

NATIONAL HEALTHCARE CORP  
Form 8-K  
February 27, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 or 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 27, 2004 (February 26, 2004)

**National HealthCare Corporation**

(Exact name of Registrant as specified in its charter)

Delaware  
(State of Incorporation)

333-37185  
(Commission File No.)

52-2057472  
(IRS Employer  
Identification Number)

100 Vine Street  
Murfreesboro, TN 37130  
(Address of principal executive offices, including zip code)

(615) 890-2020  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name or former address, if changed since last report)

Item 12. Results of Operations and Financial Condition

On February 26, 2004, National HealthCare Corporation made its year end earnings announcement. A copy of the press release is furnished as an exhibit to this Form 8-K and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**National HealthCare Corporation**

By: /s/ W. Andrew Adams

**Name: W. Andrew Adams**

**Title: Chief Executive Officer**

By: /s/ Donald K. Daniel

**Name: Donald K. Daniel**

**Title: Principal Accounting Officer**

**Date: February 27, 2004**

#### Exhibit Index

<b>Number</b>	<b>Exhibit</b>
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99	Press release, dated February 26, 2004
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#### EXHIBIT 99

For release: Feb. 26, 2004

Contact: Gerald Coggin, V. P. & Dir. Investor Relations

Phone: (615) 890-2020

## NHC Reports 21.4% Increase in Net Income

MURFREESBORO, Tenn. -- National HealthCare Corporation (AMEX: NHC), a 32 year-old publicly traded long-term health care company, today announced after tax earnings for the year ended Dec. 31, 2003 of \$19,952,000 or \$1.72 per share basic compared to \$16,437,000 or \$1.43 per share basic for the year ended Dec. 31, 2002, an increase of 21% and 20%, respectively.

For the three months ended Dec. 31, 2003 net income was \$6,563,000 compared to \$4,822,000 in 2002, a 36.1% increase. Earnings per basic share were 56 cents compared to 42 cents last year. Revenues for the three months ended Dec. 31, 2003 totaled \$124,557,000 compared to \$116,584,000 for the last three months of 2002. Revenues in 2003 were \$472,864,000 compared to \$458,252,000 in 2002.

Our results for 2003 reflect improved Medicaid and private pay rates and improved census. Although Medicare rate

improvements in the fourth quarter increased our revenues by approximately \$1,300,000, this increase is less than the previously announced \$2,700,000 reduction in quarterly revenue that began October, 2002. There can be no assurance that the amount of loss from the Sept. 25<sup>th</sup> fire at the Nashville LLC skilled nursing subsidiary will not exceed the insurance policy limits of our wholly-owned insurance subsidiary. If the insurance policy limits are exceeded, there may be a material adverse effect on our earnings.

NHC announced that the annual shareholders meeting will be April 20 at the corporate offices on 100 Vine St. in Murfreesboro, Tenn. at 4 p.m. CDT.

NHC operates for itself and third parties 76 long-term health care centers with 9,332 beds. NHC also operates 32 homecare programs, six independent living centers and 19 assisted living centers. NHC's other services include managed care specialty medical units, Alzheimer's units, rehabilitative services and accounting and financial services. Additional information including the company's most recent press releases may be obtained on NHC's Web site at [www.NHCcare.com](http://www.NHCcare.com).

*Statements in this press release that are not historical facts are forward-looking statements. NHC cautions investors that any forward-looking statements made involve risks and uncertainties and are not guarantees of future performance. The risks and uncertainties are detailed from time to time in reports filed by NHC with the S.E.C., including Forms 8-K, 10-Q and 10-K, and include, among others, the following: liabilities and other claims asserted against us, including claims related to the 2003 fire and patient care liabilities, as well as the resolution of current litigation; availability of insurance and assets for indemnification; national and local economic conditions; including their effect on the availability and cost of labor, utilities and materials; the effect of government regulations and changes in regulations governing the healthcare industry, including our compliance with such regulations; changes in Medicare and Medicaid payment levels and methodologies and the application of such methodologies by the government and its fiscal intermediaries, the ability of third parties for whom we have guaranteed debt to refinance certain short term debt obligations; and other factors referenced or incorporated by reference in the S.E.C. filings. The risks included here are not exhaustive. All forward-looking statements represent NHC's best judgment as of the date of this release.*

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**NHC Reports 21.4% Increase in Net Income**

**Condensed Statements of Income**

	(in thousands except share and per share)		Three Months Ended		Year Ended December			
			2003	2002	2003	2002		
<b>Revenues:</b>								
Net patient revenues	\$	<b>110,967</b>	\$	102,108	\$	<b>422,741</b>	\$	407,440
Other revenues		<b>13,590</b>		14,476		<b>50,123</b>		50,812
Net revenues	\$	<b>124,557</b>	\$	116,584	\$	<b>472,864</b>	\$	458,252
<b>Costs and Expenses:</b>								
Salaries, wages and benefits	\$	<b>65,165</b>	\$	60,618	\$	<b>253,864</b>	\$	238,629
Other operating		<b>34,370</b>		33,388		<b>129,716</b>		127,045

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Rent	<b>10,320</b>	10,232	<b>41,537</b>	41,322
Write-off of notes receivable	---	---	---	7,960
Depreciation and amortization	<b>3,156</b>	3,368	<b>12,380</b>	12,368
Interest	<b>448</b>	891	<b>2,080</b>	3,482
Total costs and	<b>\$ 113,459</b>	\$ 108,497	<b>\$ 439,577</b>	\$ 430,806
Income Before Income Taxes	<b>11,098</b>	8,087	<b>33,287</b>	27,446
Income Tax Provision	<b>4,535</b>	3,265	<b>13,335</b>	11,009
<b>Net Income</b>	<b>\$ 6,563</b>	\$ 4,822	<b>\$ 19,952</b>	\$ 16,437
Earnings Per Share:				
Basic	<b>\$ .56</b>	\$ .42	<b>\$ 1.72</b>	\$ 1.43
Diluted	<b>\$ .54</b>	\$ .40	<b>\$ 1.65</b>	\$ 1.37
Weighted average common shares				
Basic	<b>11,624,07</b>	11,516,5	<b>11,608,55</b>	11,514,2
Diluted	<b>12,052,71</b>	11,983,5	<b>12,059,98</b>	11,974,0
Balance Sheet Data				
(in thousands)	<b>Decembe</b>	Decemb		
	<b>2003</b>	2002		
Cash and marketable securities	<b>\$ 155,427</b>	\$ 118,145		
Current assets	<b>204,796</b>	164,611		
Total assets	<b>352,393</b>	305,575		
Current liabilities	<b>131,809</b>	114,077		
Long-term obligations	<b>37,859</b>	40,107		
Deferred lease credit	<b>6,245</b>	7,043		
Deferred revenue	<b>24,641</b>	23,457		
Shareowners' equity	<b>151,027</b>	120,141		