

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

DECEMBER 13, 2017

AGENCY MEMBERS PRESENT

Grandy, Joe, Chair
Korth Paul, Vice-Chair
Alsup, Thomas
Mills, Thom
Patric, Kenneth, M.D.
Jordan, Lisa, designee for the Commissioner of Commerce and Insurance
Ridgway, Corey
Taylor, Todd

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Christoffersen, Jim, General Counsel
Craighead, Alecia, Statistical Analyst III
Earhart, Phillip, HSD Examiner
Eden-Hoback, Lowavia, Executive Assistant
Farber, Mark, Deputy Director

COURT REPORTER

Daniel, April

GUESTS PRESENT

Baker, Graham, Esq., Anderson and Baker
Bone, Gordon, Owner, Pavilion-THS, LLC
Bone, Hal, Owner, Pavilion-THS, LLC
Boynton, Stephanie, CEO, Erlanger Sequatchie
Brent, Michael, Esq., Bradley Arant Boult Cummings, LLP
Brooks, Rob, COO, Erlanger
Brown, Dere, Health Planning Assistant, NHC
Burchfield, Joe, SVP, Tennessee Hospital Association
Cartwright, Keith, Sequatchie County Mayor
Castleberry, Scott, Director, UT Medical Center
Davis, Clint, RDO, Grace Healthcare
Dorobantu, Florin, Director of Psych Services, Methodist HealthCare
Dyer, Janice, Director, CHI Memorial Health Care System
Elrod, Dan, Esq., Butler Snow
Elsner, Rob, Director of Construction, SBH-Kingsport
Felts, Ginna, Business Development, Vanderbilt University Medical Center
Fitzgerald, Bryce E., Esq., Kramer Rayson LLP
Garone, Michael, Director of Development, SBH-Kingsport
Gregory, Luke, CEO, Monroe Carell Jr. Children's Hospital at Vanderbilt
Jones, Beth, Executive Director, Southeast Tennessee Development District
Jones, Florence, CEO, Methodist North Hospital
Kelly, Mark, Administrator, LTCH
Land, Dwain, Mayor, City of Dunlap
Looney, Kim, Esq., Waller Lansden
Mahone, Amy, Esq., Baker and Donelson
Merville, LaDonna, VP, Hospital Alliance of Tennessee
McGill, Andrew, SVP, CHI Memorial Health Care System
Njezic, Joey, Executive Director, Pavilion Senior Living
O'Brien, John, Owner, Integrity Healthcare
Parker, Leon, Executive, CME Church
Perisho, Bret, SR VP, Regional One Health

Pound, Kevin, Regional Director, Stein and Associates
Reed, Ann, R., RN., BSN, MBA, Director of Licensure, TDH, Division of Health Care Facilities
Richardson, Larry, President, Senior Market Research Associates
Ridley, Gregg, Bledsoe County Mayor
Sadler, Heather, Director of Marketing, Pavilion Senior Living
Stein, Paul, Consultant/Owner, Stein and Associates
Swearingen, Travis, Esq., Butler Snow
Taylor, Jerry W., Esq., Burr & Forman
Trauger, Byron, Esq., Trauger and Tuke
Vetter, Stacia, AVP., NHC
Warden, Susan, Nurse Director, Erlanger Bledsoe
West, William, Esq., Baker Donelson
Whitlock, Kevin, Director of Finance, Grace Healthcare
Winick, Joe, SVP, Erlanger
Woodard, Benita, Director of Finance, Pavilion Senior Living
Young, Laura, CNO, TDMHSAS

ROLL CALL TO ESTABLISH QUORUM

Mr. Grandy requested a roll call to establish a quorum.

PRESENT: Jordan, Mills, Korth, Alsup, Taylor, Grandy

Six members were present.

Dr. Patric arrived at 8:43 a.m. and Mr. Ridgway arrived at 9:26 a.m.

DIRECTOR'S ANNOUNCEMENTS

- Douglas Scarboro has been appointed by Governor Haslam to the consumer position.
- Both the State of Tennessee and the HSDA implemented a new website effective December 10th, 2017. The Agency's main web address did not change- www.tn.gov/hsda.
- Steve Bock has started employment as the Agency's administrative assistant.
- Laura Young, Chief Nursing Officer, and Jeff Feix, Director of the Office of Forensic and Juvenile Court Services, were introduced as the reviewing agency contacts for the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) since the retirement of Assistant Commissioner Marthagem Whitlock. Ms. Young will coordinate the departmental reviews and Dr. Feix will work with her.
- Joe Culp who performed the departmental reviews for the Tennessee Department of Health (TDH) was recognized for his state service. His retirement date is in early January.
- The next agency meeting is scheduled for February 28, 2018 at the TBI Headquarters' Building.

APPROVAL OF MINUTES

Mr. Grandy presented the October 25, 2017 minutes for approval.

Ms. Jordan moved for approval of the minutes as presented. Mr. Korth seconded the motion. The motion CARRIED [6-0-0] unanimously by voice vote. **APPROVED**

STATE HEALTH PLAN UPDATE

TDH Division of Health Planning Assistant Director Elizabeth Jones reported the criteria and standards for Acute Care Beds and Opioid Treatment Centers (nonresidential substitution-based opioid treatment centers) were being finalized.

CONSENT CALENDAR

Melanie Hill summarized the following Consent Calendar Application:

Dr. Patric arrived.

Methodist Healthcare-Memphis Hospitals dba Methodist North Hospital, Memphis (Shelby County), TN CN1709-029

The relocation of a 34-bed adult psychiatric inpatient unit from the Methodist University Hospital campus at 1265 Union Avenue in Memphis (Shelby County), TN 38104 to the Methodist North Hospital campus located at 3960 New Covington Pike, Memphis (Shelby County), TN 38128. The applicant is owned by Methodist Le Bonheur Healthcare which has a single license for all five of its Shelby County hospitals; its total licensed bed complement of 1,593 beds will not change. The estimated project cost is \$2,295,000.

Ms. Hill noted at the time the application entered the review cycle, it was unopposed and that it continued to be unopposed.

Ms. Hill recognized applicant representative Byron Trauger Esq., who noted that Methodist North CEO Dr. Florence Jones and Psychiatric Services Director Dr. Florin Dorobantu were present to respond to questions and that Dr. Jones had a brief statement.

Dr. Jones expressed strong support for relocating the behavioral health beds from the University campus to the North campus.

Ms. Hill recommended approval of the certificate of need because it met the statutory criteria and provided the following justification:

Need – The relocation is justified because Methodist University Hospital is undergoing a massive modernization program. The current location (Crews Building) of the psychiatric program is being demolished to improve circulation around campus as well as to increase the visibility of the hospital's main entrance. The proposed location provides more square footage for the psychiatric services adding more expansive group therapy and activities space, and a larger environment of care. It also provides space isolated from the main building with a separate entrance making it an optimal setting for psychiatric services to ensure privacy and security. Methodist has been providing psychiatric services since 1973. Since most of their patients are Severely and Persistently Mentally Ill (SPMI) this relocation permits Methodist to continue to serve chronic SPMI patients in this unit with onsite acute medical services to treat comorbid conditions.

Economic Feasibility – The project will be funded by the cash reserves of the parent company. Audited financial statements were provided that demonstrated a current ratio of 6.24 to 1.0. Projections indicate Methodist North and psychiatric services unit will breakeven by 2020 (Year 1).

Healthcare that Meets Appropriate Quality Standards - Methodist Healthcare-Memphis Hospitals is licensed in good standing with the TDH, is Medicare/Medicaid certified, and accredited by the DNV.

Contribution to the Orderly Development of Healthcare – The project does contribute to the orderly development of health care since it will help ensure that psychiatric services will continue to be provided to the same vulnerable population less than 14 miles away. It will serve the same community with the same staff

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since clinical leadership, professional staff, and human resources will all be relocated to the new site, hopefully with only minimal disruption of services. Methodist Healthcare contracts with all TennCare MCOs in the service area: United Healthcare Community Plan, AmeriGroup, BlueCare, and TennCare Select. These are long-established beds so there is no duplication of services.

Dr. Patric moved for approval of the project based upon Ms. Hill's justification with Ms. Jordan seconding the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Jordan, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON Applications:

Celina Health & Rehabilitation Center, Celina (Clay County), TN CN1708-024

Mr. Korth recused.

The addition of 12 dually certified beds to Celina Health and Rehabilitation Center's existing 66 bed nursing home. These beds are subject to the 125 Nursing Home Bed Pool for 2017-2018. Approximately 3,473 square feet of new construction will be added to house the additional beds plus therapy and staff work areas. The applicant is owned by Integrity Healthcare of Celina, LLC. The estimated project cost is \$1,199,000.

Graham Baker, Esq., addressed the Agency on behalf of the applicant. Integrity Healthcare owner John O'Brien, Grace Healthcare Director of Finance Kevin Whitlock and Regional Director of Operations Clint Davis were present in support of the application.

Mr. Baker and Mr. Davis responded to questions by members. Summation was waived.

Mr. Taylor moved for approval of the project based on the following:

Need – The need criteria is met as when you apply the bed need formula for Clay County, the formula indicates a need for 22 beds. The applicant is requesting only 12 beds. Also, this facility has maintained a 94-plus percent occupancy for the past three years;

Economic Feasibility – The financial feasibility has been met in that the applicant submitted letters of interest to fund this project from two separate financial institutions. Also, the current ratio of 1.84 to 1 demonstrates the applicant's ability to cover its current costs plus additional costs associated with the new construction;

Healthcare that Meets Appropriate Quality Standards – The quality standards criteria are met in that the facility is currently licensed by the State of Tennessee, certified for participation for both Medicare and Medicaid programs, and currently carries a five-star rating from CMS. Also, the facility's most recent certification survey on September 20th, 2017 yielded only two minor deficiencies;

Contribution to the Orderly Development of Healthcare – The contribution to the orderly development of healthcare criteria are met in that the applicant has transfer agreements with seven area hospitals. The applicant is also the only provider in Clay County, and their census is made up of primarily Clay County residents. Therefore, no other provider would be adversely affected by approving this CON.

Dr. Patric seconded the motion. The motion CARRIED [6-0-0]. **APPROVED**

AYE: Jordan, Mills, Alsup, Patric, Taylor, Grandy
NAY: None

Regional One Health Extended Care Hospital, Memphis (Shelby County), TN CN1708-025

The addition of six long term care hospital (LTCH) beds to Regional One Health Extended Care Hospital's existing 24-bed LTCH. Regional One Health Extended Care Hospital is located on the fourth floor of Regional One Health Hospital at 890 Madison Avenue, Memphis (Shelby County), TN 38103. The applicant is owned by Shelby County Health Care Corporation. The estimated project cost is \$2,215,000.00.

Graham Baker, Esq., addressed the Agency on behalf of the applicant. Regional One Senior Vice President Brett Perisho and Administrator Mark Kelly were present in support of the application.

Mr. Baker responded to questions by members. Summation was waived.

Mr. Mills moved for approval of the project based on the following:

Need – With the closing of Methodist Hospital's unit and the loss of 36 beds, along with the 24 beds surrendered by Select Specialty, patients are being referred to the applicant; therefore, those beds are needed. These additional six beds will provide more efficient coordination for the hospital and the patients while permitting greater access to care for highly acute patients with extended care needs. Being a level one trauma center and a regional burn center, there's an increasing need for these beds to coincide with the continuum of care for these highly acute patients;

Economic Feasibility – Regional One's Health administrator and CEO attest there is sufficient cash reserves to fund the project, and the project is projected to have positive cash flow and net income in the first year of operation;

Healthcare that Meets Appropriate Quality Standards – The applicant will be licensed by the Tennessee Department of Health and certified by both Medicare and Medicaid;

Contribution to the Orderly Development of Healthcare – With regards to orderly development, the approximate seven-and-a-half percent increase in the 65-plus population in the service area from 2017 to 2021, which is an increase of 9,000-plus residents, 85 percent utilization in 2015, and being the only level one trauma center and regional burn center shows the need for the long-term acute care beds. And this project will not have any negative impact on existing providers and transfer agreements are in place with local hospitals .

Ms. Jordan seconded the motion. The motion CARRIED [7-0-0]. **APPROVED** .

AYE: Jordan, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

Pavilion-THS, LLC, Lebanon (Wilson County), TN – CN1708-026

Mr. Ridgway arrived at 9:26 a.m. and abstained.

The addition of 20 dually certified nursing home beds to The Pavilion Senior Living Rehabilitation and Long Term Care at Lebanon's existing 60-bed nursing home. These beds are subject to the 125 Nursing Home Bed Pool for 2017-2018. Approximately 8,340 square feet of new construction will be added to house the additional beds. It will also include companion living areas, a nursing area, and an assisted bathing area. The

facility is owned by Pavilion – THS, LLC which is owned by Total Healthcare Systems, LLC. The estimated project cost is \$1,151,755.

Amy Mahone, Esq., addressed the Agency on behalf of the applicant. The following were present in support of the application: Owners Hal and Gordon Bone; Pavilion Senior Living Marketing Director Heather Sadler, Executive Director Joey Njezic, and Finance Director Benita Woodard; Owner/Consultant Paul Stein and Regional Director Kevin Pound of Stein and Associates; and Senior Market Research and Associates President Larry Richardson.

Amy Mahone, Joey Njezic, and Paul Stein responded to questions from members. Summation was provided by Larry Richardson.

Ms. Jordan moved for approval of the project based on the following:

Need – The additional beds are needed in Wilson County as evidenced by the bed need formula, which calculates a net need of over 450 beds. The nursing home has maintained an occupancy rate of over 93 percent for the last three years, which has resulted in denied admissions and persons outmigrating to other counties to receive these services;

Economic Feasibility – It will be financed with the commercial loan and cash reserves, and the project is expected to be profitable in the first year of operation;

Healthcare that Meets Appropriate Quality Standards – It holds an active license by the Department of Health which found the facility to be in full compliance with all Medicare conditions and participation during its last survey, and the nursing home is certified by CMS and holds a four-star Medicare rating;

Contribution to the Orderly Development of Healthcare – The applicant has agreements for health services with Tennova Healthcare Lebanon and TriStar Summit, along with a number of other healthcare facilities. The nursing home will be part of a campus where independent living and assisted living facilities will also be located, and this will provide a continuum of services that will allow residents to age in place. It is not expected that the additional 20 beds will have a significant negative impact on other nursing homes in the service area; none of which oppose this application.

Mr. Korth seconded the motion. The motion CARRIED [7-0-1]. **APPROVED**

AYE: Jordan, Mills, Korth, Alsup, Harding, Patric, Taylor, Grandy
NAY: None
ABSTAIN: Ridgway

Erlanger Sequatchie Valley Regional Hospital, Dunlap (Sequatchie County), TN CN1709-027

The relocation and construction of a critical access hospital (CAH) consisting of 25 beds to replace the CAH currently located at 71 Wheelertown Avenue in Pikeville (Bledsoe County), TN 37367. It will be relocated to 17399 Rankin Avenue in Dunlap (Sequatchie County), TN 37327. The application also includes the initiation of magnetic resonance imaging (MRI) services and the acquisition of 3.0 Tesla MRI unit. The applicant is owned by the Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System. The estimated project cost is \$32,653,836.

Mr. Joseph Winick, SR VP, Erlanger Health System addressed the Agency on behalf of the applicant. Present in support were Erlanger Sequatchie CEO Stephanie Boynton; Sequatchie County Mayor Keith Cartwright; Bledsoe County Mayor Greg Ridley; City of Dunlap Mayor Dwain Land; and Southeast Tennessee Development District Director Beth Jones.

Mr. Winick responded to questions from members. Summation was waived.

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Mr. Ridgway moved for approval of the project based on the following:

Need – This is a much-needed replacement hospital as the existing hospital is past its lifespan of 47 years, will transform to more of a regional critical access hospital and be relocated to a more centrally located area of the overall service area;

Economic Feasibility – Project costs will be funded by tax exempt bonds and will have the backing of Erlanger Health System, and the project in itself appears to be financially viable operationally;

Healthcare that Meets Appropriate Quality Standards – The facility will meet all the necessary licensure requirements and in its current location is accredited by the Joint Commission and intends to do the same in a relocated location;

Contribution to the Orderly Development of Healthcare – This project is simplified coordination with county governments, and a broad community support has been placed over 70 agreements with providers and four states and does not appear to have any negative impact on existing providers. Staffing would actually increase from 69 FTEs to 79 FTEs with four employed physicians in the interest of improving care.

Mr. Mills seconded the motion. The motion CARRIED [8-0-0]. **APPROVED** .

AYE: Jordan, Ridgway, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

Erlanger Sequatchie Valley Regional Hospital, Pikeville (Bledsoe County), TN CN1709-028

The construction of a satellite emergency department of Erlanger Sequatchie Valley Regional Hospital. The satellite emergency department will replace Erlanger Bledsoe Hospital- provider based emergency department located at 16931 Rankin Avenue, Dunlap (Sequatchie County), TN 37327 and will be relocated to 553 US Highway 127 Bypass, Pikeville (Bledsoe County), TN 37367. The applicant is owned by the Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System. The estimated project cost is \$4,388,484.00.

Mr. Joseph Winick, SR VP, Erlanger Health System addressed the Agency on behalf of the applicant. Present in support were Erlanger Sequatchie CEO Stephanie Boynton; Sequatchie County Mayor Keith Cartwright; Bledsoe County Mayor Greg Ridley; City of Dunlap Mayor Dwain Land; and Southeast Tennessee Development District Director Beth Jones.

Mr. Winick responded to questions from members. Summation was waived.

Mr. Mills moved for approval of the project based on the following:

Need – The applicant will provide emergency department services 24 hours a day, seven days a week, 365 days a year, to adult and pediatrics, including but not limited to medical lab, X-ray, CT, and ultrasound imaging services. The applicant will be the only provider of ED services in the Bledsoe County area. The current facility is almost 50 years old, past its useful life, dictating a need for a new state-of-the-art freestanding ED. And the freestanding ED is essential when relocating the hospital from Bledsoe to Sequatchie so the residents continue to have the services they are currently receiving;

Economic Feasibility – The financing will be from bonds issued by Bledsoe County, Tennessee, and there will be small minimum losses in the first two years of operation. However, the hospital will absorb the losses and still be a profitable system, profitable systemwide;

Healthcare that Meets Appropriate Quality Standards – They will be accredited by the Joint Commission accreditation for healthcare organizations. They will be licensed by the Tennessee Department of Health, and they will be both Medicare and Medicaid Certified;

Contribution to the Orderly Development of Healthcare – Erlanger - Bledsoe is the only existing provider of ED services. They would be the only existing provider of ED services in the three-county service area. They would serve patients closer to their home in a new modern facility and will be part of the Sequatchie Valley Hospital, therefore, licensed and governed under the hospital.

Ms. Jordan seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Ridgway, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

GENERAL COUNSEL'S REPORT

Monroe Carell Jr. Children's Hospital at Vanderbilt (VUMC) – CN0710-075AE

Unanimously approved for the construction of a new building immediately adjacent and connected to the existing MCJCH. The new building is designed to house 90 additional pediatric acute critical care beds, 36 neonatal intensive care beds (16 relocated from Vanderbilt University Hospital {VUH}), an expanded obstetrical service including 36 relocated postpartum beds (all relocated from VUH), 12 new antepartum beds, 16 labor and delivery suites (12 relocated from VUH), 2 relocated operating rooms from VUH plus one additional obstetrical operating suite dedicated to fetal surgery. Five pediatric operating rooms are proposed on the third floor which will also contain 5 additional shelled operating rooms. The existing MCJCH contains 621,420 gross square feet. The proposed construction contains 372,140 gross square feet. Overall the new building will house 190 beds, 85 of which are relocated from VUH, for a total licensed bed increase of 105 beds.

The applicant provided project updates to Agency members on June 23, 2010 and June 23, 2011 and Agency members determined that no modifications were needed.

On January 22, 2014, the Agency granted a four year extension from March 1, 2014 to March 1, 2018 and a modification to downsize the project from 372,140 SF to 210,000 SF and from \$248,326,286 to \$120,000,000.

Request for a 32 month extension, from 3/1/2018 to 11/1/2020.

Dan Elrod, Esq., addressed the Agency on behalf of the applicant.

Mr. Korth moved to extend the expiration date and to adjust the project cost from \$120 million to \$140 million. Mr. Alsup seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Ridgway, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

SBH-Kingsport, LLC – CN1312-050DA

Approved by an Initial Order on 2/8/2016, which the Agency affirmed by a 5-4 vote as a Final Order on 6/22/2016, for the establishment of a new 72 bed free standing mental health hospital and initiation of inpatient psychiatric and substance abuse services. The mental health hospital will consist of 28 inpatient beds for psychiatric care for children ages 5-17, 18 inpatient beds for adult psychiatric care for adults ages 18-64, 16

inpatient beds for geropsychiatric care for ages 55+, and 10 adult chemical dependency beds. The project will accept voluntary and/or involuntary admissions.

Request for a increase in project cost from \$11,691,609 to \$15,855,835.

Bill West, Esq., addressed the Agency on behalf of the applicant. SBH Development Director Michael Garone and Corporate Construction Director Rob Elsner responded to questions.

Dr. Patric moved for approval due to the estimated increase in construction costs and regulatory requirements.

Mr. Taylor seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Ridgway, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

University of Tennessee Medical Center – CN1409-042A

Unanimously approved on 12/17/2014 to expand and renovate the neonatal intensive care unit (NICU), to add a new 16 bed intensive care unit (ICU), and to add a new 28 bed medical/surgical unit by renovating and converting existing physician outpatient clinic space. The project will increase the hospital's licensed bed complement from 581 to 625 beds for a net increase of 44 beds. The project includes approximately 28,694 square feet of renovation and 26,608 square feet of new construction. The project does not involve the initiation of new health care services. The estimated project cost was \$26,292,001. The applicant expected the 28 Med/Surg beds to open in the 1st quarter of 2016 and the 16 ICU beds to open in the 3rd quarter of 2017.

Request for an 18 month extension, from 2/1/2018 to 8/1/2019.

Jerry Taylor, Esq., addressed the Agency on behalf of the applicant.

Mr. Ridgway moved to approve the 18-month extension from February 1st, 2018 to August 1st, 2019.

Ms. Jordan seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Ridgway, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

Parkridge West Hospital– CN1611-039A

Unanimously approved on 2/22/2017 to increase inpatient psychiatric services by converting 8 of the hospital's existing 50 licensed unstaffed general medical/surgical beds to adult (18+) psychiatric beds, thus increasing the adult psychiatric unit from 20 to 28 licensed beds. The project has been completed.

Request for increase in project cost from \$2,160,808 to \$2,932,627.

Jerry Taylor, Esq., addressed the Agency on behalf of the applicant.

Ms. Jordan moved to approve the increased project cost.

Dr. Patric seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Ridgway, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

Bartlett ASC, LLC – CN1605-020A

Mr. Ridgway recused.

Unanimously approved on 10/26/2016 for the establishment of a multi-specialty ambulatory surgical treatment center (ASTC) to include two operating rooms, one procedure room, and an unequipped operating room for future growth. The ASTC will be managed by USP Tennessee, Inc., whom it was anticipated would have a majority ownership interest.

A Change of Ownership is requested to permit the flexibility of offering up to 70% ownership interest to physicians who will perform surgeries at the ASTC.

Kim Looney, Esq., addressed the Agency on behalf of the applicant.

Mr. Mills moved to approve the request.

Dr. Patric seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Jordan, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

East Tennessee Children's Hospital – CN1401-002A

Unanimously approved on 4/23/2014 for the renovation and expansion of the hospital's existing Neonatal Abstinence Syndrome Unit, Neonatal Intensive Care Unit (NICU), Preoperative Services, and Specialty Clinic. The licensed beds will not be affected, and no services will be initiated.

Request for a 4 month extension, from 6/1/2018 to 10/1/2018.

Kim Looney, Esq., addressed the Agency on behalf of the applicant. After discussion by the members, Mr. Alsup moved for a six-month extension from June 1st, 2018 to December 1st, 2018.

Mr. Korth seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Ridgway, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

Collins Chapel Health & Rehabilitation Center – CN1202-011AEEE

Unanimously approved on 6/1/2012 for the establishment of a 28 bed skilled nursing facility in which all beds will be dually certified for Medicare and Medicaid.

- February 26, 2014-One year extension granted from August 1, 2014 to August 1, 2015 due to the need for an architectural redesign of plans.
- May 27, 2015-Eighteen month extension granted due to the delay in financing approval from August 1, 2015 to February 1, 2017.
- December 14, 2016-Twelve month extension granted from February 1, 2017 to February 1, 2018 because the applicant was finally under construction and expected to be complete in June 2017. The

applicant had asked for six months but the Agency granted twelve in order to be sure that all TDH inspections could be completed.

Request for a one-year extension, from 2/1/2018 to 2/1/2019

Bill West, Esq., addressed the Agency on behalf of the applicant.

Dr. Patric moved to approve the one-year extension based on the difficulties with construction.

Mr. Taylor seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Ridgway, Mills, Korth, Alsup, Patric, Taylor, Grandy
NAY: None

Contested Case Update

Mr. Christoffersen provided a brief update.

OTHER BUSINESS

Home Health Report-

Mr. Farber provided a brief historical update on home health agencies approved with a private duty limitations between 2005 and 2010 and the subsequent removal of the limitations. He explained the limitations had been removed so private duty agencies could become Medicare-certified to obtain TennCare reimbursement which was not required under the original TennCare waiver.

The agencies had asserted that Medicare patients would be limited to a very few so Medicare certification could be obtained. The focus of these agencies would be to remain to be private duty.

The limitations were removed but periodic staff reports were requested.

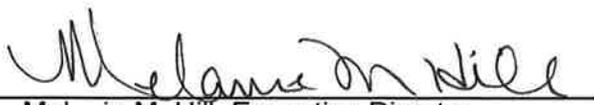
Mr. Farber reported the Maxim agencies continued to be primarily private duty agencies but the Friendship Home Health which was now under new ownership was primarily Medicare.

Mr. Taylor and Vice-Chair Korth commented and questioned whether continued reporting was necessary since the Agency could not enforce the previous assertions by the home health agencies. After a brief discussion with Mr. Christoffersen, Mr. Korth moved for approval of a motion to discontinue annual reporting and instead have staff report the information on any future CON applications filed by these agencies.

Mr. Taylor seconded the motion. The motion CARRIED unanimously by voice vote [8-0-0]. **APPROVED**

ADJOURNMENT

There being no further business, the meeting adjourned.


Melanie M. Hill, Executive Director

* Minutes provide only a brief staff summary of the meeting and are not intended to be an all-inclusive report. The HSDA maintains a detailed record of each meeting (recording and transcript) that is available upon request by contacting the HSDA office at 615-741-2364.

