



I. July 2013 – Tennessee Certificate of Need Meeting

The meeting began with announcements from representatives of the Tennessee Health Services Development Agency (the “Agency”) staff, and the election of a new Vice-Chair for the Agency. James Wright, the nursing home representative on the Board, was elected as Vice-Chair. Jeff Ockerman of the Tennessee Department of Health noted that, for the remainder of 2013, the Health Planning Division will be focused on updates to the Criteria and Standards for Certificate of Need (formerly known as the “Guidelines for Growth”) for three areas: (1) Home Health Services, (2) Nursing Home Services, and (3) Non-Residential Substitution-Based Treatment Centers for Opiate Addiction. Mr. Ockerman stated that input is already being received from stakeholders, and public hearing dates will be announced in the near future.

During the July meeting of the Agency, the Board approved the following applications for Certificate of Need.

1. CON Review: **CN1304-011–TriStar Summit Medical Center, Hermitage (Davidson County), Tennessee.** The conversion of eight inpatient psychiatric beds to medical/surgical beds and the conversion of 12 inpatient psychiatric beds into a new 12-bed acute inpatient rehabilitation unit at the campus of TriStar Summit Medical Center at an estimated project cost of \$4,933,576.

2. CON Review: **CN1304-013–Wellmont Cardiology Services, Inc., Kingsport (Sullivan County), Tennessee.** The initiation of cardiac positron emission tomography (PET) services by acquiring an existing PET system located in Gray, Tennessee, and relocating the unit to 2050 Meadowview Parkway, Kingsport, Tennessee 37660. The applicant will establish an outpatient diagnostic center (ODC) if required by the Tennessee Department of Health. The estimated project cost is \$1,074,000.

3. CON Review: **CN1304-014–Molecular Imaging Alliance, Johnson City (Washington County), Tennessee.** The relocation of an ODC with cardiac PET scanning from 830 Suncrest Drive, Suite 1, Gray, Tennessee to 701 North State of Franklin Road, Suite 1, Johnson City, Tennessee, at an estimated project cost of \$495,339.

4. General Counsel’s Report: **CN01108-030AD–East Tennessee Radiation Therapy Services, LLC.** The Agency previously approved (by a 5-4 vote at its December 14, 2011 meeting) the CON application of East Tennessee Radiation Therapy Services LLC (“ETRTS”) for the establishment of an ambulatory surgical treatment center, acquisition of a linear accelerator, and initiation of radiation



therapy services in the Dowell Springs area of Knoxville, Tennessee. Covenant Health opposed the application on December 14, 2011, and then timely exercised its right to initiate a contested case to appeal the approval. The contested case hearing was held over eight days in January 2013, with Administrative Law Judge (“ALJ”) Tom Stovall (sitting in place of the Agency) issuing an Initial Order on May 30, 2013, which denied the CON application. ETRTS then timely petitioned the Agency for review of the Initial Order issued by the ALJ, which was placed on “General Counsel’s Report” for review by the Agency.

On July 24, 2013, the Agency approved the petition of ETRTS for review of the Initial Order issued by the ALJ, and will now review the Initial Order and evidence in the record. After reviewing the Initial Order and hearing argument by ETRTS and Covenant Health, the Agency will issue a Final Order. The Agency Chair will determine the date for such review and the hearing of arguments. While the discussions on July 24, 2013 included the possibility of September 25, the exact date for the review and hearing will be set by the Agency Chair after more discussions with General Counsel for the Agency, counsel for ETRTS, and counsel for Covenant Health.

The Board denied the following application for Certificate of Need.

1. CON Review: CN1303-006—Medical Care, PLLC, Elizabethton (Carter County), Tennessee. The initiation of magnetic resonance imaging (MRI) services for the patients of Medical Care, PLLC and the acquisition of an MRI unit at 1500 West Elk Avenue, Elizabethton, Tennessee 37643 at an estimated project cost of \$838,543. The motion was denied with a 6-3 vote.

The next Agency meeting will be held on August 28, 2013, at 8:30 a.m.

II. Letters of Intent and CON Applications Filed in July 2013

The following applications, if deemed complete in July, will be heard at the Agency meeting on October 23, 2013.

1. CN1307-029—Baptist Plaza Surgicare, Nashville (Davidson County), Tennessee. The relocation of an existing ambulatory surgical treatment center (ASTC) with nine outpatient surgery operating rooms and one surgical procedure suite from 2011 Church Street, Medical Plaza 1 Lower Level, to the northeast corner of Church Street and 20th Avenue North in approximately 28,500 rentable square feet in a new medical office building at an estimated project cost of \$29,836,377.



2. CN1307-028—Seton Corporation d/b/a Baptist Hospital n/k/a Saint Thomas Midtown Hospital, Nashville (Davidson County), Tennessee. The replacement and relocation of four operating rooms and renovations to be made to 17,842 square feet of space with no new construction at an estimated project cost of \$11,499,496.
3. CN1307-027—Erlanger Medical Center, Chattanooga (Hamilton County), Tennessee. The acquisition of a positron emission tomography/computed tomography (PET/CT) scanner and initiation of services at an estimated project cost of \$4,540,471.
4. CN1307-025—NHC/Maury Regional Transitional Care Center, Columbia (Maury County), Tennessee. The establishment of a 112-bed nursing home by relocating and combining two existing nursing homes, NHC HealthCare, Hillview (92 beds) and Maury Regional Hospital's nursing home (20 beds) at an estimated project cost of \$18,161,672. No new beds are requested.
5. CN1307-void—LaTonya Addison and Rodney James, Memphis (Shelby County), Tennessee. The establishment of a home care organization serving Shelby, Fayette, and Tipton Counties at an estimated project cost of \$177,800.
6. CN1307-void—Pioneer Community Hospital of Scott, Oneida (Scott County), Tennessee. The discontinuation of obstetric services affective five beds to be converted to acute care or swing beds at an estimated project cost of \$5,000.
7. CN1307-void—Smoky Mountain Ambulatory Surgery Center, LLC, Knoxville (Knox County), Tennessee. The addition of interventional pain management services in the same one procedure room in the existing licensed ASTC, which currently provides Medically Underserved Area (MUA) services, at an estimated project cost of \$200,000.
8. CN1307-void—MUA of Middle Tennessee, LLC, Nashville (Davidson County), Tennessee. The addition of interventional pain management services in the same one procedure room in the existing licensed ASTC, which currently provides Medically Underserved Area (MUA) services, at an estimated project cost of \$200,000.



9. CN1307-026—Maury Regional Hospital d/b/a Maury Regional Medical Center, Columbia (Maury County), Tennessee. The relocation of two linear accelerators and a mobile PET scanner from the main hospital campus at 1224 Trotwood Avenue to Maury Regional Cancer Center at 808 South James Campbell Boulevard with the replacement of one linear accelerator at the main hospital campus. The estimated project cost is \$7,742,231.

10. CN1307-023—Community Hospices of America-Tennessee, LLC d/b/a Hospice Compassus-The Highland Rim, Tullahoma (Coffee County), Tennessee. The initiation of hospice services in Lincoln County to the currently licensed counties of: Bedford, Cannon, Coffee, Franklin, Giles, Hickman, Lawrence, Lewis, Marshall, Maury, and Moore at an estimated project cost of \$28,000.

11. CN1307-024—Shannondale Health Care Center, Knoxville (Knox County), Tennessee. The establishment of a new 30-bed Medicare skilled nursing facility to be located on part of the existing Shannondale Continuing Care Retirement Community (SCCRC) campus. The beds will be private rooms in approximately 38,281 square feet adjacent to the 200-bed dually-certified nursing home located on the SCCRC campus. Shannondale Health Care Center will de-license 24 semi-private nursing home beds. The estimated project cost is \$6,404,027.

III. Projects Deemed Complete for Review at August 2013 Meeting

1. CON Review: CN1305-015—Blount Memorial Hospital, Alcoa (Blount County), Tennessee. The relocation and upgrade of an existing outpatient MRI unit from Blount Memorial Springbrook Health Center located at 220 Associates Boulevard, Alcoa, Tennessee to Blount Memorial's East Tennessee Medical Group site at 266 Joule Street, Alcoa, Tennessee. If approved, the applicant will discontinue MRI services at the Blount Memorial Springbrook Health Center location. The estimated project cost is \$2,214,216.

2. CON Review: CN1305-016—Cookeville Regional Medical Center, Cookeville (Putnam County), Tennessee. The renovation and expansion of the Central Sterile Supply Department as well as the replacement of major equipment within the Central Sterile Supply Department and the relocation and expansion of the Inpatient Pharmacy Department located at 1 Medical Center Boulevard, Cookeville, Tennessee 38501. The estimated project cost is \$11,547,625.



3. CON Review: CN1305-018—ADC Recovery and Counseling Center, Memphis (Shelby County), Tennessee. The relocation of an existing non-residential substitution-based treatment center for opiate addiction from 3041 Getwell Road, Suite 101, Memphis, Tennessee 38118 to 4539 Winchester Road, Building B, Suite 1, Memphis, Tennessee 38118 at an estimated project cost of \$961,168.

4. CON Review: CN1305-019—Raleigh Professional Associates, Memphis (Shelby County), Tennessee. The relocation of an existing non-residential substitution-based treatment center for opiate addiction from its current site at 2960-B Old Austin Peay Highway, Memphis, Tennessee to 2165 Spicer Cove, Suite 9, Memphis, Tennessee at an estimated project cost of \$1,136,905.