



I. June 2014—Tennessee Certificate of Need Meeting

At the June meeting of the Tennessee Health Services and Development Agency, Jeff Ockerman announced that the draft nursing home standards are out for comment and the deadline for comments has been extended to July 10, 2014. In addition, the draft hospice standards were sent out on June 26, 2014, and comments are due back by July 18, 2014. Mr. Ockerman also announced that the Division of Health Planning has a meeting on June 30, 2014, with the Department of Mental Health and Substance Abuse to discuss substitution-based non-residential opioid treatment centers in light of the Governor's new 7 Point Plan to reduce prescription drug abuse. Finally, the 2013 State Health Plan update will be sent to the Health Services and Development Agency in the next week.

The agency approved the following applications during the June meeting.

A. Consent Agenda

The Health Center of Hermitage, Hermitage (Davidson County), Tennessee (CN1404-011): The change of site/relocation of a 90-bed* Medicare-certified nursing home (as approved by CN1306-022A) from the original site at Bell Road, Woodland Point Drive, and Couchville Pike to approximately 14.02 acres at 4214 Central Pike in Hermitage, Tennessee. The new site is a distance of approximately five miles from the original site. The relocated beds will be Medicare-certified and the estimated project cost is \$19,241,697.

**These beds are not subject to the 2013–2014 Nursing Home Bed Pool.*

B. Certificate of Need Review

- 1. Wharton Nursing Home, Pleasant Hill (Cumberland County), Tennessee (CN1403-006):** The relocation of 31* of 62 existing, dually certified nursing home beds to an adjacent building on the campus of Uplands Village, a continuing care retirement community (CCRC). The 31 beds will be relocated from an existing building at 878-880 West Main Street to 55 West Lake Road, which is where Wharton Nursing Home was previously located. If approved, there will be a total of 62 nursing home beds to be operated in the two buildings under Wharton Nursing Home's current license. The estimated project cost is \$5,100,000. **These beds are not subject to the 2013–2014 Nursing Home Bed Pool.*
- 2. West Tennessee Imaging, Memphis (Shelby County), Tennessee (CN1403-008):** The establishment of an outpatient diagnostic center (ODC), acquisition of magnetic resonance imaging (MRI) equipment, and initiation of MRI services by relocating Outpatient Diagnostic Center of Memphis, an existing ODC with MRI services, to 7600 Wolf River Boulevard in 8,258 square feet of new construction. Other diagnostic services to be provided include computed tomography (CT), x-ray, and ultrasound. This project will not



add additional capacity to the market because a joint venture has been established to own the ODC, which will, in effect, relocate the existing ODC with MRI from 5130 Stage Road, a distance of 10 miles. The proposed ODC will be managed by Outpatient Imaging Affiliates, LLC (OIA), the current operator of Outpatient Diagnostic Center of Memphis. If approved, upon the licensing of the proposed ODC, OIA will relinquish the license for Outpatient Diagnostic Center of Memphis and cease MRI services at that location. The estimated project cost is \$10,123,989.

C. General Counsel's Report

1. **The Health Center of Nashville, Nashville (Davidson County), Tennessee (CN1107-024AME):** Request for modification by eliminating shelled space and associated connective space which will result in a reduction in total project cost. The total space will be reduced 7.8% from 77,408 square feet to 71,362 square feet. The total cost will be reduced 6.4% from \$21,512,150 to \$20,129,450. All 90 beds will remain private beds. However, eight of the 90 beds will be in companion rooms, which consist of two private rooms connected to a common area with a full bathroom. The project was approved on September 28, 2011, with an estimated project cost of \$23,894,100. On October 23, 2013, the agency granted an 18-month extension of the expiration date from November 1, 2014, to May 1, 2016, and modifications related to reductions in square footage, project cost, and changes in the footprint of the facility.
2. **NHC/Maury Regional Transitional Care Center, Columbia (Maury County), Tennessee (CN1307-025A):** Request for a transfer of ownership of the CON from NHC-Maury Regional Healthcare, LLC (a Tennessee limited liability company) to NHC-Maury Regional Transitional Care, LLC (a Delaware limited liability company). This transfer will not result in any change to the project or affect the ability of the project to be completed. The ultimate ownership of NHC/OP, L.P. (80%) and Maury Regional Medical Center (20%) will not change. The project was approved on October 23, 2010 with an estimated project cost of \$18,161,672.
3. **Saint Thomas Hospital, Nashville (Davidson County), Tennessee (CN1110-037A):** Request for modification of the size and scope of the project because Saint Thomas Health is merging services lines across its two Nashville campuses. The project was approved on January 25, 2012, with an estimated project cost of \$110,780,000. The modifications listed below will reduce the estimated project cost to \$95,780,000, which is a reduction of \$15 million.
 - a) Operating Rooms - Four new orthopedic operating rooms will be deleted with an estimated cost reduction of \$5.5 million.



b) New Construction and Renovation - Three floors in the new patient tower will be eliminated, which will result in a reduction of 77,687 square feet of new construction. An additional 32,400 square feet will be renovated on the 3rd floor of the existing K-Tower, increasing the total renovated space to 121,534 square feet, which will result in a cost reduction of \$5.05 million.

c) Redesign - The remainder of the project will be redesigned to improve building efficiency. Shell space for future expansion will be eliminated, and additional spending on elevator and other infrastructure systems will be reduced for a cost savings of approximately \$4.4 million.

4. **Hemophilia Preferred Care of Memphis, Memphis (Shelby County), Tennessee (CN1201-002A):** Request for a 12-month extension of the expiration date from August 1, 2014, to August 1, 2015, due to difficulty in obtaining licensure as a home health agency because of its narrow scope of services. The project was approved on June 27, 2012, for the establishment of a home care organization to provide home health services limited to the pharmacy patients of Hemophilia Preferred Care, Inc. of Memphis with hemophilia or similar blood disorders. The certificate of need limited the agency to patients with hemophilia or similar blood disorders, which include Von Willebrand disease, hypoprothrombinemia, and dysfibrinogenemia. The estimated project cost was \$43,000.
5. **Johnson City Medical Center, Johnson City (Washington County), Tennessee (CN1106-021A):** Request for a six-month extension of the expiration date from November 1, 2014, to May 1, 2015, to complete the linear accelerator installation process. The project was approved on September 28, 2011, for renovations and expansion of the current radiation oncology department in the hospital's main campus building with an estimated project cost of \$14,999,924.
6. **Interventional Pain Physicians Surgery Center, Smyrna (Rutherford County), Tennessee (CN1201-001A):** Request for modification due to a 760-square-foot increase in project size and a cost overrun of \$197,062. The project was approved on April 25, 2014, for the establishment of a single-specialty ambulatory surgical treatment center (ASTC) limited to pain management with an estimated project cost of \$844,622. The facility was licensed on March 17, 2014, and has been operating since April 2014.

With respect to the following item, the agency vote resulted in a 4 - 4 tie, which functions as a denial of the application:

A. Certificate of Need Review



SBH-Kingsport, LLC, Kingsport (Sullivan County), Tennessee (CN1312-050): The establishment of a new 72-bed mental health hospital and the initiation of inpatient psychiatric services. The hospital will contain 18 adult, 16 geropsychiatric, 28 child and adolescent, and 10 chemical dependency beds. The facility will be located at an unaddressed site at the end of Executive Park Boulevard. The estimated project cost is \$11,717,915.

The following applications were deferred or withdrawn.

A. Certificate of Need Review

Dyersburg Regional Medical Center, Dyersburg (Dyer County), Tennessee (CN1403-007): The expansion of its cardiac catheterization services currently limited to diagnostic procedures to include interventional therapeutic cardiac catheterization procedures and the initiation of cardiac catheterization services. The estimated project cost is \$367,763. This application was deferred to the July meeting of the agency.

B. Agency Determination

Alexian Village Health & Rehab Center, Signal Mountain (Hamilton County), Tennessee (CN1201-001A): Request for an agency determination that the CON was implemented prior to its expiration date of May 1, 2014. This request was withdrawn.

The next agency meeting will be held on July 23 at 8:30 a.m.

II. Certificate of Need Program Report—Filings Since May 2014 Meeting

A. Letters of Intent

- 1. Implanted Pump Management LLC, All Counties, Tennessee (CN1406-019):** The establishment of a home health agency to service intrathecal pump patients across the 95 counties of the state of Tennessee at an estimated project cost of \$3,000. This letter of intent is void.
- 2. Valley Open MRI, PC, Kimball (Marion County), Tennessee (CN1406-void):** The establishment of an ODC to include MRI services at an estimated project cost of \$2,162,079. This letter of intent is void.

B. Applications for Certificate of Need

- 1. Coram Alternate Site Services, Inc. d/b/a Coram CVS/Specialty Infusion Services, Knoxville (Knox County), Tennessee (CN1406-017):** The establishment of a home health



agency to provide home infusion products and services in the following counties: Anderson, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Fentress, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, McMinn, Meigs, Monroe, Moore, Morgan, Pickett, Polk, Roane, Scott, and Sevier. The estimated project cost is \$98,000.

2. **Coram Alternate Site Services, Inc. d/b/a Coram CVS/Specialty Infusion Services, Memphis (Shelby County), Tennessee (CN1406-018):** The establishment of a home health agency to provide home infusion products and services in the following counties: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, and Henry. The estimated project cost is \$98,000.
3. **Skyline Medical Center, Nashville (Davidson County), Tennessee (CN1406-020):** The addition of 10 medical-surgical and intensive care beds on the main campus by renovation of existing spaces and closure of 10 beds at the satellite Madison campus. The total licensed bed count of 385 beds will not change, but will result in 223 beds at the main campus and 162 beds at the Madison campus. The estimated project cost is \$3,951,732.
4. **Vanderbilt University Hospitals, Nashville (Davidson County), Tennessee (CN1406-021):** The addition of 105 licensed beds: 23 obstetrics beds and 21 neonatal beds by the relocation of the obstetrics program at Vanderbilt University Hospital to Monroe Carrell Jr. Children's Hospital at Vanderbilt; and 61 adult acute care inpatient beds in renovated space vacated at Vanderbilt University Hospital by the obstetrics program in renovated and new space. The estimated project cost is \$118,276,950.
5. **Baby + Company Nashville, Nashville (Davidson County), Tennessee (CN1406-022):** The establishment of a birthing center to include five birthing suites, three examination rooms, and various support areas in approximately 4,350 square feet of leased space. The estimated project cost is \$2,536,437.
6. **Life House Hospice, Inc., Cookeville (Putnam County), Tennessee (CN1406-023):** The establishment of a home care organization to provide hospice services in Putnam County. The hospice agency will be located at Life House Hospice, a residential hospice, at 570 State Street, Cookeville, Tennessee, providing both in-home and residential care. The estimated project cost is \$7,800.
7. **Regional One Health Imaging, LLC, Memphis (Shelby County), Tennessee (CN1406-024):** The establishment of an ODC including the initiation of MRI services along with CT, mammography, x-ray/fluoroscopy, and ultrasound services. No new beds or major medical equipment are involved other than listed above. The estimated project cost is \$5,800,00.



8. **Baptist Plaza Surgicare, Nashville (Davidson County), Tennessee (CN1406-025):** The relocation of the existing ASTC with nine outpatient surgery operating rooms and one surgical procedure suite in approximately 30,000 square feet of newly constructed floor space above the existing medical office building where Baptist Plaza Surgicare is currently located. The estimated project cost is \$19,095,948.
9. **Alexian Village Health and Rehabilitation Center, Signal Mountain (Hamilton County), Tennessee (CN1406-026):** The replacement of the existing facility moving from 671 Alexian Way to 622 Alexian Way in Signal Mountain, Tennessee. There will be no change in the number of beds at the facility and no new services initiated or discontinued. The estimated project cost is \$22,718,154.

III. Projects Deemed Complete for Review at July 2014 Meeting

A. Certificate of Need Review

1. **Starr Regional Medical Center—Etowah, Etowah (McMinn County), Tennessee (CN1404-009):** The expansion of the hospital's existing 10-bed geropsychiatric unit to 14 beds. The expansion of the geriatric psychiatric unit will be accomplished without increasing the total bed complement of the Etowah satellite (72) by redistributing four medical-surgical acute care beds to the geriatric psychiatric classification. This reclassification will not impact the total beds physically located at the main campus in Athens (118) or the total licensed beds for both sites (190). The estimated project cost is \$1,282,050.
2. **Christian Care Center of Bristol, Bristol (Sullivan County), Tennessee (CN1404-012):** The construction of a replacement facility for the relocation of a 120-bed* nursing home currently located at 261 North Street to 2830 Highway 394 in Bristol, Tennessee. The facility will be managed pursuant to a management and services agreement with Care Centers Managing Consulting, Inc. No additional beds are requested. The estimated project cost is \$11,953,747. **These beds are not subject to the 2013–2014 Nursing Home Bed Pool.*