/1996	14	1,093	845	745	631	17,749	16,195	15,696	0	0	0
63034	Montgomery	Gateway Home Health Clarksville	186	6/20/1984	7	1,067	949	1,340	1,081	16,696	18,646	13,889	0	0	0
16024	Coffee	Gentiva Health Services	30	8/1/1980	9	629	424	320	301	11,741	8,288	7,763	0	0	0
19084	Davidson	Gentiva Health Services	49	8/22/1984	12	1,239	1,003	831	869	25,749	23,992	24,921	0	0	0
95074	Wilson	Gentiva Health Services	41	1/10/1983	15	1,482	1,380	1,203	1,109	37,598	30,585	27,359	0	0	0
94074	Williamson	Guardian Home Care of Nashville, LLC	607	5/24/2001	14	1,365	1,370	1,668	1,810	36,302	50,988	57,946	8,049	9,292	7,779
94094	Williamson	Health at Home	617	12/7/1984	1	58	58	125	118	1,651	1,349	9,019	20,033	29,053	29,052
40075	Henry	Henry County Medical Center Home Health	122	12/7/1984	12	399	363	408	428	7,276	7,084	6,887	0	0	0
02024	Bedford	Heritage Home Health	4	5/4/1984	7	280	241	421	485	8,102	6,752	7,096	0	708	1,329
71014	Putnam	Highland Rim Home Health Agency	197	5/2/1978	14	495	574	497	549	15,591	12,875	15,397	71,181	69,859	81,226
83114	Sumner	Highpoint Homecare (Sumner Homecare)	258	9/7/1984	7	738	855	816	1,103	15,285	14,764	16,154	0	0	0
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare o	56	9/7/1988	95	2,080	1,930	1,689	1,813	88,519	75,462	69,300	0	0	905
19584	Davidson	Home Health Care of Middle Tennessee	46	12/20/1982	14	3,914	2,963	2,975	2,998	56,975	50,875	42,113	545,786	600,187	521,678
19364	Davidson	Intrepid USA Healthcare Services	34	6/20/1984	19	920	766	1,389	1,146	15,274	27,464	29,192	0	0	0
89064	Warren	Intrepid USA Healthcare Services	263	8/1/1984	16	159	822	804	843	24,378	25,189	28,173	0	0	0
74064	Robertson	Lifeline Home Health	203	8/15/1984	5	428	428	160	277	10,884	4,882	8,183	326	0	701
60044	Maury	Maury Regional Home Services	180	5/31/1984	8	1,220	1,151	1,553	1,489	19,768	22,844	23,711	0	0	0
19704	Davidson	Maxim Healthcare Services, Inc.	615	10/28/2005	9	106	106	110	143	233	5,697	2,195	219,449	278,871	273,808
60024	Maury	NHC Homecare	181	11/22/1977	21	2,134	2,408	2,591	2,517	67,883	68,396	69,334	0	0	0
74054	Robertson	NHC Homecare	205	1/12/1984	7	909	1,332	1,842	2,000	29,436	47,116	51,125	0	0	0
75024	Rutherford	NHC Homecare	208	5/17/1976	24	3,269	3,776	4,180	4,270	97,592	99,730	95,199	0	0	0
19374	Davidson	Premiere Home Health, Inc	35	6/7/1984	1	87	87	81	79	2,946	2,855	3,956	0	0	0
41034	Hickman	St. Thomas Home Health (Hickman Co. HH)	125	6/1/1984	8	134	214	311	370	2,946	3,186	5,493	0	0	1,617
16034	Coffee	Suncrest Home Health	29	4/16/1984	15	1,114	1,588	2,122	1,667	50,699	64,599	72,648	77,744	96,612	22,190

Table Five: Patients Served By Home Health Agencies Licensed in Maxim's Service Area Counties

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	of TN Counties In Agency License	JAR Total Patients Served in TN	2013 JAR Total Patients	2014 JAR Total Patients	2015 JAR Total Patients	2013 JAR Total Visits	2014 JAR Total Visits	2015 JAR Total Visits	2013 JAR Total Hours	2014 JAR Total Hours	2015 JAR Total Hours
19324	Davidson	Suncrest Home Health	70	5/30/1984	12	6,710	5,490	4,624	4,502	144,316	101,251	93,133	195,646	160,261	150,307
21024	DeKalb	Suncrest Home Health	60	5/28/1982	7	1,501	1,568	2,485	2,663	64,778	78,067	99,227	106,743	108,104	20,447
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	293	2/1/1984	11	381	587	1,276	864	39,317	35,962	25,772	24,499	30,677	37,490
03025	Benton	Tennessee Quality Homecare - Northwest	8	3/14/1983	15	1,128	1,164	1,173	1,381	31,200	30,013	39,613	0	0	0
20045	Decatur	Tennessee Quality Homecare - Southwest	221	3/19/1984	15	1,082	1,080	988	1,043	37,708	25,269	33,261	0	0	0
19394	Davidson	Vanderbilt Community & Home Services	43	6/8/1984	20	1,230	1,879	1,700	1,907	10,842	12,471	14,214	81,646	86,382	84,952
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV &	604	9/15/2000	33	86	67	135	309	424	9	1,048	858	682	2,090
19314	Davidson	Vanderbilt Home Care Services	65	9/26/1983	7		1,812	1,590	1,788	24,765	27,292	25,914	0	0	0
20055	Decatur	Volunteer Homecare of West Tennessee	63	6/11/1984	17	1,503	1,534	1,797	1,833	51,090	56,803	50,730	199,882	220,219	197,965
19694	Davidson	Willowbrook Home Health Care Agency	259	10/29/1981	36	2,149	1,565	1,283	1,512	13,754	28,046	31,834	0	0	0
<b>TOTALS</b>						53,087	61,056	61,457	59,434	1,601,688	1,515,769	1,547,967	2,688,124	1,857,291	2,535,734

Source: TDH; 2013-2015 Joint Annual Reports of Home Health Agencies Coram and Alere agencies are in the process of expanding to Statewide coverage under recently granted CON's.

**C(I).6. PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE TWO (2) YEARS FOLLOWING COMPLETION OF THE PROJECT. ADDITIONALLY, PROVIDE THE DETAILS REGARDING THE METHODOLOGY USED TO PROJECT UTILIZATION. THE METHODOLOGY MUST INCLUDE DETAILED CALCULATIONS OR DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.**

The relocated agency's historical and projected utilization is provided in Table Six below. The first full year of operation at the new site will be CY2017.

<b>Table Six: Maxim Healthcare Services (9 counties) Historic and Projected Utilization 2013-2015</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>*2016</b>	<b>*2017</b>	<b>*2018</b>
Patients	106	110	143	180	216	259
Visits	233	5697	2195	2195	2195	2195
Hours	219,449	278,871	342,355	420,000	504,000	604,800

\*estimate

**Projection Methodology:**

1. **PATIENTS**: The average patient growth rate each year between 2013 and 2015 was 20%. The same growth rate was used to determine 2017-2018 estimated growth.
2. **VISITS**: We factored in 0% growth for the # of visits in 2017-2018 since Maxim Healthcare does not focus on that specific type of patient care. ("Visit" patients are associated with Medicare and commercial intermittent-type services, whereas "hours" are associated with private-duty services like those we render).
3. **HOURS**: The average hours growth rate each year between 2013 and 2015 was 24%. To be conservative, we estimated a growth rate of 20% for 2017-2018.

**C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.**

- **ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST \$3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.**

- **THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.**

- **THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.**

- **FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.**

The contractor's letter supporting the construction cost estimate is provided in Attachment C, Economic Feasibility--1.

On the Project Costs Chart, following this response:

Line A.2, legal, administrative, and consultant fees, include a contingency for expenses of an administrative appeals hearing.

Line A.5, construction cost, is an estimate provided by the contractor.

Line A.7 reflects furnishings and office equipment other than what is being moved from Nashville.

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

Lease Outlay Method:

7 years first lease term; annual lease cost stated on page iii of lease document; total of 7 years' lease payments will be \$2,749,648.

Pro Rata Building Value Method:

14,871 SF leasehold (the project) / 43,696 SF total building X \$8,088,900 appraised value of the building = \$ 2,750,226 pro rata value of the space to be leased.

**PROJECT COSTS CHART--MAXIM HEALTH CARE SERVICES  
RELOCATION OF MIDDLE TENNESSEE PRINCIPAL OFFICE**

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	\$	11,170
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)		29,500
3. Acquisition of Site		0
4. Preparation of Site		0
5. Construction Cost		271,250
6. Contingency Fund (5% of #5)		13,563
7. Fixed Equipment (Not included in Construction Contract)		11,378
8. Moveable Equipment (List all equipment over \$50,000)		31,313
9. Other (Specify) <u>Server, cabling, phones</u>		43,688
<u>Space planning and misc. fees</u>		32,553

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land) FMV Building	2,750,226
2. Building only	0
3. Land only	0
4. Equipment (Specify) _____	0
5. Other (Specify) _____	0

C. Financing Costs and Fees:

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

D. Estimated Project Cost  
(A+B+C)

3,194,640

E. CON Filing Fee

7,188

F. Total Estimated Project Cost (D+E)

**TOTAL \$** 3,201,828

Actual Capital Cos	451,602
Section B FMV	2,750,226

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

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY--2).

A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;

D. Grants--Notification of Intent form for grant application or notice of grant award;

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

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

The project will be funded by the applicant's cash reserves. Documentation of financing is provided in Attachment C, Economic Feasibility--2.

**C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.**

The applicant is leasing space at market rates for comparable office space and the renovation required is what all new office building tenants require: updated wall coverings, carpet, etc. and some relocation of new interior walls. This is done at market rates with competitive bidding, and is being completed by the lessor, not the applicant. It is not feasible to attempt to compare this renovation cost to other office renovation costs.

**C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE FOLLOWING TWO PAGES--DO NOT MODIFY THE CHARTS PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE FOR THE INSTITUTION. PROJECTED DATA CHART REQUESTS INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., IF THE APPLICATION IS FOR ADDITIONAL BEDS, INCLUDE ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).**

See the following pages for these charts, with notes where applicable.

## HISTORICAL DATA CHART -- MAXIM HEALTHCARE SERVICES (DAVIDSON COUNTY)

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

	Year 2013_	Year 2014	Year 2015	
	<b>PATIENTS</b>	<b>106</b>	<b>110</b>	<b>143</b>
A. Utilization Data	<b>HOURS</b>	<b>219,449</b>	<b>278,871</b>	<b>342,355</b>
B. Revenue from Services to Patients				
1. Inpatient Services	\$	_____	_____	_____
2. Outpatient Services	In-Home Services	<u>9,238,910</u>	<u>10,108,666</u>	<u>12,907,624</u>
3. Emergency Services		_____	_____	_____
4. Other Operating Revenue		_____	_____	_____
(Specify) <u>See notes page</u>		_____	_____	_____
<b>Gross Operating Revenue</b>	<b>\$</b>	<b><u>9,238,910</u></b>	<b><u>\$ 10,108,666</u></b>	<b><u>\$ 12,907,624</u></b>
C. Deductions for Operating Revenue				
1. Contractual Adjustments	\$	_____	_____	_____
2. Provision for Charity Care		_____	_____	_____
3. Provisions for Bad Debt		<u>(45,429)</u>	<u>(15,621)</u>	<u>(155,991)</u>
<b>Total Deductions</b>	<b>\$</b>	<b><u>(45,429)</u></b>	<b><u>\$ (15,621)</u></b>	<b><u>\$ (155,991)</u></b>
<b>NET OPERATING REVENUE</b>	<b>\$</b>	<b><u>9,193,481</u></b>	<b><u>\$ 10,093,045</u></b>	<b><u>\$ 12,751,633</u></b>
D. Operating Expenses				
1. Salaries and Wages	\$	<u>5,966,821</u>	<u>6,790,906</u>	<u>8,666,843</u>
2. Physicians Salaries and Wages		_____	_____	_____
3. Supplies		<u>56,846</u>	<u>64,668</u>	<u>73,128</u>
4. Taxes		<u>864,541</u>	<u>1,045,919</u>	<u>1,370,232</u>
5. Depreciation		<u>15,333</u>	<u>18,381</u>	<u>22,070</u>
6. Rent		<u>91,309</u>	<u>81,095</u>	<u>86,031</u>
7. Interest, other than Capital		<u>48,565</u>	<u>46,734</u>	<u>61,491</u>
8. Management Fees		_____	_____	_____
a. Fees to Affiliates		_____	_____	_____
b. Fees to Non-Affiliates		_____	_____	_____
9. Other Expenses (Specify) <u>Administrative Overhead</u>		<u>1,264,953</u>	<u>1,235,263</u>	<u>1,255,639</u>
<b>Total Operating Expenses</b>	<b>\$</b>	<b><u>8,308,368</u></b>	<b><u>9,282,965</u></b>	<b><u>11,535,434</u></b>
E. Other Revenue (Expenses) -- Net (Specify)	\$	_____	\$ _____	\$ _____
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$</b>	<b><u>885,113</u></b>	<b><u>\$ 810,080</u></b>	<b><u>\$ 1,216,200</u></b>
F. Capital Expenditures				
1. Retirement of Principal	\$	_____	\$ _____	\$ _____
2. Interest		_____	_____	_____
<b>Total Capital Expenditures</b>	<b>\$</b>	<b><u>0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
<b>NET OPERATING INCOME (LOSS)</b>				
<b>LESS CAPITAL EXPENDITURES</b>	<b>\$</b>	<b><u>885,113</u></b>	<b><u>\$ 810,080</u></b>	<b><u>\$ 1,216,200</u></b>

**PROJECTED DATA CHART-- MAXIM HEALTHCARE SERVICES (DAVIDSON COUNTY)**

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

		CY 2017	CY 2018
	PATIENTS	216	259
A. Utilization Data	HOURS	504,000	604,800
B. Revenue from Services to Patients			
1. Inpatient Services		\$ _____	\$ _____
2. Outpatient Services	In-Home Services	19,538,828	23,446,594
3. Emergency Services		_____	_____
4. Other Operating Revenue (Specify)	See notes page	_____	_____
	<b>Gross Operating Revenue</b>	<b>\$ 19,538,828</b>	<b>\$ 23,446,594</b>
C. Deductions for Operating Revenue			
1. Contractual Adjustments		\$ _____	\$ _____
2. Provision for Charity Care		_____	_____
3. Provisions for Bad Debt		(33,526)	(40,232)
	<b>Total Deductions</b>	<b>\$ (33,526)</b>	<b>\$ (40,232)</b>
<b>NET OPERATING REVENUE</b>		<b>\$ 19,505,302</b>	<b>\$ 23,406,362</b>
D. Operating Expenses			
1. Salaries and Wages		\$ 12,853,568	\$ 15,424,281
2. Physicians Salaries and Wages		_____	_____
3. Supplies		110,698	132,837
4. Taxes		2,074,180	2,489,016
5. Depreciation		33,408	40,089
6. Rent		369,631	378,876
7. Interest, other than Capital		_____	_____
8. Management Fees		_____	_____
a. Fees to Affiliates		_____	_____
b. Fees to Non-Affiliates		_____	_____
9. Other Expenses (Specify)	Administrative Overhead	1,900,715	2,280,858
	Dues, Utilities, Insurance, and Prop Taxes	_____	_____
	<b>Total Operating Expenses</b>	<b>\$ 17,342,199</b>	<b>\$ 20,745,957</b>
E. Other Revenue (Expenses) – Net (Specify)		\$ _____	\$ _____
<b>NET OPERATING INCOME (LOSS)</b>		<b>\$ 2,163,103</b>	<b>\$ 2,660,405</b>
F. Capital Expenditures			
1. Retirement of Principal		\$ _____	\$ _____
2. Interest		_____	_____
	<b>Total Capital Expenditures</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>NET OPERATING INCOME (LOSS)</b>			
<b>LESS CAPITAL EXPENDITURES</b>		<b>\$ 2,163,103</b>	<b>\$ 2,660,405</b>

Data for CON Summary of Revenue Statistics		
	Yr 1	Yr 2
GR (IP) per visit	\$0	\$0
GR (IP+OP) per visit	\$39	\$39
Deducts per visit	\$0	\$0
NOR per visit	\$39	\$39
NOI after expenses, per visit	\$4	\$4

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

<b>Table Seven: Average Charges, Deductions, and Net Charges</b>		
	<b>2017</b>	<b>2018</b>
Hours	504,000	604,800
Average Total Agency Gross Revenue, per Hour	\$38.77	\$38.77
Average Total Agency Deduction, Per Hour	\$.47	\$.47
Average Total Agency Net Charge (Net Operating Revenue), Per Hour	\$38.30	\$38.30
Average Total Agency Net Operating Income After Capital Expenditure, Per Hour	\$3.36	\$3.47

*Source: Projected Data Chart*

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

Table Eight below projects that data for Year One at the new location. These are approximately the same charges that are currently in place for the existing principal location. The proposed move will have no impact on the fee schedule.

<b>Table Eight: Costs and Charges Per Unit of Service, 2017</b>				
Service	Cost Per Visit	Charge Per Visit	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$46.40	\$85	\$24.36	\$38
Home Health Aide	\$17.40	\$29	\$12.76	\$21

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

The applicant's charges are comparable to those of other agencies providing similar home health services. Please see Table Nine below. The data are taken from several similar agencies' Joint Annual Reports for CY2015. Dashes indicate that the agency did not report that statistic.

<b>Table Nine: Comparative Charges for Service, 2015</b>					
<b>State ID</b>	<b>Agency Name</b>	<b>HH Aide</b>		<b>Skilled Nursing</b>	
		<b>Average Charge Per Visit</b>	<b>Average Charge Per Hr</b>	<b>Average Charge Per Visit</b>	<b>Average Charge Per Hr</b>
19704	Maxim Healthcare Services	-	\$19	\$102	\$36
19724	Careall Homecare Services	-	\$18	-	\$31
19494	Elk Valley Health Services	\$40	\$22	\$79	\$35
19614	Friendship Home Services	-	-	-	-
19584	Home Health Care of Middle TN	-	-	-	-
19324	Suncrest Home Health	-	\$22	-	\$40
19394	Vanderbilt Community & Home Svc	\$85	\$35	\$185	\$60

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

The applicant is already well-utilized and cost-effective; its utilization has been increasing; the projected utilization in prior sections of the application indicates continued cost-effectiveness.

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

The applicant is financially viable. This change of principal office will not adversely impact its positive cash flow.

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

Please see Table Ten below. The project will serve TennCare/Medicaid patients. Its service to Medicare patients will be to an estimated single patient, to secure a Medicare provider number (which the State now requires in order for a home health agency to participate in TennCare). No actual NET revenue will be received from Medicare.

	<b>Year One (CY2017)</b>		<b>Year Two (CY 2018)</b>	
	<b>Gross Rev.</b>	<b>Percent of GR</b>	<b>Gross Rev</b>	<b>Percent of GR</b>
TennCare	\$15,604,241	80%	\$18,725,090	80%
Commercial	\$3,901,060	20%	\$4,681,273	20%
Self-Pay	0	0	0	0
Charity	0	0	0	0
Other	0	0	0	0
<b>Totals</b>	<b>\$19,505,302</b>	<b>100%</b>	<b>\$23,406,363</b>	<b>100%</b>

Home Health agencies that specialize in hourly care (private duty) generally do not provide charity patient care. For example, the six private duty agencies listed in response C(II)6.B above collectively reported a total of \$95,569,307 in gross charges, of which only \$8,343, or .009% (9 thousandths of one percent) were charity care. Four of the six agencies reported zero charity care. Nevertheless, Maxim Healthcare reported more than \$22,000 in sales adjustments in 2015 for services rendered in the 9 counties.

**C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPLE PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.**

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

**C(II)11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:**

**A. A DISCUSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.**

The applicant has no alternative due to need to increase necessary administrative space that is not available at current location and the lack of alternative leased space that is more suitable than the proposed space.

**B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.**

The project uses only leased space.

**C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AND/OR WORKING RELATIONSHIPS, E.G., TRANSFER AGREEMENTS, CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.**

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

**C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.**

This project is to relocate the principal administrative office only. The project will have no negative effect on the healthcare system. The positive aspect of this project is that it allows the applicant to expand and improve administrative services for existing patients.

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

The Department of Labor and Workforce Development website indicates the following annual salary information for clinical employees of the type in this project, for this service area.

Position	Entry Level	Mean	Median	Experienced
RN	\$45,906	\$59,308	\$58,872	\$66,019
LPN	\$28,080	\$34,510	\$34,810	\$37,730
HH Aide	\$16,848	\$19,438	\$19,244	\$20,738

*Source: TDLWD Occupational Wages Surveys, 2015.*

Please see Table Twelve on the following page for projected FTE's and salary ranges.

<b>Table Twelve: Maxim Healthcare Services, Davidson County Projected Staffing</b>			
<b>Position Type (RN, etc.)</b>	<b>Yr 1 (2017) FTE's</b>	<b>Yr 2 (2018) FTE's</b>	<b>Annual Salary Range</b>
<b>Office Positions, Management and Clinical</b>			
Director of Business Operations	1.0	1.0	85,000-90,000
Director of Clinical Operations, RN	1.0	1.0	75,000-85,000
Clinical Manager, RN	1.0	1.0	65,000-70,000
Recruiter	8.0	10.0	43,000-48,000
RN Clinical Supervisor	6.0	7.0	52,000-56,000
Field Support Specialist (Administrative Staff)	6.0	7.0	27,000-31,000
<b>Subtotal, Office FTE's</b>	<b>23.0</b>	<b>27.0</b>	
<b>Clinical Positions in Field (Direct Patient Care)</b>			
Home Health Aide	24.0	29.0	
Licensed Practical Nurse	156.0	187.0	
Registered Nurse	48.0	58.0	
<b>Subtotal, Field FTE's</b>	<b>228.0</b>	<b>274.0</b>	
<b>Total, Office and Field FTE's</b>	<b>251.0</b>	<b>301.0</b>	

Source: Maxim Management

**C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.**

Maxim has been able to appropriately staff the existing principal office, and the proposed change of its location will not impact the ability to continue to staff appropriately. No clinical staff increases or decreases in the near future are attributable to relocating the principal office address. Maxim is very aware of State agency requirements for staffing and operating home health agencies.

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

The applicant so verifies.

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

None.

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

The applicant so verifies.

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

**LICENSURE:** Board for Licensure of Healthcare Facilities  
Tennessee Department of Health

**CERTIFICATION:** Medicare Certification from CMS  
TennCare Certification from TennCare Bureau (3 MCO'S)

**ACCREDITATION:** Accreditation Commission for Health Care

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

The applicant's existing principal location in Nashville, Tennessee is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and accredited by the Accreditation Commission for Health Care.

**C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.**

The existing principal location has had multiple surveys from the Department of Health. A copy of the most recent recertification survey which resulted in zero deficiencies is provided in Attachment C, Orderly Development--7(C).

**C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.**

In September of 2011, Maxim Healthcare entered into a Civil Settlement Agreement ("Settlement Agreement") with the United States of America, a Deferred Prosecution Agreement ("DPA") with the United States Attorney's Office for the District of New Jersey ("USAONJ"), and a Corporate Integrity Agreement ("CIA") with the Office of Inspector General of the Department of Health and Human Services, to resolve false Medicaid claims submitted by Maxim Healthcare from approximately 1998 to 2009 to federal and state governments.

The DPA ended in September of 2013 as a result of the Company's successful performance under its terms. Maxim Healthcare is in year five of its CIA, and will continue in the agreement at its own election. Maxim Healthcare is subject to monetary fines and, ultimately, exclusion, for failure to comply, but to date, Maxim Healthcare has never been fined.

Every single member of the senior leadership team in place during the time period at issue in the agreements has been replaced and is no longer with the Company. The Company added a seasoned CEO in the healthcare industry, a Chief Medical Officer, Chief Nursing Officer, Compliance Officer and General Counsel.

Maxim Healthcare is allowed to participate in all state and federally funded health programs. There are no restrictions. Nothing in the CIA prohibits Maxim from entering into any contract.

**C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.**

See response to C(III).8

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

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

**PROOF OF PUBLICATION**

Attached

**DEVELOPMENT SCHEDULE**

**1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.**

The Project Completion Forecast Chart is provided after this page.

**2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.**

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

### PROJECT COMPLETION FORECAST CHART

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

August 24, 2016 (Assumes Consent Calendar Review)

Assuming the CON decision becomes the final Agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

The table below reflects actual dates of construction, which has already begun. The reason it has begun is that the new space will be occupied not only by Maxim Home Health (after CON approval), but at an earlier date by another Maxim company that is not subject to CON review. The staff of the two companies will be mixed across the space so that it is not possible to attribute or allocate a distinct portion of the space to the CON applicant. If the CON is not granted, the applicant will simply not occupy that space.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	--	2/26/16
2. Construction documents approved by TDH	NA	NA
3. Construction contract signed	--	3/24/16
4. Building permit secured	--	3/24/16
5. Site preparation completed	--	3/24/16
6. Building construction commenced	--	3/24/16
7. Construction 40% complete	--	4/15/16
8. Construction 80% complete	--	5/11/16
9. Construction 100% complete	--	5/31/16
10. * Issuance of license	--	License is active
11. *Initiation of service	NA	Upon CON approval
12. Final architectural certification of payment	NA	6/13/16
13. Final Project Report Form (HF0055)	60	10/24/16

**\* For projects that do NOT involve construction or renovation: please complete items 10-11 only. Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.**

Public Notices

Public Notices

Public Notices

NOTICE OF PUBLIC MEETING & REQUEST FOR PUBLIC COMMENT CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER) FOR THE 2015 ANNUAL UPDATE TO THE CONSOLIDATED PLAN

Public Hearing: The Metropolitan Development and Housing Agency (MDHA) will host a public hearing on the CAPER on...

Thursday, June 23, 2016, 5:30 p.m. Randae Rogers Training Center 1419 Roosa L. Parks Blvd. Nashville, TN 37208.

Public Comment: Beginning Friday, June 10, 2016, the CAPER will be available for public examination and comment. Members of the public may download copies from MDHA's website at http://www.nashvillemdha.com/2016-18527 or may request copies by contacting the MDHA Community Development Department at 615-252-8505 or TDD at 615-252-8599. Also, copies will be available at MDHA's Community Development Department, located at 712 South Sixth Street, Nashville, TN 37206, between the hours of 7:30 a.m. and 4:00 p.m., Monday-Friday. MDHA will receive written comments until 3:00 p.m., central time, on Monday, June 27, 2016. Comments may be submitted by hand-delivery to MDHA's Community Development Department at the address listed above, electronically at consolidatedplan@nashvillemdha.com (Subject: CAPER), faxed to 615-252-8533 (Attention: CAPER), or mailed to MDHA Community Development Department, Attention: CAPER, P.O. Box 846, Nashville, TN 37202.

Purpose and Summary: The CAPER describes the accomplishments of housing and community development activities funded under the Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs during the 2015-2016 program year (April 1, 2015 through March 31, 2016).

Request for Accommodations: MDHA makes every effort to provide reasonable accommodations to assist persons with disabilities. Any person needing assistance in accessing this information or who has other needs that require special accommodations may contact 615-252-8555 or TDD at 615-252-8599.

Paraq unna traducción español de este aviso, por favor llame: 615-252-8595

如果您需要通知的中文翻译，请打电话：615-252-8505

Đã nhận một bản dịch Tiếng Việt của thông báo này, vui lòng gọi: 615-252-8505

Haddil and rablo qorazalkan oo at-Soomaal lagu tarjumo haddil and doonaysa faadlan nga soo waa: 615-252-8505



Model 11322

Public Notices

Public Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties in accordance with T.C.A. Sections 68-1-1, 68-1-2, 68-1-3, and 68-1-4 (the Health Services and Development Agency, the Maxxim Healthcare Services (a home health agency) owned and managed by Maxxim Healthcare Services, Inc. (a corporation), the proposed application for a Certificate of Need to relocate its principal office from 2418 21st Avenue South, Nashville, TN 37212 (in Davidson County) to 115 East Park Drive, Suite 200, Brentwood, TN 37027 (in Williamson County), at an estimated cost of \$3,201,928 (of which \$452,180 is the actual capital cost, the balance being lease expenses). The applicant is licensed as a home health agency by the Board for Licensing Health Care Facilities. The project does not contain major medical equipment or initiate or discontinue any other health services and it will not change the applicant's authorized service area counties (which are Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties). The anticipated date of filing the application is on or before June 15, 2016. The contact person for the project is Jimmy Nichols, Area Vice President, Maxxim Healthcare Services, who may be reached at 2415 21st Avenue South, Nashville, TN 37212, 615-366-0100. Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency Andy Jackson Building 5th Floor 602 Deaderick Street Nashville, TN 37243

Persons who wish to object to the application should file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Model 11322

Public Notices

Public Notices

THE TENNESSEAN WITH A BOUNDARY LINE, 58 DEG. 47 MIN. 15 SEC. E 136.53 FEET TO A POINT IN THE WEST MARGIN OF HOLMAN ROAD, THENCE S 12 DEG. 10 MIN. 37 SEC. W 15.23 FEET TO THE POINT OF BEGINNING, CONTAINING 1900 SQUARE FEET AS SURVEYED BY KESSINGER & ASSOCIATES, JULY 2, 1986, UPDATED SEPTEMBER 4, 1987, TO REFLECT CURRENT ADJACENT PROPERTY OWNERS. PARCEL 2, TRACT OR PARCEL OF LAND SITUATE IN THE 9TH CIVIL DISTRICT OF ROBERTSON COUNTY, TENNESSEE, BEING MORE SPECIFICALLY DESCRIBED AS FOLLOWS: TO-WIT: BEGINNING AT AN IRON PIN IN THE SOUTH MARGIN OF KINNEYS SCHOOL ROAD, THE NORTHWEST CORNER OF A TRACT OF LAND, WHICH BELONGS TO DAVID MICHAEL LANE, HAVING A DEED REFERENCE IN DEED BOOK 283, PAGE 879, REGISTERS OFFICE FOR ROBERTSON COUNTY, TENNESSEE, THE NORTHEAST CORNER OF THIS TRACT AND CONTINUING AS FOLLOWS: S 12 DEG. 24 MIN. 40 SEC. W 214.27 FEET TO A POINT IN THE WEST BOUNDARY OF SAID TRACT OF LAND WHICH BELONGS TO DAVID MICHAEL LANE, THENCE WITH A NEW LINE AS FOLLOWS: N 48 DEG. 47 MIN. 15 SEC. W 45.63 FEET TO A POINT IN THE WEST MARGIN OF KINNEYS SCHOOL ROAD, THENCE S 68 DEG. 00 MIN. 18 SEC. E 10.15 FEET TO THE POINT OF BEGINNING, CONTAINING 5995 SQUARE FEET

Continued to next column

0001112497

**Affidavit of Publication**

**NEWSPAPER: The Tennessean**

**MAXIM HEALTHCARE SERVICES  
2416 21<sup>ST</sup> AVE. S.  
NASHVILLE, TN 37212**

State of Tennessee

**ADVERTISER: MAXIM HEALTHCARE SERVICES  
ACCOUNT # 547640**

**TEAR SHEETS  
ATTACHED**

RE: CERT OF NEED

I, *Jackie Cooper*

Advertising Assistant for the

above mentioned newspaper, hereby certify that the attached advertisement

Appeared in said newspaper on the following dates: 6-10-2016

*Jackie Cooper*  
\_\_\_\_\_

Subscribed and sworn to me this 10 day of June, 2016

*Angela Murray*  
\_\_\_\_\_  
NOTARY PUBLIC



## INDEX OF ATTACHMENTS

2014100112

A.4	Ownership--Legal Entity and Organization Chart (if applicable)
A.6	Site Control
B.III.	Plot Plan
B.IV.	Floor Plan
C, Need--3	Service Area Maps
C, Economic Feasibility--1	Documentation of Construction Cost Estimate
C, Economic Feasibility--2	Documentation of Availability of Funding
C, Economic Feasibility--10	Financial Statements
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Miscellaneous Information	

**A.4--Ownership  
Legal Entity and Organization Chart**

**Maxim Healthcare Services, Inc.**  
**Ownership Information**

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

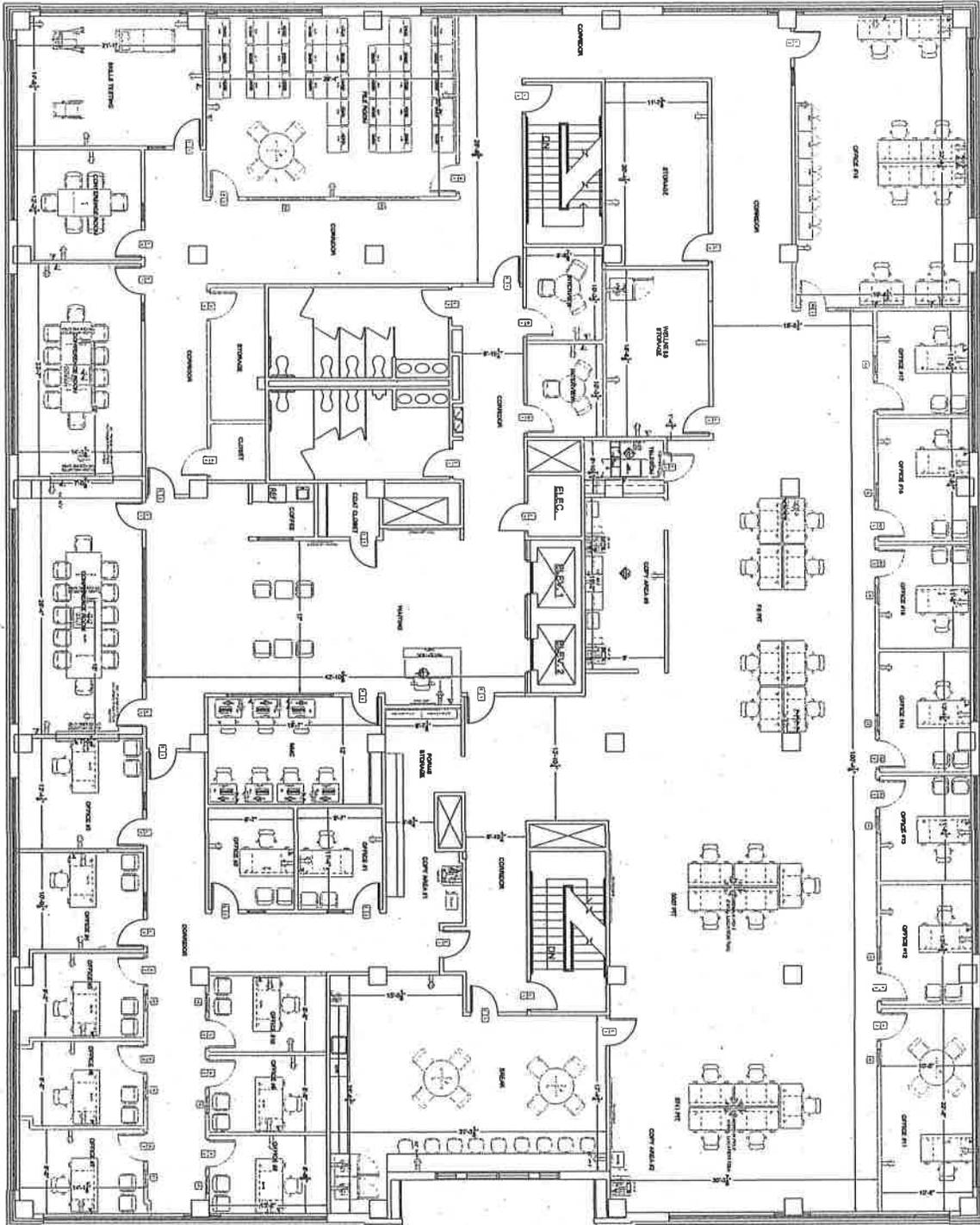
<b><u>Name</u></b>	<b><u>Percentage of Ownership</u></b>
Oak Investment Trust 100 North Tampa St. Suite 2700 Tampa, FL 33602	39.8860%
Oak Investment Trust II 100 North Tampa St. Suite 2700 Tampa, FL 33602	39.3542%
Stephen Bisciotti 7301 Parkway Dr. Hanover, MD 21076	19.9430%
<b><u>Minority Stockholders:</u></b>	
William Butz 7227 Lee DeForest Dr. Columbia, MD 21046	0.8168%

**B.III.--Plot Plan**



115 East Park Drive  
Brentwood, TN

**B.IV.--Floor Plan**



General Notes

**MAXIM  
HEALTHCARE  
SERVICES, INC.**

2227 LEE DEFOREST DRIVE  
COLUMBIA, MARYLAND 21046  
P: (410) 910-1500  
F: (410) 910-2043  
E: [reservations@maximhealth.com](mailto:reservations@maximhealth.com)

Issue: 10/26/2015  
0001\_02 - MADISONVILLE, TN  
Project Address:  
115 EAST PARK DRIVE  
SUITE 200  
BREWSTER, TN

Scale: As Shown  
- 1/4" = 1'-0"

Drawn By: JMM  
Lead Client Manager: JMM

**NOT FOR CONSTRUCTION**  
THIS DOCUMENT IS PRELIMINARY AND NOT TO BE USED FOR CONSTRUCTION. THE CLIENT SHALL BE RESPONSIBLE FOR THE ACCURACY OF ALL DIMENSIONS AND MATERIALS TO BE PROVIDED BY THE CONTRACTOR.

No.	Revision/Issue	Date



Design: JMM  
**CONCEPTUAL  
PLAN, P-2**

DB: 20151004-0007-005-115-007  
DWG: 10/26/2015  
Scale: 1/4" = 1'-0"  
Sheet: P-1  
Scale: V/A: NONE  
Scale: None to be printed on 11x17 sheet size.

**C, Need--3  
Service Area Maps**



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



**HARVEST**  
Construction

6/1/2016

Maxim Health Services  
115 East Park Drive  
Brentwood TN, 37027

RE: Verification of Construction Cost Estimate, Suite 200

I have reviewed the cost data for the above referenced project. The stated renovation construction cost is approximately \$271,250.00

It is our opinion that at this time, the projected renovated construction cost is reasonable for this type of size of project and compares appropriately with similar projects in this market.

The current building codes applicable to the project are as follows:

- 2012 International Building Codes (Bldg., Mechanical, Gas, Etc.)
- 2012 National Fire Protection Association Codes (Including Life Safety Code)
- National Electric Code
- Americans with Disabilities Act
- Tennessee Licensure Standards

This listing is not entirely inclusive, but the intent is that all applicable codes and standards, Federal, State and local, are to be addressed during the construction process.

Ross Moffitt  
Project Manager  
Harvest Construction Company, LLC

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

7227 Lee Deforest Drive  
Columbia, MD 21046  
Tel: 410-910-1500



June 1st, 2016

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

RE: Maxim Healthcare Services

Dear Mrs. Hill:

Maxim Healthcare Services, Inc. is applying for a Certificate of Need to relocate its principal home health office from Davidson County to Williamson County.

As Chief Financial Officer of Maxim Healthcare Services, Inc., the owner of the applicant, I am writing to confirm that Maxim will provide the approximately \$451,602 of capital expenditures needed to implement this project. Maxim Healthcare Services, Inc.'s financial statements are provided in the application to demonstrate the company's capacity to fund this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Carbone".

Ray Carbone  
Chief Financial Officer

**C, Economic Feasibility--10  
Financial Statements**

# **Maxim Healthcare Services, Inc. and Subsidiaries**

**Consolidated Financial Statements  
(Unaudited)**

**For the Quarter Ended**

**December 31, 2015**



**Maxim Healthcare Services, Inc and Subsidiaries**  
**Index**  
**For the Quarter Ended December 31, 2015**

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<b>Statements of Operations.....</b>	<b>3-5</b>
<b>Statements of Changes in Stockholders' Equity.....</b>	<b>6</b>
<b>Statements of Cash Flows.....</b>	<b>7</b>
<b>Supplemental Schedules.....</b>	<b>8</b>

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**Maxim Healthcare Services, Inc.**  
**and Subsidiaries**  
**Comparative Consolidated Balance Sheets**

	<u>December 31,</u> <u>2015</u> <u>Consolidated</u>	<u>December 31,</u> <u>2014</u> <u>Consolidated</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 5,524,410	\$ 4,014,290
Accounts receivable, net of allowance for doubtful accounts	224,263,420	194,942,916
Prepaid expenses	4,108,229	3,661,177
Other current assets	3,684,958	4,192,386
Total current assets	<u>237,581,017</u>	<u>206,810,769</u>
<b>FIXED ASSETS:</b>		
Equipment and information systems	62,727,754	56,327,584
Furniture and fixtures	10,668,421	9,811,043
Leasehold improvements	7,414,864	6,488,517
Total fixed assets	<u>80,811,039</u>	<u>72,627,144</u>
Less - accumulated depreciation	67,214,755	65,242,367
Fixed assets, net	<u>13,596,284</u>	<u>7,384,777</u>
<b>OTHER ASSETS:</b>		
Less - accumulated amortization	26,841,207	30,956,910
Other assets, net	<u>9,963,341</u>	<u>10,340,881</u>
Total assets	<u>\$ 268,055,167</u>	<u>\$ 234,811,575</u>
<b>LIABILITIES and STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Bank overdraft	\$ 4,007,275	\$ 2,153,553
Accounts payable	6,505,123	5,634,321
Accrued compensation and related costs	55,573,524	46,636,949
Due to affiliate	558,101	91,761
Deferred compensation	3,549,165	13,284,698
Other accrued expenses	24,397,861	25,957,153
Credit facility	50,976,874	28,702,576
Total current liabilities	<u>145,567,923</u>	<u>122,461,011</u>
<b>NONCURRENT LIABILITIES:</b>		
Other accrued expenses	70,116,588	70,321,527
Deferred compensation	24,855,623	26,202,252
Total liabilities	<u>240,540,134</u>	<u>218,984,790</u>
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock	3,805	3,805
Additional paid-in-capital	1,133,185	1,133,185
Retained earnings	28,640,790	16,957,647
Stockholder tax advances	(2,262,747)	(2,267,852)
Total stockholders' equity	<u>27,515,033</u>	<u>15,826,785</u>
Total liabilities and stockholders' equity	<u>\$ 268,055,167</u>	<u>\$ 234,811,575</u>

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**Maxim Healthcare Services, Inc.**  
**and Subsidiaries**  
**Consolidating Balance Sheet**  
**as of December 31, 2015**

	Maxim Healthcare Services Inc	Reflectxion Resources	StaffAssist Workforce Management	Eliminations	Maxim Healthcare Consolidated
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 5,255,625	\$ -	\$ 268,785	\$ -	\$ 5,524,410
Accounts receivable, net of allowance for doubtful accounts	218,794,631	1,676,507	3,792,282	-	224,263,420
Prepaid expenses	4,079,449	26,659	2,121	-	4,108,229
Other current assets	7,757,485	215,979	(206,004)	(4,082,502)	3,684,958
Total current assets	<u>235,887,190</u>	<u>1,919,145</u>	<u>3,857,184</u>	<u>(4,082,502)</u>	<u>237,581,017</u>
<b>FIXED ASSETS:</b>					
Equipment and information systems	62,291,623	424,306	11,825	-	62,727,754
Furniture and fixtures	10,383,937	284,484	-	-	10,668,421
Leasehold improvements	7,312,164	88,925	13,775	-	7,414,864
Total fixed assets	<u>79,987,724</u>	<u>797,715</u>	<u>25,600</u>	<u>-</u>	<u>80,811,039</u>
Less - accumulated depreciation	66,508,543	700,966	5,246	-	67,214,755
Fixed assets, net	<u>13,479,181</u>	<u>96,749</u>	<u>20,354</u>	<u>-</u>	<u>13,596,284</u>
<b>OTHER ASSETS:</b>					
Less - accumulated amortization	61,045,497	2,412,916	-	(36,617,206)	26,841,207
Other assets, net	7,872,356	2,090,985	-	-	9,963,341
Total assets	<u>\$ 302,539,512</u>	<u>\$ 2,337,825</u>	<u>\$ 3,877,538</u>	<u>\$ (40,699,708)</u>	<u>\$ 268,055,167</u>
<b>LIABILITIES and STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Bank overdraft	\$ 4,005,755	\$ 751	\$ 769	\$ -	\$ 4,007,275
Accounts payable	6,484,591	17,803	2,729	-	6,505,123
Accrued compensation and related costs	55,169,712	122,310	281,502	-	55,573,524
Due to affiliates	558,101	-	-	-	558,101
Deferred compensation	3,549,165	-	-	-	3,549,165
Other accrued expenses	21,678,898	2,699,446	4,102,019	(4,082,502)	24,397,861
Credit facility	50,976,874	-	-	-	50,976,874
Total current liabilities	<u>142,423,096</u>	<u>2,840,310</u>	<u>4,387,019</u>	<u>(4,082,502)</u>	<u>145,567,923</u>
<b>NONCURRENT LIABILITIES:</b>					
Other accrued expenses	70,116,588	-	-	-	70,116,588
Deferred compensation	24,855,623	-	-	-	24,855,623
Total liabilities	<u>237,395,307</u>	<u>2,840,310</u>	<u>4,387,019</u>	<u>(4,082,502)</u>	<u>240,540,134</u>
<b>STOCKHOLDERS' EQUITY:</b>					
Common stock	8,770	-	-	(4,965)	3,805
Additional paid-in-capital	21,263,963	14,946,985	-	(35,077,763)	1,133,185
Retained earnings	46,134,219	(15,449,470)	(509,481)	(1,534,478)	28,640,790
Stockholder tax advances	(2,262,747)	-	-	-	(2,262,747)
Total stockholders' equity	<u>65,144,205</u>	<u>(502,485)</u>	<u>(509,481)</u>	<u>(36,617,206)</u>	<u>27,515,033</u>
Total liabilities and stockholders' equity	<u>\$ 302,539,512</u>	<u>\$ 2,337,825</u>	<u>\$ 3,877,538</u>	<u>\$ (40,699,708)</u>	<u>\$ 268,055,167</u>

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**Maxim Healthcare Services, Inc.**  
**and Subsidiaries**  
**Consolidated Statements of Operations**

	<b>Three Months Ended December 31, 2015</b>	<b>Twelve Months Ended December 31, 2015</b>
<b>Revenues</b>	\$ 387,488,243	\$ 1,382,867,330
<b>Operating expenses</b>	<u>374,140,886</u>	<u>1,368,884,442</u>
<b>Income from operations</b>	13,347,357	13,982,888
<b>Interest expense, net of investment income</b>	<u>731,820</u>	<u>2,215,351</u>
<b>Income before provision for income taxes</b>	12,615,537	11,767,537
<b>Provision for income taxes</b>	<u>84,394</u>	<u>84,394</u>
<b>Net income</b>	<u><u>\$ 12,531,143</u></u>	<u><u>\$ 11,683,143</u></u>

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**Maxim Healthcare Services, Inc.**  
**and Subsidiaries**  
**Consolidating Statement of Operations**  
**for the Three Months Ended December 31, 2015**

	<u>Maxim Healthcare Services Inc</u>	<u>Reflectxion Resources</u>	<u>StaffAssist Workforce Management</u>	<u>Maxim Healthcare Consolidated</u>
<b>Revenues</b>	\$ 379,423,585	\$ 2,702,431	\$ 5,362,227	\$ 387,488,243
<b>Operating expenses</b>	365,965,287	2,898,952	5,276,647	374,140,886
<b>Income (loss) from operations</b>	13,458,298	(196,521)	85,580	13,347,357
<b>Interest expense, net of investment income</b>	731,943	-	(123)	731,820
<b>Income (loss) before provision for income taxes</b>	12,726,355	(196,521)	85,703	12,615,537
<b>Provision for income taxes</b>	84,394	-	-	84,394
<b>Net income (loss)</b>	<u>\$ 12,641,961</u>	<u>\$ (196,521)</u>	<u>\$ 85,703</u>	<u>\$ 12,531,143</u>

**Maxim Healthcare Services, Inc.  
and Subsidiaries  
Consolidating Statement of Operations  
for the Twelve Months Ended December 31, 2015**

	<u>Maxim Healthcare Services Inc</u>	<u>Reflectxion Resources</u>	<u>StaffAssist Workforce Management</u>	<u>Maxim Healthcare Consolidated</u>
<b>Revenues</b>	\$ 1,353,786,084	\$ 11,871,174	\$ 17,210,072	\$ 1,382,867,330
<b>Operating expenses</b>	<u>1,339,367,173</u>	<u>12,315,754</u>	<u>17,201,515</u>	<u>1,368,884,442</u>
<b>Income (loss) from operations</b>	14,418,911	(444,580)	8,557	13,982,888
<b>Interest expense, net of investment income</b>	<u>2,215,692</u>	-	(341)	<u>2,215,351</u>
<b>Income (loss) before provision for income taxes</b>	12,203,219	(444,580)	8,898	11,767,537
<b>Provision for income taxes</b>	<u>84,394</u>	-	-	<u>84,394</u>
<b>Net income (loss)</b>	<u>\$ 12,118,825</u>	<u>\$ (444,580)</u>	<u>\$ 8,898</u>	<u>\$ 11,683,143</u>

**Maxim Healthcare Services, Inc.  
and Subsidiaries**

**Statements of Changes in Stockholders' Equity  
for the Three and Twelve Months Ended December 31, 2015**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Stockholder Tax (Advances) Repayments	Total Stockholder Equity
<b>Balance, September 30, 2015</b>	\$ 3,805	\$ 1,133,185	\$ 16,109,647	\$ (2,262,747)	\$ 14,983,890
Net income	-	-	12,531,143	-	12,531,143
<b>Balance, December 31, 2015</b>	<u>\$ 3,805</u>	<u>\$ 1,133,185</u>	<u>\$ 28,640,790</u>	<u>\$ (2,262,747)</u>	<u>\$ 27,515,033</u>
<b>Balance, December 31, 2014</b>	\$ 3,805	\$ 1,133,185	\$ 16,957,647	\$ (2,267,852)	\$ 15,826,785
Stockholder tax repayments	-	-	-	5,105	5,105
Net income	-	-	11,683,143	-	11,683,143
<b>Balance, December 31, 2015</b>	<u>\$ 3,805</u>	<u>\$ 1,133,185</u>	<u>\$ 28,640,790</u>	<u>\$ (2,262,747)</u>	<u>\$ 27,515,033</u>

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**Maxim Healthcare Services, Inc.**  
**and Subsidiaries**  
**Consolidated Statements of Cash Flows**

	<u>Three months ended December 31, 2015</u>	<u>Twelve months ended December 31, 2015</u>
<b>Cash flows from operating activities</b>		
Net income	\$ 12,531,143	\$ 11,683,143
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	1,979,756	6,918,199
Amortization of capitalized financing costs	37,325	149,298
Deferred taxes	84,394	84,394
Deferred compensation expense	513,275	3,008,275
Loss on sale of fixed assets	35,982	44,890
Changes in operating assets and liabilities (Increase) decrease in:		
Accounts receivable, net	(34,950,031)	(29,320,504)
Prepaid expenses	6,706,101	(447,052)
Other current assets	6,357,373	507,428
Other non-current assets	1,557,019	1,528,514
(Decrease) increase in:		
Accounts payable	(4,335,435)	2,453,529
Accrued compensation and related costs	2,090,732	8,936,575
Deferred compensation	(11,181,812)	(14,090,437)
Due to affiliate	523,833	466,340
Other accrued expenses	(3,953,925)	(1,848,625)
Net cash used in operating activities	<u>(22,004,270)</u>	<u>(9,926,033)</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(2,113,386)	(10,693,952)
Net cash used in investing activities	<u>(2,113,386)</u>	<u>(10,693,952)</u>
<b>Cash flows from financing activities</b>		
Borrowings under credit facility	162,500,000	616,445,000
Payments under credit facility	(150,750,000)	(594,195,000)
Payments for financing fees	(125,000)	(125,000)
Stockholder tax repayments	-	5,105
Net cash provided by financing activities	<u>11,625,000</u>	<u>22,130,105</u>
Net change in cash and cash equivalents	(12,492,656)	1,510,120
Cash and cash equivalents, beginning of period	18,017,066	4,014,290
Cash and cash equivalents, end of period	<u>\$ 5,524,410</u>	<u>\$ 5,524,410</u>

88  
**Maxim Healthcare Services, Inc.**  
**and Subsidiaries**  
**Supplemental Schedules**

**Breakdown of Operating Expenses:**

	<b>Three Months Ended December 31, 2015</b>	<b>Twelve Months Ended December 31, 2015</b>
Cost of goods sold	\$ 258,747,054	\$ 962,937,728
Operating expenses	113,616,681	395,391,676
Other expenses	1,777,151	10,555,038
Total operating expenses	<u>\$ 374,140,886</u>	<u>\$ 1,368,884,442</u>

**Breakdown of Interest Expense, Net:**

	<b>Three Months Ended December 31, 2015</b>	<b>Twelve Months Ended December 31, 2015</b>
Interest expense	\$ 795,270	\$ 2,373,824
Interest income	(63,450)	(158,473)
Total interest expense, net	<u>\$ 731,820</u>	<u>\$ 2,215,351</u>

**Breakdown of Other Accrued Expenses:**

	<b>December 31, 2015 Consolidated</b>	<b>December 31, 2014 Consolidated</b>
Other accrued expenses	\$ 13,985,818	\$ 13,505,063
Funds held for others	2,179,604	2,250,472
Accrued GP liability	8,027,500	9,915,873
Accrued contingent liability	70,321,527	70,607,272
Total other accrued expenses	<u>\$ 94,514,449</u>	<u>\$ 96,278,680</u>

**Breakdown of Capital Expenditures:**

	<b>Three Months Ended December 31, 2015</b>	<b>Twelve Months Ended December 31, 2015</b>
Furniture & Fixtures	\$ 507,002	\$ 1,361,588
Machinery & Equipment	365,868	1,184,013
Computer Equipment	463,430	3,421,921
Computer Software	75,124	461,959
System Implementation	480,822	3,252,384
Leasehold Improvements	483,131	1,353,529
Medical Equipment	8,225	99,641
Disposals, net	(270,216)	(441,083)
	<u>\$ 2,113,386</u>	<u>\$ 10,693,952</u>

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



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

May 1, 2014

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

**RE: Recertification Survey 04/09/2014 - Provider #447580**

Dear Mr. Nichols:

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

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

Sincerely,

*P. Diane Carter*

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

PDC/gk *SR*

Enclosure

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

PRINTED: 05/01/2014  
FORM APPROVED  
OMB NO. 0938-0391

91

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  <b>447580</b>	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____		(X3) DATE SURVEY COMPLETED  <b>04/09/2014</b>
NAME OF PROVIDER OR SUPPLIER  <b>MAXIM HEALTHCARE SERVICES, INC</b>			STREET ADDRESS, CITY, STATE, ZIP CODE <b>2416 HILLSBORO ROAD, SUITE 208 NASHVILLE, TN 37212</b>		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
G9999	<b>FINAL OBSERVATIONS</b>  No deficiencies were cited as a result of the Recertification Survey conducted 4/9/14.	G9999			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

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

**Supplemental #1  
-COPY-**

**MAXIM HEALTHCARE  
SERVICES**

**CN1606-023**

**June 21, 2016**

**1:13 pm**

JUN 21 1:13 PM '16

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Maxim Healthcare Services

James  
I, "Jimmy" Nichols, 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.

Nichols  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 20<sup>th</sup> day of June, 2016, witness my hand at office in the County of Davidson, State of Tennessee.

Jimmy W. Davis  
NOTARY PUBLIC  


My commission expires Jan 8, 2019.

**June 21, 2016**

**1:13 pm**



**State of Tennessee**

**Health Services and Development Agency**

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

**www.tn.gov/hsda** Phone: 615-741-2364/Fax:615/532-9940

June 20, 2016

Jimmy Nichols  
Area Vice President  
Maxim Healthcare Services  
2416 21<sup>st</sup> Avenue South  
Nashville, TN 37212

RE: Certificate of Need Application CN1606-023  
Maxim Healthcare Services, Inc.

Dear Mr. Nichols,

This will acknowledge our June 14, 2016 receipt of your application for a Certificate of Need for the relocation of the principal office of Maxim Healthcare Services, Inc. an established home care organization (home health agency), from 2416 21<sup>st</sup> Avenue South, Nashville (Davidson County), TN 37212 to 115 East Park Drive, Suite 200, Brentwood (Williamson County), TN 37027.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

**Please submit responses in triplicate by 4:00 p.m., Friday, June 24, 2016.** If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

---

**1. Section A, Applicant Profile, Item 6 (Legal Interest in the Proposed New Parent Office Site)**

The response to this item is noted. Exhibit E of the Lease Agreement was blank. Please submit a completed Exhibit E and signed by both parties.

**Response:** Copy of executed Exhibit E is attached.

Is there a provision in the lease for renewal after the 7 year term?

**Response:** Yes. It is in section "Part III Additional Provisions" on page 26 of the lease and detailed out in #3.

If this CON is approved, when does the applicant expect to move into the proposed space in Williamson County?

**Response:** Immediately upon approval

## 2. Section B, Project Description, Item IIA

Your response is noted.

- A) Will the current office space in Davidson County be surrendered or will it be used as a branch office or some other purpose?
  - a. **Response:** It will be surrendered
- B) When does the lease for the current office space expire?
  - a. **Response:** September 30<sup>th</sup>, 2016
- C) It has been stated that the principal office will be used for administrative purposes only. Where will clinical support activities take place?
  - a. **Response:** All patient care services will take place in individual patient homes. All new hire and annual clinical training will be performed at skills lab in the office.
- D) How does the lease expense in the current space compare to the expected lease expense in the proposed location.
  - a. **Response:** The current space is \$21.25/rentable square foot. The proposed location is \$24.50 per sqft. The monthly rent at the current space is \$10,855. The monthly rent at the proposed location will be \$30,362.
- E) Will there be a benefit in increased reimbursement rates by moving the parent office from Davidson to Williamson County? If so, how much?
  - a. **Response:** There will be no increase in reimbursement rates by moving to Williamson County.

## 3. Section B, Project Description, Item IIB

What is the square footage of the current space in Davidson County?

**Response:** 6129

## 4. Section C, Need, Item 6 (Applicant's Utilization)

Please explain the variability between visit volumes between 2013 and 2015.

**Response:** The data was pulled from the Joint Annual Reports for those specific years. We discharged multiple patients that required numerous weekly visits in 2015. Since Maxim Healthcare does not focus on intermittent visits, we estimated zero growth through 2018. The total revenue and patient totals are very minimal for this office.

The methodology for projecting increase in hours is understood; however the overall growth projected between 2015 and 2018 is over 75%. Isn't this projected growth overly ambitious?

**Response:** The aggressive projected growth is based on increase referral activity from large referral sources including Vanderbilt Children's and their Complex Care Clinic. The projected growth through 2018 is less than the actual hours growth from 2013-2015.

How many patients, visits and hours have there been so far in 2016?

**Response: See below**

**HOURS:** From January 1st through June 4<sup>th</sup>, 2016, Maxim has provided a total of 208,593 hours throughout all 9 counties (9069 hours per week). Assuming no growth the remainder of 2016, Maxim would finish 2016 with an estimated 471,594 hours which is more than the estimated hours in the application for 2016.

**PATIENTS:** As of June 17<sup>th</sup>, 2016, Maxim has a total of 164 active patients throughout all 9 counties.

**VISITS:** As of June 17<sup>th</sup>, 2016, Maxim has provided a total of 810 visits.

**5. Section C. Economic Feasibility Item 1 (Project Cost Chart)**

Please explain what is included in the construction cost.

**Response:** There are numerous items included in the overall construction costs, but the following making up the majority of the costs: Electrical, flooring, drywall, wood doors/frames, painting and plumbing. There is a detailed breakdown attached.

**6. Section C. Economic Feasibility Item 4. (Historical Data Chart and Projected Data Chart)**

A) Please discuss why there are no Contractual Adjustments or Provisions for Charity Care on both the Historical Data Chart (HDC) and Projected Data Chart (PDC).

a. **Response:** Maxim Healthcare Services has a Charity Care Policy and any adjustments would be captured under projections for sales adjustments. This location has not received any applications to provide charity care.

B) In the Historic Data Chart (HDC), please discuss why net income declined between Years 2013 and 2014 when patient hours increased 27%.

a. **Response:** The net income declined due to the increase in overhead infrastructure of Maxim Healthcare Services, which in turn decreased the profitability of the office.

C) On both the Historical (HDC) and Projected Data Chart (PDC), please use the following charts to provide additional detail on the Administrative Overhead listed in D.9.-Other Expenses.

**HISTORICAL DATA CHART-OTHER EXPENSES**

<u>OTHER EXPENSES CATEGORIES</u>	Year 2013	Year 2014	Year 2015
1. Selling, general and administrative	\$170,203	\$178,562	\$172,929
2. Regional Support	\$257,013	\$172,183	\$350,903
3. Corporate Support	\$837,737	\$884,518	\$731,807
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____	_____	_____	_____
<b>Total Other Expenses</b>	<b>\$1,264,953</b>	<b>\$1,235,263</b>	<b>\$1,255,639</b>

**PROJECTED DATA CHART-OTHER EXPENSES**

<u>OTHER EXPENSES CATEGORIES</u>	Year 2017	Year 2018
1. Selling, General and Administrative	\$261,769	\$314,123
2. Regional Support	\$531,177	\$637,413
3. Corporate Support	\$1,107,768	\$1,329,322
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
<b>Total Other Expenses</b>	<b>\$1,900,715</b>	<b>\$2,280,858</b>

Jimmy Nichols  
June 20, 2016  
Page 5

**7. Section C. Economic Feasibility Item 5**

There appears to be some calculation errors in Table Seven. Please make the necessary corrections and submit a revised Table Seven.

**Response:** Here is the revised table.

<b>Table Seven: Average Charges, Deductions, and Net Charges</b>		
	<b>2017</b>	<b>2018</b>
Hours	504,000	604,800
Average Total Agency Gross Revenue, per Hour	\$38.77	\$38.77
Average Total Agency Deduction, Per Hour	\$.67	\$.67
Average Total Agency Net Charge (Net Operating Revenue), Per Hour	\$38.70	\$38.70
Average Total Agency Net Operating Income After Capital Expenditure, Per Hour	\$4.29	\$4.40

Source: Projected Data Chart

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60<sup>th</sup>) day after written notification is August 16, 2016. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

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

**June 21, 2016****1:13 pm**

Jimmy Nichols  
June 20, 2016  
Page 6

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

Should you have any questions or require additional information, please contact this office.

Sincerely,

Mark A. Farber  
Deputy Director

Enc.

# 1. Section A, Item 6

## Exhibit E of Lease Agreement

**EXHIBIT E  
NOTICE OF LEASE TERM DATES**

Maxim Healthcare Services, Inc.  
7227 Lee Deforest Drive  
Columbia, MD 21046  
Attn: Real Estate Dept. (#0007)

Re: Lease dated February 29, 2016, between Sun Life Assurance Company of Canada, Landlord, and Maxim Healthcare Services, Inc., Tenant, (the "Lease") concerning the Premises (as defined in the Lease), located at Maryland Park Center, 115 East Park Drive, Brentwood, Tennessee 37027

Ladies & Gentlemen:

Please confirm the following by signing below:

1. The Premises have been accepted by Tenant as being substantially complete in accordance with the Lease, and there is no deficiency in construction.
2. Tenant has possession of the Premises. The Commencement Date of the Lease is May 31, 2016, the Rent Commencement is May 31, 2016, and the Term shall expire on May 30, 2023.

Your rent checks should be made payable to: Sun Life Assurance Company of Canada

AGREED AND ACCEPTED

TENANT:  
MAXIM HEALTHCARE SERVICES, INC.

By: *Kevin M. Wilson*

Name: KEVIN WILSON

Title: DIRECTOR OF REAL ESTATE

Date: 6/7/2016

LANDLORD:  
SUN LIFE ASSURANCE COMPANY OF CANADA

By: *Deborah Tirone*

Name: Deborah Tirone  
Authorized Signer

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

By: *William M. Barres*

Name: William M. Barres  
Authorized Signer

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

## 5. Section C, Item 1

# Construction Cost Breakdown

**June 21, 2016**

**1:13 pm**

20160621 12:43

**Maxim Healthcare  
Maryland Park Center  
As of October 23, 2015**

PROPERTY: Maryland Park Center  
TENANT: Maxim Healthcare  
RSF: 14,871

Revision 1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_  
4. \_\_\_\_\_

FILE NO.: Maxim Healthcare		GC#1	GC#2	GC#3
CODES COST CODE TITLES		Harvest		
	CONTRACTOR FEE	\$15,351		
	ENGINEERING	\$4,500		
	GENERAL CONDITIONS	\$19,875		
	DEMOLITION	\$9,575		
	DRYWALL	\$20,900		
	WOOD DOORS & FRAMES	\$19,281		
	STOREFRONTS	\$0		
	WINDOW/WINDOW TREATMENT	\$7,605		
	ALL FLOORING	\$44,255		
	OTHER FLOORING			
	ACOUSTICAL CEILINGS	\$9,700		
	MILLWORK	\$11,711		
	CARPENTRY	\$208		
	PAINTING	\$15,922		
	ALL ELECTRICAL	\$67,458		
	LIGHTING			
	HVAC	\$13,500		
	PLUMBING	\$6,700		
	FIRE SPRINKLER SYSTEM	\$4,400		
	OTHER COSTS	\$309		
	<b>SUBTOTAL:</b>	<b>\$271,250</b>	<b>\$0</b>	<b>\$0</b>
	SPACE PLANNING	\$11,897		
	<b>SUBTOTAL:</b>	<b>\$283,147</b>	<b>\$0</b>	<b>\$0</b>
	CMF FEE AT 3%	\$8,494	\$0	\$0
	<b>TENANT IMPROVEMENT TOTAL</b>	<b>\$291,641</b>	<b>\$0</b>	<b>\$0</b>
	<b>TENANT IMPROVEMENT PSF</b>	<b>\$19.61</b>	<b>\$0.00</b>	<b>\$0.00</b>

Note Sub you plan to use  
 HVAC Interstale AC  
 Electrical \_\_\_\_\_  
 Sprinkler Bouchard Fire

**Supplemental #2  
-COPY-**

**Maxim Healthcare  
Services, Inc.**

**CN1606-023**



State of Tennessee 105  
Health Services and Development Agency

June 27, 2016

3:44 pm

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

www.tn.gov/hsda Phone: 615-741-2364/Fax:615/532-9940

JUN 27 11 53 AM '16

June 27, 2016

Jimmy Nichols  
Area Vice President  
Maxim Healthcare Services  
2416 21<sup>st</sup> Avenue South  
Nashville, TN 37212

RE: Certificate of Need Application CN1606-023  
Maxim Healthcare Services, Inc.

Dear Mr. Nichols,

This will acknowledge our June 21, 2016 receipt of supplemental information to your application for a Certificate of Need for the relocation of the principal office of Maxim Healthcare Services, Inc. an established home care organization (home health agency), from 2416 21<sup>st</sup> Avenue South, Nashville (Davidson County), TN 37212 to 115 East Park Drive, Suite 200, Brentwood (Williamson County), TN 37027.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 12:00 noon, Wednesday, June 29, 2016. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

---

**1. Section C, Need, Item 6 (Applicant's Utilization)**

You stated that multiple patients were discharged requiring numerous weekly visits in 2015. The year with the highest number of visits was in 2014 (5,697). Please explain.

**Response:** The patients were discharged in 2015 which caused the sharp decrease from 2014 to 2015.

You stated that the projected growth through 2018 is less than the actual hours growth from 2013-2015. From 2013 to 2015 the growth was 122,906 hours. The projected growth between 2015 and 2018 is 262,445. The projected growth between 2016 and 2018 is 184,800. Please explain.

**Response:** To clarify, the growth difference was based on a %. The % of hour's growth between 2013 and 2014 was 27%. The % of hour's growth between 2014 and 2015 was 23%. The projected % of hour's growth between each year 2016-2018 is 20%.

**2. Section C. Economic Feasibility Item 4. (Historical Data Chart and Projected Data Chart)**

With respect to Administrative Overhead, please define Regional Support and Corporate Support.

**Response:** Regional Support includes all related costs for our Regional Management team which includes operational, clinical and financial oversight. Corporate Support includes costs for running all shared resources which includes departments such as Compliance, HR and Payroll.

**3. Section C. Economic Feasibility Item 5**

The revised Table Seven is noted. Shouldn't average deduction per hour be \$0.07? If yes, please make the necessary corrections and submit a revised Table Seven.

**Response:** See table below

<b>Table Seven: Average Charges, Deductions, and Net Charges</b>		
	<b>2017</b>	<b>2018</b>
Hours	504,000	604,800
Average Total Agency Gross Revenue, per Hour	\$38.77	\$38.77
Average Total Agency Deduction, Per Hour	\$.07	\$.07
Average Total Agency Net Charge (Net Operating Revenue), Per Hour	\$38.70	\$38.70
Average Total Agency Net Operating Income After Capital Expenditure, Per Hour	\$4.29	\$4.40

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60<sup>th</sup>) day after written notification is August 16, 2016. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

JUN 27 3:45 PM '16

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

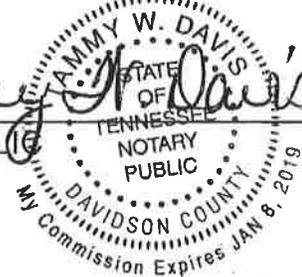
NAME OF FACILITY: Maxim Healthcare Services, Inc

I, <sup>"James"</sup> Jimmy Nichols, 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 27<sup>th</sup> day of June, 2016, witness my hand at office in the County of Davidson, State of Tennessee.

Jimmy W. Davis  
NOTARY PUBLIC



My commission expires January 8, 2019.



TRAUGER & TUKE  
ATTORNEYS AT LAW  
THE SOUTHERN TURF BUILDING  
222 FOURTH AVENUE NORTH  
NASHVILLE, TENNESSEE 37219-2117  
TELEPHONE (615) 256-8585  
TELECOPIER (615) 256-7444

June 10, 2016

**By hand delivery**

Melanie M. Hill  
Executive Director  
Tennessee Health Services & Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: Maxim Healthcare Services, Inc. certificate of need application for Change of  
Address of Principal Office from Nashville, Tennessee to Brentwood, Tennessee

Dear Ms. Hill:

Enclosed please find the originals and four copies of the Letter of Intent for the referenced project on behalf of our client Maxim Healthcare Services, Inc. Publication of Intent was published in this morning's *Tennessean*, which is a newspaper of general circulation in Davidson County, Tennessee, and it is anticipated that the filing of the certificate of need application will occur within five days. Please date stamp two copies and return them to me.

Because this application will be for the relocation of a home health agency's principal office only a few hundred yards into the county that is adjacent to the county in which its current home office is located, we respectfully request that you place this matter on the Consent Calendar agenda for the August 24, 2016 meeting of the Agency.

The contact person for this application is Jimmy Nichols, Area Vice President, Maxim Healthcare Services, Inc. His office telephone number is 615-386-0100.

Very truly yours,



Paul W. Ambrosius

PWA:kmn

Enclosures

cc: Jimmy Nichols, Area Vice President, Maxim Healthcare Services, Inc.  
Byron R. Trauger, Esq., Trauger & Tuke



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

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

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

**LETTER OF INTENT**

The Publication of Intent is to be published in the Tennessean which is a newspaper  
(Name of Newspaper)  
of general circulation in Davidson, Tennessee, on or before June 10th, 2016,  
(County) (Month / day) (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:

Maxim Healthcare Services, Inc. Home Health Agency  
(Name of Applicant) (Facility Type-Existing)

owned by: Maxim Healthcare Services, Inc. with an ownership type of Corporation

and to be managed by: Maxim Healthcare Services Inc. intends to file an application for a Certificate of Need for [PROJECT DESCRIPTION BEGINS HERE]: to relocate its principal office from 2416 21st Ave. South, Nashville, TN 37212

(In Davidson County) to 115 East Park Dr., Suite 200, Brentwood, TN 37027 (in Williamson County), at a cost estimated under Certificate of Need rules at \$3,194,640 (of which \$451,062 is the actual capital cost,

the balance being lease expenses). The applicant is licensed as a home health agency by the Board of Licensing Health Care Facilities. The project does not contain major medical equipment or initiate or discontinue any other health service;

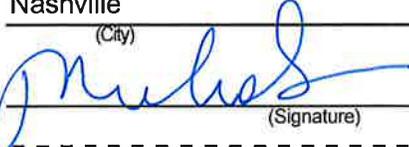
and it will not change the applicant agency's authorized service area counties (which are Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties).

The anticipated date of filing the application is: on or before June 15, 2016

The contact person for this project is Jimmy Nichols, Area Vice President  
(Contact Name) (Title)

who may be reached at: Maxim Healthcare Services Inc. 2416 21st Ave South  
(Company Name) (Address)

Nashville TN 37212 615 / 386-0100  
(City) (State) (Zip Code) (Area Code / Phone Number)

 6/9/16 jinichol@maxhealth.com  
(Signature) (Date) (E-mail Address)

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

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

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

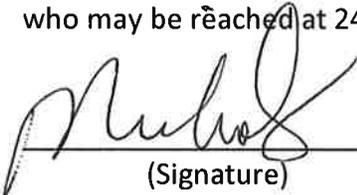
**LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY**

The Publication of Intent is to be published on or before June 10th, 2016, for one day, in the Tennessean, which is a newspaper of general circulation in Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties, Tennessee.

-----

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Maxim Healthcare Services (a home health agency), owned and managed by Maxim Healthcare Services, Inc. (a corporation), intends to file an application for a Certificate of Need to relocate its principal office from 2416 21<sup>st</sup> Avenue South, Nashville, TN 37212 (in Davidson County) to 115 East Park Drive, Suite 200, Brentwood, TN 37027 (in Williamson County), at a cost estimated under Certificate of Need rules at \$3,194,640 (of which \$451,602 is the actual capital cost, the balance being lease expenses). The applicant is licensed as a home health agency by the Board for Licensing Health Care facilities. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not change the applicant agency's authorized service area counties (which are Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties).

The anticipated date of filing the application is on or before June 15, 2016. The contact person for the project is Jimmy Nichols, Area Vice President, Maxim Healthcare Services, who may be reached at 2416 21<sup>st</sup> Avenue South, Nashville, TN 37212, 615-386-0100.

  
(Signature)

6/10/16  
(Date)

jinichol@maxhealth.com

(E-mail Address)

**RULES  
OF  
HEALTH SERVICES AND DEVELOPMENT AGENCY**

**CHAPTER 0720-11  
CERTIFICATE OF NEED PROGRAM – GENERAL CRITERIA**

**TABLE OF CONTENTS**

0720-11-.01    General Criteria for Certificate of Need

**0720-11-.01 GENERAL CRITERIA FOR CERTIFICATE OF NEED.** The Agency will consider the following general criteria in determining whether an application for a certificate of need should be granted:

- (1) Need. The health care needed in the area to be served may be evaluated upon the following factors:
  - (a) The relationship of the proposal to any existing applicable plans;
  - (b) The population served by the proposal;
  - (c) The existing or certified services or institutions in the area;
  - (d) The reasonableness of the service area;
  - (e) The special needs of the service area population, including the accessibility to consumers, particularly women, racial and ethnic minorities, TennCare participants, and low-income groups;
  - (f) Comparison of utilization/occupancy trends and services offered by other area providers;
  - (g) The extent to which Medicare, Medicaid, TennCare, medically indigent, charity care patients and low income patients will be served by the project. In determining whether this criteria is met, the Agency shall consider how the applicant has assessed that providers of services which will operate in conjunction with the project will also meet these needs.
  
- (2) Economic Factors. The probability that the proposal can be economically accomplished and maintained may be evaluated upon the following factors:
  - (a) Whether adequate funds are available to the applicant to complete the project;
  - (b) The reasonableness of the proposed project costs;
  - (c) Anticipated revenue from the proposed project and the impact on existing patient charges;
  - (d) Participation in state/federal revenue programs;
  - (e) Alternatives considered; and
  - (f) The availability of less costly or more effective alternative methods of providing the benefits intended by the proposal.
  
- (3) Contribution to the Orderly Development of Adequate and Effective Healthcare Facilities and/or Services. The contribution which the proposed project will make to the orderly development of an adequate and effective health care system may be evaluated upon the following factors:

(Rule 0720-11-.01, continued)

- (a) The relationship of the proposal to the existing health care system (for example: transfer agreements, contractual agreements for health services, the applicant's proposed TennCare participation, affiliation of the project with health professional schools);
  - (b) The positive or negative effects attributed to duplication or competition;
  - (c) The availability and accessibility of human resources required by the proposal, including consumers and related providers;
  - (d) The quality of the proposed project in relation to applicable governmental or professional standards.
- (4) Applications for Change of Site. When considering a certificate of need application which is limited to a request for a change of site for a proposed new health care institution, The Agency may consider, in addition to the foregoing factors, the following factors:
- (a) Need. The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change to the proposed new site.
  - (b) Economic factors. The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.
  - (c) Contribution to the orderly development of health care facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.
- (5) Certificate of need conditions. In accordance with T.C.A. § 68-11-1609, The Agency, in its discretion, may place such conditions upon a certificate of need it deems appropriate and enforceable to meet the applicable criteria as defined in statute and in these rules.

*Authority:* T.C.A. §§ 4-5-202, 68-11-1605, and 68-11-1609. *Administrative History:* Original rule filed August 31, 2005; effective November 14, 2005.

**CERTIFICATE OF NEED  
REVIEWED BY THE DEPARTMENT OF HEALTH  
DIVISION OF POLICY, PLANNING AND ASSESSMENT  
615-741-1954**

**DATE:** July 29, 2016

**APPLICANT:** Maxim Healthcare Services, Inc  
115 East Park Drive, Suite 200  
Brentwood, Tennessee 37027

CN1606-023

**CONTACT PERSON:** Jimmy Nichols  
2416 21<sup>st</sup> Avenue South  
Nashville, Tennessee 37212

**COST:** \$3,201,828

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In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

**SUMMARY:**

Maxim Healthcare Services, Inc. seeks Certificate of Need (CON) approval to relocate its principal office from 2416 21<sup>st</sup> Avenue South, Nashville, Tennessee 37212 to 115 East Park Drive, Suite 200, Brentwood, Tennessee 37027, at a cost of \$3,194,640 (of which \$451,062 is the actual capital cost, the balance being the lease expenses). The applicant is licensed as a home health agency by the Board of Licensing Healthcare Facilities.

The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not change the agency's authorized service area which includes Cheatham, Davidson, Dickson, Montgomery, Roberson, Rutherford, Sumner, Williamson, and Wilson counties.

Maxim Healthcare Services, Inc. is a for-profit Maryland corporation owned privately by the three entities listed in Attachment A.4.

The only costs associated with this project are for leasing, furnishing, and equipping a principal administrative office in Brentwood, Tennessee. The total project cost is \$3,201,828 and will be funded through cash reserves as documented in Attachment C, Economic Feasibility-2.

This application has been placed on the Consent Calendar. Tenn. Code Ann. § 68-11-1608 Section (d) states the executive director of Health Services and Development Agency may establish a date of less than sixty (60) days for reports on applications that are to be considered for a consent or emergency calendar established in accordance with agency rule. Any such rule shall provide that, in order to qualify for the consent calendar, an application must not be opposed by any person with legal standing to oppose and the application must appear to meet the established criteria for the issuance of a certificate of need. If opposition is stated in writing prior to the application being formally considered by the agency, it shall be taken off the consent calendar and placed on the next regular agenda, unless waived by the parties.

**GENERAL CRITERIA FOR CERTIFICATE OF NEED**

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan*.

**NEED:**

The applicant’s service area includes Cheatham, Davidson, Dickson, Montgomery, Roberson, Rutherford, Sumner, Williamson, and Wilson counties

**Service Area Total Population 2016 and 2020**

<b>County</b>	<b>2016 Population</b>	<b>2020 Population</b>	<b>% of Increase/ (Decrease)</b>
Cheatham	40,798	41,692	2.2%
Davidson	680,427	714,756	5.0%
Dickson	53,684	56,210	4.7%
Montgomery	201,598	221,620	9.9%
Robertson	73,796	78,659	6.6%
Rutherford	318,638	357,615	12.2%
Sumner	178,730	190,261	6.5%
Williamson	215,859	237,832	8.8%
Wilson	129,094	138,561	7.3%
<b>Total</b>	<b>1,892,624</b>	<b>2,037,206</b>	<b>7.6%</b>

Tennessee Department of Health, Division of Policy, Planning, and Assessment-Office of Health Statistics, 2020, Tennessee Population Projections 2000-2020, Revision June 2013, Revision

Maxim Healthcare is a national company that has provided homecare for more than 20 years. It serves 46 counties in Tennessee through five principal offices that are all state licensed and accredited by the Accreditation Commission for Health Care (ACHC).

This project consists of the relocation of the principal administrative office of Maxim Healthcare Services, Inc. from its current location in Nashville to 115 East Park Drive Suite 200, Brentwood Tennessee. The main purpose for this project is as follows:

- Increase the square footage of the current administrative office to accommodate the growing number of employees needed to manage all aspects of the home health operation.
- Accommodate space for Maxim Healthcare Medical Staffing division which focuses on medical staffing for hospitals and healthcare facilities.
- Accommodate space for the Regional Leadership Team which helps provide support to office throughout Tennessee as well as Maxim Healthcare operations throughout the United States.

The square footage, construction cost, and cost per square foot are listed in the table below.

	<b>Renovated Construction</b>	<b>New Construction</b>	<b>Total Project</b>
Square Feet	14,871	0	14,871
Construction Cost	\$271,250	0	\$271,250
Cost per Square Foot	\$18.24	0	\$18.24

The applicant’s current location consists of 6,129 square feet of space.

**TENNCARE/MEDICARE ACCESS:**

The applicant will serve TennCare/Medicaid patients as well as Medicare patients.

Maxim contracts with BlueCare, Amerigroup, and United Healthcare Community.

The applicant projects \$15,604,241 in gross revenues from TennCare or 80% of total gross revenues and \$3,901,060 in gross revenues from Medicare or 20% of total gross revenues in year one of the project.

**ECONOMIC FACTORS/FINANCIAL FEASIBILITY:**

The Department of Health, Division of Policy, Planning, and Assessment have reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine if they are mathematically accurate and if the projections are based on the applicant’s anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

**Project Costs Chart:** The Project Costs Chart is located on page 27 of the application. The total project cost is \$3,201,828.

**Historical Data Chart:** The Historical Data Chart is located is located on page 30 of the application. The applicant reports 219,449, 278,871, and 342,355 patient hours in years 2013, 2014, and 2015, with Net Operating Revenues of \$885,113, \$810,080, and \$1,216,200 each year, respectively.

**Projected Data Chart:** The Projected Data Chart is located on page31 of the application. The applicant projects 216 patient and 504,000 hours in year one and 259 patients and 604,800 hours in years one and two of the project with net operating revenues of \$2,163,103 and \$2,660,405 each year respectively.

The applicant’s average Charges, Deductions, and Net Charges are as follows:

	2017	2018
Hours	504,000	604,800
Average total Gross Revenue per Hour	\$38.77	\$38.77
Average Deduction per Hour	\$.07	\$.07
Average Total Net Charge per Hour	\$38.70	\$38.07
Average net Operating Income after Capital Expenditure per Hour	\$4.29	\$4.40

The applicant’s charges are comparable to those of other home health agencies in the service area. Maxim provides other agency charges on page 33 of the application.

The applicant could find no other alternative that met their need for increase administrative space. The current location and the lack of alternative leased space were not suitable to their needs.

**CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:**

The applicant does not have transfer agreements. The home health patients are at home, not institutionalized, and therefore is not subject to transfer by an attending physician. However, all Maxim staff is trained in emergency response procedures. The agency also maintains regular communications with all local hospitals and nursing homes whose medical staff may need to transfer a patient into the home care setting.

This project will have no negative effect on the healthcare system. The positive effect for Maxim is that it allows the applicant to expand and improve administrative services for the existing patient.

The projected staffing for the project’s first two years is located on the following charts.

<b>Office Positions</b>	<b>2017 FTEs</b>	<b>2018 FTEs</b>
Dr. of Business Operations	1.0	1.0
Dr. of Clinical Operations, RN	1.0	1.0
Clinical Manager, RN	1.0	1.0
Recruiter	8.0	10.0
RN Clinical Supervisor	6.0	7.0
Field Support Specialist	6.0	7.0
	<b>23.0 FTEs</b>	<b>27.0 FTEs</b>

<b>Clinical/Field positions</b>	<b>2017</b>	<b>2018</b>
Home Health Aide	24.0	26.0
Licensed Practical Nurse	156.0	187.0
Registered Nurse	48.0	58.0
	<b>228.0 FTEs</b>	<b>274.0 FTEs</b>

Maxim is licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and accredited by Accreditation Commission for Health Care.

In September of 2011, Maxim Healthcare entered into a Civil Agreement with the United State of America, a Deferred Prosecution Agreement with the United States Attorney's Office for the District of New Jersey, and a Corporate Integrity Agreement with the Office of the Inspector General of the Department of Health and Human Services, to resolve false Medicaid claims submitted by Maxim Healthcare from approximately 1998 to 2009 to federal and state governments.

#### **SPECIFIC CRITERIA FOR CERTIFICATE OF NEED**

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan*.