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NHC BEGINS MANAGING TWO LAKESHORE CENTERS

Murfreesboro, Tenn. February 21, 2017 — [National HealthCare Corporation](#) (NYSE MKT: NHC) and Lakeshore Senior Living, Inc., jointly announced today that NHC has begun managing two Lakeshore Senior Communities in Nashville.

Steve Flatt, NHC Chief Executive Officer, and Patricia Gammel, Board Chair of Lakeshore Senior Living, Inc., made the announcement of the management services agreement, which went into effect on February 1 and has an initial term of five years.

Since 1952, Lakeshore Senior Communities have offered independent living, assisted living, nursing care, memory care and skilled rehabilitation services to seniors. Lakeshore, The Meadows, located in Bellevue, is licensed for 113 nursing beds and has another 20 Residential Home for the Aged (RHA) beds, designed for residents who can still live independently but require some assistance with daily activities. Lakeshore Heartland in Donelson is licensed for 66 nursing beds with an additional 22 RHA beds.

In making the announcement, Flatt said that these two centers have a long history of high quality and compassionate healthcare. “When we began discussions with their Board about managing these centers,” Flatt said, “we recognized very quickly that the approach that Lakeshore’s leadership and healthcare professionals have taken to senior care fits our philosophy and our culture. Since its inception 65 years ago, Lakeshore has provided caring environments that have met the needs of their residents and patients as well as their families. We are proud to manage these outstanding centers.”

Gammel stated “Lakeshore has a proud history of providing quality care for seniors in a Christian environment. Through the years, however, increased regulatory complexity has made managing nursing facilities extremely challenging. We are fortunate to have found a partner in NHC that can bring human and technical resources to ensure ongoing quality, and whose culture complements our Christian mission to serve our seniors.”

About NHC

NHC affiliates operate for themselves and third parties 74 long-term health care centers with 9,398 beds. NHC affiliates also operate 36 homecare programs, five independent living centers and 21 assisted living communities. NHC's other services include memory care communities, long-term care pharmacies, hospice, a rehabilitation services company, and providing management and accounting services to third parties. Other information about the company can be found on our web site at www.nhccare.com.

Forward-Looking Statements

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 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; 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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