

DANIEL DONALD K
 Form 5
 February 14, 2006

FORM 5

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

OMB APPROVAL

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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 Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

1. Name and Address of Reporting Person * DANIEL DONALD K
 (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol NATIONAL HEALTHCARE CORP [NHC]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Sr. Vice President, Controller

6. Individual or Joint/Group Reporting (check applicable line)

MURFREESBORO, TN 37130
 (City) (State) (Zip)

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. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
Shares of Common Stock	01/20/2006		J	531 A	\$ 34.22	162,468 D	

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

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

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
					(A) (D)	Date Exercisable Expiration Date	Title	
Employee Stock Option - "Right to Buy"	\$ 20.9	Â	Â	Â	Â Â	02/22/2009 03/23/2009	Common Stock	50,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DANIEL DONALD K 100 VINE ST., SUITE 1200 MURFREESBORO, TN 37130	Â	Â	Â Sr. Vice President, Controller	Â

Signatures

Donald K. Daniel 02/14/2006

**Signature of Reporting Person Date

Explanation of Responses:

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

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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Remarks:

J:Â Â RuleÂ 16b-3(c)Â acquisitionÂ forÂ 2005Â PlanÂ Year,Â pursuantÂ toÂ theÂ NHCÂ EmployeeÂ StockÂ PurchaseÂ

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.

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