

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Form 3 Holdings Reported

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

Form 4 Transactions Reported

1. Name and Address of Reporting Person* Ernest G. Burgess III 7097 Franklin Road Murfreesboro TN 37128	2. Issuer Name and Ticker or Trading Symbol National HealthCare Corporation [NHC]	5. Relationship of Reporting Person(s) to Issuer (check all applicable) <input checked="" type="checkbox"/> Director ___ 10% Owner ___ Officer (give title below) ___ Other (specify below)
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2008	
	4. If amendment, Date Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person ___ Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Trans- action Date (mm/dd/yy)	2A. Deemed Execution Date, if any (mm/dd/yy)	3. Trans- action Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, & 5)			5. Amount of Securities Beneficially Owned at End of Issuer's Fiscal Year (Instr. 3, & 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Shares of Common Stock	12/31/2008		G	5,000	D	\$0	149,832	D	
Shares of Series A Convertible Preferred Stock							147,560	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Form 5 (cont.)
 Name and Address of Reporting Person
 Ernest G. Burgess III
 7097 Franklin Road
 Murfreesboro TN 37128

Issuer Name and Ticker or Trading Symbol
 National HealthCare Corporation [NHC]

Period Of Report
 12/31/2008

**Table II -Derivative Securities Acquired, Disposed of, or Beneficially Owned
 (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (mm/dd/yy)	3A. Deemed Execution Date, if any (mm/dd/yy)	4. Transaction Code (Instr. 8)	5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, & 5)		6. Date Exercisable and Expiration Date (mm/dd/yy)		7. Title and Amount of Underlying Securities (Instr. 3 & 4)		8. Price of Derivative Security (Instr. 5)	9. No. of Derivative Securities Beneficially Owned at End of Fiscal Year (Instr. 4)	10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Option to Purchase Common Stock	\$27.01						04/20/2004	04/19/2009	Common Stock	6,372		6,372	D	
Option to Purchase Common Stock	\$32.01						05/03/2005	05/02/2010	Common Stock	15,000		15,000	D	
Option to Purchase Common Stock	\$44.25						05/03/2006	05/02/2011	Common Stock	15,000		15,000	D	
Option to Purchase Common Stock	\$52.50						04/24/2007	04/23/2012	Common Stock	15,000		15,000	D	
Option to Purchase Common Stock	\$51.50						05/01/2008	04/30/2013	Common Stock	15,000		15,000	D	

Explanation of Responses:

By: Ernest G. Burgess III
 **Signature of Reporting Person

12/31/2008
 Date