ORIGINAL

Franklin PET Scan Center

CN1703-012

DSG Development Support Group

MAR 14 '17 PM 1:21

March 14, 2017

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application Submittal
Tennessee Oncology, PLLC -- Establishment of a PET Service
Franklin, Williamson County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

I am the contact person for this project. Brant Phillips is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,

John Wellborn

John Wellborn
Consultant

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

CERTIFICATE OF NEED APPLICATION

FOR A FIXED PET/CT SERVICE
AT THE FRANKLIN PRACTICE OFFICE OF
TENNESSEE ONCOLOGY, PLLC

Submitted March 2017

MAR 14 '17 PM 1:21

CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

Franklin PET Scan Center

Name

Unaddressed site on the east side of Carothers Parkway, on the south side of the Scott Hamilton Proton Treatment Center site that is being developed at the intersection of Physicians Way and Carothers Parkway.	Davidson

Street or Route *County*

Franklin	TN	37067

City *State* *Zip Code*

c/o Tennessee Oncology at *http://tnoncology.com*

Website Address

2. Contact Person Available for Responses to Questions

John Wellborn	Consultant

Name *Title*

Development Support Group	jwdsg@comcast.net

Company Name *E-Mail Address*

4219 Hillsboro Road, Suite 210	Nashville	TN	37215

Street or Route *City* *State* *Zip Code*

CON Consultant	615-665-2022	615-665-2042

Association With Owner *Phone Number* *Fax Number*

NOTE **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures.

Please answer all questions **on 8½" X 11" white paper, clearly typed and spaced, single-sided, in order and sequentially numbered. In answering, please type the question and the response**. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the **applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.**

3. SECTION A: EXECUTIVE SUMMARY

A. Overview

Please provide an overview not to exceed three pages in total, explaining each numbered point.

(1) Description (Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.)

• The applicant is a Tennessee physician group practice (Tennessee Oncology, PLLC). One of its clinics in Franklin (Williamson County) is relocating closer to Williamson Medical Center and I-65. The applicant proposes to acquire a Positron Emission Tomography ("PET") scanner to initiate outpatient PET services at the new clinic location.

• The proposed scanner will be a leased GE Discovery combination PET/CT unit. Because CT (Computed Tomography) services and equipment do not require CON review, this application refers to the equipment as the "PET".

• The practice office and its PET will be located in leased space in a three-floor medical office building ("MOB") that will be constructed by a third party, on unaddressed property adjoining the south side of the Scott Hamilton Proton Treatment Center now under construction in Williamson County.

• The project site is less than one mile east of Interstate 65's Exit 65, which is the Highway 96/Franklin/Williamson Medical Center exit. The project site is on the east side of Carothers Parkway, just south of that Parkway's intersection with Physicians Way, and on the south side of the Scott Hamilton Proton Center being developed at that intersection. The project will be within sight of Williamson Medical Center's campus on the opposite side of Carothers Parkway.

• The PET area in the practice office will consist of 3,652 usable SF (4,200 rentable SF) area of the MOB's first floor. A substantial portion of the other MOB spaces will be occupied by Tennessee Oncology's physicians and clinic, and by staff of the Sarah Cannon Cancer Center.

• Additional details about the project are provided in Attachment Section A-3A(1).

(2) Ownership Structure

• The applicant is Tennessee Oncology, PLLC, whose 81 oncologists (78 of whom are full-time members of the group) constitute Tennessee's largest oncology group practice, and one of the largest oncology practices in America.

• Tennessee Oncology, PLLC, is owned by 67 of its full-time physicians, each with an interest of approximately 1.493%. No person or entity owns 5% or more of the PLLC.

• In addition to providing patient care in 31 practice locations and in 27 Middle Tennessee hospitals, Tennessee Oncology physicians also conduct clinical trials for the Sarah Cannon Cancer Center in Nashville. Sarah Cannon manages the nation's largest network of clinical trials of cancer medications.

• Tennessee Oncology, PLLC currently wholly owns--directly or indirectly--three PET facilities in Davidson and Rutherford Counties: (1) a practice-based PET scanner at 300 20th Avenue North in Nashville (near the Tennessee Oncology headquarters office); (2) Imaging Alliance-Nashville PET, a licensed Outpatient Diagnostic Center ("ODC") at 52 White Bridge Road in Nashville/Davidson County; and (3) Tennessee PET Scan Center, an ODC at 1840 Medical Center Parkway, Suite 100, in Murfreesboro/Rutherford County. Those two ODC's are organized as limited liability companies ("LLC's") that are wholly owned by Tennessee Oncology, PLLC.

• In 2015, Tennessee Oncology's 3-unit PET network, as a whole, constituted the largest PET scan provider to residents of the 38 counties of Middle Tennessee--performing 43% of all PET scans of those counties' residents. It was the largest provider to Davidson County residents--performing 33% of their total scans.

(3) Service area

• The *primary* service area of the PET service will be nine counties southeast to west of Nashville/Davidson County--Dickson, Giles, Hickman, Lawrence, Lincoln, Marshall, Maury, Rutherford, and Williamson Counties. They contain two interstate corridors with rapidly growing populations. The *secondary* service area will include parts of Davidson County with easy access to Franklin. The PET will also serve patients from other counties and States, who come to the adjacent Scott Hamilton Proton Treatment Center, a regional cancer treatment facility whose Medical Director is a member of Tennessee Oncology.

• The primary service area is based on Tennessee Oncology's history of serving these counties. Tennessee Oncology is the only fixed PET provider in the primary service area and its unit is operating above optimal capacity. In 2015, these nine counties' residents received 2,742 PET scans, of which 1,246, or 45.8%, were performed on Tennessee Oncology's three PET scanners.

(4) Existing similar service providers

• There is only one fixed PET unit in the far eastern part of the primary service area. It is in the applicant's ODC in Murfreesboro (Rutherford County). It is operating at 120.8% of "optimal utilization" as defined by the State Health Plan. The proposed Franklin PET unit will help relieve this first unit, while improving patient accessibility to care in service area counties west and south of Rutherford County.

• The project is located in the high-growth I-65 corridor between Nashville and Alabama, in which there is no fixed PET scanner available Monday through Friday, the peak days of demand for diagnostic care.

• The primary service area also has two part-time mobile PET units. Together, they offer service a total of 1.5 days per week. They dock at Williamson Medical Center in Franklin/Williamson County (one half-day per week), and at Maury Regional Medical Center in Columbia/Maury County (one day per week).

For their approved days of service, they are together operating at 132.9% of the optimal level of mobile unit utilization as defined by the State Health Plan.

(5) Project cost

• The project cost for CON purposes is estimated to be $3,828,653. Approximately $425,569 of this will be actual capital costs; the rest will be the value and expense of leased space and equipment (which HSDA rules require applicants to include in the CON cost).

(6) Funding

• The applicant PLLC will provide all of the capital funds required to implement the project.

(7) Financial feasibility, including when the proposal will realize a positive financial margin

• The project will operate with a positive financial margin by the end of Year One (CY2019) and thereafter.

(8) Staffing

• The project will employ a total of 8.87 FTE's: CT and PET/CT Techs, a PET Tech Assistant, and non-clinical employees (manager, team leader, patient service representatives).

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B of this application. Please summarize, in one page or less, each of the criteria.

(1) Need

a. Under State Health Plan guidelines, there is a strong need for the additional fixed PET unit proposed in this application.

b. The State Health Plan identifies a need for an additional stationary, or "fixed" PET when the average utilization of the area's existing PETs reaches 1,600 procedures per year for fixed PET units, and 320 per year per day of service for mobile PETs. Those guidelines define "optimal" utilization.

b. The applicant operates the only fixed PET in the service area. In CY2016 it performed 1,932 procedures, which was 121% of the optimal utilization standard in the State Health Plan.

c. The two mobile PETs in the service area operate at a combined 1.5 days a week and their optimal utilization together would be 480 procedures per year. In the last reporting year (CY2015), together they performed 638 procedures, which was 133% of the State Health Plan target.

e. Additionally, the service area has a rapidly growing population of persons 50+ years of age, the age at which incidence of cancer begins to rapidly increase. That maturing population in this service area will increase 13.6% by CY2021, compared to only a 7.9% increase in total population. The need for PET capacity to diagnose cancer will increase steeply as well. With existing capacity beyond optimal utilization, an additional PET unit is needed to assure appropriate patient accessibility to this important imaging modality.

f. The applicant's fully utilized fixed PET is located on I-24 in the eastern part of this nine-county service area. Under State law, the applicant could add a second PET at that location without a Certificate of Need. However, the next PET can better meet service area needs if located along the I-65 corridor, which is more central and accessible to the eight service area counties west, southwest, and south of Nashville.

(2) Economic Feasibility

a. The applicant is the largest provider of PET services in Middle Tennessee, through the three PET services it operates directly or indirectly in Davidson and Rutherford Counties. It charges significantly less than the area average charge for PET services. Its commitment to cost control, coupled with its high volumes of procedures, ensures the economic feasibility of the service.

b. The proposed Franklin-based PET will operate with a positive margin and a positive cash flow, as demonstrated by the Projected Data Chart in the application.

c. The applicant contracts with all area TennCare plans and is accessible to low-income patients.

d. Funding for the project is available.

(3) Appropriate Quality Standards

This unit, like the other three PET units operated by the applicant, will be accredited by the American College of Radiology. The two PET ODC's operated by the applicant are licensed by Tennessee's Board for Licensing of Health Care Facilities and they operate in full compliance with State standards. The applicant's PET services are also licensed for radioactive materials handling, by the Tennessee Department of Environment and Conservation.

(4) Orderly Development of Adequate and Effective Health Care

a. This unit will be located in the midst of an evolving center of excellence in cancer care, near the Franklin exit on I-65 in Williamson County. The PET will be in close proximity to the regional Proton Treatment Center under construction near Williamson Medical Center. There are linear accelerators serving patients nearby; and there is a large and highly-trained physician community associated with the hospital. Sarah Cannon Cancer Center is opening a satellite office of substantial size in the same MOB as this project.

b. The project continues Tennessee Oncology's long-standing commitment to distribute the highest quality of oncology care at locations all across Middle Tennessee, to make appropriate care optimally accessible to urban and rural patients alike. The group provides patient care through 31 offices at Middle Tennessee hospitals. They conduct hundreds of clinical trials of promising new cancer medications, in cooperation with the Sarah Cannon Cancer Center in Nashville, which manages the nation's largest network of clinical trials of promising new cancer medications. The proposed Franklin PET Scan Center within their Franklin office will support pharmaceutical research and trials at Sarah Cannon's new office planned for Franklin, and will serve patients coming into Middle Tennessee to utilize the regional Proton Treatment Center when it opens in 2018.

c. The timing of this project reflects orderly planning for cost-effective use of expensive imaging technology. The applicant introduced fixed PET technology to the area in the area's most populous county (Rutherford County) several years ago, in an ODC near Saint Thomas Rutherford County (formerly the Middle Tennessee Medical Center). The applicant has delayed requesting additional PET capacity for the service area until this first unit exceeded optimal utilization. At the same time, the applicant has chosen not to expand its Murfreesboro PET service (in Murfreesboro on I-24), preferring instead to propose new capacity where it will improve patient accessibility, and will enhance the scope of cancer care services that is already developing in that location on the I-65 corridor.

C. Consent Calendar Justification

If consent calendar is requested, please provide the rationale for an expedited review. A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

Not applicable. Consent calendar review is not being requested.

SECTION A (CONTINUED): PROJECT DETAILS

4.A. Owner of the Facility, Agency, or Institution

Tennessee Oncology, PLLC	
Name	*Phone Number*
300 20th Avenue North, Suite 301	Davidson
Street or Route	*County*

Nashville	TN	37203
City	*State*	*Zip Code*

B. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	
D. Corporation (For-Profit)		I. Other (Specify): Professional Limited Liability Company	x
E. Corporation (Not-for-Profit)			

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the TN Secretary of State's website hpps://tnbear.tn.gov/Ecommerce/FilingSearch.aspx.

See Attachment Section A-4A.

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

Tennessee Oncology, PLLC, is a physician group practice organized in Tennessee as a professional limited liability company. All of the PLLC's membership shares are owned by 67 of the practice's oncologists. Each of those physicians owns approximately 1.493% of the membership interests. The physician members of the PLLC, their 31 Middle Tennessee office locations, and the 27 hospitals where they have privileges are all listed in Attachment A-4A. Attachment A-4A also contains documentation of the PLLC's formation and an organization chart showing its relationship to this project.

5A. Name of Management/Operating Entity (If Applicable) Not Applicable

Name

Street or Route *County*

City *State* *Zip Code*

Website Address

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.

Not applicable.

6A. Legal Interest in the Site of the Institution (Check One)

A. Ownership		D. Option to Lease	x
B. Option to Purchase		E. Other (Specify):	
C. Lease of 10 Years			

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

See Attachment Section A-6A. It provides site control documentation for the developer/owner of the building (who is purchasing land and constructing the building that will house the project), and for the applicant group practice (which is leasing space in the building).

6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site, on an 8.5" X 11 sheet of white paper, single-sided. Do not submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.

(1) Plot Plan must include:

a. Size of site (in acres);
b. Location of structure on the site;
c. Location of the proposed construction/renovation; and
d. Names of streets, roads, or highways that cross or border the site.

See Attachment Section A-6B-1.

(2) Attach a floor plan drawing for the facility, which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8.5" X 11" sheet of paper or as many as necessary to illustrate the floor plan.

See Attachment Section A-6B-2.

(3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

The project site is on a well-known parkway across from Williamson Medical Center, the largest hospital in the primary service area outside Rutherford County. The site is within a few minutes' drive of I-65, a major north-south corridor through the project service area. Bus service to the site is only available from the City of Franklin, whose municipal transit system bus route and schedule are provided in Attachment Section A-6B(3).

Principal cities in the primary service area will typically use the following highways and interstates to reach the Franklin PET Scan Center; drive times are shown in the table below.

County	Highways
Williamson	I-65; Highways 96 and 31
Dickson	I-840; I-65; Highways 96 and 100
Hickman	Highway 100; I-840; I-865, Highway 96
Maury	Highways 31 and 964; I-65; Highway 96
Lawrence	Highways 43, 31, 96; Highway 64, I-65, and Highway 96
Giles	Highways 64, 34, I-65 and Highway 96
Lincoln	Highways 64, 431, I-65 and Highway 96
Marshall	Highway 431, I-65; Highway 96
Rutherford	Highway 96; I-840; I-65

Table A-6B(3): Mileage and Drive Times Between Project and Major Communities in the Primary Service Area

County	Principal City	Miles	Drive Time
Dickson	Dickson	47.7	50 min.
Giles	Pulaski	55.9	54 min.
Hickman	Centerville	54.6	60 min.
Lawrence	Lawrenceburg	64.2	73 min.
Lincoln	Fayetteville	71.3	67 min.
Marshall	Lewisburg	37.7	40 min.
Maury	Columbia	28.1	33 min.
Rutherford	Murfreesboro	29.1	37 min.
Williamson	Franklin	3.5	10 min.

Source: Google Maps.

7. Type of Institution (Check as appropriate—more than 1 may apply)

A. Hospital (Specify):		H. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		I. Outpatient Diagnostic Center	x
C. ASTC, Single Specialty		J. Rehabilitation Facility	
D. Home Health Agency		K. Residential Hospice	
E. Hospice		L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital		M. Other (Specify):	
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID			

8. Purpose of Review (Check as appropriate—more than 1 may apply)

A. New Institution	x	F. Change in Bed Complement *Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation*	
B. Modifying an ASTC with limitation still required per CON		G. Satellite Emergency Department	
C. Addition of MRI Unit		H. Change of Location	
D. Pediatric MRI		I. Other (Specify):	
E. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify) Fixed PET Scanning	x		

9. Medicaid/TennCare, Medicare Participation

MCO Contracts (Check all that apply)*:
____Amerigroup ____United Healthcare Community Plan _____BlueCare _____TennCare Select
Medicare Provider Number: To be requested
Medicaid Provider Number: To be requestewd
Certification Type: IDTF (Independent Diagnostic Testing Facility)
If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?
Medicare __x_Yes___No___N/A __
Medicaid/TennCare _x__Yes___No___N/A __

** Tennessee Oncology, PLLC, and its two existing ODC's, contract with all the above four MCO's. The applicant will also have contracts with all four MCO's.*

10. Bed Complement Data Not Applicable to an outpatient facility.

A. Please indicate current and proposed distribution and certification of facility beds.)

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical						
2. Surgical						
3. ICU/CCU						
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric						
8. Geriatric Psychiatric						
9. Child/Adolescent Psychiatric						
10. Rehabilitation						
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home-Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL						

** Beds approved but not yet in service* *** Beds exempted under 10%/3 yrs provision*

B. Describe the reasons for change in bed allocations and describe the impact the bed changes will have on the applicant facility's existing services.

Not applicable. This will be an outpatient service.

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete the chart below.

The applicant holds no outstanding Certificates of Need.

11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:

Not applicable. The applicant is not a home health care organization.

12. Square Footage and Cost Per Square Footage Chart

The chart is provided on the following page.

12. Square Footage and Cost Per Square Footage Chart

Franklin PET Scan Center--Space and Cost of Applicant's Build-Out, Before Tenant Improvement Allowance

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated*	New	Total
							0
PET/CT Space					3,652		3,652
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
Unit/Dept SF Subtotal		0			3,652	0	3,652
Other SF Subtotal					0		0
Total SF		0			3,652		3,652
Total Cost					$547,800.00		$547,800.00
Cost Per Square Foot							$150.00
Cost per Square Foot is Within Which Range? (Not Available)					___ Below 1st Quartile	___ Below 1st Quartile	___ Below 1st Quartile
					___ Between 1st and 2nd Quartile	___ Between 1st and 2nd Quartile	___ Between 1st and 2nd Quartile
(For quartile ranges, please refer to the Applicant's Toolbox on www.tn.gov/hsda)					___ Between 2nd and 3rd Quartile	___ Between 2nd and 3rd Quartile	___ Between 2nd and 3rd Quartile
					___ Above 3rd Quartile	___ Above 3rd Quartile	___ Above 3rd Quartile

** The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.*

*** Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.*

ARCHITECT SHOULD ENTER COST PSF ONLY FOR NEW AND RENOVATED COLUMNS; THE TOTAL COST PSF COLUMN CALCULATES AUTOMATICALLY.

13. MRI, PET, and/or LINEAR ACCELERATOR

Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding an MRI scanner in counties with population less than 250,000, or is initiating pediatric MRI in counties with population greater than 250,000, and/or describe the acquisition of any Positron Emission Tomography (PET) unit or Linear Accelerator unit if initiating the service by responding to the following:

A. Complete the Chart below for acquired equipment.

LINEAR ACCELERATOR (Not applicable)	
Mev:	Total Cost*: $
Types: (indicate one)	By Purchase? __
__ SRS	By Lease? __
__ IMRT	
__ IGRT	Expected Useful Life (yrs):
__ Other :	New? __
	Refurbished? __
	If not new, how old (Yrs)? __

MRI (Not applicable)	
Tesla:	Total Cost*: $
Magnet: (indicate one)	By Purchase? __
__ Breast	By Lease? __
__ Extremity?	
__ Open?	Expected Useful Life (yrs):
__ Short Bore?	New? __
__ Other -- _____	Refurbished? __
	If not new, how old (Yrs)? __

PET	
PET Only? __	Total Cost*: $1,926,309
	By Purchase? _x_
PET/CT? _x_	By Lease? __
PET/MRI? __	Expected Useful Life (yrs): 5 years
	New? _x_
	Refurbished? __
	If not new, how old (Yrs)? __

**As defined by Agency Rule 0720-9-.01(13). See next page, question 13C.*

B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

See Attachment Section A.13.B for the GE vendor quotation.

C. Compare the lease cost of the equipment to its fair market value (FMV). Note: Per Agency rule, the higher cost must be identified in the project cost chart.

Lease Cost:

Lease Cost, 60 months @ $19,372 /mo	$1,162,320.00
Sales Tax @ 7%	$ 81,362.00
Maintenance agreement Expense Yrs 2-5	$ 621,100.00
Rigging	none
Total Lease Outlay	$1,864,782

FMV (Purchase Cost):

Quoted Net Selling Price, Delivered	$1,219,821.52
Sales Tax @ 7%	$ 85,387.51
Maintenance agreement Expense Yrs 2-5	$ 621,100.00
Rigging	none
Total Purchase Cost	$1,926,309.06

D. Schedule of Operations:

Location	Days of Operation (Sun-Sat)	Hours of Operation
Fixed Site (Applicant)	Mon-Fri	7:00 AM-4:00 PM (PETs scheduled on the hour from 7 am through 3 pm)
Mobile Locations	Not applicable.	

E. Identify the clinical applications to be provided, that apply to the project.

The proposed PET portion of the PET/CT unit will perform the entire standard scope of PET studies of cancer patients. It will image the distribution of radiopharmaceuticals in the body for the assessment of metabolic (molecular) and physiologic functions in patients of all ages. This can assist in the evaluation, diagnosis, staging, restaging, and follow-up of lesions, disease and organ function for cancer patients. It can also be used to assist in radiotherapy planning. Additional applications include cardiac studies and neurology studies.

Estimated PET Scans By Clinical Diagnosis Category					
Type of PET Scan	**ICD-10 Code**	**Last Yr-- 2016**	**2015 Percentage**	**Year One 2019**	**Year Two 2020**
Breast	C50.xx	228	11.93%	119	125
Colorectal	C17.x, C18.x, C19.x	149	7.80%	78	82
Lung/Bronchus	C34.x	294	15.38%	154	161
Prostate	C61	29	1.52%	15	16
Other Oncology	All other	1,225	63.00%	629	661
Neurology	C49.x	7	0.37%	4	4
Total		1,932	100.0%	999	1049

Source: Tennessee Oncology; other oncology includes 21 unidentified by ICD-10.

F. If the equipment has been approved by the FDA within the past five years, provide documentation of the same.

See Attachment A.13.F for the FDA letter of approval.

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper, single-sided.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate "Not Applicable (NA)."***

APPLICANT'S ANALYSIS OF THE NEED FOR THE PROJECT

1. The Applicant and the Reasons for the Project

The proposed Franklin PET Scan Center will be operated as a service of Tennessee Oncology, PLLC. This physician group's 78 oncologists and 3 PRN oncologists comprise Tennessee's largest oncology group practice, and one of the largest in the United States. Tennessee Oncology physicians provide patient care at 31 offices at Middle Tennessee hospitals. They conduct hundreds of clinical trials of promising new cancer medications, in cooperation with the Sarah Cannon Cancer Center in Nashville, which manages the nation's largest network of clinical trials of promising new cancer medications.

Tennessee Oncology currently owns and operates--directly or indirectly--three PET units in Middle Tennessee. One is a practice-based unit at the headquarters office in Nashville. The other two are PET ODC's, organized as LLC's that are wholly owned by Tennessee Oncology, PLLC. One of those two PET ODC's is in Nashville. The other PET ODC is in Murfreesboro. In CY2015, Tennessee Oncology's three PET units together made Tennessee Oncology the largest PET scan provider serving the 37 counties of Middle Tennessee. They performed 45.8% of all PET scans of Middle Tennessee residents that year. It was also the largest PET scan provider chosen by Nashville/Davidson County residents, performing 33% of all their scans.

The mission of this 40-year old group practice is to provide access to high-quality cancer care and to the expertise of clinical research for all patients, at convenient locations within their community and close to their home. Tennessee Oncology's extensive network of 31 offices across Middle Tennessee reflects this commitment.

A major example of this commitment to patient accessibility was Tennessee Oncology's establishment of a PET ODC in Murfreesboro several years ago. It has provided much easier access for rural and suburban populations who use the I-24 corridor to reach needed health resources. That PET ODC has become the highest-utilized of Tennessee Oncology's three PET units.

As that PET utilization grew, Tennessee Oncology decided to expand--not by adding a second fixed PET to the Murfreesboro ODC (which can be done without CON approval), but rather by adding it in Franklin, on the I-65 corridor south of Nashville.

Along that high-growth corridor, there is not a fixed PET service between central Nashville and Alabama.

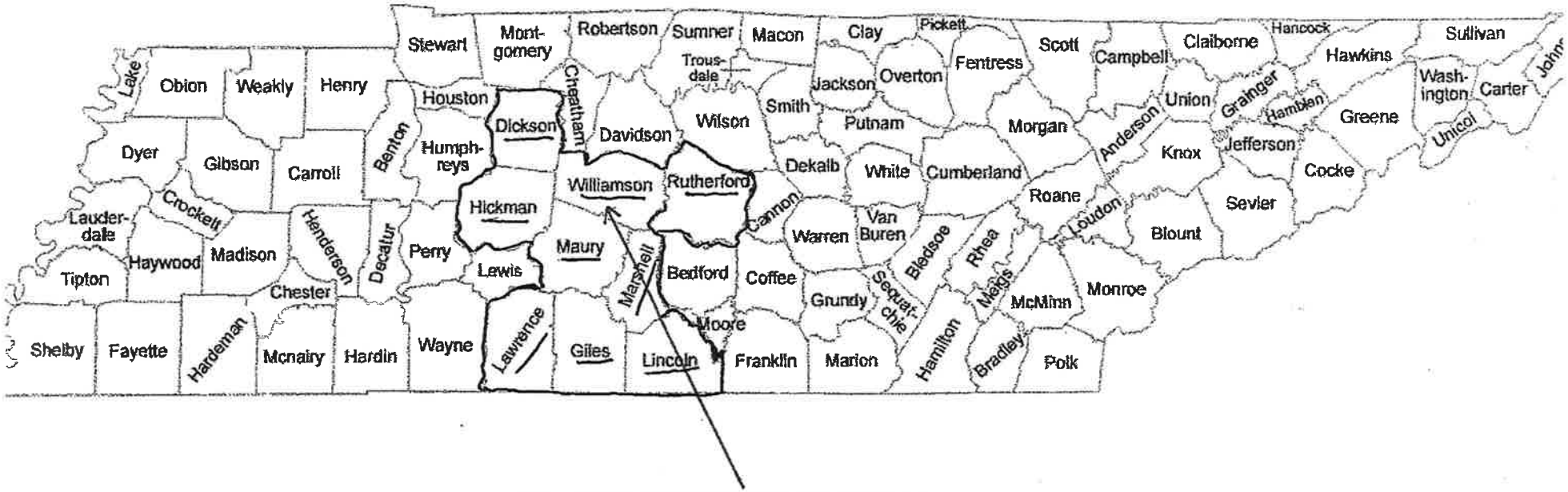
Adding one at the proposed Franklin site also will strengthen a major center of excellence for cancer care that is developing there--with linear accelerators, a regional Proton Treatment Center, and a sophisticated acute care hospital and physician community.

Complementing these, in the same building with the proposed PET, there will be an expanded office of Tennessee Oncology physicians and a satellite office of the Sarah Cannon Cancer Center to enhance physician collaborations on medical trials.

2. The Project's Service Area and Its Utilization of PET

As described elsewhere in this application, this proposed Franklin PET alongside I-65 will have a *primary* service area south and southwest of Nashville. It will consist of Dickson, Giles, Hickman, Lawrence, Lincoln, Marshall, Maury, Rutherford, and Williamson Counties.

The project's *secondary* service area will consist of nearby parts of Davidson County--some of whose residents would prefer to drive south to Franklin rather than drive north to PET units in central Nashville with its worsening traffic congestion. On the next page is a map of the projected primary service area.



FRANKLIN PET SCAN CENTER
PRIMARY SERVICE AREA

The primary service area has generated increasing numbers of PET scans over the past several years. See Table B-Need-1A below and Table B-Need-1B on the following page.

HSDA Registry data shows that between 2013 and 2015, the PET scans provided by all providers to residents of all nine counties increased by 10.4%, which is a 5% compound annual growth rate.

Within the primary service area, PET scans provided to residents of the *eight counties other than Rutherford County* increased by 17.2%, which was an 8.5% compound annual growth rate. It is those eight counties that will benefit most from the proposed project.

Table B-Need-1A: Service Area Residents' PET Utilization at All PET Providers 2013 to 2015

	2013 Scans Utilized	2015 Scans Utilized	Percent Change
Nine-County PSA	2,484	2,742	+10.4%
PSA Excluding Rutherford County	1,563	1,832	17.2%

Source: HSDA Registry

These increases reflected an increasing and aging service area population. While cancer occurs in all age groups, it affects primarily adults, and most frequently older adults.

As shown in the demographic table elsewhere in this application, the primary service area population that is 50+ years of age (and more prone to develop cancer) will increase by 13.6% between 2017 and 2021; while the total population will increase by 8.0%.

Using the most recent county-level crude incidence rates of cancer from the Tennessee Cancer Registry, this indicates that the number of cancer cases in the primary service area will increase by 7.4% by CY2021; and that the number of cancer cases in the population 50 years of age and older will increase by 13.3%. See Table B-Need-1C on the second following page.

As this area of Middle Tennessee ages, its need for cancer diagnosis and treatment will continue to increase. PET scans are a basic primary diagnostic tool to detect the presence of cancer--not only before treatment, but also after treatment to evaluate treatment results in reducing or eliminating tumors.

Table B-Need-1B: Service Area PET Increases 2013 to 2015 (2 yrs)			
Primary Service Area	**Total PETs from County 2013**	**Total PETs from County 2015**	**Percent Increase 2013-2015**
Dickson	186	211	13.4%
Giles	86	81	-5.8%
Hickman	86	86	0.0%
Lawrence	154	188	22.1%
Lincoln	88	76	-13.6%
Marshall	137	137	0.0%
Maury	281	399	42.0%
Rutherford	921	910	-1.2%
Williamson	545	654	20.0%
PSA Subtotal	*2484*	*2742*	*10.4%*
Secondary Service Area			
Davidson	1893	2619	38.4%
SSA Subtotal	*1893*	*2619*	*38.4%*
PSA + SSA Subtotal	*4377*	*5361*	*22.5%*

Source: HSDA Registry Aug 2016

Increase from PSA Counties Excluding Rutherford County	*1563*	*1832*	*17.2%*

Table B-Need-1C: Franklin PET Scan Center Project Service Area Cancer Incidence By County for Ages 50+					
County	Incidence Per 100,000 Ages 50+ Yrs	Age 50+ Population 2017	Age 50+ Population Projected 2017 Cases	Age 50+ Population 2021	Age 50+ Population Projected 2021 Cases
STATE OF TENNESSEE	1,306.6	2,455,675	32,085.8	2,648,450	34,604.6
PSA					
Dickson	1,350.9	20,495	276.9	22,471	303.6
Giles	1,296.2	12,995	168.4	13,503	175.0
Hickman	1,247.1	10,466	130.5	11,328	141.3
Lawrence	1,346.9	17,315	233.2	18,386	247.6
Lincoln	1,232.3	14,879	183.4	15,772	194.4
Marshall	1,376.0	12,823	176.4	14,067	193.6
Maury	1,226.4	34,027	417.3	36,912	452.7
Rutherford	1,166.9	89,498	1,044.4	105,354	1,229.4
Williamson	1,111.8	78,770	875.8	93,082	1,034.9
PSA Total		291,268	**3,506.3**	330,875	**3,972.4**
SSA					
Davidson	1,227.8	196,650	2,414.5	204,577	2,511.8
SSA TOTAL	1,227.8	196,650	**2,414.5**	204,577	**2,511.8**

Source: Tennessee Cancer Registry; 2013 Crude Incidence Rates By County, Sept 2016.

Table B-Need-1C: Franklin PET Scan Center Project Service Area Cancer Incidence By County for All Ages					
County	incidence Per 100,000 All Ages	Total Population 2017	Total Population Projected 2017 Cases	Total Population 2021	Total Population Projected 2021 Cases
STATE OF TENNESSEE	518.6	6,812,005	35,327.1	7,108,031	36,862.2
PSA					0.0
Dickson	569.0	54,315	309.1	56,809	323.2
Giles	622.7	29,774	185.4	29,828	185.7
Hickman	531.6	26,619	141.5	27,611	146.8
Lawrence	571.6	43,344	247.8	44,003	251.5
Lincoln	544.1	34,891	189.8	35,649	194.0
Marshall	555.7	33,491	186.1	35,030	194.7
Maury	509.8	89,512	456.3	94,062	479.5
Rutherford	375.8	328,279	1,233.7	367,508	1,381.1
Williamson	426.8	220,746	942.1	239,411	1,021.8
PSA Total		860,971	**3,891.8**	929,911	**4,178.3**
SSA					
Davidson	421.5	689,338	2,905.6	722,655.0	3,046.0
SSA TOTAL	421.5	689,338	**2,905.6**	722,655.0	**3,046.0**

Source: Tennessee Cancer Registry; 2013 Crude Incidence Rates By County, Sept 2016.

3. High Utilization of Area PET Units

The primary service area now contains *one fixed PET unit* in Murfreesboro, Rutherford County. It is available Monday through Friday. It belongs to this applicant, Tennessee Oncology.

For the past three years it has exceeded the 1,600-procedure "optimal utilization" benchmark of the State Health Plan, justifying expansion.

In CY2016, it performed 1,932 procedures, which is 20.8% higher than the State benchmark, and is 96.6% utilization of total machine capacity.

Table B-Need-1D: PET Utilization at Tennessee Oncology Unit in Rutherford County			
	CY2014	**CY2015**	**CY2016**
Tennessee PET Scan Center (Murfreesboro)	1,623	1,628	1,932

Source: Tennessee Oncology and HSDA Registry.

The service area also has *two mobile units* at Columbia (Maury County) and at Franklin (Williamson County).

Their combined approved days of service in CY2015 were 1.5 days per week, which equates to 0.3 units under State Health Plan definitions. Their combined procedures in CY2015 were 132.9% of the optimal utilization benchmark of 480 annual procedures per day/week for 1.5 days combined availability.

4. Service Area's High Reliance on Tennessee Oncology for PET Procedures

Tennessee Oncology is the most logical provider to meet increasing area demands. Service area patients already rely heavily on Tennessee Oncology for PET studies

Table B-Need-1E on the following page uses HSDA Registry patient destination data to demonstrate that in the last data year, Tennessee Oncology PET units provided almost 46% of the PET scans performed for residents of these nine counties.

Table B-Need-1E: Tennessee Oncology Market Share of Service Area PET Utilization			
Service Area County	**Total PETs from County 2015 (HSDA Registry)**	**TnOnc PETs from County 2015 (Registry Data)**	**TnOnc Market Share 2015 (Registry Data)**
Primary Service Area			
Dickson	211	140	66.4%
Giles	81	12	14.8%
Hickman	86	47	54.7%
Lawrence	188	28	14.9%
Lincoln	76	34	44.7%
Marshall	137	15	10.9%
Maury	399	53	13.3%
Rutherford	910	709	77.9%
Williamson	654	218	33.3%
PSA Subtotal	***2742***	***1256***	**45.8%**
Secondary Service Area			
Davidson	2619	866	33.1%
PSA/SSA Total	***5361***	***2122***	

Sourcs: HSDA Registry

5. Benefits of Adding a Second Tennessee Oncology Fixed PET to the Primary Service Area

First, the defined nine-county primary service area has a clearly demonstrated need for adding PET capacity under State Health Plan guidelines and methodologies. The project will add the needed capacity.

Second, the capacity will be added where it will be most accessible to the service area population on both sides of the I-65 corridor as far west as parts of Dickson County that have rapid access to Franklin via the new I-880 interstate loop. The population centers of the service area counties (other than Murfreesboro in Rutherford County) will have a shorter drive time and will encounter less traffic congestion if they drive to a PET in Franklin, rather than driving to central Davidson County PET units.

Third, residents of the area will be served by a specialized oncology medical group that they know and trust, based on the group's current high market share of PET studies in this service area.

Fourth, the applicant Tennessee Oncology is the area's low-cost provider of this critically important diagnostic service. In CY2015, its average gross charge per PET procedure (over three locations) was $3,620, approximately 29% below the $5,085 average charge of other providers' PETs in the combined primary and secondary service areas. Allowing such a reasonably priced PET provider to add the needed PET capacity will help control diagnostic healthcare costs.

QUESTIONS

1. Provide a response to each criterion and standard in Certificate of Need categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the THSDA or found on the agency's website at http://tjn.gov/hsda/article/hsda-criteria-and-standards.

STATE HEALTH PLAN
CERTIFICATE OF NEED STANDARDS AND CRITERIA
FOR
POSITRON EMISSION TOMOGRAPHY SERVICES

Definitions

Positron Emission Tomography (PET): A noninvasive diagnostic imaging procedure that assesses the level of metabolic activity and perfusion in various organ systems of the human body (source: The Centers for Medicare and Medicaid Services). PET differs from other nuclear medicine modalities in the type of radiation emitted and in the type of scanner required to detect it. By measuring the distributions of certain radiotracers in the body some time after they have been administered, PET can be used to diagnose physical abnormalities and to study body functions in normal subjects.

PET Unit: Diagnostic equipment (often referred to as a "scanner") that uses a positron camera (tomograph) to produce cross-sectional tomographic images (this process is often referred to as a "scan"). The images are obtained from positron emitting radioactive tracer substances (radiopharmaceuticals) such as 2-(F-18) Fluoro-D-Glucose (FOG) which are administered intravenously to the patient. The radioactive tracers may be produced on-site, e.g. with a cyclotron, or may be ordered from commercial distributors.

As a result, factors such as equipment cost, geographic distribution and availability of distributors, and other related factors (regulatory compliance/certification) should be considered by the Agency in its review of all PET applications.
First developed in the 1970s, initial PET scanners were dedicated machines performing only that service. PET scanners can be either fixed (stationary) or mobile. Current technological adaptations include hybrid machines, such as combined PET-CT (computed tomography) scanners that are capable of performing a variety of nuclear medicine studies.

PET Procedure: A PET diagnostic scan or combination of scans performed on a single patient during a single visit. The Health Services and Development Agency (HSDA) shall be responsible for setting reporting requirements consistent with this definition.

Stationary PET Unit: A non-moveable PET unit housed at a single permanent location.

Mobile PET Unit: A PET unit and transporting equipment that is moved to provide services at two or more host facilities, including facilities located in adjoining or contiguous states of the Continental United States.

Capacity: The measure of the maximum number of PET scans per PET unit per year based upon the type of PET equipment to be used (i.e., stationary or mobile).

Stationary PET Unit Capacity: Total capacity of a stationary PET unit is 2,000 procedures per year and is based upon a daily operating efficiency of eight procedures per day x 250 days of operation per year. The optimal efficiency for a stationary PET unit is 80 percent of total capacity, or 1,600 procedures per year.

Mobile PET Unit Capacity: Total capacity of a mobile PET scanner is 400 annual procedures per day of operation per week and is based upon a daily operating efficiency of at least eight (8) procedures per day x number of days in operation per week x approximately 50 weeks per year. The optimal efficiency of a mobile PET unit is based upon the number of days per week that it is in operation. For each day of operation per week, the optimal efficiency is 320 procedures per year, or 80 percent of total capacity.

PET Unit Service Area: The counties, or portions thereof, representing a reasonable area in which a health care institution intends to provide PET unit services, including, but not limited to, oncology and cardiology diagnostic and treatment services, and in which at least 75% of its service recipients reside. A PET unit should be located at a site that allows reasonable access for residents of the service area.

Service Area Capacity: The estimate of the number of PET units needed in a given service area. The estimate is based upon an optimal efficiency of 1,600 procedures per year for a stationary PET unit and an optimal efficiency of 320 annual procedures per day of operation per week for a mobile PET unit, and the quantitative estimate of the number of patients who potentially could benefit from PET diagnostic services, especially those patients pertaining to the following categories:

- those patients where the use of PET unit services is essential to the diagnosis, treatment, or surveillance of cancer, including, but not limited to, diagnosis codes approved by the Centers for Medicare and Medicaid Services (CMS);

- those patients who are either non-emergent candidates for open heart surgery or therapeutic cardiac catheterization procedures;

- those patients with a diagnosis of partial complex epilepsy for whom surgical intervention is being considered; and

- any other patient population that may benefit from the accessibility to stationary or mobile PET unit services as a result of expanded clinical applications and changes in the reimbursement of PET service by third party payors, including those pertaining to programs administered by the CMS.

In addition to the above determinants of service area capacity, applicants should consider demographic patterns, including the results of estimates of population health risk factors, and population-based cancer, heart disease, or other applicable clinical incidence rates. The data should be consistent with data prepared by the Tennessee Department of Health. Applicants should also document the extent, if any, of diagnostic oncology, cardiac and neurological medical services in the proposed service area in its determination of the need for PET unit services.

Standards and Criteria

1. Applicants proposing a new stationary PET unit should project a minimum of at least 1,000 PET procedures in the first year of service, building to a minimum of 1,600 procedures per year by the second year of service and for every year thereafter. Providers proposing a mobile PET unit should project a minimum of at least 133 mobile PET procedures in the in the first year of service per day of operation per week, building to an annual minimum of 320 procedures per day of operation per week by the second year of service and for every year thereafter. The minimum number of procedures for a mobile PET unit should not exceed a total of 1,600 procedures per year if the unit is operated more than five (5) days per week. The application for mobile and stationary units should include projections of demographic patters, including analysis of applicable population-based health status factors and estimated utilization by patient clinical diagnoses category (ICD-9). For units with a combined utility, e.g., PET/CT units, only scans involving the PET function will count towards the minimum number of procedures.

Utilization of the proposed additional PET unit is not projected to reach 1,600 annual procedures in its second year of operation.

However, the first part of criterion #5 below indicates that already a year ago (2015), there was a documented need to add a second PET unit to this service area. So the two "need" criteria are in conflict.

The applicant feels that in case of such a conflict, the first part of Criterion #5 should be given greater weight. It seems unreasonable to ignore a validated current need until unmet demand is so strong it can fill the next PET to optimal capacity in only two years after it opens. That would delay for several years the addition of capacity that has been needed for the past two years under Criterion #5.

2. All providers applying for a proposed new PET unit should document that the proposed location is accessible to approximately 75% of the service area's population. Applications that include non-Tennessee counties in their proposed service areas should provide evidence of the number of existing PET units that service the non-Tennessee counties and the impact on PET unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity.

The service area population is reasonably accessible to this project. Table B-Need-State Plan-2 on the following page provides drive times between service area cities and this project.

The principal cities of seven of the nine service area counties are within an hour's drive time of the project. The other two are within 73 minutes' drive time.

Significantly, these cities will have a shorter drive time to this project than to almost any of the existing fixed sites in the primary and secondary service areas. The project site will also be accessible by bus from the City of Franklin; a map showing the bus route to Williamson Medical Center (across the Parkway) is in Attachment A-6B(3).

Table B-Need-State Plan-2:
Franklin PET Scan Center (FPSC)
Service Area Accessibility to the Project and to Closest Alternative Services

Service Area County and Principal City		To Proposed FPSC Fixed PET in Williamson County (Same for Williamson Med Center *Mobile* PET) (1 day/week)		To Tennessee Oncology PLLC PET in Davidson County		To Tennessee PET Scan Center (TN Oncology) in Rutherford County		To Imaging Alliance (TN Oncology) PET in Davidson County		To Centennial PET in Davidson County		To Premier Radiology PET in Davidson County	
County	***Principal City***	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**
Dickson	*Dickson*	47.7	50 min.	39.7	52 min.	67.7	64 min.	37.0	61 min.	39.7	52 min.	52.1	70 min.
Giles	*Pulaski*	55.9	54 min.	74.2	78 min.	81.1	91 min.	75.1	78 min.	78.9	99 min.	78.7	96 min.
Hickman	*Centerville*	54.6	60 min.	58.8	71 min.	75.3	79 min.	57.4	66 min.	58.7	71 min.	61.1	69 min.
Lawrence	*Lawrenceburg*	64.2	73 min.	82.5	95 min.	95.5	98min.	94.0	103 min.	93.3	106 min.	93.1	104 min.
Lincoln	*Fayetteville*	71.3	67 min.	81.6	94 min.	68.9	86 min.	82.6	96 min.	81.8	100 min.	81.7	97 min.
Marshall	*Lewisburg*	37.7	40 min.	55.9	63 min.	41.3	65 min.	56.9	65 min.	59.1	78 min.	59.0	75 min.
Maury	*Columbia*	28.1	33 min.	46.4	57 min.	49.8	75 min.	48.4	58 min.	48.1	57 min.	47.5	59 min.
Rutherford	*Murfreesboro*	29.1	37 min.	35.4	40 min.	2.9	8 min.	36.8	43 min.	34.8	41 min.	34.3	39 min.
Williamson	*Franklin*	3.5	10 min.	21.9	34 min.	35.2	42 min.	16.0	34 mi.	20.3	40 min.	21.9	38 min.

Service Area County and Principal City		To VUMC PET in Davidson County		To Maury Regional *Mobile* PET (2 days/week) in Maury County	
County	***Principal City***	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**
Dickson	*Dickson*	42.8	54 min.	41.2	59 min.
Giles	*Pulaski*	73.4	78 min.	30.7	42 min.
Hickman	*Centerville*	58.9	82 min.	29.5	39 min.
Lawrence	*Lawrenceburg*	93.2	106 min.	34.0	47 min.
Lincoln	*Fayetteville*	88.7	91 min.	55.1	59 min.
Marshall	*Lewisburg*	59.0	76 min.	21.3	32 min.
Maury	*Columbia*	46.6	59 min.	2.0	6 min.
Rutherford	*Murfreesboro*	34.5	41 min.	51.6	59 min.
Williamson	*Franklin*	21.0	37 min.	32.0	45 min.

Shaded drive times exceed times to the proposed project.

ADDRESSES OF PET SERVICES
FPSC: Physicians Way at Carothers Parkway, Franklin 37067
Tennessee Oncology: 2018 Murphy Ave Suite 200, Nashville 37203
TN Pet Scan Center: 1840 Medical Center Parkway, Murfreesboro 37129
Imaging Alliance: 52 White Bridge Road, Nashville 37203
Centennial Med Center: 2300 Patterson Street, Nashville 37203
Premier Radiology: 300 20th Ave North, Suite 202, Nashville 37203
Vanderbilt Med Center: 1211 Medical Center Drive, Nashville 37232
Maury Regional Medical Center: 1224 Trotwood Ave, Columbia 38401

Source: Google Maps.

3. All providers should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

This project will bring much-needed PET capacity to an evolving center of excellence for cancer care in the Franklin/Williamson County area, to better serve the growing populations south, southwest, and west of Nashville. There is no better or lower-cost substitute for PET technology in the evaluation of tumors. The location of the project also provides optimal accessibility to the residents of this service area.

The applicant is providing PET service at charges that are well below average charges in the primary and secondary service areas, making the project advantageous in controlling the costs of care.

The provider is also a regional leader in quality of patient care and in advanced research into new cancer medications.

Co-locating this PET unit within or near oncology offices, the regional Proton Treatment Center, and Williamson Medical Center fosters daily continuity of care as well as enhanced patient convenience.

4. Any provider proposing a new mobile PET unit should demonstrate that it offers or has established referral agreements with providers that offer as a minimum, cancer treatment services, including radiation, medical and surgical oncology services.

Not applicable. This is not a mobile unit. The physicians of this provider are credentialed and hold staff privileges at such hospitals in Middle Tennessee.

5. A need likely exists for one additional stationary PET unit in a service area when the combined average utilization of existing PET service providers is at or above 80% of the total capacity of 2,000 procedures during the most recent 12-month period reflected in the provider medical equipment report maintained by the HSDA. The total capacity per PET unit is based on the following formula:
Stationary Units: Eight (8) procedures/day X 250 days/year = 2,000 procedures/year
Mobile Units: Eight (8) procedures/day X 50 days/year = 400 procedures/year

A. In the primary service area, there is one ***stationary*** PET unit, which is located in Murfreesboro/Rutherford County. It performed 1,768 procedures in CY2015 and 1,932 procedures in CY2016. Its CY2016 utilization was 120.8% of the optimal target of 1,600 procedures in the State Plan.

Calculations: CY2016: 1,932/1,600 = 1.208 or 120.8% of optimal capacity standard
CY2015: 1,768/1,600 = 1.105 or 110.5% of optimal capacity standard

B. The primary service area has two ***mobile*** services, whose availability 1.5 days per week equates to 0.3 units. Together they performed 638 procedures in CY2015. That was 132.9% of the optimal target in the State Plan.

Calculations:
a. Optimal mobile PET capacity = 320 annual procedures for each day/week
b. Optimal capacity of 1.5 days = 1.5 X 320 = 480 annual procedures
c. Mobile units' combined CY2015 Utilization = 638 procedures
d. 638/480 = 1.329 or 132.9% of optimal capacity standard, in CY2015

The provider should demonstrate that its acquisition of an additional stationary or mobile PET unit in the service area has the means to perform at least 1,000 stationary PET procedures or 133 mobile PET procedures per day of operation per week in the first full one-year period of service operations, and at least 1,600 stationary PET procedures or 320 mobile PET procedures per day of operation per week for every year thereafter.

Utilization of the proposed additional PET unit is not projected to reach 1,600 annual procedures in its second year of operation.

However, the first part of criterion #5 indicates that a year ago (2015), there was already a strong documented need to add a second stationary PET unit to the service area. So the two parts of this State criterion are in conflict.

The applicant feels that in case of such a conflict, the first part of Criterion #5 should be given greater weight. It is unreasonable to ignore a validated current need until unmet demand is so strong it can fill the next PET to optimal capacity in only two years after it opens. That would delay until the next decade the addition of capacity that Criterion #5 finds to have been needed already, in CY2015.

6. The applicant should provide evidence that the PET unit is safe and effective for its proposed use.

a. The U.S. Food and Drug Administration (FDA) must certify the proposed PET unit for clinical use.

Please see Attachment A-13F for the FDA approval letter.

b. The applicant should demonstrate that the proposed PET procedures will be offered in a physical environment that conforms to applicable Federal standards, manufacturer's specifications, and licensing agencies' requirements.

The applicant is one of the largest and most experienced providers of PET services in Tennessee, through both practice-based and ODC-based units. This proposed practice-based unit will be developed and operated in compliance with all applicable Federal, State, and local laws, rules, standards, and licensing requirements, and in conformity to the manufacturer's specifications.

c. The applicant should demonstrate how emergencies within the PET unit facility will be managed in conformity with accepted medical practice.

In the event of a health emergency, the following procedure will be followed:

A technologist will immediately notify the onsite radiologist or notify the front office staff to call for the onsite radiologist. A technologist will stay with the patient and evaluate his/her condition.

The onsite radiologist will authorize notification of Emergency Medical Services if needed and attempt to stabilize the patient until the EMS team arrives.

The radiologist or a technologist under the supervision of the radiologist may defibrillate or administer emergency drugs.

After the patient has been stabilized and/or transported to the nearest emergency facility by the EMS team, the technologist involved will fill out an incident report online in the Adverse Event program accessible through the Tennessee Oncology Intranet.

Procedures to be followed in the event of a radioactive spill are found in the Miscellaneous section of the application attachments.

d. The applicant should establish protocols that assure that all clinical PET procedures performed are medically necessary and will not unnecessarily duplicate other services.

At its three other operational PET services, the applicant has established procedures for utilization review that ensure the necessity of performing PET scans and the avoidance of duplication. These will be put in place in the Franklin office as well.

e. The PET unit should be under the medical direction of a licensed physician. The applicant should provide documentation that attests to the nature and scope of the duties and responsibilities of the physician medical director. Clinical supervision and interpretation services must be provided by physicians who are licensed to practice medicine in the State of Tennessee and are board certified in Nuclear Medicine or Diagnostic Radiology. Licensure and oversight for the handling of medical isotopes and radiopharmaceuticals by the Tennessee Board of Pharmacy and/or the Tennessee Board of Medical Examiners--whichever is appropriate given the setting--is required. Those qualified physicians that provide interpretation services should have additional documented experience and training, credentialing, and/or board certification in the appropriate specialty and in the use and interpretation of PET procedures.

The PET operation will be under the medical direction of a licensed physician. That person has not yet been named. He or she will be Board-certified and qualified to supervise the service. The interpretation of PET studies will be provided by Dr. Scott A. Montesi, M.D., a Board Certified Radiologist who performs those functions for other PET units operated by this medical group. Dr. Montesi's documentation is provided in Attachment B-Need-State Plan-6e.

f. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

The Tennessee Oncology physicians who will practice at the Franklin office and order PET studies already do have, and will maintain, staff privileges at Williamson Medical Center and also at other area hospitals.

7. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

The applicant will provide the HSDA and Equipment Registry with required data in a timely fashion. The applicant is doing this regularly for the PET units it now operates in Davidson and Rutherford Counties.

8. In light of Rule 0720-4-.01(1), which lists the factors concerning need on which an application may be evaluated, the HDSD may decide to give special consideration to an applicant:

a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

The primary service area contains nine counties, most of which are rural. Parts of them have been designated as Medically Underserved Areas. Those are identified in Attachment B-Need-State Plan-8a.

b. Who documents that the service area population experiences a prevalence, incidence, and/or mortality from cancer, heart disease, neurological impairment or other clinical conditions applicable to PET knit services that is substantially higher than the State of Tennessee average;

The applicant is not at this time offering documentation that the service area has higher than State average rates for these conditions.

c. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program and/or is a comprehensive cancer diagnosis and treatment program as designated by the Tennessee Department of Health and/or the Tennessee Comprehensive Cancer Control Coalition; or

Not applicable.

d. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program.

The applicant physician group is currently contracted with all TennCare MCO's operational in Middle Tennessee, which includes all of the nine primary service area counties. The applicant participates in Medicare.

END OF RESPONSES TO STATE HEALTH PLAN REVIEW CRITERIA

SECTION B-NEED, CONTINUED

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to previously approved projects of the applicant.

The mission of this exceptionally large 40-year old specialty group practice is to provide access to high-quality cancer care and to the expertise of clinical research for all patients, at convenient locations within their community and close to their home. The group's extensive network of 31 offices across Middle Tennessee, and its operation of three PET services centers in the Nashville area, reflects this commitment.

A major example of its commitment to convenient accessibility was Tennessee Oncology's establishment of a PET ODC in Murfreesboro several years ago. It was to provide much easier access for rural and suburban populations who use the I-24 corridor to reach needed health resources. That PET ODC has become the most highly utilized of Tennessee Oncology's three PET units. It now operates above optimal capacity.

As that PET's utilization grew, Tennessee Oncology decided to expand--not by adding a second fixed PET to the Murfreesboro ODC (which can be done without CON approval), but rather by adding it in Franklin, on the I-65 corridor south of Nashville.

Along that high-growth corridor, there is not a fixed PET service between Nashville and Alabama.

Adding one at the proposed Franklin site will strengthen a major center of excellence for cancer care that is developing there--with linear accelerators, the Proton Treatment Center for Middle Tennessee, and a sophisticated acute care hospital and physician community. Complementing these, in the same building with the proposed PET, there will be an expanded office of Tennessee Oncology physicians and a satellite office of the Sarah Cannon Cancer Center to enhance physician collaborations on medical trials.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area, using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the bordering states, if applicable.

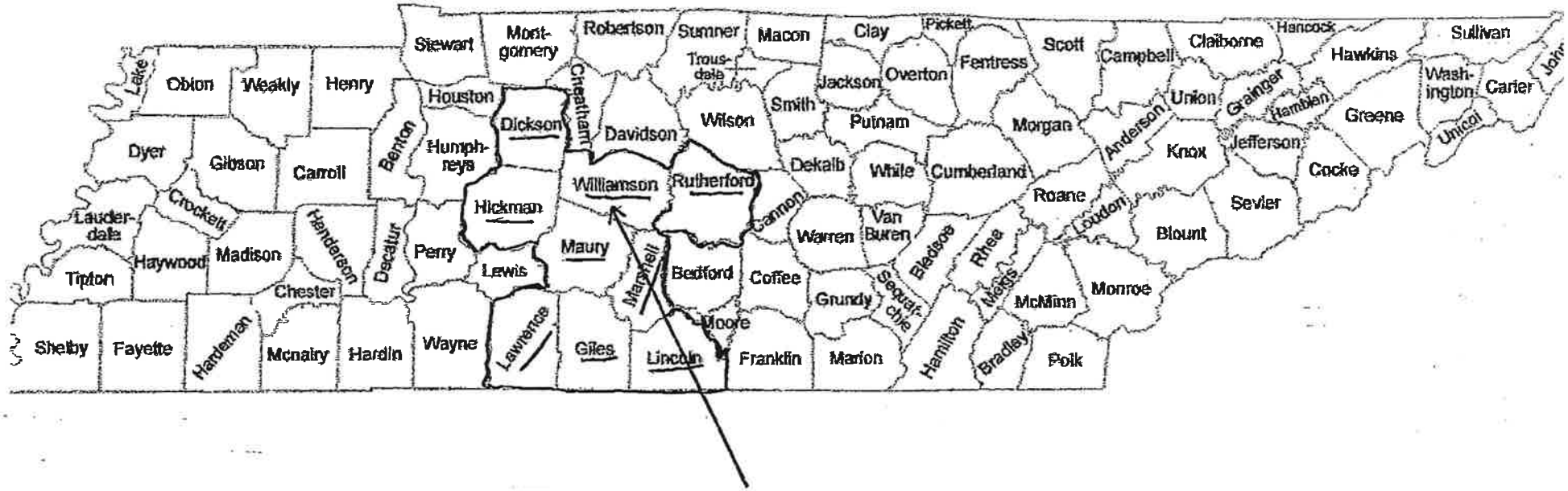
The map is provided after this page, and also in Attachment Section B-Need-3.

The project service area is appropriate for several reasons.

First, its counties have access to the project site within a reasonable drive time for a highly specialized diagnostic service requiring expensive equipment. The average drive time from major towns in the area to the project site is less than an hour for seven of the counties, and only slightly more than an hour for the other two counties.

Second, drive times from almost all of those communities to this project site are shorter than their drive times to alternative stationary PET units in central Nashville (secondary service area) or Murfreesboro (primary service area). (And moreover, the Murfreesboro unit is operating at almost total capacity and cannot meet much more demand.)

Third, many service area patients are accustomed already to driving to acute care services in the greater Nashville urban area (which includes Williamson County). Such patients coming northward from most of the service area counties will come right by the Franklin exit from I-65, near the site of this project.



FRANKLIN PET SCAN CENTER
PRIMARY SERVICE AREA

3. (Continued) Please complete the following tables, if applicable:

Service Area Counties	CY2015 PET Utilization by County Residents, At All Tennessee Providers	% of Total Procedures (By PSA & SSA Separately)
	Primary Service Area	
Dickson	211	11.5%
Giles	81	4.4%
Hickman	86	4.7%
Lawrence	188	10.3%
Lincoln	76	4.1%
Marshall	137	7.5%
Maury	399	21.8%
Rutherford	910	25.8%
Williamson	654	35.7%
PSA Total	*2,742*	100%
	Secondary Service Area	
Davidson	2,619	100.0%
SSA Total	*2,619*	100%

Source: HSDA Registry

4A(1). Describe the demographics of the population to be served by the proposal.

According to projections of the Tennessee Department of Health, over the next four years (2017-2021) the primary service area's total population will increase 8.0%, and its adult population 50+ years of age will increase by 13.6%--both of which are substantially faster than the Statewide increases for these groups during that period (4.2% of total population; 7.9% of population 50+ years of age).

So the aging service area population 50+ years of age -- which is most likely to develop cancer and to require PET scans -- will increase at a rate that is 172% of the Statewide rate of increase for that age cohort. The median age of the service area population, 38.9 years, is older than the State median age of 38.3 years.

With respect to income, the median household incomes for six of the nine service area counties are below the State median income of $45,219. However, the other three area counties have significantly higher median incomes than the State.

Statewide, 17.8% of the population lives below the poverty level of income. In this service area, 12.2% live in poverty, with all but Williamson County ranging from 12.4% to 20.9% in poverty.

TennCare enrollees in the service area average 16.2% per cent of the population--with counties varying from 6.0% in Williamson County to 16.5%-26.3% in the other seven counties. This compares to a Statewide percentage of 17.6%.

4A(2). Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the U.S. Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: **http://www.tn.gov/health/article/statistics-population**

TennCare Enrollment Data:
http://www.tn.gov/tenncare/topic/enrollment-data

Census Bureau Fact Finder:
http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

Please see Table B-Need-4A(2) on the following page. Data are taken or calculated from the above sources.

Table B-Need-4A(2): Franklin PET Scan Center
Demographic Characteristics of Primary Service Area
2017-2021

	Department of Health / Health Statistics							Bureau of the Census				TennCare	
Primary Service Area Counties	**Current Total Population 2017**	**Projected Total Population 2021**	**Total Population % Change 2017 - 2021**	**Projected Target Population Age 50+ 2017**	**Projected Target Population Age 50+ 2021**	**Projected Target* Population Age 50+ % Change 2017 - 2021**	**Projected Target* Population Age 50+ As % of Projected Total Population 2021**	**Median Age**	**Median Household Income**	**Persons Below Poverty Level**	**Persons Below Poverty Level as % of Total Population**	**Current TennCare Enrollees (11-16)**	**TennCare Enrollees as % of Total County Population**
Dickson	54,315	56,809	4.6%	20,495	22,471	9.6%	39.6%	38.7	$44,680	8,853	16.3%	11,715	21.6%
Giles	29,774	29,828	0.2%	12,995	13,503	3.9%	45.3%	42.1	$41,093	4,883	16.4%	6,879	23.1%
Hickman	26,619	27,611	3.7%	10,466	11,328	8.2%	41.0%	40.0	$36,334	5,563	20.9%	6,623	24.9%
Lawrence	43,344	44,003	1.5%	17,315	18,386	6.2%	41.8%	39.7	$37,814	8,799	20.3%	11,383	26.3%
Lincoln	34,891	35,649	2.2%	14,879	15,772	6.0%	44.2%	41.8	$40,389	5,827	16.7%	8,048	23.1%
Marshall	33,491	35,030	4.6%	12,823	14,067	9.7%	40.2%	38.9	$42,661	5,426	16.2%	7,237	21.6%
Maury	89,512	94,062	5.1%	34,027	36,912	8.5%	39.2%	38.4	$47,692	13,695	15.3%	19,847	22.2%
Rutherford	328,279	367,508	11.9%	89,498	105,354	17.7%	28.7%	32.2	$56,219	40,707	12.4%	54,114	16.5%
Wiliamson	220,746	239,411	8.5%	78,770	93,082	18.2%	38.9%	38.5	$96,565	11,258	5.1%	13,204	6.0%
Primary Service Area	860,971	929,911	8.0%	291,268	330,875	13.6%	35.6%	38.9	$49,272	105,011	12.2%	139,050	16.2%
State of TN	6,887,572	7,179,512	4.2%	2,503,893	2,700,542	7.9%	37.6%	38.3	$45,219	1,225,988	17.8%	1,565,932	17.6%

Sources: TDOH Population Projections, 2016; U.S. Census QuickFacts; TennCare Bureau.
Service area data is either total, or average, as appropriate.

4B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

The primary service area population is increasing rapidly, especially in the age ranges most susceptible to cancer. The applicant's owner, Tennessee Oncology, PLLC, has a long track record of being accessible to all of the groups listed above. The applicant is contracted with Medicare, Medicaid, and all the service area's TennCare MCO's.

5. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must provide the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the appropriate measures, e.g., cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

All previously approved PET units in the primary and secondary service areas have been implemented for several years. Their CY2013-CY2015 utilization is shown in Table B-Need-5 on the second following page.

A. In the primary service area, there is one ***stationary*** PET unit, which is located in Murfreesboro/Rutherford County. It performed 1,768 procedures in CY2015 and 1,932 procedures in CY2016. Its CY2016 utilization was 120.8% of the optimal target of 1,600 procedures in the State Plan.

Calculations: CY2016: 1,932/1,600 = 1.208 or 120.8% of optimal capacity standard
CY2015: 1,768/1,600 = 1.105 or 110.5% of optimal capacity standard

B. The primary service area has two ***mobile*** services, whose availability 1.5 days per week equates to 0.3 units. Together they performed 638 procedures in CY2015. That was 132.9% of the optimal target in the State Plan.

Calculations:
a. Optimal mobile PET capacity = 320 annual procedures for each day/week
b. Optimal capacity of 1.5 days = 1.5 X 320 = 480 annual procedures
c. Mobile units' combined CY2015 Utilization = 638 procedures
d. 638/480 = 1.329 or 132.9% of optimal capacity standard, in CY2015

In addition, the applicant now has CY 2016 utilization data for the primary service area's fixed PET unit in Murfreesboro (Tennessee PET Scan Center). CY2016 utilization was 18% higher than in CY2015:

Table B-Need-1 (Repeated) PET Utilization at Tennessee Oncology Unit in Rutherford County CY2014-CY2016

	CY2014	CY2015	CY2016
Tennessee PET Scan Center (Murfreesboro)	1,623	1,628	1,932

Source: HSDA Registry for 2014-15; Tennessee Oncology Records for 2016.

Table B-Need-5B: Service Area Health Care Providers That Utilize PET Scanners--Utiliization 2013-2015
All PET Units in Project's Primary and Secondary Service Area Counties

County	Provider Type	Provider	Year	Number of	Mobile ?	Mobile Days Used	Total Procedures
Davidson (SSA)	ODC	*Imaging Alliance - Nashville PET, LLC*	2013	1	Fixed	0	1722
Davidson (SSA)	ODC	*Imaging Alliance - Nashville PET, LLC*	2014	1	Fixed	0	1510
Davidson (SSA)	ODC	*Imaging Alliance - Nashville PET, LLC*	2015	1	Fixed	0	1324
Davidson (SSA)	ODC	Premier Radiology Midtown	2013	1	Fixed	0	157
Davidson (SSA)	ODC	Premier Radiology Midtown	2014	1	Fixed	0	364
Davidson (SSA)	ODC	Premier Radiology Midtown	2015	1	Fixed	0	477
Davidson (SSA)	PO	*Tennessee Oncology, PET Services*	2013	1	Fixed	0	1770
Davidson (SSA)	PO	*Tennessee Oncology, PET Services*	2014	1	Fixed	0	1554
Davidson (SSA)	PO	*Tennessee Oncology, PET Services*	2015	1	Fixed	0	1220
Davidson (SSA)	HOSP	TriStar Centennial Medical Center	2013	1	Fixed	0	273
Davidson (SSA)	HOSP	TriStar Centennial Medical Center	2014	1	Fixed	0	226
Davidson (SSA)	HOSP	TriStar Centennial Medical Center	2015	1	Fixed	0	526
Davidson (SSA)	HOSP	Vanderbilt University Hospital	2013	1	Fixed	0	3340
Davidson (SSA)	HOSP	Vanderbilt University Hospital	2014	2	Fixed	0	3136
Davidson (SSA)	HOSP	Vanderbilt University Hospital	2015	2	Fixed	0	3535
Maury (PSA)	HOSP	Maury Regional Medical Center	2013	1	Mobile (Part)	1 day/week	425
Maury (PSA)	HOSP	Maury Regional Medical Center	2014	1	Mobile (Part)	1 day/week	441
Maury (PSA)	HOSP	Maury Regional Medical Center	2015	1	Mobile (Part)	1 day/week	508
Rutherford (PSA)	ODC	*Tennessee PET Scan Center*	2013	1	Fixed	0	1768
Rutherford (PSA)	ODC	*Tennessee PET Scan Center*	2014	1	Fixed	0	1623
Rutherford (PSA)	ODC	*Tennessee PET Scan Center*	2015	1	Fixed	0	1628
Williamson (PSA)	HOSP	Williamson Medical Center	2013	1	Mobile (Part)	1 half day/week	101
Willlamson (PSA)	HOSP	Williamson Medical Center	2014	1	Mobile (Part)	1 half day/week	127
Williamson (PSA)	HOSP	Williamson Medical Center	2015	1	Mobile (Part)	1 half day/week	130

Individual provider data from HSDA Medical Equipment Registry - 8/18/2016; applicant calculated aggregated data in lower table.
PSA DESIGNATES PRIMARY SERVICE AREA COUNTIES; SSA DESIGNATES SECONDARY SERVICE AREA COUNTIES
italics designate applicant's three PET Units.

PRIMARY SERVICE AREA UNITS	Procedures	PET Units	Procedures Per PET Unit
2015	**2,266**	**1.30**	**1,743**
2014	2,191	1.30	1,685
2013	2,294	1.30	1,765
2013-2015 Average:			***1,731***

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

This project is a new service without historic utilization. It is projected to open in CY2019. Its utilization during CY2019 and CY2020 is projected to be 999 PET scans in Year One and 1,049 PET scans in Year Two. The sources of these procedures are shown in the table below, followed by explanatory notes.

Table B-Need-6: Franklin PET Scan Center
Sources of Projected Procedures

Source	PET Year One 2019	PET Year Two 2020
1. Current MD Staff	699	734
2. New Oncologist on Staff	60	63
3. Middle TN Proton Center	120	126
4. Sarah Cannon Research Institute--Franklin	120	126
Totals	999	1,049

Franklin PET Projection Methodology:

1. Tennessee Oncology PET units performed many studies on patients from this project service area in CY2016. Of those, Tennessee Oncology identified 639 patients who the practice feels could have been served in Franklin more efficiently than in their Davidson County PET units, had the Franklin PET unit been available. This number was projected to increase 1% annually through Year Two of this project.

2. Tennessee Oncology plans to place at least one additional newly recruited oncologist at its Franklin clinic before the clinic moves to its new office. Allowing for a ramp-up period for a new physician, this new physician's PET referrals were projected to average 5 per month, which is approximately 1/4th of the 20/month average of established Tennessee Oncology physicians who refer to PETs.

3. The new Middle Tennessee Proton Center in Franklin will have a close working relationship with Tennessee Oncology. Its Medical Director will be a Tennessee Oncology physician. From that physician, the Proton Center has estimated 10 PET referrals per month, of out-of-town patients who need the study performed while they are in Nashville preparing for, or receiving, proton therapy treatment.

4. The Sarah Cannon Cancer Research Institute is expected to refer 10 patients per month to the Franklin PET, from their hundreds of Middle Tennessee patients enrolled in pharmaceutical trials.

Combined PET Procedures Projection Methodology:

The three existing PET units of the practice were projected to increase 1% annually from their CY2015 volume (that analysis was done prior to completion of CY2016). This was added to the Franklin PET projection.

Franklin CT Procedures Projection Methodology:

CT procedures were projected on the basis of 6.54 procedures per PET scan, which was Tennessee Oncology's last annual average at its three PET/CT locations.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

A. All projects should have a project cost of at least $15,000 (the minimum CON Filing Fee), (See application instructions for Filing Fee.)

B. The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

D. Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

Please see the following pages for the Project Cost Chart and justification of the cost projections. The Square Footage Chart is provided in response to Section A.12 above. However, its construction cost represents the actual cost of the builder; the construction cost in line A.5 of the Project Cost Chart is the share of that actual cost that is borne by the applicant after deduction of the tenant improvement allowance in the lease. See page 47.

E. For projects that include new construction, modification, and/or renovation documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:

1) A general description of the project;

2) An estimate of the cost to construct the project; and

3) A description of the status of the site's suitability for the proposed project;

4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

The letter is provided in Attachment Section B-Economic Feasibility-1E.

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PROJECT COST CHART--FRANKLIN PET SCAN CENTER

A. Construction and equipment acquired by purchase:

1.	Architectural and Engineering Fees		$ 0
2.	Legal, Administrative, Consultant Fees (Excl CON Filing Fee)		50,000
3.	Acquisition of Site		0
4.	Preparation of Site		0
5.	Total Construction Cost	3,652 SF @ $90 net of $150	328,680
6.	Contingency Fund		0
7.	Fixed Equipment (Not included in Construction Contract)		0
8.	Moveable Equipment (List all equipment over $50,000 as separate attachment)		10,000
9.	Other (Specify)	IS and telecommunications?	15,000

B. Acquisition by gift, donation, or lease:

1.	Facility (inclusive of building and land)	Lease Outlay 10 yrs	1,476,775
2.	Building only		0
3.	Land only		0
4.	Equipment (Specify)	PET/CT--FMV if purchased	1,305,209
5.	Other (Specify)	PET/CT- service agreement	621,100

C. Financing Costs and Fees:

1.	Interim Financing	0
2.	Underwriting Costs	0
3.	Reserve for One Year's Debt Service	0
4.	Other (Specify)	0

D. Estimated Project Cost (A+B+C) 3,806,764

E. CON Filing Fee 21,889

F. Total Estimated Project Cost (D+E) **TOTAL $** 3,828,653

Actual Capital Cost 425,569
Section B FMV 3,403,084

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Basis for the Project Cost Chart Projections

A1. Architectural and engineering fees are borne by the developer, not the applicant.

A2. Legal and consulting fees are estimated by Tennessee Oncology.

A5. The applicant's buildout cost was estimated by the project architect, working with representatives of Middle Tennessee Health Realty, LLC, which will develop the building. The estimated construction cost is $150 PSF, but the lease cost includes a tenant buildout allowance of $60 PSF. The net cost left to the tenant will be $90 PSF. This was applied to the 3,652 SF of usable space in the leased area for the PET service.

A8, A 10. Estimated by Tennessee Oncology.

B1. The lease outlay over the first term, including pass-through expenses, was calculated as shown on the next page. The fair market value of the leased PET space was calculated as shown on the next page, using the developer's price for the land and the developer's cost estimate for the MOB constructed to shell stage. The lease outlay of $1,476,775 exceeded the $1,084,850 fair market value of the leased PET space; so the lease outlay was entered in line B1 of the Project Cost Chart.

B4. Vendor quotations and discussions indicated that the PET value if *purchased* (price including shipping, plus tax, excluding service contract) would be $1,305,209, whereas its *lease* outlay (excluding service contract) over 5 years will be $1,243,682. Inclusion of the service contract in each calculation would still make the purchase option more expensive. See page 19 of the application and also the table on the following page. Therefore the higher purchase price was entered on the Project Cost Chart, *even though this unit is projected to be leased.*

B5. The PET maintenance contract for five years following the warranty period (which is Year One of the service) will cost the $621,100 entered on line B5.

Table ___: Franklin PET Scan Center
Valuations of the Leased Space and of the PET Unit

FPSC SPACE--LEASE OUTLAY IN FIRST TERM

First Term of Years	Rentable SF	Lease Rate-$PSF @ 2.5%/yr Increase	Base Lease Outlay	Pass-through Expenses-$PSF @1.5%/yr increase	Annual PassThrough Expenses	Total Costs for Leased Space
Year 1	4,200	$ 24.00	$100,800.00	7.73	32,466.00	$133,266.00
Year 2	4,200	$ 24.60	$103,320.00	7.85	32,952.99	$136,272.99
Year 3	4,200	$ 25.22	$105,903.00	7.96	33,447.28	$139,350.28
Year 4	4,200	$ 25.85	$108,550.58	8.08	33,948.99	$142,499.57
Year 5	4,200	$ 26.49	$111,264.34	8.20	34,458.23	$145,722.57
Year 6	4,200	$ 27.15	$114,045.95	8.33	34,975.10	$149,021.05
Year 7	4,200	$ 27.83	$116,897.10	8.45	35,499.73	$152,396.83
Year 8	4,200	$ 28.53	$119,819.52	8.58	36,032.22	$155,851.75
Year 9	4,200	$ 29.24	$122,815.01	8.71	36,572.71	$159,387.72
Year 10	4,200	$ 29.97	$125,885.39	8.84	37,121.30	$163,006.69
Total			**$1,129,300.88**			**$1,476,775.44**

Note: Base lease rate and estimated pass through expenses projected to increase at 2.5% per year.

FPSC SPACE--FAIR MARKET VALUE		SOURCES
FPSC Space (3,652 USF)	4,200 RSF	R. Brown, 12-19; check against lease
Building Area (61,005 USF)	69,824 RSF	R. Brown, 12-19; check against lease; 73,500 GSF
FPSC % of Building	6.02%	FPSC USF / Building USF
Land & Shell Building Cost	$18,020,769	Cost of Leasable Shell Bldg excludes TI allowance for finishing
FPSC Shell Space FMV	**$1,084,850**	FPSC Space % X Bldg and Land Cost

COMPARISON OF PET LEASE VS. PURCHASE	
PET LEASE	
Term in Months	60
Payment/Mo. Before Tax	$19,372
Total Payments	$1,162,320
Total Tax @ 7%	$81,362
Total Lease Payments	**$1,243,682**
Service Agreement	$621,100
LEASE FMV	**$1,864,782**
PET PURCHASE	
Purchase Price, shipped	$1,219,822
Sales Tax @ 7%	$85,388
Total Purchase Cost	**$1,305,209**
Service Agreement	$621,100
PURCHASE FMV	**$1,926,309**

2. **Identify the funding sources for this project.**

Check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

__ **A. Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan,**

and any restrictions or conditions;

__ **B. Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;**

__ **C. General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;**

__ **D. Grants – Notification of intent form for grant application or notice of grant award;**

_X **E. Cash Reserves – Appropriate documentation from Chief Financial Officer of the organizati providing the funding for the project and audited financial statements of the organization; and/or**

__ **F. Other – Identify and document funding from all other sources.**

The applicant will fund the $425,569 actual capital cost of the PET service.
See Attachment Section B-Economic Feasibility-2 for documentation of financing.

3. Complete Historical Data Charts on the following pages—Do not modify the Charts provided or submit Chart substitutions!

Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. Only complete one chart if it suffices.Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Two Historic Data Charts are provided on the following pages, as discussed with HSDA staff prior to submittal of the application:

1. The applicant's Franklin Clinic including its existing CT service.

2. The applicant's combined PET/CT services at three Davidson County locations.

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O TOTAL FACILITY
X PROJECT ONLY

HISTORICAL DATA CHART -- TN ONCOLOGY PET SERVICES (THREE UNITS)
Franklin Clinic including CT Services

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January (Month).

		Year 2014	Year 2015	Year 2016
A. Utilization Data		13,586	14,243	15,756
(Specify unit or measure)		units billed	units billed	units billed
	Clinic	12,545	13,313	14,549
	CT	1041	930	1,207
B. Revenue from Services to Patients				
1. Inpatient Services		$	$	$
2. Outpatient Services		21,361,111	25,144,331	30,950,578
3. Emergency Services				
4. Other Operating Revenue		289,805	190,905	152,923
(Specify) See notes page				
Gross Operating Revenue		$ 21,650,916	$ 25,335,236	$ 31,103,501
C. Deductions from Gross Operating Revenue				
1. Contractual Adjustments		$ 9,398,889	$ 11,063,506	$ 13,618,254
2. Provision for Charity Care		213,611	251,443	309,506
3. Provisions for Bad Debt		69,983	8,076	28,287
Total Deductions		$ 9,682,483	$ 11,323,025	$ 13,956,047
NET OPERATING REVENUE		$ 11,968,433	$ 14,012,211	$ 17,147,454
D. Operating Expenses				
1. Salaries and Wages				
a. Clinical		$ 762,548	$ 891,068	$ 978,783
b. Non-Clinical		215,223	335,840	463,526
2. Physicians Salaries and Wages		1,790,634	1,818,475	1,883,541
3. Supplies		7,832,649	9,887,334	12,105,725
4. Rent				
c. Paid to Affiliates				
d. Paid to Non-Affiliates		224,724	227,596	228,161
5. Management Fees				
a. Paid to Affiliates				
b. Paid to Non-Affiliates		0	0	0
6. Other Operating Expenses	See notes page.	893,491	1,079,866	1,407,519
Total Operating Expenses		$ 11,719,269	$ 14,240,179	$ 17,067,255
E. **Earnings Before Interest, Taxes, and Depreciation**		$ 249,164	$ (227,968)	$ 80,199
F. Non-Operating Expenses				
1. Taxes		$ 0	0	0
2. Depreciation		26,695	16,008	24,745
3. Interest				
4. Other Non-Operating Expenses				
Total Non-Operating Expenses		$ 26,695	$ 16,008	$ 24,745
NET INCOME (LOSS)		$ 222,469	$ (243,976)	$ 55,454

Chart Continues Onto Next Page

Franklin Clinic including CT Services

	Year 2014	Yeara 2015	Year 2016
NET INCOME (LOSS)	$ 222,469	$ (243,976)	$ 55,454
G. Other Deductions			
1. Annual Principal Debt Repayment	$	$	$
2. Annual Capital Expenditure			
Total Other Deductions	$ 0	$ 0	$ 0
NET BALANCE	$ 222,469	$ (243,976)	$ 55,454
DEPRECIATION	$	$	$
FREE CASH FLOW (Net Balance + Depreciation)	$ 222,469	$ (243,976)	$ 55,454

O TOTAL FACILITY
X PET ONLY

HISTORICAL DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2014	Year 2015	Year 2016
1. Equipment Rent	$ 6,683	$ 5,688	$ 53,950
2. Maintenance & Service	65,220	42,184	28,410
3. Facility Expense (excludes rent and depr)	14,835	17,528	13,680
4. Other Licenses & Taxes	13,457	10,797	14,528
5. Courier and Postage	20,852	21,687	22,990
6. Laundry & Uniforms	11,937	14,838	11,382
7. Printing	3,041	4,765	4,129
8. Administrative Services Overhead	718,785	913,178	1,201,876
9. Office Supplies (computer serv, acctg/bank fees)	38,681	49,201	56,574
10.	0	0	0
Total Other Expenses	$ 893,491	$ 1,079,866	$ 1,407,519

O TOTAL FACILITY
X PROJECT ONLY

HISTORICAL DATA CHART -- TN ONCOLOGY PET SERVICES (THREE UNITS)
Consolidated PET (SO PET, TN PET, IANP)

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January (Month).

	Year 2014	Year 2015	Year 2016
A. Utilization Data (Specify unit or measure)	4,687 units billed	4,172 units billed	4,305 units billed
B. Revenue from Services to Patients			
1. Inpatient Services	$	$	$
2. Outpatient Services	38,091,069	38,412,296	40,111,047
3. Emergency Services			
4. Other Operating Revenue (Specify) See notes page	30,076	24,167	39,159
Gross Operating Revenue	$ 38,121,145	$ 38,436,463	$ 40,150,206
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	$ 22,092,820	$ 22,279,132	$ 23,264,407
2. Provision for Charity Care	380,911	384,123	401,110
3. Provisions for Bad Debt	126,922	36,441	156,310
Total Deductions	$ 22,600,653	$ 22,699,696	$ 23,821,827
NET OPERATING REVENUE	$ 15,520,492	$ 15,736,767	$ 16,328,379
D. Operating Expenses			
1. Salaries and Wages			
a. Clinical	$ 1,077,184	$ 1,138,754	$ 1,097,063
b. Non-Clinical	602,759	663,024	856,435
2. Physicians Salaries and Wages			
3. Supplies	1,139,409	1,017,368	1,072,892
4. Rent			
c. Paid to Affiliates			
d. Paid to Non-Affiliates	340,999	344,631	348,403
5. Management Fees			
a. Paid to Affiliates			
b. Paid to Non-Affiliates			
6. Other Operating Expenses See notes page.	5,296,733	5,348,948	4,958,753
Total Operating Expenses	$ 8,457,084	$ 8,512,725	$ 8,333,546
E. **Earnings Before Interest, Taxes, and Depreciation**	$ 7,063,409	$ 7,224,042	$ 7,994,833
F. Non-Operating Expenses			
1. Taxes	$ 4,690	0	0
2. Depreciation	86,888	43,506	52,284
3. Interest			
4. Other Non-Operating Expenses			
Total Non-Operating Expenses	$ 91,578	$ 43,506	$ 52,284
NET INCOME (LOSS)	$ 6,971,831	$ 7,180,536	$ 7,942,549

Chart Continues Onto Next Page

Consolidated PET (SO PET, TN PET, IANP)

	Year 2014	Yeara 2015	Year 2016
NET INCOME (LOSS)	$ 6,971,831	$ 7,180,536	$ 7,942,549
G. Other Deductions			
1. Annual Principal Debt Repayment	$	$	$
2. Annual Capital Expenditure			
Total Other Deductions	$ 0	$ 0	$ 0
NET BALANCE	$ 6,971,831	$ 7,180,536	$ 7,942,549
DEPRECIATION	$	$	$
FREE CASH FLOW (Net Balance + Depreciation)	$ 6,971,831	$ 7,180,536	$ 7,942,549

O TOTAL FACILITY
X PET ONLY

HISTORICAL DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2014	Year 2015	Year 2016
1. GE Equipment Rent	$ 703,696	$ 719,684	$ 600,176
2. Maintenance & Service	683,129	687,822	285,868
3. Facility Expense (excludes rent and depr)	142,519	162,590	137,211
4. Other Licenses & Taxes	60,937	36,866	69,037
5. Courier and Postage	109,648	119,805	121,562
6. Laundry & Uniforms	54,222	55,102	49,504
7. Printing	955	941	1,075
8. Administrative Services Overhead	605,149	598,817	636,682
9. Office Supplies (computer serv, acctg/bank fees)	108,338	117,987	224,607
10. MD Read Fees	2,828,140	2,849,334	2,833,031
Total Other Expenses	$ 5,296,733	$ 5,348,948	$ 4,958,753

3. **Complete Projected Data Charts on the following pages – *Do not modify the Charts provided or submit Chart substitutions!***

   The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. Only complete one chart if it suffices.

   Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Three Projected Data Charts are provided on the following pages, as discussed with HSDA staff prior to submittal of the application. They are:

1. The applicant's Franklin Clinic with PET/CT operational.

2. The applicant's proposed Franklin PET/CT service by itself.

3. The applicant's combined PET/CT services at four locations with the proposed Franklin PET/CT operational.

These charts show PET and CT utilization separately in the utilization data lines at the top of the chart.

However, although PET and CT revenues could be separately identified, it is not possible to separately identify their expenses -- because they share floor space, staff, utilities, and all other expenses of the diagnostic area. So by agreement with CON staff prior to making application, the revenues and expenses in the charts are combined for both PET and CT. So are calculations of ratios in later areas of the application.

X TOTAL FACILITY
O PROJECT ONLY

PROJECTED DATA CHART
Franklin Clinic and Projected PET/CT

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

			Year One 2019	Year Two 2020
A.	Utilization Data	Patient Visits	26,898	29,210
	(Specify unit or measure)	*PET/CT*	*7,533*	*7,909*
		Clinic	*19,365*	*21,301*
B.	Revenue from Services to Patients			
	1. Inpatient Services		$	$
	2. Outpatient Services		47,518,576	51,775,669
	3. Emergency Services			
	4. Other Operating Revenue		172,000	172,000
	(Specify) See notes page			
		Gross Operating Revenue	$ 47,690,576	$ 51,947,669
C.	Deductions from Gross Operating Revenue			
	1. Contractual Adjustments		$ 20,908,174	$ 22,781,294
	2. Provision for Charity Care		475,186	517,757
	3. Provisions for Bad Debt		17,884	17,884
		Total Deductions	$ 21,401,244	$ 23,316,935
NET OPERATING REVENUE			$ 26,289,332	$ 28,630,734
D.	Operating Expenses			
	1. Salaries and Wages			
	a. Clinical		$ 1,332,605	$ 1,382,739
	b. Non-Clinical		762,260	790,371
	2. Physicians Salaries and Wages		1,850,958	1,850,958
	3. Supplies		16,284,652	17,877,057
	4. Rent			
	c. Paid to Affiliates			
	d. Paid to Non-Affiliates		371,236	381,819
	5. Management Fees			
	a. Paid to Affiliates			
	b. Paid to Non-Affiliates			
	6. Other Operating Expenses	See notes page	2,713,096	2,838,507
		Total Operating Expenses	$ 23,314,807	$ 25,121,451
E.	**Earnings Before Interest, Taxes, and Depreciation**		$ 2,974,525	$ 3,509,283
F.	Non-Operating Expenses			
	1. Taxes		$	$
	2. Depreciation		40,972	41,783
	3. Interest			
	4. Other Non-Operating Expenses			
		Total Non-Operating Expenses	$ 40,972	$ 41,783
NET INCOME (LOSS)			$ 2,933,553	$ 3,467,500

Chart Continues Onto Next Page

Franklin Clinic and Projected PET/CT

NET INCOME (LOSS)	$ 2,933,553	$ 3,467,500
G. Other Deductions		
1. Annual Principal Debt Repayment	$	$
2. Annual Capital Expenditure		
Total Other Deductions	$ 0	$ 0
NET BALANCE	$ 2,933,553	$ 3,467,500
DEPRECIATION	$	$
FREE CASH FLOW (Net Balance + Depreciation)	$ 2,933,553	$ 3,467,500

X TOTAL FACILITY
O PROJECT ONLY

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2019	Year 2020
1. GE Equipment Rent	$ 257,925	$ 257,925
2. Maintenance & Service	143,685	182,504
3. Contract Services	41,076	41,076
4. Utilities	47,794	48,243
5. Other Taxes & Licenses/Ins	23,483	23,483
6. Courier & Postage	56,191	56,191
7. Laundry & Uniforms	23,411	23,411
8. Printing/Advertising	4,509	4,509
9. Computer Services	16,769	16,769
10. Office Supplies/Misc	54,635	54,635
11. Contributions/Subscriptions	886	886
12. Legal & Accounting Fees	10,724	10,724
13. Administrative Overhead	1,409,449	1,454,276
14 MD Reading Fees	622,559	663,875
15.		
Total Other Expenses	$ 2,713,096	$ 2,838,507

O TOTAL FACILITY
X PROJECT ONLY

PROJECTED DATA CHART
Proposed PET/CT (Franklin)

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

			Year One 2019	Year Two 2020
A.	Utilization Data	PET/CT Procedures	7,533	7,909
	(Specify unit or measure)	PET	*999*	*1,049*
		CT	*6,534*	*6,861*
B.	Revenue from Services to Patients			
	1. Inpatient Services		$	$
	2. Outpatient Services		9,558,651	9,850,807
	3. Emergency Services			
	4. Other Operating Revenue			
	(Specify) See notes page			
		Gross Operating Revenue	$ 9,558,651	$ 9,850,807
C.	Deductions from Gross Operating Revenue			
	1. Contractual Adjustments		$ 5,544,018	$ 5,713,468
	2. Provision for Charity Care		95,587	98,508
	3. Provisions for Bad Debt			
		Total Deductions	$ 5,639,605	$ 5,811,976
NET OPERATING REVENUE			$ 3,919,046	$ 4,038,831
D.	Operating Expenses			
	1. Salaries and Wages			
	a. Clinical		$ 321,258	$ 328,054
	b. Non-Clinical		233,681	238,624
	2. Physicians Salaries and Wages		0	0
	3. Supplies		245,157	244,662
	4. Rent			
	c. Paid to Affiliates			
	d. Paid to Non-Affiliates		133,138	136,578
	5. Management Fees			
	a. Paid to Affiliates			
	b. Paid to Non-Affiliates			
	6. Other Operating Expenses	See notes page	1,282,555	1,368,050
		Total Operating Expenses	$ 2,215,789	$ 2,315,968
E.	**Earnings Before Interest, Taxes, and Depreciation**		$ 1,703,257	$ 1,722,863
F.	Non-Operating Expenses			
	1. Taxes		$	$
	2. Depreciation		13,932	13,932
	3. Interest			
	4. Other Non-Operating Expenses			
		Total Non-Operating Expenses	$ 13,932	$ 13,932
NET INCOME (LOSS)			$ 1,689,325	$ 1,708,931

Chart Continues Onto Next Page

Proposed PET/CT (Franklin)

NET INCOME (LOSS)	$ 1,689,325	$ 1,708,931
G. Other Deductions		
1. Annual Principal Debt Repayment	$	$
2. Annual Capital Expenditure		
Total Other Deductions	$ 0	$ 0
NET BALANCE	$ 1,689,325	$ 1,708,931
DEPRECIATION	$	$
FREE CASH FLOW (Net Balance + Depreciation)	$ 1,689,325	$ 1,708,931

O TOTAL FACILITY
X PROJECT ONLY

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year One	Year Two
1. GE Equipment Rent	$ 248,736	$ 248,736
2. Maintenance & Service	119,236	158,055
3. Contract Services	32,002	32,002
4. Utilities	32,845	32,845
5. Other Taxes & Licenses	12,309	12,309
6. Courier & Postage	33,853	33,853
7. Laundry & Uniforms	10,301	10,301
8. Printing/Advertising	254	254
9. Computer Services	2,968	2,968
10. Office Supplies/Misc	16,144	16,144
11. Contributions/Subscriptions	265	265
12. Legal & Accounting Fees	10,724	10,724
13. Administrative Overhead	155,200	161,154
14 MD Reading Fees	607,718	648,440
15.		
Total Other Expenses	$ 1,282,555	$ 1,368,050

O TOTAL FACILITY
X PROJECT ONLY

PROJECTED DATA CHART

Consolidated PET (all 3) with Proposed Franklin PET/CT Project

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

			Year One 2019	Year Two 2020
A.	Utilization Data	PET/CT Procedures	35,712	36,358
	(Specify unit or measure)	*PET*	*4,735*	*4,822*
		CT	*30,977*	*31,536*
B.	Revenue from Services to Patients			
	1. Inpatient Services		$	$
	2. Outpatient Services		52,501,095	53,222,678
	3. Emergency Services			
	4. Other Operating Revenue		31,663	31,663
	(Specify) See notes page			
		Gross Operating Revenue	$ 52,532,758	$ 53,254,341
C.	Deductions from Gross Operating Revenue			
	1. Contractual Adjustments		$ 30,450,635	$ 30,869,153
	2. Provision for Charity Care		525,011	532,227
	3. Provisions for Bad Debt		96,375	96,375
		Total Deductions	$ 31,072,021	$ 31,497,755
NET OPERATING REVENUE			$ 21,460,737	$ 21,756,586
D.	Operating Expenses			
	1. Salaries and Wages			
	a. Clinical		$ 1,555,279	$ 1,604,811
	b. Non-Clinical		1,197,079	1,235,444
	2. Physicians Salaries and Wages			
	3. Supplies		1,274,763	1,286,611
	4. Rent			
	c. Paid to Affiliates			
	d. Paid to Non-Affiliates		502,866	513,700
	5. Management Fees			
	a. Paid to Affiliates			
	b. Paid to Non-Affiliates			
	6. Other Operating Expenses	See notes page	6,795,966	7,021,673
		Total Operating Expenses	$ 11,325,953	$ 11,662,239
E.	**Earnings Before Interest, Taxes, and Depreciation**		$ 10,134,784	$ 10,094,347
F.	Non-Operating Expenses			
	1. Taxes		$	$
	2. Depreciation		61,827	61,827
	3. Interest			
	4. Other Non-Operating Expenses			
		Total Non-Operating Expenses	$ 61,827	$ 61,827
NET INCOME (LOSS)			$ 10,072,957	$ 10,032,520

Chart Continues Onto Next Page

Consolidated PET with Proposed Franklin PET/CT Project

NET INCOME (LOSS)	$ 10,072,957	$ 10,032,520
G. Other Deductions		
1. Annual Principal Debt Repayment	$	$
2. Annual Capital Expenditure		
Total Other Deductions	$ 0	$ 0
NET BALANCE	$ 10,072,957	$ 10,032,520
DEPRECIATION	$	$
FREE CASH FLOW (Net Balance + Depreciation)	$ 10,072,957	$ 10,032,520

0 **TOTAL FACILITY**

X **PROJECT ONLY**

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year One	Year Two
1. GE Equipment Rent	$ 901,096	$ 901,096
2. Maintenance & Service	673,365	712,184
3. Contract Services	172,069	172,069
4. Utilities	182,746	182,746
5. Other Taxes & Licenses	65,260	65,260
6. Courier & Postage	154,536	154,536
7. Laundry & Uniforms	62,603	62,603
8. Printing/Advertising	1,262	1,262
9. Computer Services	24,465	24,465
10. Office Supplies/Misc	75,816	75,816
11. Contributions/Subscriptions	1,011	1,011
12. Legal & Accounting Fees	40,393	40,393
13. Administrative Overhead	847,727	874,456
14 MD Reading Fees	3,593,617	3,753,776
15.		
Total Other Expenses	$ 6,795,966	$ 7,021,673

5.A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

Proposed PET/CT (Franklin)	Project Previous Year	Project Current Year	Project Year One	Project Year Two	% Change (Current Yr to Yr2)
Gross Charge (Gross Operating Revenue/Utilization Data	NA	NA	$1,269	$1,246	NC
Deduction from Revenue (Total Deductions/Utilization Data)	NA	NA	$749	$735	NC
Average Net Charge (Net Operating Revenue/Utilization Data)	NA	NA	$520	$511	NC
Net Income Per Procedure (Net Income/Utilization Data)	NA	NA	$224	$216	NC

5.B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

Projected Average Gross Charge (Rounded) for PET is as follows.

	Year One	Year Two
PET	$3,668	$3,668
CT	$843	$843
FDG*	$118	$118

** The FDG (radiopharmaceutical used in the procedure) is billed to Tennessee Oncology; it is included as an expense and is not separately billed to the patient. Similarly, professional interpretations of studies are not separately billed to the patient. They are performed by a contracted radiology group and are billed to Tennessee Oncology.*

The addition of a fixed PET in the primary service area will not require any increase in the PET charges at the applicant's other PET unit in Rutherford County.

The gross charge structure will be the same for both PET/CT units.

Following question 5.C. below is a table of the most frequent PET charges projected for the Franklin project.

5.C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Table B-Economic Feasibility-5C-1 on the following page shows the CY2015 average charges per PET procedure for all PETs in the primary and secondary service area counties, as reported to the HSDA Registry. This data is the most recent publicly available charge information at the time of filing this application.

The applicant's charges that year at its existing PET units averaged $3,620 per PET procedure -- approximately 29% below the average charge at other providers' units combined.

This proposed Franklin PET'S average gross charge for PET only in its first year, CY2019, is projected to be approximately $3,668. It is anticipated that this will compare favorably to charges of other PET units at the time, due to the likely annual charge increases those units will have over the four years between the Registry data (2015) and CY2019.

The second following page contains a table of the most frequent charges for the service, by type of PET procedure.

Table B-Economic Feasibility-5C-1: PET Scan Gross Charges in CY2015 (HSDA Registry)
All PET Providers in Project's Primary and Secondary Service Areas

County	Provider Type	Provider	Year	Number of	Mobile ?	Mobile Days Used	Total Procedures	Total Gross Charges	Gross Charge Per Procedure
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	*2015*	1	Fixed	0	1324	$4,857,120.00	***$3,669***
Davidson	ODC	Premier Radiology Midtown	*2015*	1	Fixed	0	477	$4,128,970.00	***$8,656***
Davidson	PO	Tennessee Oncology, PET Services	*2015*	1	Fixed	0	1220	$4,473,030.00	***$3,666***
Davidson	HOSP	TriStar Centennial Medical Center	*2015*	1	Fixed	0	526	$3,144,538.00	***$5,978***
Davidson	HOSP	Vanderbilt University Hospital	*2015*	2	Fixed	0	3535	$15,651,524.00	***$4,428***
Maury	HOSP	Maury Regional Medical Center	*2015*	1	Mobile (Part)	1 day/week	508	$2,953,106.00	***$5,813***
Rutherford	ODC	Tennessee PET Scan Center	*2015*	1	Fixed	0	1628	$5,771,260.00	***$3,545***
Williamson	HOSP	Williamson Medical Center	*2015*	1	Mobile (Part)	1 half day/week	130	$439,270.00	***$3,379***

Individual provider data from HSDA Medical Equipment Registry - 8/18/2016; applicant calculated aggregated data in lower table.

Denotes applicant's PET Units

ALL AREA UNITS (PSA + SSA)	Procedures	PET Units	Procedures Per PET Unit	Gross Charge Per Procedure	Total Gross Charges
2015	9,348	8.30	1,126	**$4,431**	$41,418,818
APPLICANT'S 3 UNITS	**Procedures**	**PET Units**	**Procedures Per PET Unit**	**Gross Charge Per Procedure**	**Total Gross Charges**
2016	4,305	3.0	1,435	**$3,672**	$15,809,255
2015	4,172	3.0	1,391	**$3,620**	$15,101,410
OTHER PROVIDERS' UNITS	**Procedures**	**PET Units**	**Procedures Per PET Unit**	**Gross Charge Per Procedure**	**Total Gross Charges**
2015	5,176	5.30	977	**$5,085**	$26,317,408

Table B-Economic Feasibility 5C-2: Franklin PET Scan Center Most Frequent PET Procedures and Average Gross Charges Current and Proposed					
			Average Gross Charge		
CPT	Descriptor	Current Medicare Allowable	Current Average--Murfreesboro PET/ODC	Projected Franklin Year 1	Projected Franklin Year 2
78608	Brain Imaging, Positron Emission Tomography (pet); Metabolic Evaluation	$ 1,115.68	$ 3,545.00	$ 3,545.00	$ 3,545.00
78815	PET w CT - Skull Base to Mid Thigh	$ 1,267.22	$ 3,675.00	$ 3,675.00	$ 3,675.00
78816	PET w CT - Whole Body	$ 1,268.40	$ 3,675.00	$ 3,675.00	$ 3,675.00
A9552	FDG-18	$ 456.78	$ 500.00	$ 500.00	$ 500.00

Source: Applicant's Management

6.A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved.

As shown on the Projected Data Chart, the anticipated utilization will assure financial breakeven and positive cash flow in Year One and thereafter.

Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project.
Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.

See Attachment Section B-Economic Feasibility-6A.

B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).
Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Net Operating Margin Calculations from three Projected Data Charts:

Clinic With PET/CT	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	NA	NA	NA	0.14	0.14

Franklin PET/CT	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	NA	NA	NA	0.43	0.43

Combined 4 PET Sites	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	NA	NA	NA	0.47	0.46

C. s Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

Tennessee Oncology, PLLC, from CY2016 Balance Sheet (in Attachments):

Long-term debt: $0 (Notes on balance sheet are short term debt)
Net assets: $30,857,676

Calculations: Long-term debt / (Long-term debt/Net assets) X 100
$0 / (0 / $30,857,676) X 100 = 0

The application formula does not appear to be meaningful for a physician practice with no long term debt. Zero cannot be divided into and one cannot divide by zero.

7. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Applicant's Projected Payor Mix, Year 1		
Payor Source	**Projected Gross Operating Revenue**	**As a % of Total Gross Revenue**
Medicare/Medicare Managed Care	$5,706,515	59.7%
TennCare/Medicaid	$716,899	7.5%
Commercial/Other Managed Care	$2,676,422	28.0%
Self-Pay	$152,938	1.6%
Charity Care	$191,173	2.0%
Other	$114,704	1.2%
Total	$9,558,651	100.0%

Tennessee Oncology has an exceptionally strong commitment to financial accessibility for patients referred to the practice.

First, the practice accepts all referred patients regardless of their insurance coverage. If patient's resources appear insufficient for their expected cost of care, the practice itself provides free care, and/or obtains support from industry and foundation groups for those patients. Patients who are financially assisted by the practice fall into one of two categories.

The first is a designated indigent patient. Those patients are identified under the practice guidelines found in the Miscellaneous section of the Attachments at the back of the application. Per policy, indigent patients are accepted but not balance-billed at all for their care. Last calendar year, 230 patients were accepted and treated as medical indigents.

The second group of patients who receive financial assistance are those of limited insurance and means who do not qualify as indigents, but nonetheless can not afford part or all of the cost of care. They too are accepted by the practice, which does not keep records of their numbers.

For both groups of assisted patients, the practice employs eighteen full time staff, at a personnel cost of $893,000 per year, to (1) request nonprofit foundations for financial assistance grants to the patients themselves, and to (2) apply for free pharmaceuticals that are often available from manufacturers as well as access their copay programs for patients who qualify.

Designated indigent patients receive no bills at all. Patients with foundation or copay assistance have those monies applied to their balances upon the patient's request. All patients within TN Oncology who have an unpaid balance are billed, but not pressured. The practice never sends patients to collections and never reports them to a credit agency. Their unpaid balances are written off as bad debt. Moreover, patients who were unable to pay all of their account balances from a previous episode of care are nonetheless accepted and treated again, if they are again referred due to recurrence of symptoms--a frequent experience in cancer care.

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTE) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

See the staffing table on the following page.

The applicant has not identified prevailing wage patterns for this area based on DLWD or other data publicly available. As operator of three PET services in both physician office and ODC settings in the project service area, the applicant is very familiar with prevailing wage patterns in the area and these staffing expense projections are empirically accurate.

Table B-Need-12: Tennessee Oncology PET Services Current and Projected Staffing					
Position Classification	**Existing FTEs (Yr 2016)**	**Projected FTEs (Yr 1)**	**Average Salary (Contractual Rate)**	**Projected Salaries**	**Areawide / Statewide Average Wage**
					(not publicly available)
A. Direct Patient Care Positions					
PET/CT Tech	0.00	3.50	$70,388	$246,358	
CT Tech	0.00	0.37	$53,197	$19,683	
PET/CT Tech Assistant	0.00	1.00	$35,866	$35,866	
Total Direct Patient Care Positions	**0.00**	**4.87**	**$123,585**	**$301,907**	
B. Non-Patient Care Positions					
PET CT Manager	0.00	1.00	$66,298	$66,298	
Patient Service Rep	0.00	2.00	$36,500	$73,000	
Team Leader Front Office	0.00	1.00	$35,375	$35,375	
Total Non-Patient Care Positions	**0.00**	**4.00**	**$138,173**	**$174,673**	
Total Employees (A + B)	**0.00**	**8.87**	**$261,758**	**$476,580**	
C. Contractual Staff					
Radiologists (Scan Reading)	**0.00**	**0.00**	**14%**	**$607,718**	
Total Staff (A+B+C)	**0.00**	**8.87**	**261,758**	**$1,084,298**	

Source: Applicant's management.

Note: Radiologist Reading Fees are in Other Expenses in the Projected Data Chart. This table does not include benefits that were included in the Salaries line of the Projected Data Chart.

9. Describe all alternatives to this project that were considered and discuss the advantages and disadvantages of each alternative, including but not limited to:

A. Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

Both fixed and mobile PET services in the primary service area are utilized above the optimal standards of the State Health Plan. In addition, the applicant's own PET in adjoining Rutherford County is utilized to capacity. Timely availability to this service will become unavailable as demand for the service increases with an aging population.

The applicant rejected the alternative of adding a second PET at its Rutherford County location (which would not require CON approval) because the proposed service area counties would have more difficulty in using that location than they would have in driving to Franklin.

The applicant did not consider it feasible to apply for a mobile service when two already exist in the service area. Those services are optimally utilized already and have not indicated an intention of adding days of service through a CON application process.

For the above reasons, the applicant identified the addition of its own fixed PET unit as the most appropriate way to meet area needs.

B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

The applicant is going to lease new MOB space rather than build its own building. There is no available space nearby that could be utilized for this project; and it is intended to be adjacent to the new Proton Center that is under construction. That Center will refer significant numbers of patients to the practice's PET. The MOB will be constructed whether or not this PET project goes forward; so the PET CON project is not itself the cause of new construction expenditures.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as transfer agreements or contractual agreements for health services.

Please see the following page for the list of hospitals which Tennessee Oncology, the applicant's owner, currently serves.

Tennessee Oncology, PLLC Hospital Privileges Listing (27)			
Middle Tenn Locations		**East Tenn Locations**	
St. Thomas Midtown	Nashville, TN	Tennova - Cleveland	Cleveland, TN
St. Thomas West	Nashville, TN	Memorial Hospital	Chattanooga, TN
St. Thomas Rutherford	Murfreesboro, TN	Parkridge Medical Center	Chattanooga, TN
St. Thomas Dekalb	Smithville, TN	Erlanger Medical Center	Chattanooga, TN
St. Thomas Riverpark	McMinnville, TN		
Centennial Medical Center	Nashville, TN		
Skyline Medical Center	Nashville, TN		
Summit Medical Center	Hermitage, TN		
Southern Hills Medical Center	Nashville, TN		
Hendersonville Medical Center	Hendersonville, TN		
Horizon Medical Center	Dickson, TN		
Stonecrest Medical Center	Smyrna, TN		
Tennova Clarksville	Clarksville, TN		
Tennova Tullahoma	Tullahoma, TN		
Tennova Lebanon	Lebanon, TN		
Tennove Shelbyville	Shelbyville, TN		
Sumner Regional Medical Center	Gallatin, TN		
Williamson Medical Center	Franklin, TN		
Northcrest Medical Center	Springfield, TN		
Southern TN Health System - Pulaski	Pulaski, TN		
Southern TN Health System - Lawrenceburg	Lawrenceburg, TN		
Southern TN Health System - Winchester	Winchester, TN		
Vanderbilt	Nashville, TN		

2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

A. Positive Effects

The proposed addition of a PET unit to the area will meet a present need for additional capacity based on the standards of the State Health Plan. It will be offered by a physician group with a long track record of providing very accessible, economically priced PET studies to patients from throughout Middle Tennessee.

B. Negative Effects

Much of the utilization projected for the unit will come from reallocating patients already being served by less accessible units in central Nashville, including two of the applicant's own units. The applicant has not identified any negative effects on other providers within this project's primary service area, whose fixed and mobile PET units are operating efficiently and well above the State Health Plan's optimal recommended levels of intensity. The project also has the support of nearby Williamson Medical Center, which itself is a provider of PET scanning on a limited mobile basis.

3.A Discuss the availability of an accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies such as the Joint Commission and the Commission on Accreditation of Rehabilitation Facilities.

There are no licensure requirements for this project, other than licensing for handling radioactive materials, because it is within a physician practice and is not seeking ODC status. The applicant has the longest record of providing PET scans in Middle Tennessee, through both practice-based and licensed ODC-based units. The applicant does comply with all State licensing requirements on its ODC units; and all three of the applicant's PET units have accreditation from the American College of Radiology--which this unit will also seek.

B. Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

The applicant so verifies. Please response 3.A above.

C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

4. Identify the type of licensure and certification requirements applicable and verify that the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure:

1. Facility License--Outpatient Diagnostic Center, from Tennessee Department of Health
2. Radioactive Materials License--from Tennessee Department of Environment and Conservation

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.):

1. Medicare
2. TennCare
3. Medicaid as needed for out of State referrals from Middle Tennessee Proton Center

Accreditation (e.g. Joint Commission, CARF, etc.)

American College of Radiology (for PET Unit)

A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

The applicant owns two licensed Outpatient Diagnostic Centers (Nashville and Murfreesboro). Both are in compliance with Licensure rules and regulations and are in good standing. The licenses of those facilities is in Attachment A-4A.

B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected, by providing a letter from the appropriate agency.

See Attachment Section B-Orderly Development-4B.

C. Document and explain inspections within the past three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23- or 90-day termination proceedings from Medicare or Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.
(1) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

Not applicable. No such events occurred.

5. Respond to all of the following and for such occurrences, identify, explain, and provide documentation:

A. Has any of the following:
(1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
(2) Any entity in which any person(s) or entity with more than 5% ownership (direct of indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or
(3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%...

B. Been subjected to any of the following:
(1) Final Order or Judgment in a State licensure action;
(2) Criminal fines in cases involving a Federal or State health care offense;
(3) Civil monetary penalties in cases involving a Federal or State health care offense;
(4) Administrative monetary penalties in cases involving a Federal or State health care offense;
(5) Agreement to pay civil or monetary penalties to the Federal government or any State in cases involving claims related to the provision of health care items and services; and/or
(6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs;
(7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware;
(8) Is presently subject to a corporate integrity agreement.

None of the persons or entities in question 5A above have been subjected to any of the sanctions listed in question 5B above.

6. Outstanding Projects:

a. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and
b. Provide a brief description of the current progress, and status of each applicable outstanding CON.

Questions 6a and b above are not applicable. The applicant has no outstanding projects or unimplemented Certificates of Need.

Outstanding Projects					
			Annual Progress Report*		
CON Number	Project Name	Date Approved	Due Date	Date Filed	Expiration Date
CN					
Status:					

*** Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.**

7. Equipment Registry -- For the applicant and all entities in common ownership with the applicant.

a. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography Scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?

b. If yes, have you submitted their registration to HSDA? If you have, what was the date of the submission?

c. If yes, have you submitted their utilization to HSDA? If you have, what was the date of the submission?

Facility	Date of HSDA Registration	Date of Last Utilization Submittal
Tennessee Oncology, PLLC, Nashville	2003 / Jan. 11, 2017	Feb. 7, 2017
Imaging Alliance-Nashville PET ODC	2004 / Jan. 11, 2017	Feb. 7, 2017
Tennessee PET Scan Center ODC	2007 / Jan. 11, 2017	Feb. 7, 2017

QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency, concerning continued need and appropriate quality measures as determined by the Agency pertaining to the Certificate of Need, if approved.

The applicant so verifies.

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at http://www.tn.gov/health/topic/health-planning). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

1. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

The project meets the need for additional service area capacity to diagnose and evaluate tumors using PET technology. With cancer being a leading cause of death among Tennesseans 50 years of age and older, the project will contribute to maintaining and improving the health of Middle Tennessee residents.

2. People in Tennessee should have access to health care and the conditions to achieve optimal health.

The project improves service area residents' access to needed cancer care by shortening their drive times to essential diagnostic PET services. It also ensures that they will not face unnecessarily long wait times for PET evaluations. The only other PET services now operating in the service area exceed optimal utilization and the area's only stationary PET is working close to total capacity. Future wait times will be prolonged without the additional PET proposed in this application.

3. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

This proposed addition of a stationary PET is requested by Middle Tennessee's most experienced PET provider, whose operating efficiency is reflected in its relatively low charge

structure for this service, compared to charges of other PET providers in the primary and secondary service areas.

4. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

The applicant complies with all applicable quality standards of the medical profession and of the American College of Radiology, which has accredited he applicant's three existing PET units.

5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

This small project will create additional work opportunities for radiologic technicians trained in PET technology and services.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Note that T.C.A. §68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member(s) of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

See Attachment "Proof of Publication".

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Public Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Franklin PET Scan Center (a proposed service of a private professional practice), to be owned and managed by Tennessee Oncology, PLLC (a professional limited liability company), intends to file an application for a Certificate of Need to acquire major medical equipment for PET (Positron Emission Tomography) scanning, and to initiate outpatient PET scanning, at a project cost estimated at approximately $3,830,000. The project site in Franklin, in Williamson County, is an unaddressed site on the east side of Carothers Parkway, on the south side of the Scott Hamilton Proton Treatment Center site that is being developed at the intersection of Physicians Way and Carothers Parkway. The PET service will be located in the Tennessee Oncology practice office in a medical office building to be constructed at that site.

The project will not require licensure as a healthcare facility. The project does not contain any other type of major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before March 15, 2017. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

TN-0001166142

Columbia	AcornZ	16.13	-.01	+5.5	+25.1	+4.0	+9.6
Dodge & Cox	Bal	107.32	-.24	+3.8	+24.3	+7.8	+12.4
	Income	13.66	-.03	+0.5	+5.5	+3.0	+3.3
	IntlStk	40.62	-.11	+6.6	+23.9	+0.1	+7.0
	Stock	194.29	-.41	+5.4	+33.8	+9.7	+16.0
Dominion	ImpEqInv m	45.12	-.02	+5.0	+20.0	+6.2	+10.1
FAM	ValueInv	68.50	-.18	+3.8	+19.7	+9.0	+13.1
Fidelity	500IdxIns	83.03	-.17	+6.0	+21.9	+10.2	+14.0
	500IdxPr	83.03	-.16	+6.0	+21.9	+10.2	+14.0
	AstMgr50	17.24	-.05	+3.1	+11.5	+4.0	+6.6
	Bal	23.05	-.05	+4.7	+15.4	+6.5	+9.5
	BlChGrow	73.84	+.18	+9.6	+22.1	+8.7	+14.3
	Cap&Inc d	10.01	-.03	+3.8	+16.4	+5.4	+7.6
Harbor	CapAprAdm b	60.76	+.09	+8.8	+19.2	+7.2	+12.5
Hartford	CapAppIIA m	16.70	-.05	+5.4	+16.5	+2.3	+9.6
	FloatRtA m	8.72	.01	+1.2	+13.0	+2.9	+4.1
Hotchkis & Wiley	HWMdCValA m	36.64	-.39	-0.4	+26.5	+4.2	+12.8
INVESCO	MidCpCrA m	22.18	-.06	+3.3	+17.7	+3.9	+8.4
Janus	EnteprsT	99.76	...	+5.8	+21.4	+9.5	+13.5
	Gr&IncT	48.51	-.04	+6.1	+22.3	+9.9	+13.2
John Hancock	RegBankA m	26.20	-.12	+2.7	+53.4	+16.8	+20.8
LSV	ValueEq	27.19	-.04	+4.0	+26.1	+9.5	+15.8
Legg Mason	SpclnvFl b	55.42	-.29	+2.2	+35.4	+9.0	+14.1
Loomis Sayles	BdR b	13.78	-.05	+2.5	+11.3	+1.8	+4.2
Lord Abbett	SmCpValA m	21.81	-.14	-0.7	+23.9	+5.9	+10.2
MainStay	Ball	32.66	...	+2.3	+12.4	+5.8	+9.6
	InstTStPl	53.10	-.13	+5.5	+22.8	+9.5	+13.8
	IntlGr	22.94	-.03	+8.3	+17.2	+1.1	+6.1
	IntlStkIdxAdm	25.92	-.11	+5.2	+14.5	+0.2	+4.2
	IntlStkIdxIPls	103.67	-.46	+5.2	+14.5	+0.2	+4.2
	MidCp	37.80	-.10	+5.2	+21.3	+7.9	+13.0
	MidCpAdml	171.50	-.44	+5.3	+21.4	+8.0	+13.2
	MuIntAdml	13.89	-.02	+0.5	-0.2	+2.8	+2.7
	PrmcpAdml	117.56	+.10	+8.0	+27.1	+11.4	+16.9
	STGradeAd	10.63	-.01	+0.4	+2.5	+1.8	+2.1
	TgtRe2025	16.90	-.05	+3.4	+12.7	+5.0	+8.0
	TotBdAdml	10.59	-.03	-0.1	+0.4	+2.4	+2.0
	TotBdInst	10.59	-.03	-0.1	+0.4	+2.4	+2.0

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

   The Chart on the next page has been completed.

2. **If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph,* please state below any request for an extended schedule and document the "good cause" for such an extension.**

The applicant expects to open the project within two years of its approval, so no extended implementation period is requested.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Initial HSDA Decision Date	0	6/28/17
1. Architectural & engineering contract signed		7/17
2. Construction documents approved by TDH		9/17
3. Construction contract signed		10/17
4. Building permit secured		10/17
5. Site preparation completed	NA	NA
6. Building construction commenced		11/17
7. Construction 40% complete		2/18
8. Construction 80% complete		5/18
9. Construction 100% complete		7/18
10. * Issuance of license (Rad. Materials Handling)		8/18
11. *Initiation of service		8/18
12. Final architectural certification of payment		10/18
13. Final Project Report Form (HF0055)		12/18

*** For projects that <u>DO NOT</u> involve construction or renovation: please complete items 11-12 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

MAR 14 '17 PM 1:22

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

SIGNATURE/TITLE
CONSULTANT

Sworn to and subscribed before me this 14th day of March (Month), 2017 (Year) a Notary Public in and for the County/State of DAVIDSON

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires July 2, 2018

NOTARY PUBLIC

My commission expires July 2, (Month/Day) 2018 (Year).

INDEX OF ATTACHMENTS

Section A

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A-4A	Legal Status and Ownership Structure of Applicant
A-6A	Site Control Documentation
A-6B(1)a-d	Plot Plan and Location Maps
A-6B(2)	Floor Plan
A-6B(3)	Accessibility--Bus Line Schedule
A-13B	Major Medical Equipment Quotes or Leases Radiopharmaceutical Vendor's Letter of Commitment
A-13F	FDA Approval Letter

Section B

B-Need-3	Service Area Map
B-Need-State Health Plan-6E	Medical Director Board Certification
B-Economic Feasibility-1E	Documentation of Construction Cost Estimate
B-Economic Feasibility-2	Documentation of Funding/Financing Availability
B-Economic Feasibility-6A	Applicant's Financial Statements
B-Orderly Development-4B	Licensure and Accreditation

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Proof of Publication

Miscellaneous Information
1. TennCare Enrollment
2 Emergency Protocols
3. Charity Care Guidelines

Support Letters

A-3A(1)
Detailed Project Description

Section A-3A(1)--Detailed Project Description

1. The Applicant (Owned by Tennessee Oncology, PLLC)

The applicant is Tennessee Oncology, PLLC, the largest oncology group practice in Tennessee. That group practice currently consists of 81 medical and radiation oncologists--78 of whom are full-time FTE's of the practice; 3 of which are PRN. The group also employs psychologists, a radiologist, and a pathologist. The PLLC is owned in equal membership interests by 67 of the group's full-time oncologists .

Tennessee Oncology is Middle Tennessee's largest provider of clinical care for cancer patients. In Middle Tennessee, it operates 31 practice offices (25 of which offer chemotherapy), and utilizes radiation oncology facilities at 9 major hospitals. Its physicians are on staff at 23 hospitals in 18 Middle Tennessee Counties. Tennessee Oncology physicians also conduct extensive clinical trials of new pharmaceuticals--in conjunction with the Sarah Cannon Cancer Center in Nashville, which manages the nation's largest network of clinical trials of new cancer drugs. Tennessee Oncology currently cares for approximately 1,000 patients in these trials.

One of Tennessee Oncology's most significant diagnostic services is the detection and evaluation of tumors using PET technology. The practice's PET service consists of three PET units in Davidson and Rutherford Counties: (1) a practice-based PET scanner at 300 20th Avenue North in Nashville (the central Tennessee Oncology office); (2) Imaging Alliance-Nashville PET at 52 White Bridge Road in Nashville/Davidson County; and (3) the Tennessee PET Scan Center at 1840 Medical Center Parkway, Suite 100, in Murfreesboro/Rutherford County. The central office's PET unit is part of the medical practice. The two other PET units are licensed as Outpatient Diagnostic Centers ("ODC") and are organized as LLC's that are wholly owned by Tennessee Oncology, PLLC. No other entity has any ownership in any Tennessee Oncology PET service.

In 2015, HSDA Registry data shows that Tennessee Oncology PLLC's three PET units provided 40% of all PET studies performed by central Middle Tennessee PET units (4,172 of 10,433 total studies)--making Tennessee Oncology the largest PET provider in the Central Middle Tennessee region. The two Tennessee Oncology units in Davidson County together performed 2,544 (35.9%) of Davidson County's 7,082 PET procedures in 2015--making Tennessee Oncology Davidson County's largest PET scan provider other than Vanderbilt Medical Center.

2. Location of the Project

The site of the proposed service is on five acres of unaddressed property adjoining the south side of the Scott Hamilton Proton Center now under construction in Franklin, in Williamson County.

Like the Proton Center, the project will be on the east side of Carothers Parkway, just south of that Parkway's intersection with Physicians Way. That intersection is less than one mile east of Interstate 65's Exit 65, which is the Highway 96/Franklin/Williamson Medical Center exit. The ODC building will be within sight of Williamson Medical Center's campus on the opposite side of Carothers Parkway.

MAR 17 2017

3. Description of the Project and the Legal Entities Developing It

Middle Tennessee Health Realty, LLC, a newly created entity ("MTHR" in this narrative), will purchase the 5-acre project site from Middle Tennessee Proton Center, LLC, which owns the land on which the Scott Hamilton Proton Center is being built. MTHR is owned 50% by Franklin Investments, LLC and 50% by MTPC, LLC. Franklin Investments, LLC currently has only one member--Tennessee Oncology LLC. Its membership interests will be offered to Tennessee Oncology physicians after the project is operational.

The proposed PET/CT service will be developed in leased ground-floor space in a new three-floor, 73,500 gross square foot medical office building ("MOB") that will be constructed to shell space specifications by MTHR on the five-acre project site. The MOB is projected to be open for tenancy in late 2018. The total estimated capital cost of developing the building to shell stage, including land and site improvements, is $18,020,769. MTHR will be responsible for all of this cost.

MTHR will lease space in the MOB to several tenants. If this CON application is granted, the MOB's potential tenants will include the proposed Franklin PET Scan Center, Tennessee Oncology's Franklin practice office, and a branch office of the Nashville-based Sarah Cannon Cancer Center.

The applicant will lease and build out a large area of the MOB for its physicians' practice space. Within this leased space, the practice will develop a dedicated area of approximately 3,652 usable square feet (4,200 rentable square feet) for the PET service, which will be known as the Franklin PET Scan Center ("FPSC"). The FPSC's rentable square feet will be 6.02% of the total MOB rentable square feet. The FPSC space, as part of the overall practice space, will be leased for an initial term of 10 years, at a triple net (NNN) base rate of $24.00 per rentable square foot (PRSF), with a 2.5% annual escalator after Year One. In addition to the base lease cost, the practice will pay separately its pro rata share of the building's taxes and utilities, estimated at $7.73 per rentable square foot the first year, and escalating at 1.5% annually after Year One.

The preliminary design for the Franklin PET Scan Center will include a PET/CT room with associated support areas such as the control room, hot lab, uptake rooms, holding area, film room and reading rooms. Nonclinical support areas include waiting and reception, staff workroom, medical records, staff break room, a manager's office, patient and staff toilets, utility rooms, equipment and general storage spaces, and a room for electronic equipment and data transmission.

The FPSC's only projected services to patients will be PET and CT scans. These will be available to qualified patients referred to Tennessee Oncology physicians. The only equipment projected in the FPSC initially will be the PET/CT unit and its associated furnishings and equipment. The currently identified unit will be a GE Discovery combination PET/CT unit. The applicant has considered both lease and purchase options for the unit and has chosen an equipment lease. The purchase, lease, and service proposals are all provided in the Attachments. Their relative costs are compared in another section of this application.

4. Hours of Operation, Licensure, Certification, and Accreditation

Patient scan starts will be scheduled from 7 AM to 3 PM on weekdays. PET patients will be scheduled at the beginning of each hour; CT patients will utilize the time remaining between

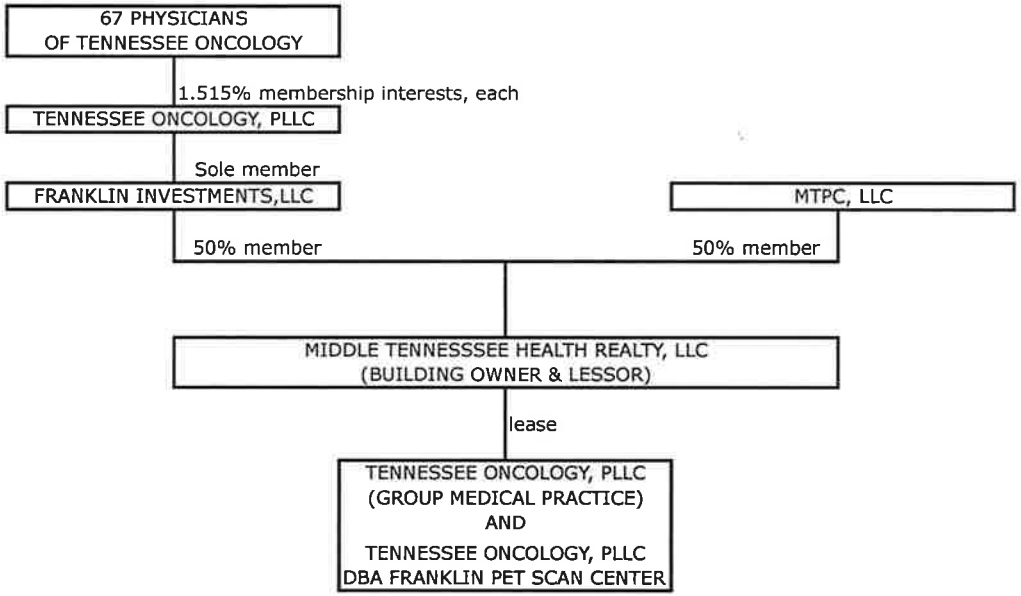
PET tests. The Franklin PET Scan Center will operate as part of the group practice, without separate facility licensure or certification. However, it will seek equipment accreditation from the American College of Radiology.

5. Project Costs and Funding

The applicant's Project Cost for CON purposes is estimated at $3,828,653. Under HSDA rules, this includes the value of the FPSC's leased space, the value of the leased PET unit, and the PET unit's maintenance agreement. However, the actual capital funding required to implement the project will be the applicant's build-out costs of its leased shell space, the costs of minor furnishings and office equipment, and the cost of the CON process. That actual capital cost to the applicant is estimated at $425,569, all of which will be funded by the applicant group practice itself.

A-4A
Legal Status and Ownership Structure of Applicant

PROJECT ORGANIZATION CHART--FRANKLIN PET SCAN CENTER



Tennessee Oncology
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2016-2018

First Name	Last Name	Position
Anthony	Meluch	Board Member
Dianna	Shipley	Board Member
David	Spigel	Board Member
Edward	Arrowsmith	Board Member
Jack	Erter	Board Member
Jeffrey	Infante	Board Member
Jeffrey	Patton	CEO
John	Zubkus	Board Member
Natalie	Dickson	CMO
Paul	Rosenblatt	Board Member
Patrick	Murphy	Board Member

Tennessee Oncology, PLLC--List of Offices		
Practice Name	**Practice Address**	**City**
Tennessee Oncology, PLLC-Midtown (Baptist)	300 20th Avenue North, Suite 301	Nashville
Tennessee Oncology, PLLC-Centennial	250 25th Avenue North, Suite 100 The Atrium	Nashville
Tennessee Oncology, PLLC-Skyline	3443 Dickerson Road, Suite 760	Nashville
Tennessee Oncology, PLLC-Clarksville	776 Weatherly Drive, Suite A	Clarksville
Tennessee Oncology, PLLC-Murfresboro	1840 Medical Center Pkwy, Ste 300	Murfreesboro
Tennessee Oncology, PLLC-Tullahoma	1750 Cedar Lane, Suite 200	Tullahoma
Tennessee Oncology, PLLC-Southern Hills	397 Wallace Road, Suite C-201	Nashville
Tennessee Oncology, PLLC-Summit	5653 First Boulevard, Suite 434	Hermitage
Tennessee Oncology, PLLC-Gallatin	225 Big Station Camp Rd, Ste 201	Gallatin
Tennessee Oncology, PLLC-McMinnville	1589 Sparta Street, Suite 306	McMinnville
Tennessee Oncology, PLLC-Smyrna	300 Stonecrest Boulevard, Suite 400	Smyrna
Tennessee Oncology, PLLC-Dickson	103 Natchez Park Drive, Suite 103	Dickson
Tennessee Oncology, PLLC-Springfield	504 22nd Avenue, East	Springfield
Tennessee Oncology, PLLC-Lebanon	103 Physicians Way, Ste 120	Lebanon
Tennessee Oncology, PLLC-Smithville	518 Main Street	Smithville
Tennessee Oncology, PLLC-Shelbyville	120 Frank Martin Rd, Suite 102	Shelbyville
Tennessee Oncology, PLLC - St.Thomas West	4220 Harding Road, S&E Bldg, Suite 200	Nashville
Tennessee Oncology, PLLC - Franklin	4323 Carothers Parkway, Suite 500	Franklin
Tennessee Oncology, PLLC-Winchester	2092 Cowan Highway, Suite A	Winchester
Tennessee Oncology, PLLC-Lawrencebrug	2121 North Locust Avenue, Suite 2	Lawrenceburg
Tennessee Oncology, PLLC - DDU	250 25th Avenue North, Suite 200 The Atrium	Nashville
Tennessee Oncology, PLLC-Hendersonville	353 New Shackle Island Road, Suite 204 A, Building A	Hendersonville
Tennessee Oncology, PLLC-BMT	250 25th Avenue North, Suite 412	Nashville
Tennessee Oncology, PLLC-St.Thomas GYN	4220 Harding Road, S&E Bldg, Suite 200	Nashville
Tennessee Oncology, PLLC-Pulaski	215 S. Cedar Lane	Pulaski
Tennessee Oncology, PLLC-Spring Hill	5073 Main Street, Ste 210	Spring Hill
Tennessee Oncology, PLLC - Memorial	605 Glenwood Drive, Ste 200	Chattanooga
Tennessee Oncology, PLLC - North Park	2051 Hamill Rd, Ste 107	Hixson
Tennessee Oncology, PLLC - Medical Park II	2200 E. Third St., Ste 100	Chattanooga
Tennessee Oncology, PLLC - Cleveland	2390 N. Ocoee St	Cleveland
Tennessee Oncology, PLLC-Park Pharmacy	250 25th Avenue North, Suite 110	Nashville
Tennessee Oncology, PLLC - Sarah Cannon	250 25th Avenue North, Suite 200	Nashville
Tennessee Oncology, PLLC - Imaging Alliance	52 White Bridge Road	Nashville
Tennessee Oncology, PLLC - SO PET	2018 Murphy Avenue, Suite 200	Nashville
Tennessee Oncology, PLLC - TN PET	1840 Medical Center Pkwy, Ste 100	Murfreesboro

Middle TN - Medical Oncology Clinics (18) Full time (includes 2 CT scanners in clinic)
Middle TN - Medical Oncology Satellite Clinics (5)
East Tn - Medical Oncology Clinics (4) (includes 1 CT scanner in Clinic)
Middle TN - Specialty Divisons (Gynocology, Bone Marrow Transplant Services, Drug Development Unit, Psychology Department) (4)
Middle TN - Pharmacy
Middle TN - Lab and Flow Department (located at Centennial)
Middle TN - Full PET/CT Imaging Centers (3) - (including 1 MRI scanner at Murphy Rd)

TENNESSEE ONCOLOGY, PLLC--MIDDLE TENNESSEE RADIATION ONCOLOGY LOCATIONS		
Practice Name	**Practice Address**	**City**
Tennessee Oncology, PLLC - Midtown (Baptist)	2011 Church Street Plaza 1 Lower Level	Nashville
Tennessee Oncology, PLLC - Centennial	2410 Patterson St	Nashville
Tennessee Oncology, PLLC - St. Thomas West	4220 Harding Rd (Dan Rudy Cancer Center	Nashville
Tennessee Oncology, PLLC - Skyline	3441 Dickerson Pike	Nashville
Tennessee Oncology, PLLC - Gallatin	225 Big Station Camp Blvd, Suite 104	Gallatin
Tennessee Oncology, PLLC - Summit	3901 Central Pike, Suite 153	Hermitage
Tennessee Oncology, PLLC - Dickson	105 Natchez Park Drive	Dickson
Tennessee Oncology, PLLC - Murfreesboro	1840 medical Center Pkwy, Suite 102	Murfreesboro
Tennessee Oncology, PLLC - Smyrna	300 Stonecrest Blvd, Suite 155	Smyrna

Tennessee Oncology, PLLC
Hospital Privileges Listing (27)

Middle Tenn Locations		East Tenn Locations	
St. Thomas Midtown	Nashville, TN	Tennova - Cleveland	Cleveland, TN
St. Thomas West	Nashville, TN	Memorial Hospital	Chattanooga, TN
St. Thomas Rutherford	Murfreesboro, TN	Parkridge Medical Center	Chattanooga, TN
St. Thomas Dekalb	Smithville, TN	Erlanger Medical Center	Chattanooga, TN
St. Thomas Riverpark	McMinnville, TN		
Centennial Medical Center	Nashville, TN		
Skyline Medical Center	Nashville, TN		
Summit Medical Center	Hermitage, TN		
Southern Hills Medical Center	Nashville, TN		
Hendersonville Medical Center	Hendersonville, TN		
Horizon Medical Center	Dickson, TN		
Stonecrest Medical Center	Smyrna, TN		
Tennova Clarksville	Clarksville, TN		
Tennova Tullahoma	Tullahoma, TN		
Tennova Lebanon	Lebanon, TN		
Tennove Shelbyville	Shelbyville, TN		
Sumner Regional Medical Center	Gallatin, TN		
Williamson Medical Center	Franklin, TN		
Northcrest Medical Center	Springfield, TN		
Southern TN Health System - Pulaski	Pulaski, TN		
Southern TN Health System - Lawrenceburg	Lawrenceburg, TN		
Southern TN Health System - Winchester	Winchester, TN		
Vanderbilt	Nashville, TN		

Tennessee Oncology, PLLC
Partner (Ownership) List
as of January 1, 2017

PHYSICIAN (PARTNER)
AHMED, MAINUDDIN
AJAYI, OLAIDE
ANZ III, BERTRAND M
ARROWSMITH, EDWARD R
BARNES, EDWARD KIRK
BAUER, TODD M
BENDELL, JOHANNA C
BERDEJA, JESUS
BI, JIA
BLAKELY, LAURA JOHNETTA
BURRIS, III, HOWARD A.
COHEN, BRAD R
COLLIE, ARTHUR CRAIG
DANIEL, BROOKE R
DANIEL, DAVEY B
DICKSON, NATALIE R
DOSS, HABIB H
DUDLEY, BUNYAN S
ELLIS, ERIC R
ERTER III, JACK W
FLINN, IAN W
FORTNEY, JOHN A
GIAN, VICTOR G.
GRAY, JAMES R
GRECO, FRANK A
HAINSWORTH, JOHN D
HAMILTON, ERICA
HEITZ, JULIAN C
HEMPHILL, MICHAEL BRIAN
HOLLAND, DEREK W
HUNT, DAVID E
HUNTER, THOMAS A
INFANTE, JEFFREY ROGER
JOHNSON, DARRELL R
JOSEPH, MATHEW J

PHYSICIAN (PARTNER)
KUZUR, MICHEL E
LAMAR, RUTH E
LEE, BRIAN K
LIGGETT, JR., WILLIAM H
LLOYD, KENNETH M
MA, YANJUN
MAINWARING, MARK G
MCCLURE, ROBERT T
MCCLURE-BARNES, LAURA F
MELUCH, ANTHONY A
MURPHY, PATRICK B
NADEAU, BENJAMIN
NGUYEN, MY T
PATEL, ROHIT R
PATTON, JEFFREY F.
PEACOCK, NANCY W
PENLEY, WILLIAM C
PEYTON, JAMES DAVID
PORTER III, LESTER L
ROSENBLATT, PAUL A
SHEPARD, GREGG C
SHIH, KENT C
SHIPLEY, DIANNA L
SPIGEL, DAVID R
STIPANOV, MICHAEL A
THOMPSON, DANA S
TRAN, AN L
WAGNER, MARCUS M
WENDT, CHARLES DILLER
WHALEY, TAYLOR
WOMACK, MARK
YARDLEY, DENISE A
ZUBKUS, JOHN
TOTAL: 67 PARTNERS

Tennessee Oncology
Physician Listing
as of January 01, 2017

Med Onc
AHMED, MAINUDDIN
AJAYI, OLAIDE I
AMIN, CHIRAG J
ANZ III, BERTRAND M
ARROWSMITH, EDWARD R
BARNES, EDWARD KIRK
BAUER, TODD M
BENDELL, JOHANNA C
BERDEJA, JESUS
BI, JIA
BLAKELY, LAURA JOHNETTA
BRANDES, JOHANN C
BURRIS, III, HOWARD A.
DANIEL, BROOKE R
DANIEL, DAVEY B
DICKSON, NATALIE R
DONNELLAN, WILLIAM B
DOSS, HABIB H
DUDLEY, BUNYAN S
ERTER III, JACK W
FLINN, IAN W
GIAN, VICTOR G.
GRECO, FRANK A
HAINSWORTH, JOHN D
HAMILTON, ERIKA P
HEMPHILL, MICHAEL BRIAN
HOLLAND, DEREK W
INFANTE, JEFFREY ROGER
JOHNSON, DARRELL R
JOHNSON, MELISSA L
JOSEPH, MATHEW J
KRUEGER, SYLVIA L
KUZUR, MICHEL E
LAMAR, RUTH E
LIGGETT, JR., WILLIAM H
MA, YANJUN
MAINWARING, MARK G
MCCLURE-BARNES, LAURA F
MCDUFFIE, JEREMY
MEANS, JULIE A
MELUCH, ANTHONY A
MURPHY, PATRICK B

Med Onc
NADEAU, BENJAMIN
PATEL, ROHIT R
PATTON, JEFFREY F.
PEACOCK, NANCY W
PENLEY, WILLIAM C
PEYTON, JAMES DAVID
PORTER III, LESTER L
SHEPARD, GREGG C
SHIH, KENT C
SHIPLEY, DIANNA L
SPIGEL, DAVID R
STIPANOV, MICHAEL A
SUTTON, GREGORY
THOMPSON, DANA S
TRAN, AN L
WAYNICK, CHRIS
WOMACK, MARK
YARDLEY, DENISE A
ZUBKUS, JOHN

Rad Onc
CHOLLET, CASEY T
COHEN, BRAD R
COLLIE, ARTHUR CRAIG
ELLIS, ERIC R
FORTNEY, JOHN A
GRAY, JAMES R
HEITZ, JULIAN C
HUNT, DAVID E
HUNTER, THOMAS A
LEE, BRIAN K
LLOYD, KENNETH M
MCCLURE, ROBERT T
NGUYEN, MY T
ROSENBLATT, PAUL A
WAGNER, MARCUS M
WENDT, CHARLES DILLER
WHALEY, JONATHAN T

PRN (MED ONC)

BARTON JR, JOHN H
COOPER, ROBERT SETH
TOOMEY, MITCHELL A

PATHOLOGIST

KINGMA, DOUGLAS

PSYCHOLOGIST

ANDERSON, SHERIAN
JOHNSON, AMY
SANGER, MAUREEN

PHYSICIAN COUNT	FTE	PRN	TOTAL
RAD	17	0	17
Med	61	3	64
Psychologist	3	0	3
Pathologist	1	0	1
TOTAL	82	3	85

Tennessee Secretary of State
Tre Hargett

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On Saturday, March 11th beginning at 7:00 a.m. CST we will be performing system maintenance and on line services will not be available. Thank you for your patience.

Business Information Search

As of March 10, 2017 we have processed all corporate filings received in our office through March 09, 2017 and all annual reports received in our office through March 08, 2017.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search: 1-1 of 1

Search Name: Tennessee Oncology, PLLC ◉ Starts With ○ Contains

Control #:

Active Entities Only: ☐

Search

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
000315661	LLC	TENNESSEE ONCOLOGY, PLLC *TENNESSEE*	Entity	Active	08/01/1996	Active

1-1 of 1

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Division of Business Services
312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 09/22/09
REQUEST NUMBER: 6600-0951
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 09/21/09 1320
EFFECTIVE DATE/TIME: 09/21/09 1630
CONTROL NUMBER: 0315661

TO:
CFS
8161 HWY 100, 172

NASHVILLE, TN 37221

RE:
TENNESSEE ONCOLOGY, PLLC
AMENDED AND RESTATED ARTICLES - LIMITED LIABILITY COMPANY

THIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED DOCUMENT WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A LIMITED LIABILITY COMPANY HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: AMENDED AND RESTATED ARTICLES - LIMITED LIABILITY COMPANY ON DATE: 09/22/09

	FEES	
RECEIVED:	$20.00	$0.00
TOTAL PAYMENT RECEIVED:		$20.00

FROM:
CAPITAL FILING SERVICE (CFS)
8161 HIGHWAY 100
#172
NASHVILLE, TN 37221-0000

RECEIPT NUMBER: 00004671508
ACCOUNT NUMBER: 00101230

TRE HARGETT
SECRETARY OF STATE

SS-4451

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STATE OF TENNESSEE
2009 SEP 21 PM 1:20
TRE HARGETT
SECRETARY OF STATE

AMENDED AND RESTATED ARTICLES OF ORGANIZATION OF TENNESSEE ONCOLOGY, PLLC

Pursuant to the provisions of Section 48-209-105 of the Tennessee Limited Liability Company Act, the undersigned professional limited liability company hereby amends and restates its Articles of Organization to supersede the Articles of Organization and any and all prior amendments thereto and certifies as follows:

I. The name of the professional limited liability company is Tennessee Oncology, PLLC.

II. The text of the Amended and Restated Articles of Organization is as follows:

ARTICLE 1

The name of the professional limited liability company is Tennessee Oncology, PLLC (the "Company").

ARTICLE 2

Pursuant to T.C.A. §§ 48-249-1002 and 48-249-1133, the Company elects to be governed by the Tennessee Revised Limited Liability Company Act (the "Act").

ARTICLE 3

The Company is a professional limited liability company.

ARTICLE 4

The Company's purpose is to render specified professional services. The Company has one (1) or more qualified persons as members and no disqualified persons as members or holders.

ARTICLE 5

The name of the registered agent of the Company is Charles E. McKay, M.D., and the address of the initial registered agent is 300 20th Avenue North, Suite 301, Nashville, Davidson County, Tennessee 37203.

ARTICLE 6

The complete address of the Company's principal executive office is 300 20th Avenue North, Suite 301, Nashville, Davidson County, Tennessee 37203.

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ARTICLE 7

The Company shall be a director-managed professional limited liability company as such term is defined in the Act.

ARTICLE 8

The duration of the Company shall be perpetual, unless sooner terminated in accordance with the terms of the Operating Agreement, as amended, of the Company or applicable law.

ARTICLE 9

These Amended and Restated Articles of Organization shall be effective upon their filing with the Secretary of State of Tennessee.

ARTICLE10

The Company shall have the power to expel a member."

III. The Amended and Restated Articles of Organization as set forth above contain amendments requiring member approval. The Amended and Restated Articles of Organization were duly approved and adopted by the members of the Company effective as of January 1, 2009.

IN WITNESS WHEREOF, the undersigned has executed these Amended and Restated Articles of Organization effective as of the 1st day of January, 2009.

TENNESSEE ONCOLOGY, PLLC.

By: CMcK

Charles E. McKay, M.D.
Chief Manager

8039553.1

3225 0504

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96 OCT -7
RILEY C. DARNELL
SECRETARY OF STATE

BOOK 10219 PG 471

ARTICLES OF ORGANIZATION

OF

TENNESSEE ONCOLOGY, PLLC

The undersigned, acting as Organizer of a professional limited liability company under the Professional Tennessee Limited Liability Company Act, Tennessee Code Annotated Section 48-248-101 et.seq. (the "Act"), hereby adopts the following Articles of Organization for such professional limited liability company:

ARTICLE I

The name of the professional limited liability company is Tennessee Oncology, PLLC.

ARTICLE II

The purpose of the professional limited liability company is to render professional medical services, including any services ancillary to such professional medical services.

ARTICLE III

The street address and zip code of the initial registered office of the professional limited liability company shall be 300 20th Avenue North, Suite 301, Nashville, Davidson County, Tennessee 37203. The name of the professional limited liability company's initial registered agent at its initial registered office is Charles E. McKay, M.D.

ARTICLE IV

The name and address of the organizer are Sharon Bauer Berman, Bass, Berry & Sims, 2700 First American Center, Nashville, Davidson County, Tennessee 37238.

SS OCT -7 1996
FILED
SECRETARY OF STATE

ARTICLE V

At the date and time of formation, there are two (2) or more qualified persons (as such term is defined in Section 48-248-102(8) of the Act) as members of the professional limited liability company. There are no disqualified persons (as such term is defined in Section 48-248-102(1)) as members of the professional limited liability company at the date and time of formation.

ARTICLE VI

The professional limited liability company shall have the power and authority to carry on any business permitted by, and to have and exercise all of the powers and rights conferred by, the Act as amended from time to time or any successor provisions thereto.

ARTICLE VII

The professional limited liability company shall be managed by a Board of Governors.

a. At the date and time of formation, the Board of Governors of the professional limited liability company shall consist of: Charles E. McKay and Eric L. Raefsky.

b. All powers shall be exercised by or under the authority of, and the business and affairs of the professional limited liability company shall be managed by or under the direction of, the Board of Governors of the professional limited liability company. The number of governors and their terms shall be as specified in the Operating Agreement of the professional limited liability company.

c. Whenever the Board of Governors is required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, if all of the governors entitled to vote thereon consent to the taking of action on written consent without a meeting; any such action shall be as valid and effective as any resolution duly adopted at an annual or regularly scheduled or special meeting of the Board of Governors.

d. Any or all of the governors may be removed either with or without cause at any time by a proper vote of the members and may be removed with cause by a majority vote of the entire Board of Governors.

e. New members shall be admitted to the professional limited liability company in the manner prescribed in the Operating Agreement of the professional limited liability company.

f. The initial Chief Manager, who shall be Charles E. McKay, M.D., and such other managers as shall be designated by appointment by the Board of Governors shall have such authority and shall perform the duties set forth in the Operating Agreement of the professional limited liability company or as prescribed by the Board of Governors of the professional limited liability company.

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RILEY DARNELL
SECRETARY OF STATE

ARTICLE VIII

At the date and time of the filing of these Articles of Organization, there are two (2) qualified members of the professional limited liability company.

ARTICLE IX

The street address and zip code of the principal executive office of the professional limited liability company and the county in which the principal executive office is located is 300 20th Avenue North, Suite 301, Nashville, Davidson County, Tennessee 37203.

ARTICLE X

The professional limited liability company shall have the power and authority to expel a member.

ARTICLE XI

The members of the professional limited liability company shall not have preemptive rights.

ARTICLE XII

In the event of a member's withdrawal and subject to the provisions of the Operating Agreement of the professional limited liability company concerning dissolution, winding down or termination of the professional limited liability company, the existence and business of the professional limited liability company may be continued by consent of a majority in interest of the remaining members of the professional limited liability company.

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BOOK 10219 PG 475

ARTICLE XIII

a. The professional limited liability company shall have the power to indemnify any governor who has taken an action of management as a member, manager, employee, agent of the professional limited liability company, or any other person who is serving at the request of the professional limited liability company in any such capacity with another foreign or domestic corporation, limited liability company, partnership, joint venture, trust, or other enterprise (including, without limitation, any employee benefit plan) to the fullest extent permitted by the Act as it exists on the date hereof or as it may hereafter be amended, and any such indemnification may continue as to any person who has ceased to be a governor, manager, employee, or agent and may inure to the benefit of the heirs, executors, and administrators of such a person.

b. By action of its Board of Governors, notwithstanding any interest of the directors in the action, the professional limited liability company may purchase and maintain insurance, in such amounts as the Board of Governors deems appropriate, to protect any governor, manager, employee, independent contractor or agent of the professional limited liability company or any other person who is or was serving at the request of the professional limited liability company in any such capacity with another foreign or domestic corporation, limited liability company, partnership, joint venture, trust, or other enterprise (including, without limitation, any employee benefit plan) against liability asserted against him or incurred by him in any such capacity or arising out of his status as such (including, without limitation, expenses, judgments, fines, and amounts paid in settlement) to the fullest extent permitted by the Act as it exists on the

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date hereof or as it may hereafter be amended, and whether or not the professional limited liability company would have the power or would be required to indemnify such person under the terms of any agreement or provision of the Operating Agreement or the Act. For purposes of this paragraph (b), "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan.

c. To the fullest extent that the Act as it exists on the date hereof or as it may hereafter be amended permits the limitation or elimination of the liability of governors, a governor of the professional limited liability company shall not be personally liable to the professional limited liability company or its members for monetary damages for a breach of fiduciary duty as a governor, except for liability (i) for any breach of the governor's duty of loyalty to the professional limited liability company or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) under Section 48 237 101 of the Act, as the same exists or hereafter may be amended. If the Act hereafter is amended to authorize the further elimination or limitation of the liability of governors, then the liability of a governor of the professional limited liability company, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended Act. This paragraph (c) shall not eliminate or limit the liability of a governor for any act or omission occurring prior to the date when paragraph (c) became effective, if such a limitation or elimination of liability of a governor for such acts or omission is prohibited by the Act as then in effect. Any repeal or modification of this paragraph (c) by the members of the professional limited

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SECRETARY OF STATE

liability company shall be prospective only, and shall not adversely affect any limitation on the personal liability of a governor of the professional limited liability company existing at the time of such repeal or modification.

ARTICLE XIV

The Organizer shall have the power to form the professional limited liability company pursuant to Tennessee Code Annotated Section 48-248-103 and, in that capacity, may file these Articles of Organization with the Tennessee Secretary of State, accept initial contributions from the members, and take such other actions as may be necessary or appropriate to organize the professional limited liability company.

Dated: August 1, 1996.

Sharon Bauer Berman, Organizer

#455483.01

Board for Licensing Health Care Facilities

State of Tennessee

License No. ODC0000000026

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

IMAGING ALLIANCE-NASHVILLE PET LLC *to conduct and maintain*

an Outpatient Diagnostic Center IMAGING ALLIANCE-NASHVILLE PET LLC

Located at 52 WHITE BRIDGE ROAD, NASHVILLE

County of DAVIDSON *, Tennessee.*

This license shall expire AUGUST 04 *,* 2017 *, and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 30TH *day of* JUNE *,* 2016 *.*

In the Speciality(ies) of: PET SCAN

By Vincent J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Dreyzehner, MD

COMMISSIONER

Board for Licensing Health Care Facilities

State of Tennessee

License No. ODC0000000052

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

TENNESSEE PET SCAN CENTER LLC to conduct and maintain

an Outpatient Diagnostic Center TENNESSEE P.E.T. SCAN CENTER LLC

Located at 1840 MEDICAL CENTER PARKWAY, SUITE 100, MURFREESBORO

County of RUTHERFORD, Tennessee.

This license shall expire MAY 19, 2017, and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 4TH day of APRIL, 2016.

In the Specialty(ies) of: CT SCAN
PET SCAN

By Vincent J. Dariano, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By
COMMISSIONER

155

2016/08/10 10:08:08 1 /1

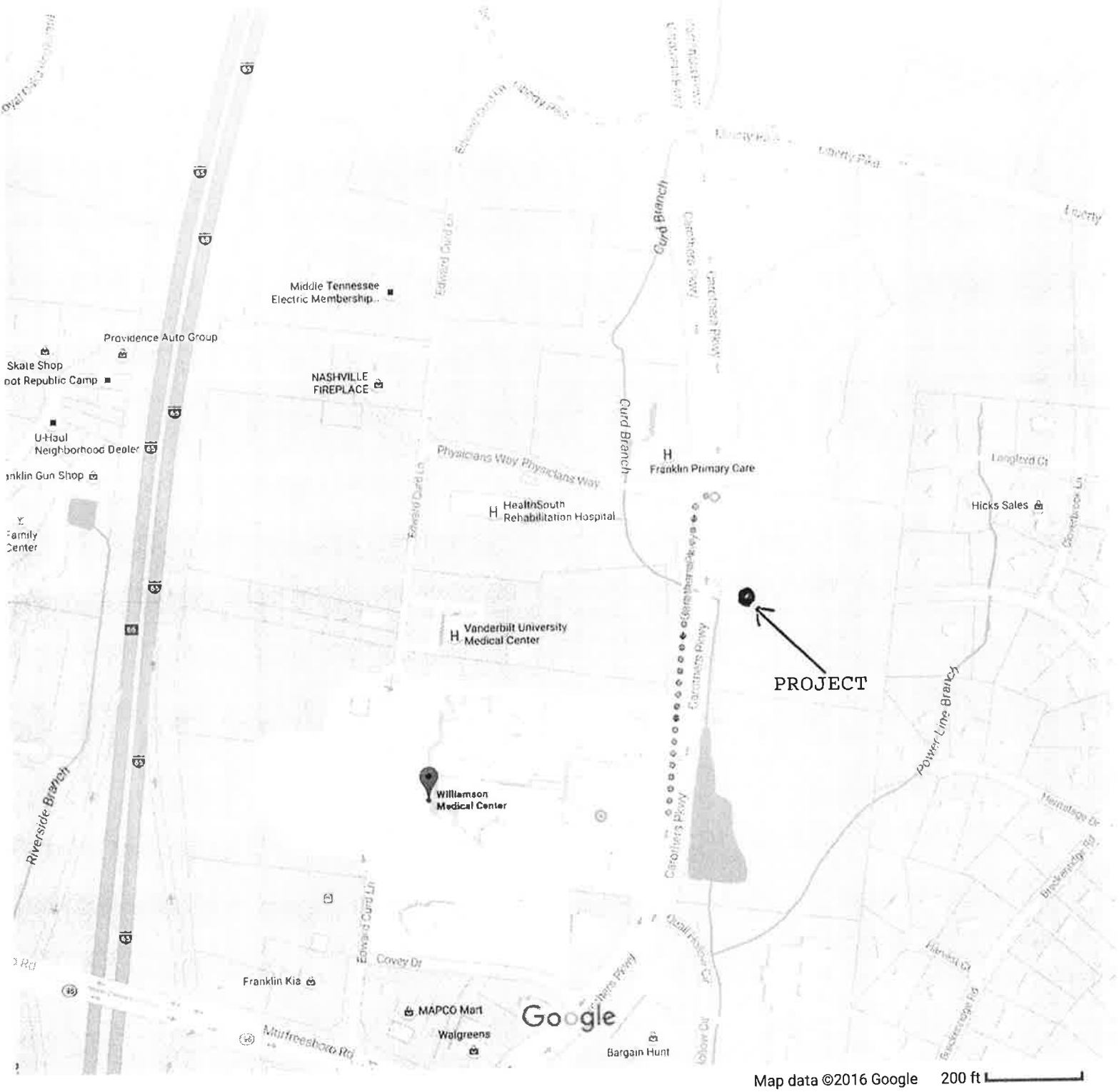
A.6A

Site Control Documentation

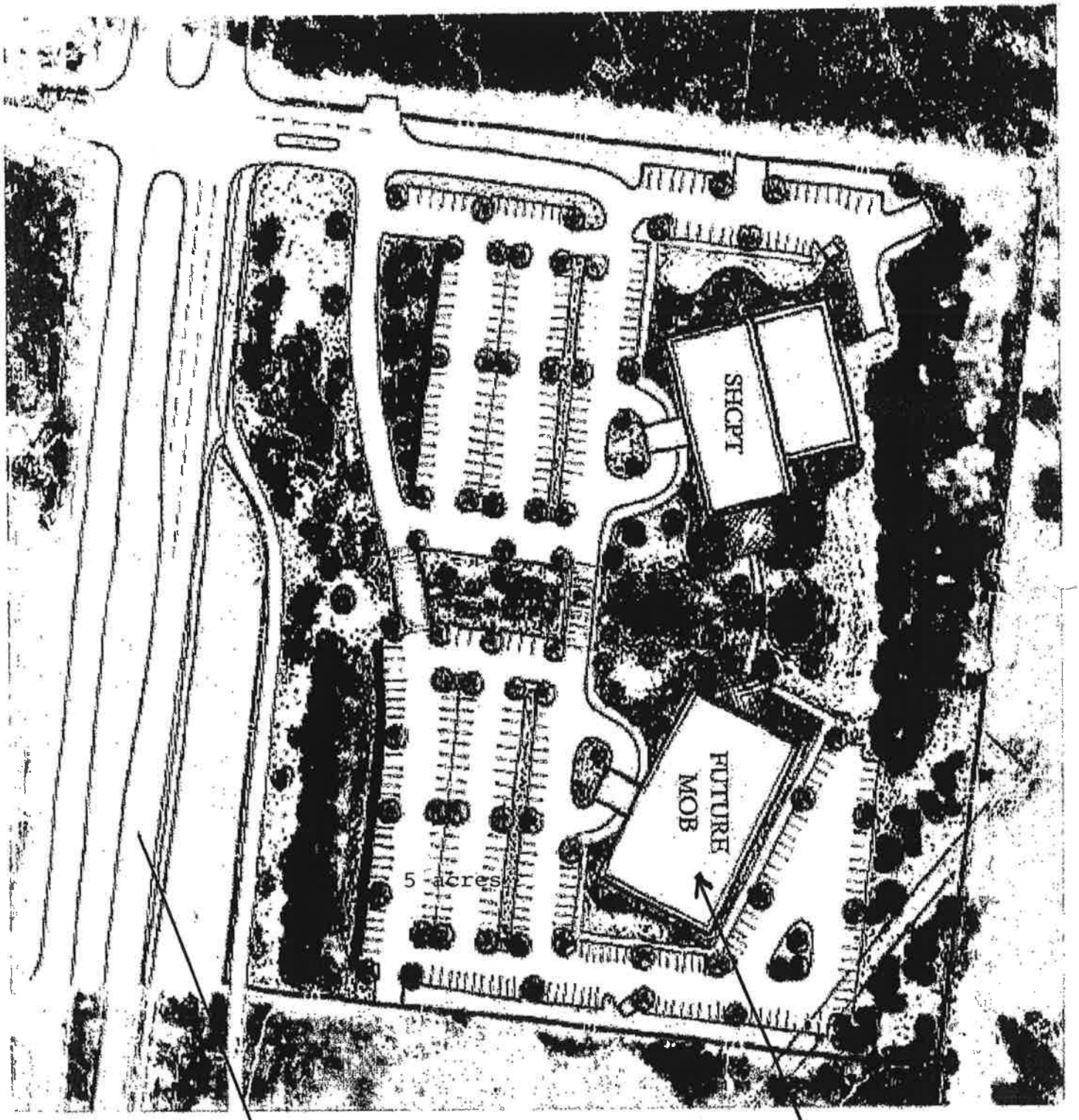
A-6B(1)a-d

Plot Plan

Google Maps Williamson Medical Center



Map data ©2016 Google 200 ft

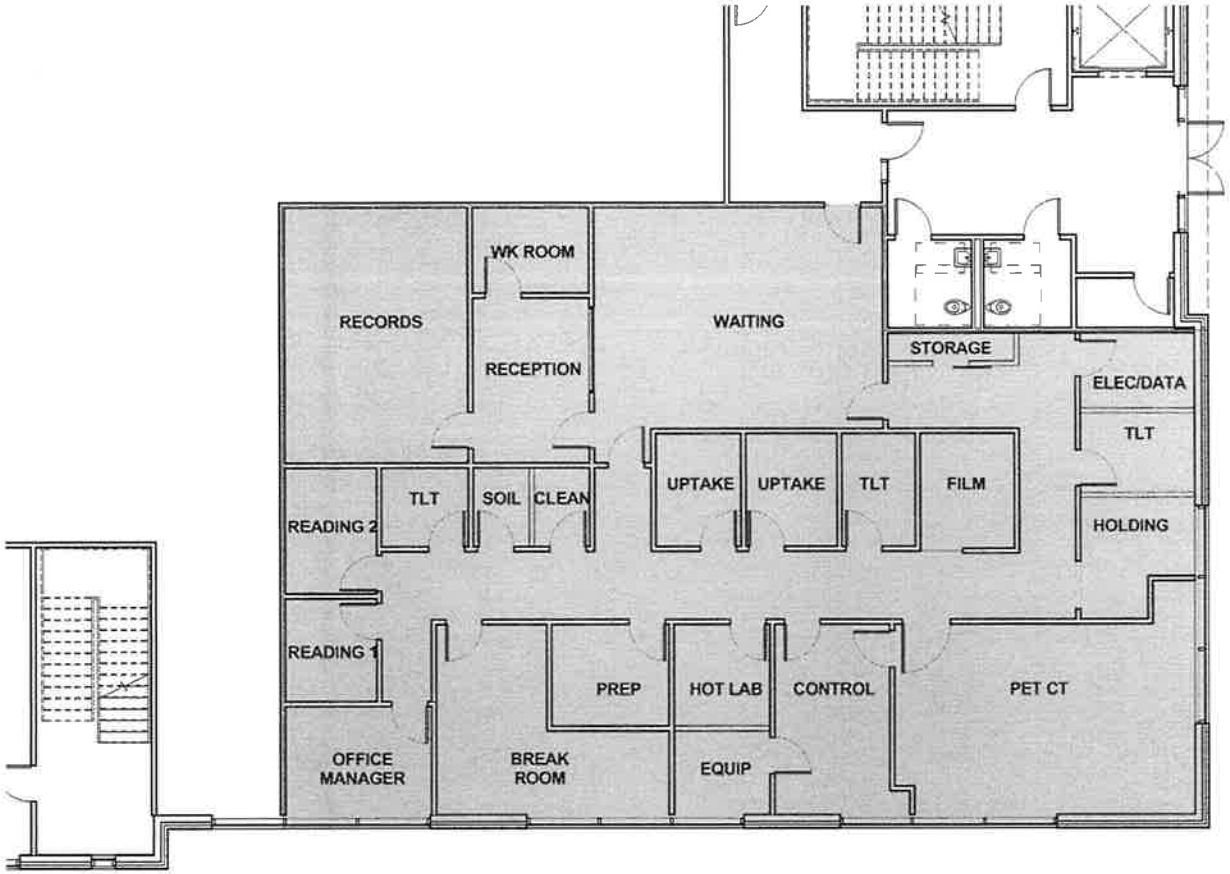


CAROTHERS PARKWAY

FRANKLIN PET SCAN CENTER
5.0 Acres

A-6B(2)

Floor Plans



Franklin PET Scan Center and ODC

Franklin PET Scan Center and ODC

A-6B(3)

Description of Accessibility

8:00	8:03	8:04	8:06	8:10	8:12	8:14	8:15	8:17	8:19	8:20	8:21	8:23	8:25	8:26	8:26	8:27	8:28	8:30	8:32	8:32	8:38	8:40	8:41	8:43	8:48	8:49	8:50	8:52	8:55
9:00	9:03	9:04	9:06	9:10	9:12	9:14	9:15	9:17	9:19	9:20	9:21	9:23	9:25	9:26	9:26	9:27	9:28	9:30	9:32	9:32	9:38	9:40	9:41	9:43	9:48	9:49	9:50	9:52	9:55
10:00	10:03	10:04	10:06	10:10	10:12	10:14	10:15	10:17	10:19	10:20	10:21	10:23	10:25	10:26	10:26	10:27	10:28	10:30	10:32	10:32	10:38	10:40	10:41	10:43	10:48	10:49	10:50	10:52	10:55
11:00	11:03	11:04	11:06	11:10	11:12	11:14	11:15	11:17	11:19	11:20	11:21	11:23	11:25	11:26	11:26	11:27	11:28	11:30	11:32	11:32	11:38	11:40	11:41	11:43	11:48	11:49	11:50	11:52	11:55
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3:00	3:03	3:04	3:06	3:10	3:12	3:14	3:15	3:17	3:19	3:20	3:21	3:23	3:25	3:26	3:26	3:27	3:28	3:30	3:32	3:32	3:38	3:40	3:41	3:43	3:48	3:49	3:50	3:52	3:55
4:00	4:03	4:04	4:06	4:10	4:12	4:14	4:15	4:17	4:19	4:20	4:21	4:23	4:25	4:26	4:26	4:27	4:28	4:30	4:32	4:32	4:38	4:40	4:41	4:43	4:48	4:49	4:50	4:52	4:55

Route Begins and Ends at the Factory. This is the Transfer Point to all other Routes. Downtown to Factory, Stops 58, 59 & 60.

East Bound Route — Monday - Friday 7:00 - 6:00 & Saturday 9:00 - 6:00

1	2	3	4	5	6	7	8	91	92	36	9	10	11	18	19	20	21	42	22	23	24	25	26	27	28	29	1
Factory	Sycamore & Cedar	Sycamore & Ash	Liberty & Chestnut	Liberty & Fleetwood	Liberty & Eagles Glen	Liberty & Liberty Hills	Liberty & Stonebrook Clothier	Vista Cove Apartments Apts	Royal Oaks Apts.	Williamson Medical Center	Williamson HS	Walmart	Mallory & Frazier	Cathedral Food Court	Mallory & Mallory Clothier	Mallory & Mallory Clothier	Franklin Apts. & Vil. Mill Town	Tribute Tennis	Mallory & South	Mallory & Liberty	Mallory & Stonebrook	Liberty & Liberty Hills	Liberty & Eagles Glen	Liberty & Fleetwood	Liberty & Chestnut	Ash & Sycamore	Factory
7:00	7:03	7:04	7:05	7:08	7:10	7:11	7:12	7:14	7:15	7:20	7:24	7:26	7:28	7:32	7:35	7:37	7:39	7:40	7:45	7:47	7:49	7:50	7:51	7:52	7:57	7:53	7:55
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2:00	2:03	2:04	2:05	2:08	2:10	2:11	2:12	2:14	2:15	2:20	2:24	2:26	2:28	2:32	2:35	2:37	2:39	2:40	2:45	2:47	2:49	2:50	2:51	2:52	2:57	2:53	2:55
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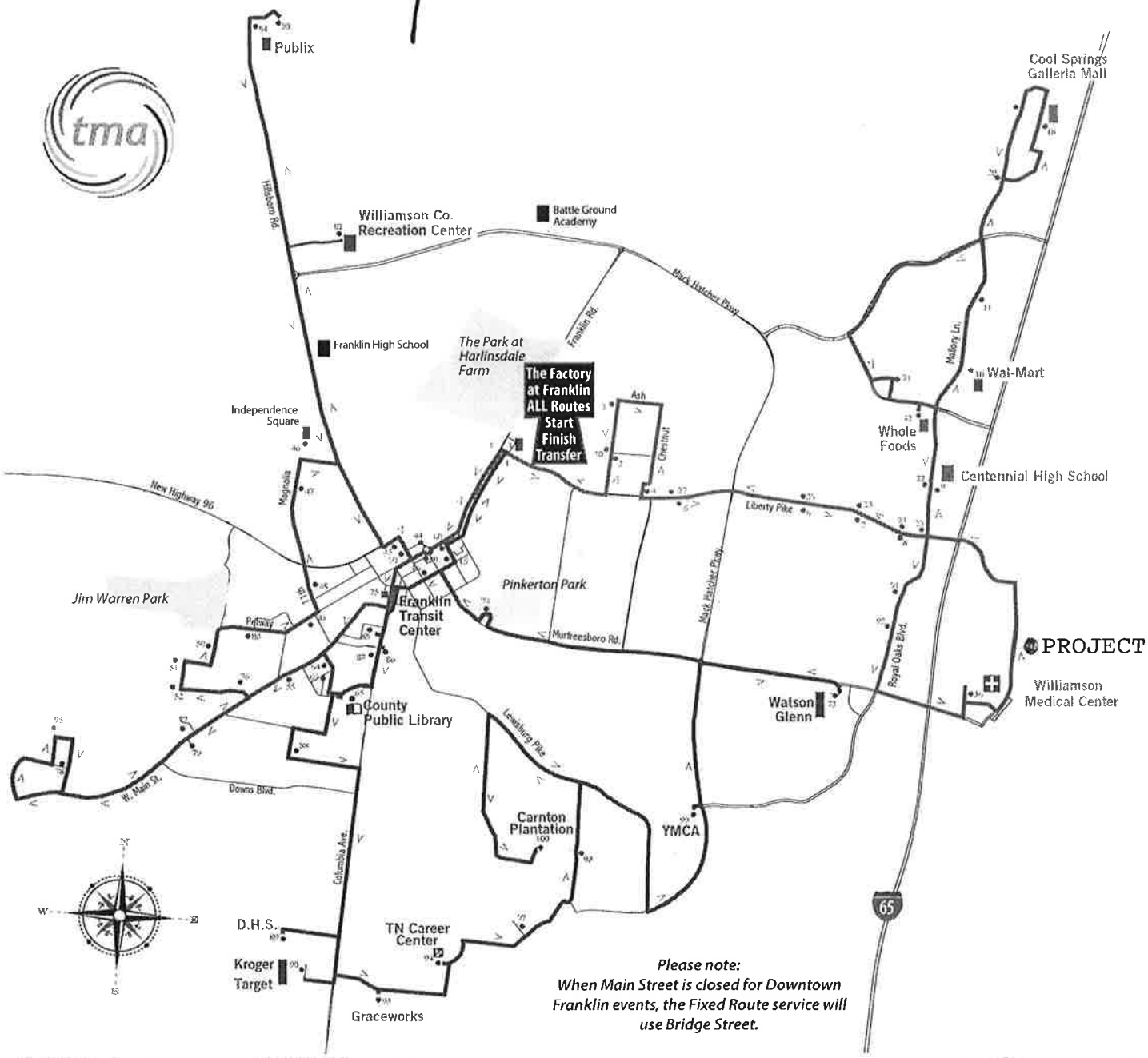
Route Begins and Ends at the Factory. This is the Transfer Point to all other Routes.



Please note:
When Main Street is closed for Downtown Franklin events, the Fixed Route service will use Bridge Street.

South Bound Route — Monday - Friday 8:00 - 4:00

1	15	16	75	85	86	87	65	88	89	90	93	94	97	98	100	99	73	74	15	1
Factory	2nd Ave & Church St.	4th Ave & Church St.	Transit Center	Place Parking Lot	Vil. Fowlkes Lutz Home	Historic Carter House	Public Library	Cannon & Fairgrounds	D.H.S. @ Beasley Dr.	Parkway Commons Shopping Center	Graceworks @ Sil Parkway	Mack Dr. @ Carver Center	Johnson St. & Polk Pl.	Yarnamb @ Carters Park Dr.	Historic Carter Plantation	Franklin YMCA	Watson Glen Shopping Center	Pinkerton Park	2nd Ave & Church St.	Factory
8:00	8:03	8:04	8:06	8:08	8:10	8:11	8:12	8:14	8:16	8:20	8:25	8:27	8:28	8:29	8:36	8:41	8:46	8:52	8:56	9:00

FRANKLIN

Table B-Need-State Plan-2:
Franklin PET Scan Center (FPSC)
Service Area Accessibility to FPSC and to Closest Existing Similar Services

Service Area County and Principal City		To Proposed FPSC Fixed PET in Williamson County (Same for Williamson Med Center ***Mobile*** PET) (1 day/week)		To Tennessee Oncology PLLC PET in Davidson County		To Tennessee PET Scan Center (TN Oncology) in Rutherford County		To Imaging Alliance (TN Oncology) PET in Davidson County		To Centennial PET in Davidson County		To Premier Radiology PET in Davidson County	
County	***Principal City***	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**
Dickson	*Dickson*	47.7	50 min.	39.7	52 min.	67.7	64 min.	37.0	61 min.	39.7	52 min.	52.1	70 min.
Giles	*Pulaski*	55.9	54 min.	74.2	78 min.	81.1	91 min.	75.1	78 min.	78.9	99 min.	78.7	96 min.
Hickman	*Centerville*	54.6	60 min.	58.8	71 min.	75.3	79 min.	57.4	66 min.	58.7	71 min.	61.1	69 min.
Lawrence	*Lawrenceburg*	64.2	73 min.	82.5	95 min.	95.5	98min.	94.0	103 min.	93.3	106 min.	93.1	104 min.
Lincoln	*Fayetteville*	71.3	67 min.	81.6	94 min.	68.9	86 min.	82.6	96 min.	81.8	100 min.	81.7	97 min.
Marshall	*Lewisburg*	37.7	40 min.	55.9	63 min.	41.3	65 min.	56.9	65 min.	59.1	78 min.	59.0	75 min.
Maury	*Columbia*	28.1	33 min.	46.4	57 min.	49.8	75 min.	48.4	58 min.	48.1	57 min.	47.5	59 min.
Rutherford	*Murfreesboro*	29.1	37 min.	35.4	40 min.	2.9	8 min.	36.8	43 min.	34.8	41 min.	34.3	39 min.
Williamson	*Franklin*	3.5	10 min.	21.9	34 min.	35.2	42 min.	16.0	34 mi.	20.3	40 min.	21.9	38 min.

Service Area County and Principal City		To VUMC PET in Davidson County		To Maury Regional ***Mobile*** PET (2 days/week) in Maury County	
County	***Principal City***	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**
Dickson	*Dickson*	42.8	54 min.	41.2	59 min.
Giles	*Pulaski*	73.4	78 min.	30.7	42 min.
Hickman	*Centerville*	58.9	82 min.	29.5	39 min.
Lawrence	*Lawrenceburg*	93.2	106 min.	34.0	47 min.
Lincoln	*Fayetteville*	88.7	91 min.	55.1	59 min.
Marshall	*Lewisburg*	59.0	76 min.	21.3	32 min.
Maury	*Columbia*	46.6	59 min.	2.0	6 min.
Rutherford	*Murfreesboro*	34.5	41 min.	51.6	59 min.
Williamson	*Franklin*	21.0	37 min.	32.0	45 min.

Shaded drive times exceed times to the proposed project.

ADDRESSES OF PET SERVICES
FPSC: Physicians Way at Carothers Parkway, Franklin 37067
Tennessee Oncology: 2018 Murphy Ave Suite 200, Nashville 37203
TN Pet Scan Center: 1840 Medical Center Parkway, Murfreesboro 37129
Imaging Alliance: 52 White Bridge Road, Nashville 37203
Centennial Med Center: 2300 Patterson Street, Nashville 37203
Premier Radiology: 300 20th Ave North, Suite 202, Nashville 37203
Vanderbilt Med Center: 1211 Medical Center Drive, Nashville 37232
Maury Regional Medical Center: 1224 Trotwood Ave, Columbia 38401

Source: Google Maps.

A-13B

Major Medical Equipment
Quotes / Leases

Service - Franklin Estimate

Support Summary

GE Healthcare

AGREEMENT# ____ BILLING ACCOUNT# 357665 QUOTE# 138785778

Customer Information: Name: TENNESSEE ONCOLOGY PLLC
Address: 300 20TH AVE N STE 301
City: NASHVILLE State: TN Zip: 37203

Is the above address the correct billing address for this Agreement? ☑ Yes ☐ No If no, please provide the correct billing address below:

Customer Billing Information: Name: ____
Address: ____
City: ____ State: ____ Zip: ____

Please provide the contact name and email address of the following person(s):

	Contact Name:	Email address:
1. To be notified when this Agreement is processed:	Tammy Versluis	tversluis@tnonc.com
2. To receive all invoices electronically via email:		

The support and prices set forth below are valid provided the Customer signs and returns this Support Summary to GE Healthcare by 10/30/15.

TERM: The term of this Agreement is 84 months, commencing on the LATER OF: (a) 1/1/2016 (month/day/year) if Customer signs and returns this Agreement within fifteen (15) calendar days of the aforementioned date; or (b) the date of signature below if Customer does not sign and return this Agreement within fifteen (15) calendar days of the aforementioned date ("Commencement Date")

ANNUAL NORMAL FIXED CHARGES. See Schedule A for annual charges and start dates for each item of equipment. Charges are based on equipment inventory and coverage levels as of the Agreement start date and are subject to change to reflect inventory and coverage modifications, variable charges and other adjustments as specified in this Agreement

PAYMENT PERIODS: Monthly - AdvanceNormal Fixed Charges are payablein advance in 84 installments as follows. **(1-84, $2,388.00)**

The following payments have non-date effective dates, and are NOT included in the previous payment stream:

$14,551.33 Monthly - Advance, Effective at End of Warranty

$12,938.08 Monthly - Advance, Effective at End of Warranty, plus applicable taxes and subject to adjustment as provided in the Agreement. The above is for illustrative purposes only and may change based upon additions or deletions to covered equipment inventory, inflation adjustments or other modifications permitted by this Agreement. You will be billed for Services beginning with the Commencement Date. Payment will be due the first of each month. If the Commencement Date is not the first of the month, the first and last payments will be prorated accordingly. This may increase the total number of installment payments by one (1), but will not increase the total Normal Fixed Charges.

EQUIPMENT COVERAGE: See Schedule(s) attached to this Support Summary for the description of the equipment, Service coverage and hours, and equipment-specific prices applicable to this Support Summary.

AGREEMENT: This Agreement (as defined below) is by and between the "Customer" and the GE Healthcare business ("GE Healthcare"), each as identified herein "Agreement" is defined as the GE Healthcare (1) Support Summary, (2) Schedule(s) referred to herein that identifies the equipment as well as the Service offerings purchased by Customer, (3) the applicable Statement(s) of Service Deliverables for such Service offerings, (4) the Service Terms and Conditions and (5) the General Terms and Conditions. In the event of conflict among the foregoing items, the order of precedence is as listed above. This Agreement constitutes the complete and final agreement of the parties relating to GE Healthcare's delivery of the Services identified in this Support Summary. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or other forms, or elsewhere, shall be binding unless hereafter agreed to in writing and signed by authorized representatives of both parties. By signing below, each party certifies that it has not made any handwritten or electronic modifications. Such modifications to this Agreement (except signatures in the signature blocks and providing information as requested in the highlighted areas of this Support Summary) will be void. This Agreement is not tied to an umbrella purchasing agreement or other group purchasing agreement unless expressly indicated.

Electronic Funds Transfer Authorized? ☐ Yes ☑ No

PAYMENT TERMS: Payment is due within thirty (30) days of invoice date.

PURCHASE ORDER: Is a purchase order required for proper payment of this Agreement? ☐ Yes ☑ No

PO# ____ (please attach copy) PO Expiration Date ____

Each party has caused this Agreement to be signed by its authorized representative on the date set forth below.

CUSTOMER	GE HEALTHCARE
Signature: Warren W Alexander	Signature: ____
Print Name: Warren W. Alexander	Print Name: ____
Title: CRO	Title: ____
Date: 10/14/15	Date: ____
	Prepared By: Mike De Pons

Franklin PET Estimate - Discovery IQ PET/CT service $14,135 mo.

GE Capital

September 7, 2016

Mr. Ron Horowitz
Tennessee Oncology
300 20th Avenue North
Nashville, TN 37211

Dear Mr. Horowitz:

GE Healthcare Financial Services, a component of GE HFS, LLC ("GEHFS"), is pleased to submit the following proposal:

Contract Description:	True lease of equipment.
Lessor:	GE HFS, LLC, or one or more of its affiliates and/or assigns.
Lessee:	Tennessee Oncology, PLLC
Equipment Description:	GE Discovery IQ 3 Ring PETCT
Equipment Cost:	$1,219,821.52
Term and Rental Payment Amount:	60 payments at $19,372.00 per month in Arrears, plus applicable taxes.
Lease Rate on Equipment Cost:	-2.88% Note: The lease rate and rental payment amounts have been calculated based on the Swap Rate (as defined below) and an assumption that, at the time of funding, the Swap Rate will be 1.23%. GEHFS reserves the right to adjust the lease rate and rental payment amounts if this is not the case, and/or if the lease commences after December 31, 2016, and/or for other changes in market conditions as determined by GEHFS in its sole discretion. As used herein, "Swap Rate" means the interest rate for swaps that most closely approximates the initial term of the lease as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 entitled "Selected Interest Rates" currently available online at http://www.federalreserve.gov/releases/h15/update/ or such other nationally recognized reporting source or publication as GEHFS may specify.
End of Lease Options:	Lessee shall, at its option, either purchase all (but not less than all) of the Equipment for its then fair market value, plus applicable taxes or return the Equipment to GEHFS.
Advance Rent:	No payment due with signed contract.
Documentation Fee:	A documentation fee of $Waived will be charged to Lessee to cover document preparation, document transmittal, credit write-ups, lien searches and lien filing fees. The documentation fee is due upon Lessee's acceptance of this proposal and is non-refundable. This fee is based on execution of our standard documents substantially in the form submitted by us. In the event significant revisions are made to our documents at your request or at the request of your legal counsel or your landlord or mortgagee or their counsel, the documentation fee will be adjusted accordingly to cover our additional costs and expenses.
Required Credit Information:	1. Two years fiscal year end audited/un-audited financial statements and comparative interim statements; or tax returns and business plan. 2. Such additional information as may be required.
Proposal Expiration:	This proposal and all of its terms shall expire within 30 days upon approval of CON.

The summary of proposed terms and conditions set forth in this proposal is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed herein would be subject to future negotiations. Moreover, by signing the proposal, the parties acknowledge that: (i) this proposal is not a binding commitment on the part of any person to provide or arrange for financing on the terms and conditions set forth herein or otherwise; (ii) any such commitment on the part of GEHFS would be in a separate written instrument signed by GEHFS following satisfactory completion of GEHFS' due diligence, internal review and approval process (which approvals have not yet been sought or obtained); (iii) this proposal supersedes any and all discussions and understandings, written or oral between or among GEHFS and any other person as to the subject matter hereof; and (iv) GEHFS may, at any level of its approval process, decline any further consideration of the proposed financing and terminate its credit review process. Lessee hereby acknowledges and agrees that GEHFS reserves the right to syndicate (via a referral, an assignment or a participation) all or a portion of the proposed transaction to one or more banks, leasing or finance companies or financial institutions (a "Financing Party"). In the event GEHFS elects to so syndicate all or a portion of the proposed transaction (whether before or after any credit approval of the proposed transaction by GEHFS) and is unable to effect such syndication on terms satisfactory to Lessee and/or GEHFS, GEHFS may, in its discretion, decline to enter into, and/or decline any further consideration of, the proposed financing. Lessee hereby further acknowledges and agrees that, in connection with any such syndication, GEHFS may make available to one or more Financing Parties any and all information provided by or on behalf of Lessee to GEHFS (including, without limitation, any third party credit report(s) provided to or obtained by GEHFS).

Except as required by law, neither this proposal nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed transaction and then only on the condition that such matters may not be further disclosed. Nothing herein is to be construed as constituting tax, accounting or legal advice by GEHFS to any person.

You hereby authorize GEHFS to file in any jurisdiction as GEHFS deems necessary any initial Uniform Commercial Code financing statements that identify the Equipment or any other assets subject to the proposed financing described herein. If for any reason the proposed transaction is not approved, upon your satisfaction in full of all obligations to GEHFS, GEHFS will cause the termination of such financing statements. You acknowledge and agree that the execution of this proposal and the filing by GEHFS of such financing statements in no way obligates GEHFS to provide the financing described herein. By signing below, you hereby consent to and authorize GEHFS to perform all background, credit, judgment, lien and other checks and searches as GEHFS deems appropriate in its sole credit judgment.

We look forward to your early review and response. If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at 615-854-3687.

Sincerely yours,

Don Diffendorf

Donald Diffendorf
Vice President
GE Healthcare Financial Services,
a component of GE HFS, LLC

Acknowledged and Accepted:

_____
(Legal Name)

By:_____

Title:_____

Date:_____

Fed. ID #:_____

GE Healthcare

Service Quotation

AGREEMENT# ____ **BILLING ACCOUNT#** 357665 **QUOTATION ID#** CF29896

Customer Information:
Name: TENNESSEE ONCOLOGY PLLC
Address: 300 20TH AVE N STE 301
City: NASHVILLE State: TN Zip: 37203

Is the above address the correct billing address for this Agreement? ☐ Yes ☐ No If no, please provide the correct billing address below:

Customer Billing Information:
Name: ____
Address: ____
City: ____ State: ____ Zip: ____

Please provide the contact name and email address of the following person(s):

	Contact Name:	Email address:
1. To be notified when this Agreement is processed:		
2. To receive all invoices electronically via email:		

Term: 60 months **Agreement Start Date**:** End of Warranty
Billing Frequency: Monthly - Advance
Payment Schedule*:**
The following payments have non-date effective dates:
$12,939.58 Monthly - Advance, Effective at End of Warranty
Payment Terms: Net 30 days of invoice date **Quotation Expiration Date:** September 30, 2016
Electronic Funds Transfer Authorized: ☐ Yes ☐ No **PO Requirement:** ☐ Yes ☐ No
PO #: ____ PO Expiration Date: ____

Service Sales Rep.: taylor bender
Email: taylor.bender@ge.com
Phone: 262-289-7498

****AGREEMENT START DATE:** The "Agreement Start Date" begins on: (a) the above date if Customer signs and returns this Agreement within 15 calendar days of that date; or (b) the date of signature if Customer does not sign and return this Agreement within 15 calendar days of the above date.

ANNUAL CHARGES: See Product Schedule for annual charges, offerings, coverage, and start dates for each item of equipment. Charges are based on Product inventory, offerings, and coverage as of the Agreement Start Date and may change to reflect inventory and coverage modifications, variable charges and other adjustments as specified in this Agreement.

*****PAYMENT SCHEDULE:** Charges are payable in installments as set forth above plus applicable taxes. These charges may change based on Product additions/deletions, inflation adjustments or other modifications permitted by this Agreement. Customer will be billed beginning on the Agreement Start Date. Payment is due the first of each month. If the Agreement Start Date is not the first of the month, the first and last payments will be prorated.

PRODUCT REMOVAL: Products sold (excluding an assignment of this Agreement) or scrapped by Customer may be removed from this Agreement with 60 days' prior written notice to GE Healthcare, and fees will be adjusted on the later of the end of the notice period or the date the Product is sold or scrapped. Customer has no right to remove a Product at its convenience.

AGREEMENT: This Agreement is between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified below, for the sale and purchase of the Services identified in this Quotation, together with any applicable schedules referred to herein ("Quotation"). "Agreement" is defined as this Quotation and the GE Healthcare Terms and Conditions and Product Schedule that apply to the Products and/or Services identified in this Quotation. In the event of conflict, the Quotation supersedes. GE Healthcare can withdraw this Quotation at any time before Customer: (i) signs and returns this Quotation or (ii) provides evidence of Quotation acceptance satisfactory to GE Healthcare ("Quotation Acceptance"). On Quotation Acceptance, this Agreement is the complete and final agreement of the parties relating to the Services identified in this Quotation. There is no reliance on any terms other than those expressly stated or incorporated by reference in this Agreement and, except as permitted in this Agreement, no attempt to modify will be binding unless agreed to in writing by the parties. Modifications may result in additional fees and cannot be made without GE Healthcare's prior written consent.

Handwritten or electronic modifications on this Agreement (except signatures on the signature blocks below) are void. This Agreement is not part of an umbrella or other group purchasing agreement unless otherwise indicated.

The parties have caused this Agreement to be executed by their authorized representative as of the last signature date below.

Customer Legal Entity Name

Signature: ____
Print Name: ____
Title: ____
Date: ____

General Electric Company, through its division, GE Healthcare

Signature: taylor bender
Title: Healthcare Services Account Manager
Date: 9/7/2016

Schedule A
Quote ID: CF29896

TENNESSEE ONCOLOGY PLLC

Support and prices quoted below are valid provided the customer signs and returns this quote to GE Healthcare by 9/30/2016

Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Annual Amount
System ID: TBD DISCOVERY IQ Phy Loc Acct: 357665	ADD POS	GE PET DISCOVERY IQ - 3 ring (P#3CC3)	End of Warranty	AssurePoint Performance	INCLUDED: ▯ DQA Imaging Phantom ▯ ILINQ RESPONSE TIME: 30 MIN. ▯ SYSTEM AND TUBE COVERAGE: 0003001-0005000 Patients ▯ InSite Onwatch ▯ iCenter EXCLUDED: ▯ MOBILE UNIT ▯ PERIPHERAL DEVICES ▯ Printers ▯ UNINTERRUPTED POWER SUPPLY ▯ WORKSTATION	▯ FE Coverage Weekdays: MON-FRI, 8AM-9PM ▯ FE Coverage Weekend: NO COVERAGE HRS ▯ FE Onsite Response Time: 4-Hours ▯ InSite/Tech Phone Support ▯ PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM ▯ Repair Parts: Included, Next Day 10:30 AM LST-PET ▯ Software Upgrades and Updates: Software and Quality Updates ▯ TiP Answer Line ▯ TiP-Ed Online(TV) Subscription ▯ Uptime Commitment: 97% ▯ TiP Accredit Physicist Support: Excluded ▯ TiP Succeed Lifecycle Program: LCYCLE-4D	$155,275

NET ANNUAL VALUE:	$155,275

Customer:

Approved By: _____ Title: _____

Signature: _____ Date: _____

GE Healthcare:

Approved By: _____ Title: _____

Signature: _____ Date: _____

PURCHASE QUOTE

GE Healthcare

Date:	10-26-2015
Quote #:	PR10-C55309
Version #:	4

Total Quote Selling Price	**$1,219,821.52**
Trade-In and Other Credits	$0.00
Total Quote Net Selling Price	**$1,219,821.52**

To Accept this Quotation

Please sign and return this Quotation together with your Purchase Order To:
Bryan Fondrie
Office: +1 262 352 1354
Mobile: 262-352-1354
Email: Bryan.Fondrie@ge.com
Fax: 414-918-8543

Payment Instructions

Please **Remit** Payment for invoices associated with this quotation to:
GE Healthcare
P.O. Box 96483
Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate, your form of payment.
- If you include the purchase order, please make sure it references the following information
  - The correct Quote number and version number above
  - The correct Remit To information as indicated in **"Payment Instructions"** above
  - The correct SHIP TO site name and address
  - The correct BILL TO site name and address
  - The correct Total Quote Net Selling Price as indicated above

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General Electric Company, GE Healthcare Division

GE Healthcare

Date:	10-26-2015
Quote #:	PR10-C55309
Version #:	4

10-26-2015

GPO Agreement Reference Information

Customer:	Bill Alexander
Contract Number:	PLEASE SEE MEDASSETS CONTRACT # BELOW
Start Date:	
End Date:	07/31/2019
Billing Terms:	80% on Delivery/ 20% on Acceptance or First Patient Use
Payment Terms:	Upon Receipt
Shipping Terms:	FOB Destination

NOTICE REGARDING COMPUTED TOMOGRAPHY ("CT") PRODUCTS. This notice applies only to the following GE Healthcare products: CT: Revolution CT and EVO, Optima 680 CT and Optima 520 CT. GE Healthcare has reclassified several advanced software tools and associated documentation to a GE Healthcare Technical Service Technology package that GE Healthcare feels will bring greater value and interest to our customers. GE Healthcare will continue to provide trained Customer employees with access to the GE Healthcare Technical Service Technology package under a separate agreement. GE Healthcare will continue to provide customers and their third party service providers with access to software tools and associated documentation in order to perform basic service on the CT, MR and NM products listed above upon a request for registration for such access. This will allow GE Healthcare to react faster to the future service needs of GE Healthcare customers. If you have any questions, you can contact your sales Service Specialist.

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General Electric Company, GE Healthcare Division

GE Healthcare

Date: 10-26-2015
Quote #: PR10-C55309
Version #: 4

Item No.	Qty	Catalog No.	Description
	1		**Discovery IQ**
1	1	S9215CM	Discovery*IQ is the next evolution in whole body PET/CT platform, bringing clinically-relevant innovations in an evolutionary platform designed to open doors to new and advanced procedure possibilities in a non-invasive diagnostic imaging. Many of the subsystems have been reimagined to bring advances in quantitative PET imaging, managing patient breathing and cardiac movement, PET and CT iterative reconstruction technologies, and workflow efficiency. Discovery IQ platform introduces LightBurst, a reimagined PET detector, designed for optimal detection efficiency and clinical versatility. T new LightBurst PET detector sensitivity and NECR properties are optimized to perform low and high count rate PET/CT imaging thus potentially allowing faster acquisition time and/or lower injected PET dose. LightBurst also features an advanced integration acquisition channels technology, which greatly improves the count rate accuracy allowing more accurate PET quantitative measurements for all tracers including Ga68, F18, C11, Rb82. The Discovery IQ consists of an integrated gantry containing: o an Optima CT540 designed around a 24 rows and 20mm coverage CT detector and a 6.3MHU anode heat storage capacity tube assembly technology. Discovery IQ meets MITA XR-29-2013 Smart Dose Standards. o a LightBurst PET detector composed of 3 PET rings with integrated Dual energy acquisition electronics. The LightBurst detector is designed to grow with your clinical and research needs. I is field upgradable to up to a 5 rings detector assembly offering premium sensitivity performances. o a scalable PET iterative reconstruction system o a Discovery IQ operator console featuring in standard, the following advanced workflow solutions: RadRx patient study prescription; Q.Check a PET data Quantitative integrity check. o a patient imaging table with one head holder, patient security straps and comfort accessories. Quantitative Imaging o Q.Temp - Individual temperature sensor and gain adjustment for each QUAD-Photomultiplier enabling PET acquisition quantitation accuracy. o Dual integration acquisition channels - simultaneous acquisition greatly improves count rate accuracy o Q.Check - User configurable data Integrity check that can help ensure parameters important for quantitative imaging are saved in the patient DICOM data prior to being sent to the network for analysis and/or archiving. Now includes blood glucose level,

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Item No.	Qty	Catalog No.	Description
			date of last therapy, and ability to note whether patient is diabetic.
			o Q.Prep Prospective Reconstruction o VUE Point HD utilizes a fully 3D iterative reconstruction technique with all corrections within the loop, enhanced resolution with detector geometry modeling, model-based 3D scatter correction inside and scatter estimation outside the field of view, exclusive randoms corrections based on singles and dead-time correction with pile-up estimates providing high image quality and patient throughput. o WideView - PET reconstructed transaxial Field of View coverage of 70cm diameter with CT based PET attenuation correction and CT wide-FOV Display. Motion Management Motion Management tools enable the reduction of motion artifacts caused by patient breathing and cardiac movement by acquiring motion information during the scan and incorporating it into motion related PET/CT applications. o RAD Rx Variable CT protocols within same exam including Average Cine CT for improved attenuation correction o VIP replay provides integrated list mode processing for generating a variety of scan types (static, dynamic, gated - PET gated option needed) from a single acquisition.
			Cardiac, Gating & Advance Acquisitions: o PET Cardiac Acquisition o PET Cardiac VUE o PET Gating o PET Dynamic Acquisition Power Management o Energy Save Mode - Place the console, PET computers, and PET gantry into a sleep mode such that non-essential electronics minimize energy usage and heat generation resulting in electrici savings for the facility. Calibration and Daily Quality Control Daily Quality Assurance at the start of the scanning day is quick and efficient. A simple protocol launches the DQA procedure, which takes less than 10 minutes and provides you with a daily report. CT Features The Discovery IQ platform can be operated as a standalone CT scanner (without gantry tilt). It offers exceptional power, remarkable speed, high-resolution/low-dose imaging, and full diagnostic capabilities. The Discovery IQ includes the Optima CT540 that can perform a wide variety of clinical applications not requiring gantry tilt and has t following features. Technology o 0.625mm FWHM at Helical: Helical reconstruction technologies, crossbeam correction, conjugate ray interpolation and hyper plane helical reconstruction with alpha smoothing method allow "Scan Thin 0.625mm, and Recon Thin 0.625mm". o Advanced metal artifact and contrast media artifact reduction
			o Tube Unit Assembly with Maximum X-ray heat content: 7.4MJ (10 MHU). Design optimized for exams requiring a large number of scans and less tube cooling. Anode Heat Storage Capacity: 6.3MHU. Heat Dissipation: Anode (max) 840KHU/min o 53.2kW generator power equivalent to 66kW considering the short gantry geometry (94.9cm Tube to detector distance) X-ray efficiency. o Volara Digital DAS, Data Acquisition System, with an increased sampling rate of up to 20% and noise reduction up to 33%, enabling outstanding image quality in signal-starved areas (shoulder, hip, large patient, metal). o Beam Tracking provides real-time X-ray follow-up, enabling high

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Item No.	Qty	Catalog No.	Description
			spatial resolution with no post-patient collimation and no dose penalty. Dose Management o Volumetric Image Space Reconstruction (VISR) provides a 3D filter that reduces noise without compromising resolution, for clear visualization of brain, tumor, and pediatric cases. With the VISR 3D filter, the scanner delivers up to 20% image quality improvement at the same dose, or the same image quality with up to 36% dose reduction.* (*) In clinical practice, the use of VISR may reduce CT patient dose depending on the clinical task, patient size, anatomical location and clinical practice. A consultation with a radiologist and a physicist should be made to determine the appropriate dose to obtain diagnostic image quality for the particular clinical task. When ASiR (option) is installed, Neuro filter (ViSR) will be disabled o 3D mA modulation acquisitions may reduce modulation is designed to optimize the dose for the user prescribed noise index. Its effect on dose depends on the patient body habitus, and prescribed noise setting. o ECG Dose Modulation: prospective ECG dose modulation automatically adjusts the mA to reduce dose during systolic phases of the cardiac cycle. o Pediatric scan protocols based on the Broselow-LutenTM Pediatric System. This Color Coding system is incorporated into the protocol selection on the operator's console and is designed to facilitate pediatric emergency care and reduce medical errors • Dose report: In conjunction with prospective display of CTDIvol, DLP and dose efficiency, dos report helps clinicians reach ALARA dose, and keep track of it. Report is available in both DICOM secondary capture and structured report format. • Dose Check: Provides the user tools to guide dose given in clinical practice and is based on the standard XR-25-2010 published by The Association of Electrical and Medical Imaging Equipment Manufacturers (NEMA). Dose Check provides the following: Checking against a Notification Value if the estimated dose for the scan is above your site typical dose value, checking against an Alert Value where the user needs specific authority to continue the scan at the current estimated dose without changing the scan parameters, defining Alert Values for Adult and Pediatric with age threshold, audit logging and review, protocol change control PET/CT Operators Console o Fully integrated PET and CT user interface o Direct Multi Planar Reformat delivers automated axial, sagittal, and coronal reconstruction with excellent image quality for PET and CT images of the patient data being acquired. Direct3D TM automatically builds 3D models during axial image reconstruction. o Volume Viewer: Environment for 3D processing of any CT, MR, 3D X-ray, and Pet/CT dataset. It provides exceptional tools for analysis, segmentation, measurements, annotation, filming, and exporting of clinically relevant images. Volume Viewer seamlessly combines anatomical image review with PET quantitative measurement capabilities such as SUV. o Freedom Workspace: Innovative hardware and software creates a convenient,

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General Electric Company, GE Healthcare Division

Item No.	Qty	Catalog No.	Description
			ergonomic working environment. It offers sit/stand and horizontal/vertical monitor flexibility. It can help reduce noise and heat with remote location of the console. o Two 19 -inch diagonal width high-resolution color monitors for image display, analysis, processing, and management of PET, CT, and PET/CT images. o Three button mouse with mouse pad o ImageWorks provides instant access to advanced image processing features such as CT Perfusion 4, Advanced Vessel Analysis, CardIQ Xpress Pro or Plus, AutoBone and DentaScan PET/CT Service Features Each system is supported by GE's InSite remote diagnostics, iLinq, and TiP Virtual Assist. InSite broadband - all hardware and software required to remotely connect this PET/CT system to GE's InSite On-Line Center via secure VPN high-speed Internet connections. Enables access to services designed to reduce downtime, improve quality, enhance performance, increase productivity, and expand imaging capabilities. * Trademark of General Electric Company.
2	1	P5051TE	Standard length cable set for Discovery PETCT 16sl products
3	1	S9220DE	Advanced workflow scanning package includes: o Dynamic acquisition and review options o ConnectPro HIS/RIS Interface o AW Server client Discovery IQ Dynamic acquisition and analysis tools for quantitative analysis of PET dynamic, static and gated series data. The Dynamic VUE application enables viewing and measuring tracer distribution in the user-determined region of interest over the entire volume or over time, as well as frame summing and reframing. The dynamic VUE application is used for the following functions: o Display PET dynamic/static or gated images, sorted by time and location. o Reframe or rebin images o Sum image over time or location o Create ROIs o Create time or Plot over location for mean, minimum, maximum and standard deviation from slices or user defined ROIs o Export statistics to a text file The AW Server client on the CT console is a software that allows accessing to all applicatio hosted on an AW Server, from the console. It offers customers the use of applications on the CT console for improved workflow and productivity. Connectpro offers new levels of productivity to users by providing a connection between the facilities hospital (his) or radiology (ris) information system. Connectpro simplifies and eliminates errors in patient data entry. Data Available at the Operator Console When Using ConnectPro Includes: o Procedure Step Code/Description o Requested Procedure Code/Description o Performed Procedure Step Compatibility o Demographic Data - Name, ID, Age, Birthday, Sex, etc. o Study UID - Unique ID Number o Scheduling Info - Dept, Modality, Station Address, Accession #, Date, Time The Operator has Three Convenient Ways to Enter Patient Information: o Scan Barcode o Type in Unique Identification Number o Select From a List of Patients All of This Results in: o Enhanced Productivity o Direct Patient Data Entry o On-line Access to Schedules o Display of Patients Scheduled for Current Time of Day o Full Simultaneity

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General Electric Company, GE Healthcare Division

Item No.	Qty	Catalog No.	Description
			with All Scanner Operations o Eliminates Errors Critical for "Filmless" Operation o Enhances Quality of Care . o Obtain Key Data From Your HIS/RIS via Modality Worklist - Allergies, Pregnancy Status, Medical Alerts o User-selectable Filtering and Sorting o Seamless Integration with LightSpeed o Performed Procedure Step Compatibility (Does NOT include a bar code reader) Note: May Require Interface Box for Conversion of HL7 to Dicom. Exam Split simplifies anatomy-specific physician review and billing by providing customers with the capability to split a series of patient images back into individual procedures or groups. With Exam Split the user retrospectively selects the first and last image in a group and attaches them to one of the accession numbers in the exam They then select the next group of images for attaching to each successive accession numbers. This accession number is what ties the exam to billing codes, and comes from the customer RIS (Radiology Information System). Exam Split FX integrates the image groups pre-defined in the scan order with your RIS, and notifies physicians when their image groups are ready to read. The new smaller image groups can then be networked to separate review locations for multiple "reads" and appropriate billing on select patient exams. This application can be run in one of two modes (hard and virtual) to support hosts that do and do not support Gray Scale Presentation State (GPSPS). Virtual mode provides ability to send window level values, flip & rotate images, and has compatibility with MPPS. Customers using Exam Split also require Radiology Information System or Modality Worklist support.
4	1	P5051KK	16 fps CT Recon Option Upgrades the standard reconstruction of the CT reconstruction from 6 fps to 16 fps, increasing the productivity of the scanner where required by the user.
5	1	P5051TR	2 meter scan option The system can perform a full 2 meter acquisition of both CT and PET data, through the use of a cradle extender and specific acquisition protocols.
6	1	P5053AL	Q.Prep is a new functionality introduced with Discovery IQ. Critical tool for the operator to perform Quantitative PET imaging, it is designed to facilitate the patient exam preparation. Q.Prep offers the following functions: • Ability to view parameters of prior exams • Compare prior parameters to current exams • Ability to pre-enter study information

GE Healthcare Confidential and Proprietary
General Electric Company, GE Healthcare Division

GE Healthcare

Date: 10-26-2015
Quote #: PR10-C55309
Version #: 4

Item No.	Qty	Catalog No.	Description
7	1	P5051LK	PET Gating acquisition option for Discovery IQ enables PET respiratory gating scan functionality.
8	1	P5051SK	Advanced system modeling in PET reconstruction that enhances visual contrast and resolution in both whole-body and brain images by incorporating information about the PET detector's point-spread-function response into the 3D iterative reconstruction.
9	1	P5051NE	Powerful, expandable GE PET reconstruction technology makes the latest PET/CT workflows clinically relevant by handling massive PET/CT data sets with ease. Its dual Quad-Core processors routinely reconstruct PET images for clinically relevant data reconstruction and display of images while your patient is still on the table. Reconstruct fully 3D IR and motion-corrected gated studies at incredible speeds.
10	1	S5051AB	A suite of innovative motion management tools from GE Healthcare designed to help clinicians generate more consistent PET measurements, and therefore assess treatment response more accurately than ever before. Q.AC - Accurate attenuation correction is required for quantitative PET imaging. But in large anatomy imaging at low doses, the CT beam may not be strong enough to fully penetrate through the patient to the detector, potentially resulting in variations in attenuation measurements. Our next generation Q.AC algorithm is designed to reduce potential variance, helping to ensure that the attenuation coefficients used in image reconstruction are accurate. This may improve consistency even in the most clinically demanding circumstances. Q.Clear - full convergence iterative reconstruction technology designed to provide up to 2 times improvement in PET quantitation accuracy (SUVmean) with up to 2 times improvement in image quality (SNR) enabling accurate small lesion detection, fast and efficient reading and more confident diagnosis. Q.Static: represents a starting point for adding motion correction techniques to your facility and the opportunity to build towards a full 4D phase-matched workflow. Without disrupting your standard static whole-body workflow, were designing Q.Static to automatically isolate data when organs are in a low motion state, thereby correcting for motion across the entire chest or torso. The result is a single image series with reduced blurring from organ motion, and therefore more consistent quantitation compared to a static image. Motion Match - Acquires and views fused gated PET and CT images on the console for: PET and CT respiratory and cardiac capability for motion analysis; PET and CT dynamic imaging for compartmental PET data model analysis and retrospective CT gating; and PET attenuation correction from CT diagnostic data, including dynamic and gated CT techniques for motion management.

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General Electric Company, GE Healthcare Division

Item No.	Qty	Catalog No.	Description
			Q.Freeze combines the quantitative benefits of 4D phase-matched PET/CT imaging into a single static image that uses 100 of the counts collected in the acquisition. Combine with Q.AC to create 4D cine data for attenuation correction of PET images at low dose levels.
11	1	B77292CA	Service cabinet for system accessories storage
12	1	E4502F	The 14KVA Partial UPS has been specifically designed to coordinate with GE Healthcare CT & PET/CT scanners. In the event of a power outage a partial system UPS provides continuous backup power to the scanner host and control computers, thus assuring no loss of usable scan data. • Critical circuits in the gantry and table remain powered which facilitate the safe removal of the patient from the scanner. • If power is restored within the battery hold-up time, the operator can continue scanner operations without the need to reboot the system. • When longer power outages are anticipated, the UPS provides time for the operator to safely remove the patient and complete an orderly shutdown of the system software • Maintains system electronics and allows critical scanner operations to continue for 10 minutes (typical) after loss of power • Protects electronics from under voltage, brownouts, line sags, over voltage and transients SPECIFICATIONS • Dimensions (H x W x D): 49" x 12" x 32" • Weight: 620 lbs. • Output Frequency: 50 or 60 Hz, auto-sensing NOTE: ITEM IS NON-RETURNABLE AND NON-REFUNDABLE
13	1	E4502AB	The 90Amp CT system main disconnect panel (MDP) serves as the main facility power disconnect source installed ahead of the system PDU. The MDP will disconnect system power on first loss of incoming power, helping to prevent damage to system components. It also includes an automatic restart control circuit which restores power to the CT System PDU after a power outage. • Can reduce installation time and cost by eliminating delays in obtaining individually enclosed components and on site assembly (ex: main circuit breaker, feeder overcurrent devices, magnetic contactors and UPS emergency power off are combined into a single panel)

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General Electric Company, GE Healthcare Division

Item No.	Qty	Catalog No.	Description
			• Configuration flexibility - can be used as a stand-alone main disconnect or with the optional partial system UPS. (On systems where the optional partial system UPS is used the main disconnect panel also provides NEC mandated emergency power off control to both the PDU and UPS • Designed and tested for GEHC CT products Specifications: • Automatic restart incorporates an adjustable time delay to delay main power until the power has stabilized for 5 seconds • One flush wall mounted remote emergency off pushbutton furnished with each system • UL, cUL and CE labeled
14	1	E8505NE	MEDTEC Silverman Clear Plastic Head Support
15	1	E8500NB	Patient Arm Support for NM, PET/CT, MR Padded Arm Rest combines total arm support and passive restraint, increasing patient comfort during extended procedures. Designed to accommodate virtually all patients. Compatible with most Nuclear Imaging systems and can also be used in MRI, CT and PET applications. Constructed with a comfortable, full support polyfoam with a seamless coated finish. Warranty Code: H
16	1	E8500PC	3 Piece Leg Rest Set Set of three including: 5 in., 7 in., and 10 in. in height. Contoured Leg Rest prevents low back stress and pain that occurs during supine imaging and treatment. measures 7 in. H x 17 in. D x 13 in. W. Designed to accommodate virtually all patients. Compatible with most Nuclear Imaging systems and can also be used in MRI, CT and PET applications. Constructed with a comfortable, full support polyfoam with a seamless coated finish...H
17	1	E8016BL	Slicker Cushion for PET GT Table Slicker for PET Discovery VCT, Discovery PET/CT 610, 690, and 710 Slicker Cushion Table Systems are comprised of cushion pads permanently encapsulated in clear, micro matte vinyl protective cover system and various accessories. Each Slicker cushion in a lined foam cushion that is permanently welded inside the clear Slicker cover. The cover minimizes contamination of the cushion and the underlying table by preventing penetration by any fluid or other contaminant. FEATURES/BENEFITS

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General Electric Company, GE Healthcare Division

GE Healthcare

Date: 10-26-2015
Quote #: PR10-C55309
Version #: 4

Item No.	Qty	Catalog No.	Description
			o Built using heavy, clear, micro matte vinyl, polyurethane foam, and top grade hook and loop tape to exactly fit the specified table. Expected life is between 1 to 2 years depending on usage. o Designed for easy cleanup and disinfection using standard bleach solutions. SPECIFICATIONS • Dimensions: 110.5" L x 18" W x 1" Thick (with 6" flap on each side)
18	1	E8008P	VQC Phantom Quality Control Phantom for Volumetric Registration.
19	1	E8008PS	PET ANNULUS PHANTOM SHIEL
20	1	E8008PN	The PET Annulus DQA (Daily Qualified Assurance) imaging phantom for the Discovery IQ PET system or SIGNA PET/MR system is a uniform solid suspension of Ge-68 encased and sealed in an annular, black plastic shell. • Recommended for accurate calibration of your PET detector and easier quality control • Designed to be held in place during use by standard source holders provided with scanning equipment • No mechanical maintenence is required
21	1	W0105PT	TiP Applications PET/CT Succeed Advance Training Program TiP Applications PET/CT Succeed Advance includes: • 12 onsite days covered over 4 site visits • 10 hrs. TVA • 1 TiP Headquarter Class All elements of the programs are completed within 24 months post installation. Onsite training and TVA are delivered Monday through Friday between 8AM and 5PM. T&L expenses are included. Headquarters classes are delivered in the Milwaukee area and include travel and modest living expenses.
	1		**NonProducts**
22	1		Healthcare Financial Services

Quote Summary:

GE Healthcare Confidential and Proprietary
General Electric Company, GE Healthcare Division

GE Healthcare

Date:	10-26-2015
Quote #:	PR10-C55309
Version #:	4

Item No.	Qty	Catalog No.	Description	
			Total Quote Net Selling Price	**$1,219,821.52**
			(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)	

GE Healthcare Confidential and Proprietary
General Electric Company, GE Healthcare Division

CardinalHealth
Essential to care

Cardinal Health
Nuclear Pharmacy Service
Nashville TN.
615-327-3356

Date: 08/30/2016
To: Ron Horowitz
From: Cody Scott - 615-497-6073
Subject: Letter for future Franklin Tn Location

Mr. Horowitz,

Per my discussion with Marsha Diaz regarding the future Tennessee Oncology location in Franklin TN. I wanted to insure you that once the location is open Cardinal Health will at that time amend the current contract adding this new location. The new Franklin Location will receive the same pricing as the current locations receive. Once the new location and address has been established, I will at that time prepare an amendment adding that location to the current agreement.

Thanks so much,

Cody Scott
Regional Area Manager
Cardinal Health Nuclear Pharmacy Services
615-497-6073

A-13F

FDA Approval

GE Healthcare

510(k) Summary of Safety and Effectiveness (in accordance to 21 CFR 807.87(h))

Device Name

Proprietary Device Name:	Discovery IQ
Date prepared:	June 3, 2014

Establishment Name and Registration Number of Submitter

Name:	GE Medical Systems LLC
Registration Number:	2126677
Corresponding Official:	David Duersteler GE Healthcare P.O. Box 414 Milwaukee, WI 53201 Phone: 262-312-7029 Email: david.duersteler@med.ge.com

Device Classification

Classification Code:	90 KPS
Panel Identification:	Radiology
Classification Name:	Emission Computed Tomography System (Per 21CFR 892.1200)
Common Name:	PET/CT Imaging System
Classification Class:	Class II Product
Reason for 510(k) Submission:	Modified device

Device Description

The Discovery™ IQ consists of a fully integrated 3D Positron Emission Tomography and multi-slice Computed Tomography scanner with all available CT diagnostic applications, except gantry tilt. The PET detector is scalable offering 2 through 5 detector rings. Due to the overall length of the PET/CT, the patient table sits on a special base that drives the table between the PET and CT portions of the gantry. The PET/CT table is rated for a patient weight of 227 Kg (500 pounds) and the cradle travels up to 1700mm on standard systems, or up 2 meters on systems with the 2m scan range option.

Identification of Legally Marketed Equivalent Devices

Discovery PET/CT 710	GE Medical Systems LLC	K133657

Comparison with Predicate Devices

Both systems are PET/CT systems employ the same design, construction, materials, energy source, operating principles, and technology. Further, reconstruction algorithms are identical to existing methods including iterative reconstruction.

Both systems consist of a fully integrated 3D Positron Emission Tomography and multi-slice Computed Tomography scanner with all available CT diagnostic applications, except gantry tilt. Due to the overall length of the PET/CT, the patient tables sit on a special base that drives the table between the PET and CT portions of the gantry. The PET/CT table is rated for a patient weight of 227 Kg (500 pounds) and the cradle travels up to 1700mm on standard systems, or up 2 meters on systems with the 2m scan range option.
Both systems are compliant with the same IEC, NEMA and related safety and performance standards.
Both systems use the same acquisition methods and attenuation correction methods. All major functions and features have been previously marketed, and intended uses are the same. Discovery IQ performs as well as currently marketed devices, introduces no significant change in safety or effectiveness as compared to the predicate devices, and is therefore substantially equivalent in terms of safety and effectiveness to the currently marketed GE Healthcare Discovery PET/CT 710 product.

Indications for Use of Device

GE PET/CT systems are intended for head and whole body attenuation corrected Positron Emission Tomography (PET) imaging and localization of emission activity in patient anatomy by means of integrated PET and CT images.
The systems are to be used by trained health care professionals for imaging the distribution of radiopharmaceuticals in the body for the assessment of metabolic (molecular) and physiologic functions in patients of all ages. This can assist in the evaluation, diagnosis, staging, restaging, and follow up of lesions, disease and organ function such as (but not limited to) cancer, cardiovascular disease, and brain dysfunction. These devices can also assist in radiotherapy planning.
The systems can also be used as a stand-alone head and whole body multi-slice computed tomography (CT) diagnostic imaging systems.

Conclusion

In the opinion of General Electric Medical Systems, the GE Discovery IQ system is substantially the same in design, materials, energy sources, and technology, does not introduce new safety concerns, performs as well as currently marketed devices, and is therefore substantially equivalent in terms of safety and effectiveness to the currently marketed Discovery PET/CT 710 device. (K133657).

General Electric Company
P.O. Box 414
Milwaukee, WI 53201

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Food and Drug Administration
10903 New Hampshire Avenue
Document Control Center – WO66-G609
Silver Spring, MD 20993-0002

September 18, 2014

GE Medical Systems LLC
% Mr. Huy Doan
Regulatory Affairs Director, MICT
GE Healthcare
3000 N. Grandview Blvd.
WAUKESHA WI 53188

Re: K141477
Trade/Device Name: Discovery IQ
Regulation Number: 21 CFR 892.1200
Regulation Name: Emission computed tomography system
Regulatory Class: II
Product Code: KPS
Dated: August 25, 2014
Received: August 26, 2014

Dear Mr. Doan:

We have reviewed your Section 510(k) premarket notification of intent to market the device referenced above and have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act) that do not require approval of a premarket approval application (PMA). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration. Please note: CDRH does not evaluate information related to contract liability warranties. We remind you, however, that device labeling must be truthful and not misleading.

If your device is classified (see above) into either class II (Special Controls) or class III (PMA), it may be subject to additional controls. Existing major regulations affecting your device can be found in the Code of Federal Regulations, Title 21, Parts 800 to 898. In addition, FDA may publish further announcements concerning your device in the Federal Register.

Please be advised that FDA's issuance of a substantial equivalence determination does not mean that FDA has made a determination that your device complies with other requirements of the Act or any Federal statutes and regulations administered by other Federal agencies. You must comply with all the Act's requirements, including, but not limited to: registration and listing (21 CFR Part 807); labeling (21 CFR Part 801); medical device reporting (reporting of medical device-related adverse events) (21 CFR 803); good manufacturing practice requirements as set forth in the quality systems (QS) regulation (21 CFR Part 820); and if applicable, the electronic product radiation control provisions (Sections 531-542 of the Act); 21 CFR 1000-1050.

If you desire specific advice for your device on our labeling regulation (21 CFR Part 801), please contact the Division of Industry and Consumer Education at its toll-free number (800) 638 2041 or (301) 796-7100 or at its Internet address http://www.fda.gov/MedicalDevices/ResourcesforYou/Industry/default.htm. Also, please note the regulation entitled, "Misbranding by reference to premarket notification" (21 CFR Part 807.97). For questions regarding the reporting of adverse events under the MDR regulation (21 CFR Part 803), please go to http://www.fda.gov/MedicalDevices/Safety/ReportaProblem/default.htm for the CDRH's Office of Surveillance and Biometrics/Division of Postmarket Surveillance.

You may obtain other general information on your responsibilities under the Act from the Division of Industry and Consumer Education at its toll-free number (800) 638-2041 or (301) 796-7100 or at its Internet address http://www.fda.gov/MedicalDevices/ResourcesforYou/Industry/default.htm.

Sincerely yours,

for

Janine M. Morris
Director
Division of Radiological Health
Office of In Vitro Diagnostics
and Radiological Health
Center for Devices and Radiological Health

Enclosure

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Food and Drug Administration

Indications for Use

Form Approved: OMB No. 0910-0120
Expiration Date: January 31, 2017
See PRA Statement below.

510(k) Number *(if known)*

k141477

Device Name

Discovery IQ

Indications for Use *(Describe)*

GE Discovery IQ PET/CT system is intended for head and whole body attenuation corrected Positron Emission Tomography (PET) imaging and localization of emission activity in patient anatomy by means of integrated PET and CT images.

The system is to be used by trained health care professionals for imaging the distribution of radiopharmaceuticals in the body for the assessment of metabolic (molecular) and physiologic functions in patients of all ages. This can assist in the evaluation, diagnosis, staging, restaging, and follow up of lesions, disease and organ function such as (but not limited to) cancer, cardiovascular disease, and brain dysfunction. This device can also assist in radiotherapy planning.

The system can also be used as a stand-alone head and whole body multi-slice computed tomography (CT) diagnostic imaging systems.

Type of Use *(Select one or both, as applicable)*

☒ Prescription Use (Part 21 CFR 801 Subpart D) ☐ Over-The-Counter Use (21 CFR 801 Subpart C)

PLEASE DO NOT WRITE BELOW THIS LINE – CONTINUE ON A SEPARATE PAGE IF NEEDED.

FOR FDA USE ONLY

Concurrence of Center for Devices and Radiological Health (CDRH) *(Signature)*

This section applies only to requirements of the Paperwork Reduction Act of 1995.

DO NOT SEND YOUR COMPLETED FORM TO THE PRA STAFF EMAIL ADDRESS BELOW.

The burden time for this collection of information is estimated to average 79 hours per response, including the time to review instructions, search existing data sources, gather and maintain the data needed and complete and review the collection of information. Send comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing this burden, to:

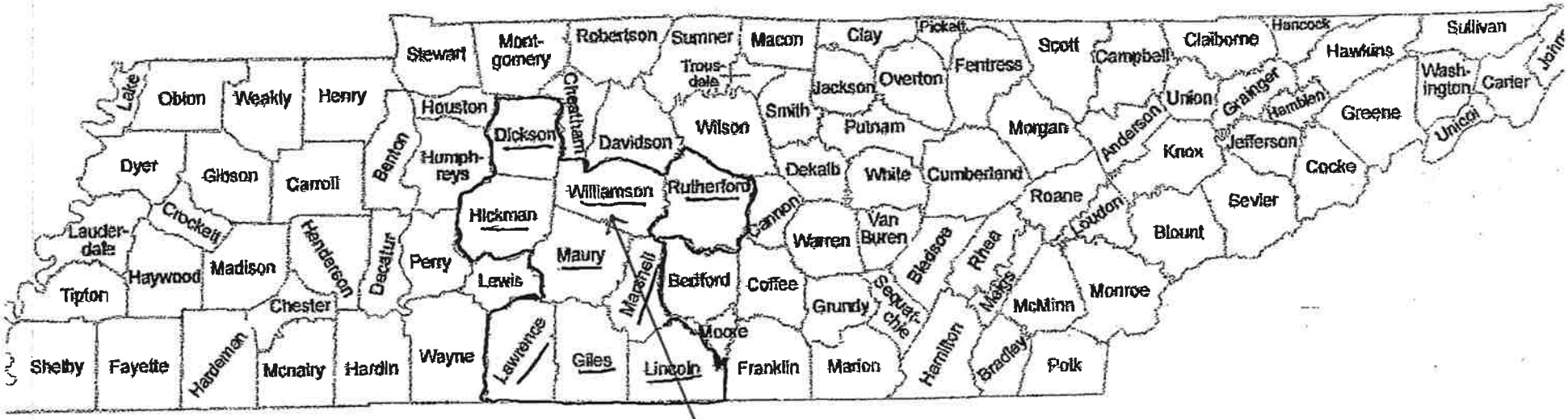
Department of Health and Human Services
Food and Drug Administration
Office of Chief Information Officer
Paperwork Reduction Act (PRA) Staff
PRAStaff@fda.hhs.gov

"An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB number."

MAR 14 '17 PM 1:23

B-Need-3

Service Area Map



FRANKLIN PET SCAN CENTER
PRIMARY SERVICE AREA

The American Board of Radiology

Organized through the cooperation of the
American College of Radiology, the American Roentgen Ray Society,
the American Radium Society, the Radiological Society of North America,
the Section on Radiology of the American Medical Association,
the American Society for Therapeutic Radiology and Oncology,
and the Association of University Radiologists
Hereby certifies that

Scott A. Montesi, M.D.

Has pursued an accepted course of graduate study
and clinical work, has met certain standards and qualifications and
has passed the examinations conducted under the authority of
The American Board of Radiology

On this eighth day of June, 1939

Thereby demonstrating to the satisfaction of the Board
that he is qualified to practice the specialty of

Diagnostic Radiology

THE AMERICAN BOARD OF RADIOLOGY
INCORPORATED IN THE DISTRICT OF COLUMBIA
1934

Robert G. Parker
President

Secretary

Renewal No.
798484

State of Tennessee
Division Of Health Related Boards

9500879
License No.
MD0000015572

This Certifies that

SCOTT A MONTESI, MD

whose credentials have been approved by the:

BOARD OF MEDICAL EXAMINERS

has fulfilled all requirements for renewal and registration as required by the Tennessee Code Annotated and is a duly authorized: **MEDICAL DOCTOR**

in the State of Tennessee through **MARCH 31, 2017**

Rosemarie Otto
DIRECTOR, HEALTH RELATED BOARDS

DCF014 15063

B-Economic Feasibility-1E

Documentation of Construction Cost Estimate

MBI
michael brady inc.
www.michaelbradyinc.com

January 4, 2017

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Franklin PET Scan Center ODC

Dear Mrs. Hill:

We have reviewed the construction data provided for the proposed tenant interior finish work for the PET/CT suite for the above referenced project. Based upon our experience and knowledge of the current construction market, it is our opinion that a construction cost of $150 PSF is a reasonable estimate for a 3,652 usable square foot interior build-out--making its total cost $547,800. I am told by the developer that the tenant would be responsible for an estimated $328,680 of the build-out, the balance being paid for by the building owner as a tenant improvement allowance.

Below is a summary of building codes and regulations to be followed in completion of this project. This listing may not be entirely inclusive, but the intent is for all applicablele codes and regulations being enforced by State and Local agencies at the time of plans submitted to be addressed during the design process.

- Rules of Tennessee Department of Health Board of Licensing Health Care Facilities--including 2010 Guidelines for the Design and Construction of Hospitals and Outpatient Facilities
- Locally Adopted International Building, Mechanical, Plumbing, Gas Codes, and Energy Codes
- National Electrical Code
- National Fire Protection Code (NFPA)
- Americans with Disabilities Act (ADA) and ANSIA117.1

Sincerely,

Brian Pierce, AIA
State license number: 101786

Chattanooga
University Tower
651 E. Fourth Street, Suite 500
Chattanooga, TN 37403

Knoxville
299 N. Weisgarber Road
Knoxville, TN 37919

Florida
100 Colonial Center Parkway, Suite 230
Lake Mary, FL 32746
Architecture: AA26000828
Interiors: IB26000665

Ph:844-275-8080

www.michaelbradyinc.com

Fax: 865-584-5213

B-Economic Feasibility--2

Documentation of Funding/Financing Availability

March 6, 2017

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Franklin PET Scan Center, Williamson County

Dear Mrs. Hill:

Tennessee Oncology, PLLC, is applying for a Certificate of Need to establish a PET/CT scanning service at its new practice office location that is being developed in Franklin. The cost for CON purposes is approximately $3,829,000. However, the actual capital expenditure requirement will be approximately $426,000.

As Chief Financial Officer of this PLLC, I am writing to confirm that the PLLC has sufficient operating cash flow and cash reserves to provide all of the required funds in cash, and intends to do so after receipt of CON approval.

The application includes our financial statements documenting that sufficient cash reserves and operating income are available to fund this project.

Sincerely,

Ron Horowitz
Chief Financial Officer

B-Economic Feasibility-6A

Applicant's Financial Statements

TENNESSEE ONCOLOGY, PLLC
BALANCE SHEET
TWELVE MONTHS ENDED 12/31/2016

	12/31/16
CASH	20,018,572
CIGNA IMPREST	-
ACCOUNTS RECEIVABLE	51,924
EXTENDED DATING DRUGS	-
INVENTORY	-
TOTAL CURRENT ASSETS	20,070,496
TOTAL FIXED ASSETS	23,539,653
Accumulated Depreciation	(18,946,341)
TOTAL DEPOSITS AND OTHER ASSETS	6,193,868
TOTAL ASSETS	30,857,676
TOTAL CURRENT LIABILITIES	19,221,475
NOTES PAYABLE	4,650,493
	-
TOTAL LIABILITIES	23,871,968
CAPITAL	7,084,580
RETAINED EARNINGS	(146,424)
PROFIT (LOSS) for the period	47,553
TOTAL SHAREHOLDERS' EQUITY	6,985,709
TOTAL LIAB AND SHAREHOLDERS' EQUITY	30,857,677
	(1)

Tennessee Oncology, PLLC
Income Statement
2016

Income:		
Facility Revenue		1,146,588,368
Other income		16,096,210
Gross Revenue		**1,162,684,578**
Less:		
Refunds/Bad Debt		(933,940)
Contractual Adjustments		(642,089,486)
Net Revenue	**$**	**519,661,152**
Staff / Physician Services		113,202,152
Medical Supplies		379,068,831
Administrative Expenses		13,024,645
Facility Expense		12,606,386
Insurance & Other		1,711,582
Total Expenses	**$**	**519,613,596**
Income / (Loss)		**47,556**

B-Orderly Development-4B

TDOH and Joint Commission Findings and Corrections

ACR®
AMERICAN COLLEGE OF
RADIOLOGY

Validation On-Site Survey Report

December 20, 2013

PRIVILEGED and CONFIDENTIAL • PEER REVIEW
Code of Virginia 8.01-581.17

Paul Menke, M.D.
Tennessee P.E.T. Scan Center
1840 Medical Center Parkway
Suite 100
Murfreesboro, Tennessee 37129

SUBJECT: Facility ID# 11098, CTAP 2172, PETAP 458; Tennessee P.E.T. Scan Center

Dear Dr. Menke:

On December 12, 2013, an American College of Radiology (ACR) surveyor conducted a Validation On-Site Survey at your facility. The ACR understands that an on-site survey may be disruptive to your facility. The ACR conducts validation site surveys for accredited facilities to monitor compliance with accreditation standards and to meet the requirement of the Medicare Improvements for Patients and providers Act (MIPPA). In addition, the ACR uses this mechanism to provide assistance to your staff in areas where the facility may need help. In order to remain in good standing with the ACR Accreditation Programs, all facilities must maintain good quality for both clinical and phantom images. Facilities must also maintain adequate documentation of a quality control program.

The ACR is pleased to inform you that your accredited facility is in compliance with the standards of the ACR Accreditation Programs and remains in good standing. Congratulations for maintaining the high level of quality expected of all ACR-accredited facilities. While no further action is required at this time, ACR expects that you will continue to maintain this level of quality throughout your accreditation.

Below is a summary of recommendations identified by the surveyor. Please review the report carefully and share pertinent aspects with all imaging physicians, technologists and medical physicists/MR scientists who work at your facility so that they may also benefit from this visit.

American College of Radiology Accreditation Programs
List of Recommendations

Area for Recommendation	Recommendation
Audit review – Site information and equipment verification	The ACR surveyor noted that the 2004 GE Discovery ST PET camera has been removed from service. Please access your facility's information on the ACR ACRedit website and withdraw this unit.
QA/QC evaluation	The new 2012 CT Quality Control has been released and all facilities that perform CT must be in compliance with all testing requirements by December 2013.
Policy and procedures review	Recommend developing a communication policy.

Facility ID #: 11098
Survey Date: 12/12/13

We do appreciate the time your staff devoted to spending with our surveyor. In order for the ACR to improve our service to accredited facilities, we would like to hear from you and your staff. Please take a few minutes to complete the enclosed evaluation form and return it at your earliest convenience. We recognize your ongoing commitment to providing quality services for the patients of your community and hope that this direct interaction between the ACR surveyor and your staff was helpful.

Finally, please be aware of the following requirements for facilities accredited with the ACR. As soon as possible, you must update your records on your accreditation home page if your facility:

1. Changes in **supervising physician** (i.e., lead interpreting physician), **facility name, owner** or **address**.

2. Changes (i.e., removes, adds or replaces) units so that we may advise you of the appropriate required testing to maintain accreditation.

3. Changes to your Medicare Enrollment number and/or National Provider Identifier (if applicable).

4. Is permanently closing.

Please call the ACR at (800) 770-0145 if you have any questions about your validation survey report.

Sincerely,

Charles Truwit, M.D.
Chair, Committee on Accreditation

Facility ID #: 11098
Survey Date: 12/12/13

Validation On-Site Survey Evaluation

Facility Name: Tennessee P.E.T. Scan Center
Facility Address: 1840 Medical Center Parkway
Suite 100
Murfreesboro, Tennessee 37129

Date of On-Site Survey: December 12, 2013

Please circle the number which best describes your assessment of the ACR survey:

1=Poor ***2=Fair*** ***3=Satisfactory*** ***4=Good*** ***5=Excellent***

1. **ACR Surveyor**:
   1. Knowledge of accreditation process 1 2 3 4 5
   3. Effectiveness as an evaluator 1 2 3 4 5
   3. Communication/discussion techniques 1 2 3 4 5

2. **Final Report:**
   1. Did the final report reflect the content of discussion 1 2 3 4 5
   2. Usefulness of the information 1 2 3 4 5
   3. Effectiveness of this survey 1 2 3 4 5

General Comments:

_____

_____

_____

_____

_____

_____

PLEASE NOTE: ANY COMMENTS MADE ARE CONFIDENTIAL AND WILL NOT HAVE ANY BEARING ON YOUR ACCREDITATION STATUS.

Please print name of individual completing this form, date, and telephone number (including area code).

_____	_____	_____
Name/Title	Date	Telephone Number

Please mail or fax your completed form to:

Marion Boston
Assistant Director, Accreditation Validation Surveys
American College of Radiology
1891 Preston White Drive
Reston, VA 20191-4397
Fax: 703-880-0561

ACR®
AMERICAN COLLEGE OF
RADIOLOGY

Validation On-Site Survey Report

April 8, 2015

PRIVILEGED and CONFIDENTIAL • PEER REVIEW
Code of Virginia 8.01-581.17

Scott A. Montesi, M.D.
Imaging Alliance Nashville PET
52 White Bridge Road
Nashville, Tennessee 37205

SUBJECT: Facility ID# 11066, CTAP 2147, PETAP 454; Imaging Alliance Nashville PET

Dear Dr. Montesi:

On April 2, 2015, an American College of Radiology (ACR) surveyor conducted a Validation On-Site Survey at your facility. The ACR understands that an on-site survey may be disruptive to your facility so we attempt to review only that which is necessary. The ACR conducts validation site surveys of accredited facilities to monitor compliance with accreditation standards and as part of the Centers for Medicare and Medicaid Services (CMS) requirements under the Medicare Improvements for Patients and providers Act (MIPPA). In addition, the ACR uses this mechanism to provide assistance to your staff in areas where the facility may need help. In order to remain in good standing with the ACR Accreditation Programs and with CMS, facilities must demonstrate their compliance with the appropriate accreditation requirements as relates to appropriate documentation of accreditation requirements, including a quality control program.

Currently, your facility is not in compliance with the standards of the ACR Accreditation Programs. In order to maintain your accreditation in good standing with the ACR and CMS, documentation addressing each of the deficiencies must be submitted to ACR within 60 days of the date appearing on this report. You must also address in your response any deficiency that you are not able to correct within the 60-day period. You may be provided a 30-day extension should you need additional time to make your corrective action.

Below is a summary of the deficiencies identified by the surveyor. Please review the report carefully and share pertinent aspects with all imaging physicians, technologists and medical physicists/MR scientists who work at your facility so that they may also benefit from this visit.

American College of Radiology Accreditation Programs
List of Deficiencies

Area of Deficiency	Deficiency
Personnel documentation for Physicians	Documentation that Drs. Berger, Lassiter and Montesi currently meet the Maintenance of Certification (MOC) in Radiology or Nuclear or read a minimum of 200 studies/3 years in CT and PET or for physicians reading organ system specific exams (i.e., body, abdominal, musculoskeletal, head) across multiple modalities they must read a minimum of 60 organ system specific CT and PET exams in 36 months. However, they must read a total of 200 *cross-sectional imaging* (MRI, CT, PET/CT and ultrasound) studies over the prior 36 months.

Personnel documentation for Medical Physicists/MR Scientists	Documentation that B. Lambert has15 hours CEU/CME (half in category 1) in the prior 36 months and surveyed 2 PET cameras in the prior 24 months.
Policy and procedures review	Documentation of a Consumer Complaint policy and that a notice for patients listing consumer complaint contact information is posted.
Policy and procedures review	Documentation of a policy for primary source verification for all personnel.

Recommendations

Area for Recommendation	Recommendation
QA/QC evaluation	It is recommended that daily water CT number and standard deviation QC be performed in both the axial and helical scan mode and the QC manual suggests performing these scans on alternate days to speed up the process.
Policy and procedures review	Recommend developing a policy on maintaining a list of findings that constitute critical test results.
Policy and procedures review	Recommend having a policy on crash cart location and checking for expired drugs.
Policy and procedures review	Documentation of a PET laboratory radiation safety manual and that it is reviewed and updated by the supervising physician and RSO or medical physicist annually.

We do appreciate the time your staff devoted to spending with our surveyor. In order for the ACR to improve our service to accredited facilities, we would like to hear from you and your staff. Please take a few minutes to complete the enclosed evaluation form and return it at your earliest convenience. We recognize your ongoing commitment to providing quality services for the patients of your community and hope that this direct interaction between the ACR surveyor and your staff was helpful.

Finally, please be aware of the following requirements for facilities accredited with the ACR. As soon as possible, you must update your records on your accreditation home page if your facility:

1. Changes in **supervising physician** (i.e., lead interpreting physician), **facility name, owner** or **address.**

2. Changes (i.e., removes, adds or replaces) units so that we may advise you of the appropriate required testing to maintain accreditation.

3. Changes to your Medicare Enrollment number and/or National Provider Identifier (if applicable).

4. Is permanently closing.

Facility ID #: 11066
Survey Date: 4/2/15

Please call the ACR at (800) 770-0145 if you have any questions about your validation survey report.

Sincerely,

Charles Truwit, M.D.
Chair, Committee on Accreditation

TENNESSEE ONCOLOGY

Imaging Alliance-Nashville PET
52 White Bridge Rd
Nashville, TN 37205

May 7, 2015

Charles Truwit, MD
Chair, Committee on Accreditation
American College of Radiology

SUBJECT: Facility ID# 11066, CTAP# 2147, PETAP# 454;
Imaging Alliance-Nashville PET

Dear Dr. Truwit,

In response to your letter of April 8, 2015 outlining the deficiencies identified by the ACR surveyor the following corrective action has been taken:

1. Documentation that Drs. Berger, Lassiter, Montesi, and Ng have read a minimum of 200 studies/3 years in CT and PET is included with this response.
2. Documentation of B. Lamber's CEU/CME hours and PET scanners surveyed is included with this response.
3. The policy for handling consumer complaints is included with this response and the notice for patients has been posted in the waiting room.
4. The policy for personnel license verification is included. I apologize that I did not update the ACR manual when the policy was adopted in July.

If you need any further clarification or documentation please let me know. Thank you.

Sincerely,

Marsha Diaz

Marsha Diaz, RT(R)(N)(CT), CNMT, PET
Director of Imaging
Tennessee Oncology
Phone: (615)320-7387
Fax: (615)514-6897

PET/CT April 2012 through March 2015 Procedure Count

Patient Procedure Approving Radiologist	Procedure Location Name	PET	CT	Grand Total
Berger, MD, Kurt	IMAGING ALLIANCE NASHVILLE PET 08	7	56	63
	TENN ONCOLOGY SOUTHERN PET	3134	18789	21923
	TENNESSEE ONCOLOGY CHATTANOOGA		79	79
	TENNESSEE ONCOLOGY CLARKSVILLE CT		353	353
	TENNESSEE ONCOLOGY FRANKLIN CT		36	36
Berger, MD, Kurt Total		3141	19313	22454
Lassiter, MD, Gregory	IMAGING ALLIANCE NASHVILLE PET 08	110	576	686
	TENN ONCOLOGY SOUTHERN PET	153	946	1099
	TENNESSEE ONCOLOGY CHATTANOOGA		753	753
	TENNESSEE ONCOLOGY CLARKSVILLE CT		169	169
	TENNESSEE ONCOLOGY FRANKLIN CT		147	147
Lassiter, MD, Gregory Total		263	2591	2854
Montesi MD, Scott A	IMAGING ALLIANCE NASHVILLE PET 08	3278	17213	20491
	TENN ONCOLOGY SOUTHERN PET	27	739	766
	TENNESSEE ONCOLOGY CHATTANOOGA		456	456
	TENNESSEE ONCOLOGY CLARKSVILLE CT		769	769
	TENNESSEE ONCOLOGY FRANKLIN CT		142	142
Montesi MD, Scott A Total		3305	19319	22624
Ng, MD, Christopher	IMAGING ALLIANCE NASHVILLE PET 08	875	4312	5187
	TENN ONCOLOGY SOUTHERN PET	616	4220	4836
	TENNESSEE ONCOLOGY CHATTANOOGA		1048	1048
	TENNESSEE ONCOLOGY CLARKSVILLE CT		498	498
	TENNESSEE ONCOLOGY FRANKLIN CT		293	293
Ng, MD, Christopher Total		1491	10371	11862
Grand Total		8200	51594	59794

Brock Lambert ACR PET Inspections

DCH Regional Medical Center
Units: 1 (GE Discovery PET/CT)
Inspection Date: 5/06/14
Sandra Bowen, Director
809 University Blvd. East
Tuscaloosa, Alabama 35401

East Memphis PET Imaging
Units: 1 (Philips Gemini TF 2007)
Inspection Date: 03/19/14
Valaree Christodoulidis, Lead Technologist
6005Park Avenue, Suite 101B
Memphis, Tennessee 38119

West Tennessee Imaging Center
Units: 1 (GE Discovery LS)
Inspection Date: 09/23/14
Jenny Morgan, Lead Technologist
300 Coatsland Drive
Jackson, Tennessee 38301

MTMI

Medical Technology
Management Institute

THIS CERTIFIES THAT

Brock Lambert

HAS SUCCESSFULLY COMPLETED THE WORKSHOP ENTITLED:

CT UPDATE: THE PHYSICISTS ROLE IN MONITORING CT PROTOCOLS AND DOSE

October 31 - November 1, 2014

held in Seattle, WA

This activity provides 15 hours of continuing education in Computed Tomography.
Approval has been received from CAMPEP for up to 15.0 hours of Medical Physics Continuing Education Credits (MPCEC'S). Credits to be awarded by CAMPEP.
18 hours of Category A+ credit for Radiologic Technologists have been approved by the ASRT.
ASRT# WID0104053 (11/02/14)

J. Ed Barnes, Ph.D.

Co Program Directors:
J.Ed Barnes, Ph.D., FACR, FAAPM
Doug Pheiffer, Ph.D., FACR., FAAPM

MTMI
W140 N8917 Lilly Road
Menomonee Falls, WI 53051
A continuing education division of
Herzing University

Patients have the right to file a complaint if they feel they have been treated unfairly or mistreated by any staff member or physician, if they have a billing dispute, or if they believe their privacy rights have been violated.

All complaints are handled by the Compliance Officer. To file a complaint please contact Ed Augustine via the following means:

Tennessee Oncology
ATTN: Privacy Officer
Edward T. Augustine
776 Weatherly Drive
Clarksville, TN 37043
E-mail: eaugustine@tnonc.com

Telephone #: 931-906-2004, FAX #: 931-906-2009

Policy	Imaging – Personnel Licensing Requirements
Date Adopted	7/1/2014
Date Updated	
Purpose	To provide a method by which current licensure, certification, and/or registration of imaging technologists is documented and to ensure all patients receive the highest quality radiologic care, provided by qualified radiologic personnel.
Policy #	1.8

POLICY:

- All imaging personnel must meet the minimum personnel qualifications, experience, and education requirements as outlined in the company job descriptions.

- Tennessee Oncology's Director of Imaging will verify via primary source verification current licensure or certification via the issuing organization of staff whose job description requires licensure or certification upon hire, and before the expiration date. Thereafter no less than every three 3 years

- It is the employee's responsibility to ensure that their current license and/or certification is maintained and that the Director of Imaging is informed immediately of any change in license and/or certification status. Failure to do so may result in a suspension without pay or dismissal. A copy of the current license and/or certification and primary source verification will be retained in each technologist's personnel file, both on site and in the HR department, unless prohibited by law.

- All imaging service personnel are supervised according to the organization's policies and procedures.

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
7175 STRAWBERRY PLAINS PIKE, SUITE 103
KNOXVILLE, TENNESSEE 37914-7008

September 4, 2015

Ms. Marsha Diaz
Tennessee PET Scan Center, LLC
1840 Medical Center Pkwy, Suite 100
Murfreesboro, TN 37129

Dear Ms. Diaz:

Enclosed is the Statement of Deficiencies developed as the result of the licensure survey conducted at your facility on August 25-26, 2015. We are requesting that corrective action of cited deficiencies be achieved before October 10, 2015, the 45th day from the date of the survey. Please develop a Plan of Correction for the cited deficiencies and return by September 14, 2015. A revisit may be conducted to verify compliance. Failure to provide an acceptable plan of correction could result in a referral to the Board of Licensing Health Care Facilities for whatever action they deem appropriate.

Your POC must contain the following:

- How the deficiency will be corrected;
- How the facility will prevent the same deficiency from recurring.
- The date the deficiency will be corrected;
- How ongoing compliance will be monitored.

Please put your Plan of Correction on the **Statement of Deficiencies form** in the "**Provider's Plan of Correction**" column. In the "**Completion Date**" column, list the date corrective actions have been or will be completed. Please make sure the **administrator's signature and date** are on the bottom line of the form. If you have any questions, please contact the East Tennessee Regional Office.

Sincerely,

Karen Kirby /ram

Karen B. Kirby, RN
Regional Administrator

KBK/ram

Enclosure

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: ____ B. WING ____	(X3) DATE SURVEY COMPLETED
	TNPL55752		08/25/2015

NAME OF PROVIDER OR SUPPLIER: TENNESSEE PET SCAN CENTER, LLC

STREET ADDRESS, CITY, STATE, ZIP CODE: 1840 MEDICAL CENTER PARKWAY, MURFREESBORO, TN 37129

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
G 402	1200-8-35-.04(2) Administration. (2) The governing body or individual responsible shall appoint a chief executive officer or administrator who is responsible for managing the Outpatient Diagnostic Center. The chief executive officer or administrator shall designate an individual to act for him or her in his or her absence, in order to provide the Outpatient Diagnostic Center with administrative direction at all times. This Rule is not met as evidenced by: Based on interview the outpatient center failed to ensure the center designated an employee in the absence of the administrator to act for him or her in his or her absence and provide direction for the outpatient center at all times. The findings included: Interview with the facility Co-Administrator on 8/25/15 at 9:06 AM revealed the employee had been designated as the Co-Administrator when the Administrator was not present. Continued interview revealed the Administrator was unavailable for interview and the Co-Administrator did not have access to employee files and documentation of active performance improvement areas.	G 402	The Co-Administrator had been given the extra key when the site opened. After refreshing her memory she did remember. However, she has been unable to locate the key. We will get her another key and I will begin having "mock surveys" at least bi-annually so all staff know where the pertinent information is kept.	key 9/25/15 rest 10/1/15
G 411	1200-8-35-.04(11) Administration. (11) When licensure is applicable for a particular job, a copy of the current license must be included as a part of the personnel file. Each personnel file shall contain accurate information as to the education, training, experience and personnel background of the employee. Adequate medical screenings to exclude	G 411		

Division of Health Care Facilities
LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE

9/11

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED
	TNPL55752		08/25/2015

NAME OF PROVIDER OR SUPPLIER: TENNESSEE PET SCAN CENTER, LLC

STREET ADDRESS, CITY, STATE, ZIP CODE: 1840 MEDICAL CENTER PARKWAY, MURFREESBORO, TN 37129

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
G 411	Continued From page 1 communicable disease shall be required of each employee. This Rule is not met as evidenced by: Based on interview the outpatient center failed to ensure personnel files were available for review. The findings included: Interview with the facility lead technician on 8/25/15 at 9:19 AM, in the break room confirmed the Administrator was the only one that had a key to the personnel files and the files were not available for review.	G 411	All personnel files are on site available for review. As indicated earlier we are developing a better filing system so all staff know where it is kept. Per the lead tech the only information not able to be made available was the TB tests. I have attached a copy.	10/1/15
G 639	1200-8-35-.06(8) Basic Services. (8) Performance Improvement. The Outpatient Diagnostic Center shall have a planned, systematic, organization-wide approach to process design and redesign, performance measurement, assessment and improvement which is approved by the designated governing body or responsible individual. This plan shall address and/or include, but is not limited to: (a) Infection control, including post-operative surveillance; (b) Complications of procedures; (c) Documentation of periodic review of the data collected and follow-up actions; (d) A system which identifies appropriate plans of action to correct identified quality deficiencies;	G 639		

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: _____ B. WING _____	(X3) DATE SURVEY COMPLETED
	TNPL55752		08/25/2015

NAME OF PROVIDER OR SUPPLIER: TENNESSEE PET SCAN CENTER, LLC

STREET ADDRESS, CITY, STATE, ZIP CODE: 1840 MEDICAL CENTER PARKWAY MURFREESBORO, TN 37129

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
G 639	Continued From page 2 (e) Documentation that the above policies are being followed and that appropriate action is taken whenever indicated. This Rule is not met as evidenced by: Based on interview the outpatient center failed to ensure the outpatient diagnostic center's performance improvement documentation was available for review. The findings included: Interview on 8/25/15 at 9:25 AM with the facility lead technician, in the break room confirmed the Administrator was out of the facility and all the performance documentation was unavailable for review.	G 639	This policy was available at the time of the site visit. However the lead tech did not know where to look and actually overlooked it. This will be remedied with the new system we are implementing. I have attached a copy of the policy for your review	10/1/15

PRINTED: 08/27/2015
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: 01 - MAIN B. WING _____	(X3) DATE SURVEY COMPLETED
	TNPL55752		08/26/2015

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
TENNESSEE PET SCAN CENTER, LLC	1840 MEDICAL CENTER PARKWAY MURFREESBORO, TN 37129

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
G 002	1200-8-35 No Deficiencies During the life safety portion of the annual licensure survey conducted on 08/26/2015, no deficiencies were cited under 1200-08-35, Standards for Outpatient Diagnostic Centers.	G 002		

Division of Health Care Facilities
LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE: Marsha Diaz

TITLE: Director of Imaging

(X6) DATE: 9/24/15

STATE FORM 6899 EL1F21 If continuation sheet 1 of 1

ACTION OF CONSENT
BY THE MEMBERS
OF TENNESSEE ONCOLOGY, PLLC

Pursuant to Section 48-223-101 of the Tennessee Limited Liability Act, the undersigned on behalf of the members of Tennessee Oncology, PLLC, a Tennessee professional limited liability company (the "Company") hereby consents to and take the following actions as evidenced by this document.

WHEREAS, the members deem it necessary to appoint an Administrator for the Positron Emission Tomography ("PET") Centers owned and operated by Tennessee Oncology, PLLC and identified as;

Imaging Alliance – Nashville PET located at 52 White Bridge Rd, Nashville, TN 37205

Tennessee PET Scan – located at 1840 medical Center Parkway, Suite 102, Murfreesboro, TN 37129; and

WHEREAS, the appointed PET Administrator whom shall be named below shall establish a Quality Assurance ("QA")/Quality Improvement ("QI") Committee which will measure compliance against necessary standards for assurance and maintain a proactive approach to improve processes and systems on behalf of the Company.

NOW, THEREFORE BE IT RESOLVED, that the Company elects Marsha Diaz as "PET Administrator". The PET Administrator shall maintain a committee of no less than three (3) qualified individuals which shall meet quarterly as set forth in the Quality Assurance/Quality Improvement Plan. The Administrator shall have a Co-Administrator designated in his/her absence to maintain the QA/QI Program on behalf of the Company.

The Administrator shall require three (3) qualified individuals to serve on the QA/QI Committee and shall be identified as the:

1) Co-Administrator
2) Lead Technician
3) Supervising Radiologist

IN WITNESS WHEREOF, the undersigned has executed this Action of Consent by the Members of Tennessee Oncology, PLLC as of this 29 day of August 2013.

Jeffrey Patton, MD / CEO
Tennessee Oncology, PLLC

Tennessee Oncology, PLLC has appointed Marsha Diaz as Administrator for the following locations:

Imaging Alliance – Nashville PET located at 52 White Bridge Road, Nashville, TN 37205; and

Tennessee PET Scan – located at 1840 Medical Center Parkway, Suite 102, Murfreesboro, TN

As provided in the Action of Consent, a Co-Administrator has been specified as one of the qualified individuals to serve on the QA/QI committee. This person has been designated by Marsha Diaz as Tina Vestrand. Tina shall serve as appointed backup for the Administrator in maintaining the QA/QI plan on behalf of the company if deemed necessary.

Marsha Diaz

Marsha Diaz, RT(R)(N)(CT),CNMT,PET
Director of Imaging
Tennessee Oncology

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED
	TNPL55726		09/09/2015

NAME OF PROVIDER OR SUPPLIER: IMAGING ALLIANCE - NASHVILLE PET LLC

STREET ADDRESS, CITY, STATE, ZIP CODE: 52 WHITE BRIDGE ROAD, NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
G 401	1200-8-35-.04(1) Administration. (1) The Outpatient Diagnostic Center must have an effective governing body legally responsible for the conduct of the Outpatient Diagnostic Center. If an Outpatient Diagnostic Center does not have an organized governing body, the persons legally responsible for the conduct of the Outpatient Diagnostic Center must carry out the functions specified in this chapter. This ELEMENT is not met as evidenced by: Based on interview, the facility manager was unable to provide documentation there was a organized governing body and persons legally responsible for the conduct of the Outpatient Diagnostic Center. The findings included: During the annual survey on 9/9/15 the manager was unable to provide governing body minutes or other information showing who was legally responsible for the conduct of this facility.	G 401	A search after the surveyor left revealed a missing binder. The governing body documentation showing who is legally responsible for the conduct of this facility is now onsite. The Director of Imaging will perform semi-annual audits in January and July to ensure required documentation remains on site TO BEGIN JAN. 2016	10/14/15
G 402	1200-8-35-.04(2) Administration. (2) The governing body or individual responsible shall appoint a chief executive officer or administrator who is responsible for managing the Outpatient Diagnostic Center. The chief executive officer or administrator shall designate an individual to act for him or her in his or her absence, in order to provide the Outpatient Diagnostic Center with administrative direction at all times. This Rule is not met as evidenced by: Based on interview, the facility manager was	G 402	The governing body documentation appointing an administrator and the organizational chart are now on site.	10/14/15

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED
	TNPL55726		09/09/2015

NAME OF PROVIDER OR SUPPLIER: IMAGING ALLIANCE - NASHVILLE PET LLC

STREET ADDRESS, CITY, STATE, ZIP CODE: 52 WHITE BRIDGE ROAD, NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
G 402	Continued From page 1 unable to provide documentation the governing body had appointed an individual to be a chief executive officer or administrator who is responsible for managing the Outpatient Diagnostic Center. The manager was unable to provide documentation of the individual designated to act for her in her absence, in order to provide the Outpatient Diagnostic Center with administrative direction at all times. The findings included: During the annual survey on 9/9/15 the manager was unable to provide governing body minutes or other information showing who had been appointed as chief executive officer or administrator responsible for managing this facility. There was no organizational chart available for review. During an interview with the manager on 9/9/15, she stated her office was at another site and due to problems at that site could not access her manuals with needed information. She was unable to locate the manuals that should had been available on-site at this facility.	G 402	The Director of Imaging will perform semi-annual audits in January and July to ensure required documentation remains on site	TO BEGIN JAN 2016
G 404	1200-8-35-.04(4) Administration. (4) The governing body or individual responsible, whether it be that of the center alone or that of a parent organization, shall establish effective mechanisms to ensure the accountability of the center ' s medical staff and other professional personnel. This Rule is not met as evidenced by: Based on interview, the facility manager was	G 404	There are mechanisms in place to ensure the accountability of the professional staff. Each staff member has a Performance Exellence Plan that is job specific. This plan addresses all aspects of their performance including attendance, punctuality	10/14/15

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNPL55726	(X2) MULTIPLE CONSTRUCTION A. BUILDING: B. WING	(X3) DATE SURVEY COMPLETED 09/09/2015

NAME OF PROVIDER OR SUPPLIER: MAGING ALLIANCE - NASHVILLE PET LLC

STREET ADDRESS, CITY, STATE, ZIP CODE: 52 WHITE BRIDGE ROAD, NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
G 404	Continued From page 2 unable to provide documentation the governing body had developed effective mechanisms to ensure the accountability of the center's medical staff and other professional personnel. The findings included: During the annual survey on 9/9/15 the manager was unable to provide policy or procedure manuals with information regarding personnel or medical staff accountability. During an interview with the manager on 9/9/15, she stated her office was at another site and due to problems at that site could not access her manuals with needed information. She was unable to locate the manuals that should had been available on-site at this facility.	G 404	education, patient interaction and staff interaction. The Director of Imaging meets with each staff member on a quarterly basis to discuss their performance and any areas of concern. In addition an annual rating is done in June. There is also a discipline process for specific adverse events. These are logged in an electronic Adverse Event software program. A mechanism for accountability of medical staff is being reviewed and revised.	11/15/15
G 413	1200-8-35-.04(13) Administration. (13) Policies and procedures shall be consistent with professionally recognized standards of practice. This Rule is not met as evidenced by: Based on interview, the facility manager was unable to provide documentation the facility had policies and procedures consistent with professionally recognized standards of practice. The findings included: During the annual survey on 9/9/15 the manager was unable to provide policy or procedure manuals consistent with professionally recognized standards of practice.	G 413	The surveyor was provided a binder containing policies and procedures as approved by the ACR for accreditation. Since the ACR is a professionally recognized organization I am unclear as to the nature of this deficiency. However, a policy and procedure manual is on site and will be	10/14/15

Division of Health Care Facilities

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	TNPL55726		09/09/2015

NAME OF PROVIDER OR SUPPLIER: IMAGING ALLIANCE - NASHVILLE PET LLC

STREET ADDRESS, CITY, STATE, ZIP CODE: 52 WHITE BRIDGE ROAD, NASHVILLE, TN 37203

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G 413	Continued From page 3 During an interview with the manager on 9/9/15, she stated her office was at another site and due to problems at that site could not access her manuals with needed information. She was unable to locate the manuals that should had been available on-site at this facility.	G 413	reviewed anually by the Director of Imaging and the Site Chief Radiologist	
G 416	1200-8-35-.04(16) Administration. (16) The governing body or responsible individual shall provide for the appointment, reappointment or dismissal of members of the medical, dental, and other health professions and provide for the granting of clinical privileges. This Rule is not met as evidenced by: Based on interview, the facility manager was unable to provide documentation the facility had appointed or reappointed medical health professionals by granting of clinical privileges. The findings included: During the annual survey on 9/9/15 the manager was unable to provide documentation the facility had reappointed Dr. S. Montesi, the physician at the facility during the survey, with clinical privileges. During an interview with the manager on 9/9/15, she stated her office was at another site and due to problems at that site could not access any requested documentation such as clinical privileges for this physician or any other physician's clinical privileges who might work at this facility.	G 416	10/14/15 Documentation appointing Dr Scott Montesi as the physician radiologist for the facility is now on site. TO BEGIN JAN 2016 The Director of Imaging will perform semi-annual audits in January and July to ensure required documentation remains on site If at any time Dr Montesi is replaced, the documentation will be updated with documentation appointing a new physician	

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G 418	Continued From page 4	G 418		
G 418	1200-8-35-.04(18) Administration. (18)All health care facilities licensed pursuant to T.C.A. 68-11-201 shall post the following in the main public entrance: (a) Contact information including statewide toll-free number of the division of adult protective services, and the number for the local district attorney ' s office; (b) A statement that a person of advanced age who may be the victim of abuse, neglect, or exploitation may seek assistance or file a complaint with the division concerning abuse, neglect and exploitation; and (c) A statement that any person, regardless of age, who may be the victim of domestic violence may call the nationwide domestic violence hotline, with that number printed in boldface type, for immediate assistance and posted on a sign no smaller than eight and one-half inches (8½") in width and eleven inches (11") in height. Postings of (a) and (b) shall be on a sign no smaller than eleven inches (11 ") in width and seventeen inches (17 ") in height. This Rule is not met as evidenced by: Based on observation and interview, the facility failed to have the required posters at the main public entrance. The findings included: 1. During a annual survey, on 9/9/15 to the	G 418	Postings with contact information for adult protective services, elder abuse and domestic violence are on the electronic bulletin board in the waiting room. The size of the screen is 27"x15" The Director of Imaging will conduct semi-annual audits in January and July to ensure these postings remain accessible to the public	

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G 418	Continued From page 5 facility, the surveyor did not find the following posters at the main public entrance: (a) Contact information including statewide toll-free number of the division of adult protective services, and the number for the local district attorney's office; (b) A statement that a person of advanced age who may be the victim of abuse, neglect, or exploitation may seek assistance or file a complaint with the division concerning abuse, neglect and exploitation; and (c) A statement that any person, regardless of age, who may be the victim of domestic violence may call the nationwide domestic violence hotline, with that number printed in boldface type, for immediate assistance and posted on a sign no smaller than eight and one-half inches (8½") in width and eleven inches (11") in height. Postings of (a) and (b) shall be on a sign no smaller than eleven inches (11") in width and seventeen inches (17") in height. 2. In an interview with the facility manager on 9/9/15, she verified none of the above listed posters were present.	G 418		
G 420	1200-8-35-.04 (20) Administration (20)The facility shall develop a concise statement of its charity care policies and shall post such statement in a place accessible to the public. Authority: T.C.A. §§4-5-202, 4-5-204, 39-17-1803, 39-17-1805, 68-11-202, 68-11-204, 68-11-206, 68-11-209, 68-11-216, 68-11-268, and	G 420	We now have a charity care policy posted on the electronic bulletin board.	

Division of Health Care Facilities

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G 420	Continued From page 6 71-6-121. This Rule is not met as evidenced by: Based on observation and interview, the facility failed to have the required poster with a concise statement of its charity care policies and such statement in a place accessible to the public. The findings included: 1. During a tour of the facility on 9/9/15 the surveyor failed to see the facility's statement regarding its policy on charity care. 2. During an interview on 9/9/15 the manager verified such a statement was not posted.	G 420	The Director of Imaging will conduct semi-annual audits in January and July to ensure the charity policy remains accessible to the public.	
G 605	1200-8-35-.06(1)(e) Basic Services. (1) Radiological services. If laboratory tests are performed in the nuclear medicine services, they shall meet applicable requirements for laboratory services as specified in T.C.A. 68-29-101 et seq. (e) Radiology personnel shall be qualified by education, training and experience for the type of service rendered. This Rule is not met as evidenced by: Based on personnel record review and interview, the facility failed to have documentation in 4 of 4 personnel files reviewed that showed radiology personnel were qualified by education, training and experience for the type of services rendered. The findings included:	G 605	All required employee documentation is now on site including but not limited to: application ARRT certification NMTCB certification where applicable TB skin tests CPR certification Annual evaluations	10/14/15

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G 605	Continued From page 7 1. Review of personnel files reveled the following: Employee #1 failed to have a current state license, information regarding date of hire, medical screening information, education or training information or orientation information. Employee #2 failed to have education or training information available for review. Employee #3 failed to have a current state license. Employee #4 failed to have a current state license, information regarding date of hire, medical screening information, CPR certification, education or training information or orientation information. 2. During an interview with the manager on 9/9/15, she stated her office was at another site and due to problems at that site could not access her files with needed information. The employee files located on-site were incomplete.	G 605	The Director of Imaging will perform semi-annual audits in January and July to ensure required documentation remains on site and technologists remain compliant with certification requirements.	TO BEGIN JAN 2016
G 633	1200-8-35-.06(7)(a) Basic Services. (7) Infection Control. (a) The Outpatient Diagnostic Center must provide a sanitary environment to avoid sources and transmission of infections and communicable diseases. There must be an active performance improvement program for the prevention, control, and investigation of infections and communicable diseases.	G 633	The surveyor was provided the Infection Control Policy so I am unclear as to the nature of this deficiency. However, the Infection Control Policy is on site	10/14/15

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G 633	Continued From page 8 This Rule is not met as evidenced by: Based on interview, the facility failed to provide documentation it had an active performance improvement program for the prevention, control, and investigation of infections and communicable diseases. The findings included: During the annual survey on 9/9/15 the manager was unable to provide documentation of an infection control program. During an interview with the manager on 9/9/15, she stated her office was at another site and due to problems at that site could not access her manuals with needed information. She was unable to locate the necessary information that should had been available on-site at this facility.	G 633	The Director of Imaging will perform semi-annual audits in January and July to ensure required documents remain on site	TO BEGIN JAN 2016
G 639	1200-8-35-.06(8) Basic Services. (8) Performance Improvement. The Outpatient Diagnostic Center shall have a planned, systematic, organization-wide approach to process design and redesign, performance measurement, assessment and improvement which is approved by the designated governing body or responsible individual. This plan shall address and/or include, but is not limited to: (a) Infection control, including post-operative surveillance; (b) Complications of procedures; (c) Documentation of periodic review of the data collected and follow-up actions;	G 639	The Performance Improvement Plan is now on site. Since operative procedures are not performed it does not include post-operative surveillance. However it does include Infection Control, complications of procedures and documentation of review process and action plans when needed. The Director will be made aware of any incidents immediately	10/14/15

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G 639	Continued From page 9 (d) A system which identifies appropriate plans of action to correct identified quality deficiencies; (e) Documentation that the above policies are being followed and that appropriate action is taken whenever indicated. This Rule is not met as evidenced by: Based on interview, the facility failed to provide documentation it had an active performance improvement program that included and addressed infections control, complications of procedures, documentation of periodic review of the data collected and a system which identified appropriate plans of action to correct identified quality deficiencies. The findings included: During the annual survey on 9/9/15 the manager was unable to provide documentation of their performance improvement program. During an interview with the manager on 9/9/15, she stated her office was at another site and due to problems at that site could not access any needed information. She was unable to locate all the necessary information that should had been available on-site at this facility	G 639	As part of the semi-annual audit done by the Director of Imaging in January and July the Director will meet with the Chief Site Radiologist to review those findings as well as review any incidents and/or exam complications. They will also review and update action plans when necessary during these meetings. These semi-annual meetings will be documented.	10/14/15 initially & then TO BEGIN JAN2016
G1101	1200-8-35-.11(1) Records And Reports. (1) The Joint Annual Report of Outpatient Diagnostic Centers shall be filed with the department. The forms are furnished and mailed to each Outpatient Diagnostic Center by the department each year and the forms must be completed and returned to the department as	G1101	The JAR report was filed appropriately for 2014. Because the Standards for Outpatient Diagnostic Centers does not require it be kept on	10/14/15

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G1101	Continued From page 10 required. This Rule is not met as evidenced by: Based on interview, the facility manager was unable to provide a copy of the most recent Joint Annual Report of Outpatient Diagnostic Centers. The findings included: During an interview with the manager on 9/9/15, she stated her office was at another site and due to problems at that site could not access her copy of the most recent Joint Annual Report.	G1101	site it along with the JAR report for our other ODC is kept in the central office. However, beginning immediately an additional copy will also be kept on site. The Director of Imaging will perform semi-annual audits in January and July to ensure required documentation including the most recent JAR are on site TO BEG JAN 20	

Proof of Publication

Miscellaneous Information

1. TennCare Enrollment
2. Emergency Protocols
3. Charity Care Guidelines

TennCare Enrollment Report for November 2016

MCO	REGION	Total
AMERIGROUP COMMUNITY CARE		455,357
BLUECARE	East Tennessee	216,765
BLUECARE	Middle Tennessee	177,359
BLUECARE	West Tennessee	156,086
UnitedHealthcare Community Plan	East Tennessee	168,593
UnitedHealthcare Community Plan	Middle Tennessee	178,198
UnitedHealthcare Community Plan	West Tennessee	142,689
TENNCARE SELECT HIGH	All	52,211
TENNCARE SELECT LOW	All	18,374
PACE		276
Awaiting MCO assignment		24
Grand Total		**1,565,932**

	Female				Female	Male					
COUNTY	0 - 18	19 - 20	21 - 64	65 -->	Total	0 - 18	19 - 20	21 - 64	65 -->	Male Total	Grand Total
ANDERSON	4,353	354	4,634	644	9,985	4,628	288	2,238	284	7,438	17,423
BEDFORD	3,998	272	3,308	257	7,835	4,146	255	1,350	125	5,876	13,711
BENTON	1,068	92	1,235	143	2,538	1,124	86	624	79	1,913	4,451
BLEDSOE	837	79	877	130	1,923	931	74	500	62	1,567	3,490
BLOUNT	6,325	526	6,488	700	14,039	6,431	431	2,872	329	10,063	24,102
BRADLEY	6,263	490	6,359	697	13,809	6,546	415	2,743	299	10,003	23,812
CAMPBELL	3,034	286	3,876	697	7,893	3,239	223	2,142	394	5,998	13,891
CANNON	817	75	896	131	1,919	833	67	429	55	1,384	3,303
CARROLL	1,890	182	2,272	316	4,660	2,110	164	1,179	125	3,578	8,238
CARTER	3,305	271	3,737	708	8,021	3,462	225	1,938	282	5,907	13,928
CHEATHAM	2,082	172	2,115	168	4,537	2,248	183	948	90	3,469	8,006
CHESTER	1,078	88	1,113	148	2,427	1,102	79	453	73	1,707	4,134
CLAIBORNE	2,165	203	2,637	558	5,563	2,270	172	1,575	269	4,286	9,849
CLAY	537	36	583	118	1,274	574	49	366	62	1,051	2,325
COCKE	2,845	260	3,287	470	6,862	3,014	218	1,778	244	5,254	12,116
COFFEE	3,825	309	3,886	417	8,437	3,948	225	1,716	174	6,063	14,500
CROCKETT	1,132	85	1,049	204	2,470	1,094	67	483	87	1,731	4,201
CUMBERLAND	3,456	283	3,528	512	7,779	3,625	222	1,719	240	5,806	13,585
DAVIDSON	44,543	2,892	38,761	3,463	89,659	45,810	2,567	15,848	1,922	66,147	155,806
DECATUR	701	64	799	194	1,758	801	50	430	60	1,341	3,099
DEKALB	1,383	120	1,418	195	3,116	1,531	99	764	111	2,505	5,621
DICKSON	3,087	243	3,121	326	6,777	3,229	228	1,343	138	4,938	11,715
DYER	2,859	247	3,175	427	6,708	3,010	207	1,350	158	4,725	11,433
FAYETTE	1,874	170	1,908	292	4,244	1,978	133	766	160	3,037	7,281
FENTRESS	1,397	130	1,633	377	3,537	1,513	115	1,079	203	2,910	6,447
FRANKLIN	2,108	201	2,272	277	4,858	2,273	160	1,089	116	3,638	8,496
GIBSON	3,498	270	3,803	603	8,174	3,682	277	1,710	256	5,925	14,099
GILES	1,768	155	1,866	254	4,043	1,756	120	836	124	2,836	6,879
GRAINGER	1,545	140	1,617	305	3,607	1,596	122	961	159	2,838	6,445
GREENE	3,840	338	4,539	734	9,451	4,145	290	2,226	388	7,049	16,500
GRUNDY	1,084	120	1,333	214	2,751	1,214	106	756	128	2,204	4,955
HAMBLEN	4,843	338	4,098	555	9,834	5,003	311	1,848	242	7,404	17,238

	Female				Female	Male					
COUNTY	0 - 18	19 - 20	21 - 64	65 -->	Total	0 - 18	19 - 20	21 - 64	65 -->	Male Total	Grand Total
HAMILTON	19,044	1,334	19,287	2,433	42,098	19,860	1,240	7,819	1,124	30,043	**72,141**
HANCOCK	522	65	642	158	1,387	579	40	366	73	1,058	**2,445**
HARDEMAN	1,859	174	2,088	326	4,447	1,849	130	970	160	3,109	**7,556**
HARDIN	1,795	157	2,106	385	4,443	1,922	152	1,041	206	3,321	**7,764**
HAWKINS	3,502	302	3,939	604	8,347	3,657	273	2,032	293	6,255	**14,602**
HAYWOOD	1,486	122	1,748	261	3,617	1,647	134	609	101	2,491	**6,108**
HENDERSON	1,900	164	2,101	278	4,443	2,023	140	957	104	3,224	**7,667**
HENRY	2,091	163	2,300	303	4,857	2,245	174	1,099	98	3,616	**8,473**
HICKMAN	1,592	151	1,760	191	3,694	1,772	155	893	109	2,929	**6,623**
HOUSTON	496	43	579	123	1,241	545	24	276	68	913	**2,154**
HUMPHREYS	1,157	90	1,267	149	2,663	1,232	61	601	63	1,957	**4,620**
JACKSON	687	57	804	131	1,679	782	56	455	94	1,387	**3,066**
JEFFERSON	3,400	300	3,413	512	7,625	3,617	250	1,719	202	5,788	**13,413**
JOHNSON	1,085	93	1,211	256	2,645	1,136	77	767	145	2,125	**4,770**
KNOX	21,331	1,612	22,312	2,549	47,804	22,363	1,424	9,833	1,185	34,805	**82,609**
LAKE	480	41	657	164	1,342	561	46	304	87	998	**2,340**
LAUDERDALE	2,115	198	2,295	298	4,906	2,220	176	986	125	3,507	**8,413**
LAWRENCE	2,885	208	2,996	405	6,494	3,078	189	1,469	153	4,889	**11,383**
LEWIS	804	74	810	129	1,817	804	65	395	58	1,322	**3,139**
LINCOLN	2,108	187	2,068	267	4,630	2,226	136	953	103	3,418	**8,048**
LOUDON	2,659	202	2,488	282	5,631	2,815	141	1,141	124	4,221	**9,852**
MACON	1,932	158	1,834	232	4,156	2,029	150	893	116	3,188	**7,344**
MADISON	6,993	542	7,294	848	15,677	7,068	433	2,674	384	10,559	**26,236**
MARION	1,914	158	2,177	234	4,483	1,910	155	939	127	3,131	**7,614**
MARSHALL	1,984	139	1,896	180	4,199	2,057	117	788	76	3,038	**7,237**
MAURY	5,352	407	5,240	526	11,525	5,718	319	2,087	198	8,322	**19,847**
MCMINN	3,314	264	3,553	494	7,625	3,642	212	1,658	228	5,740	**13,365**
MCNAIRY	1,855	186	2,197	353	4,591	2,031	153	1,213	189	3,586	**8,177**
MEIGS	850	85	924	80	1,939	883	74	461	42	1,460	**3,399**
MONROE	3,058	281	3,219	490	7,048	3,314	212	1,669	260	5,455	**12,503**
MONTGOMERY	10,529	725	10,426	715	22,395	10,906	532	3,603	276	15,317	**37,712**
MOORE	228	17	199	53	497	247	22	94	15	378	**875**
MORGAN	1,272	121	1,282	196	2,871	1,334	109	669	96	2,208	**5,079**
OBION	2,208	171	2,399	307	5,085	2,317	134	1,005	133	3,589	**8,674**
OVERTON	1,265	150	1,391	287	3,093	1,377	121	760	141	2,399	**5,492**
PERRY	578	48	545	87	1,258	577	49	305	37	968	**2,226**
PICKETT	272	30	313	71	686	293	22	169	49	533	**1,219**
POLK	1,112	96	1,201	166	2,575	1,130	96	625	84	1,935	**4,510**
PUTNAM	4,590	381	4,763	742	10,476	4,888	300	2,512	333	8,033	**18,509**
RHEA	2,557	193	2,514	366	5,630	2,626	175	1,216	145	4,162	**9,792**
ROANE	2,898	239	3,390	510	7,037	3,200	241	1,791	249	5,481	**12,518**
ROBERTSON	4,193	311	3,578	390	8,472	4,416	271	1,424	150	6,261	**14,733**
RUTHERFORD	15,621	1,086	13,674	1,021	31,402	16,463	835	4,944	470	22,712	**54,114**
SCOTT	1,987	173	2,208	379	4,747	2,093	168	1,193	189	3,643	**8,390**
SEQUATCHIE	1,040	104	1,124	143	2,411	1,077	91	589	56	1,813	**4,224**
SEVIER	6,180	446	5,632	492	12,750	6,598	345	2,406	188	9,537	**22,287**
SHELBY	79,904	6,142	74,164	6,955	167,165	81,869	5,595	24,468	3,145	115,077	**282,242**
SMITH	1,211	111	1,251	170	2,743	1,245	71	575	63	1,954	**4,697**
STEWART	811	70	871	117	1,869	848	63	436	58	1,405	**3,274**
SULLIVAN	8,653	689	9,978	1,325	20,645	9,133	632	5,015	597	15,377	**36,022**
SUMNER	8,665	696	8,212	805	18,378	9,108	605	3,226	299	13,238	**31,616**
TIPTON	3,870	315	3,764	390	8,339	4,103	281	1,493	141	6,018	**14,357**

	Female				Female	Male					
COUNTY	0 - 18	19 - 20	21 - 64	65 -->	Total	0 - 18	19 - 20	21 - 64	65 -->	Male Total	Grand Total
TROUSDALE	566	53	590	72	1,281	564	28	264	38	894	2,175
UNICOI	986	89	1,138	253	2,466	1,099	96	548	124	1,867	4,333
UNION	1,473	109	1,438	154	3,174	1,426	111	753	91	2,381	5,555
VAN BUREN	346	28	373	62	809	377	22	195	49	643	1,452
WARREN	3,120	234	3,107	457	6,918	3,230	197	1,503	204	5,134	12,052
WASHINGTON	6,398	492	7,192	981	15,063	6,602	454	3,436	429	10,921	25,984
WAYNE	875	67	936	163	2,041	910	69	474	74	1,527	3,568
WEAKLEY	1,935	185	2,129	299	4,548	1,974	155	1,017	120	3,266	7,814
WHITE	1,853	164	1,980	286	4,283	2,013	136	1,083	122	3,354	7,637
WILLIAMSON	3,723	279	3,145	365	7,512	3,934	271	1,333	154	5,692	13,204
WILSON	5,665	439	5,283	483	11,870	5,856	365	2,055	200	8,476	20,346
Other	4,093	386	4,247	185	8,911	4,351	295	1,613	93	6,352	15,263
Grand Total	**414,467**	**32,287**	**411,865**	**48,322**	**906,941**	**432,635**	**28,093**	**175,918**	**22,345**	**658,991**	**1,565,932**

Reports include some membership additions that are the result of retroactivity; however, additional retroactivity may still occur. The "Other" county category reflects recipients who are Tennessee residents for which their domicile is temporarily located outside of the state.

TENNESSEEONCOLOGY

Effective:

Last Approved:

Last Revised:

Next Review:

Owner:

Policy Area:

Applicable Regulating Body::

Applicability:

Policy Title: EMERGENCY PROCEDURES FOR RADIOACTIVE SPILLS

Statement of Purpose: To minimize personnel exposure and contamination in the event of a radioactive spill.

Policy:

MINOR SPILLS

1. **NOTIFY:** Notify persons in the area that a spill has occurred.
2. **PREVENT THE SPREAD:** Cover the spill with absorbent paper.
3. **CLEAN UP:** Use disposable gloves and remote handling tongs. Carefully fold the absorbent paper and pad. Insert into a plastic bag and dispose of in the radioactive waste container. Also insert into the plastic bag all other contaminated materials such as disposable gloves.
4. **SURVEY:** With an appropriate survey meter check the area around the spill, hands, and clothing for contamination.
5. **REPORT:** Report the incident to the Radiation Safety Officer.

MAJOR SPILLS

1. **CLEAR THE AREA:** Notify all persons not involved in the spill to vacate the room.
2. **PREVENT THE SPREAD:** Cover the spill with absorbent pads, but do not attempt to clean it up. Confine the movement of all personnel potentially contaminated to prevent the spread.
3. **SHIELD THE SOURCE:** If possible, the spill should be shielded, but only if it can be done without further contamination or without significantly increasing personnel radiation exposure.
4. **CLOSE THE ROOM:** Leave the room and lock the door(s) to prevent entry.
5. **CALL FOR HELP:** Notify the Radiation Safety Officer immediately.
6. **PERSONNEL DECONTAMINATION:** Contaminated clothing should be removed and stored for further evaluation by the Radiation Safety Officer. If the spill is on the skin, flush thoroughly and wash with mild soap and lukewarm water.

Applicable Procedures:

HEALTH EMERGENCY PROCEDURE

In the event of a health emergency, the following procedure will be followed:

A technologist will immediately notify the onsite radiologist or notify the front office staff to call for the onsite radiologist. A technologist will stay with the patient and evaluate his/her condition.

The onsite radiologist will authorize notification of Emergency Medical Services if needed and attempt to stabilize the patient until the EMS team arrives. The radiologist or a technologist under the supervision of the radiologist may defibrillate or administer emergency drugs.

After the patient has been stabilized and/or transported to the nearest emergency facility by the EMS team, the technologist involved will fill out an incident report online in the Adverse Event program accessible through the Tennessee Oncology Intranet.

MAR 14 '17 PM1:23

1. Purpose

Tennessee Oncology supports patients who have expressed financial hardship or an inability to pay. Programs are sought out to assist patients based on diagnosis, drug and/or income.

2. Referenced Documents

Document Log

3. Procedure

1. When a patient has expressed financial hardship or an inability to pay they are encouraged to complete a Hardship Determination form.

2. Tennessee Oncology shall require the patient to submit one or more of the following supporting documents: Bank statement(s), W2 statement, pay stubs, income tax returns, forms approving/denying Medicaid or other state-funded medical assistance, forms approving/denying unemployment compensation, written statements from employees or welfare agencies.

3. Patients may also be advised and encouraged to complete applications for available foundations applicable to their specific condition and treatment regimen.

4. Completed Hardship Determination forms and required supportive documentation is forwarded to the Collection Manager and the Director of Patient Accounting for review.

5. Approval is granted based on written documentation provided, action taken by the patient in addition to the current U.S. Poverty Guidelines listed in the Federal Register.

6. Patients are notified if indigent status is approved or denied. If approved the patient will not receive a patient statement and copayment and/or deductibles will be adjusted off as incurred.

7. Eligibility will be reevaluated annually.

State of Tennessee
Health Services and Development Agency
Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

March 30, 2017

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, TN 37215

RE: Certificate of Need Application -- Franklin PET Scan Center - CN1703-012
The initiation of a Positron Emission Tomography (PET) service at an unaddressed site on the east side of Carothers Parkway, Franklin (Williamson County), Tennessee 37067. The estimated project cost is $3,828,653.

Dear Mr.Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on April 1, 2017. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on June 28, 2017.

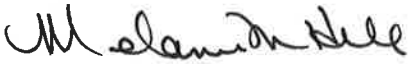
Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

(2) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(3) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA

State of Tennessee
Health Services and Development Agency
Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill
Executive Director

DATE: March 30, 2017

RE: Certificate of Need Application
Franklin PET Scan Center - CN1703-012

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on April 1, 2017 and end on June 1, 2017.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: John Wellborn

MAR 9'17 AM9:57

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Williamson County, Tennessee, on or before March 10, 2017, for one day.

- -

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Franklin PET Scan Center (a proposed service of a private professional practice), to be owned and managed by Tennessee Oncology, PLLC (a professional limited liability company), intends to file an application for a Certificate of Need to acquire major medical equipment for PET (Positron Emission Tomography) scanning, and to initiate outpatient PET scanning, at a project cost estimated at approximately $3,830,000. The project site in Franklin, in Williamson County, is an unaddressed site on the east side of Carothers Parkway, on the south side of the Scott Hamilton Proton Treatment Center site that is being developed at the intersection of Physicians Way and Carothers Parkway. The PET service will be located in the Tennessee Oncology practice office in a medical office building to be constructed at that site.

The project will not require licensure as a healthcare facility. The project does not contain any other type of major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before March 15, 2017. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

John L Wellborn	3-8-17	jwdsg@comcast.net
(Signature)	(Date)	(E-mail Address)

Supplemental #1

Franklin PET Scan Center

CN1703-012

BASS BERRY + SIMS

W. Brantley Phillips, Jr.
bphillips@bassberry.com
(615) 742-7723

MAR 27 '17 AM 11:15

SUPPLEMENTAL #1
March 27, 2017
11:14 am

March 27, 2017

VIA HAND DELIVERY

Phillip Earhart
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville TN 37243

Re: Certificate of Need Application CN1703-012
Franklin PET Scan Center

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. Three copies of this letter are being provided to the Agency, with affidavit.

1. Section A, Applicant Profile, Item 1
It is noted the proposed location of the Franklin PET Center is in Davidson County. Is this correct? Please clarify.

The project is located in Williamson County. Attached at the end of this letter is revised page 1R correcting that location.

2. Section A, Project Details, Item 4.B
Please provide the members and ownership entity and each member's percentage of ownership, for those with 5% ownership (direct and indirect) interest for the following: Franklin Investments, LLC, Provision Healthcare, LLC, and Middle Tennessee Health Realty, LLC.

As described in the application, Franklin Investments LLC and Provision Healthcare LLC are equal co-owners of Middle Tennessee Health Realty LLC, whose only role in this project is as owner, developer and lessor of the medical office building being constructed at this location for multiple tenants.

Franklin Investments LLC is presently owned entirely by Tennessee Oncology PLLC, which is owned by 67 of its physicians. None of the physicians owns more than 1.493% of Tennessee Oncology PLLC. Franklin Investments LLC is a real estate investment entity that will be offered to Tennessee Oncology PLLC physician partners. Based on preliminary

conversations and past investments by these physicians, it is expected that no single physician would acquire 5% or more of this real estate LLC.

Middle Tennessee Health Realty LLC is owned 50% by Franklin Investments LLC and 50% by Provision Healthcare LLC.

Provision Healthcare, LLC's members are Terry Douglass, his children and two charitable trusts managed by Mr. Douglass. The percentages of membership are as follows:

Vision Rev. Charitable Trust	40.2904%
Terry D. Douglass	20.0000%
Rev. Charitable Trust of Terry and Roseann Douglas	10.0000%
Deborah Douglass Robinson	9.9032%
Melissa Douglass Hill	9.9032%
Timothy Dean Douglass	9.9032%

3. Section A, Project Details, Item 6.A
Please provide a property deed from Middle Tennessee Health Realty, LLC documenting site control.

A copy of the property deed documenting site control by Middle Tennessee Health Realty LLC has been requested from the Williamson County Register of Deeds and will be supplied as soon as practicable.

4. Section A, Project Details, Item 6.B (2)
It is noted the floor plan references an ODC. Please clarify and provide a revised floor plan if necessary.

Attached at the end of this letter is a revised project floor plan (two pages) with reference to "ODC" deleted. When the drawing was prepared, this was intended to be an ODC but that intention changed in early 2017.

5. Section A, Project Details, Item 13 (B)
Attachment Section A.13.B GE Vendor Quotation is noted. However, the quote expired October 26, 2015. Please provide a current vendor quotation.

Attached at the end of this letter is a current vendor quotation with an expiration date beyond the anticipated date of decision for the application.

6. Section C. Need Item 1. (Project Specific Criteria – PET Service)
Item 1 –If approved, please indicate when the applicant expects to reach the 1,600 PET procedure standard.

The State Plan standard of 1,600 procedures is defined as "optimal" or 80% utilization. The applicant has not made formal projections beyond the second year, CY2020. However, it is

reasonable to expect that the PET may reach the 1,600 procedure standard after five years of operation.

Item 6.f.- Please provide documentation of the applicant's arrangement with its physician medical director that specifies said physician be an active member of the subject transfer hospital medical staff.

The applicant is not aware that a physician practice-based PET unit requires designation of a Medical Director. The oncologists located at Tennessee Oncology's current clinic site on the Williamson Medical Center campus, however, already have active staff privileges at that hospital. Those staff privileges will be maintained when the physicians relocate to the proposed new MOB across the street.

Item 8.a. – Please provide "Attachment B-Need-State Plan-8a" that is referenced in the application.

A revised page 88R Table of Contents, and the missing Attachment showing Medically Underserved Areas of the project's service area counties, are attached at the end of this letter.

Item 8.d.-It is noted the applicant is contracted with all TennCare MCO's operational in Middle Tennessee. However, please clarify if the new proposed PET is automatically added to the applicant's TennCare MCO contracts.

Yes, the service will automatically be added to the MCO contracts that exist at the time the service opens. The practice has been and will continue to be contracted to all Middle Tennessee TennCare MCOs.

If needed, please provide written commitment of intention to contract with at least one TennCare MCO and if providing adult services, to participate in the Medicare program.

Not necessary, as the affiliated physician practice is contracted with all Middle Tennessee TennCare MCOs.

7. Section C, Need, Item 3 (Service area)

a. Please complete the table below documenting resident PET utilization projected utilization (Year One):

The requested data is provided below.

Primary Service Area (PSA) Counties	Yr 1 Projected Utilization By County Residents	% of Yr 1 Procedures
Dickson	148	14.8%
Giles	16	1.6%
Hickman	61	6.1%
Lawrence	39	3.9%
Lincoln	43	4.3%
Marshall	20	2.0%
Maury	70	7.0%
Rutherford	88	8.8%
Williamson	276	27.7%
Davidson	114	11.4%
PSA Subtotal	**875**	**87.6%**
Other Counties & States	124	12.4%
Total	**999**	**100.0%**

Service Area Counties	Yr 1 Projected Utilization By County Residents	% of Yr 1 Procedures
Williamson	276	27.7%
Dickson	148	14.8%
Davidson	114	11.4%
Rutherford	88	8.8%
Maury	70	7.0%
Hickman	61	6.1%
Lincoln	43	4.3%
Lawrence	39	3.9%
Marshall	20	2.0%
Giles	16	1.6%
PSA Subtotal	**875**	**87.6%**
Other Counties & States	124	12.4%
Total	**999**	**100.0%**

b. There appear to be errors in the primary service area 2015 PET utilization chart on page 41 in the % of total procedures column. Please verify and submit a replacement page 41 if necessary.

A revised page 41R with the percentages corrected is attached at the end of this letter.

8. Section B, Need, Item 4A (2)
Please complete the required demographic table for the secondary service area Davidson County.

The requested supplementary table is attached at the end of this letter.

9. Section B, Need. Item 5 (Service Area Utilization)

a. Please provide 2015 PET patient destination for each service area county listed below. For providers providing less than 5% in a county, please list those providers under "other".

The requested supplementary table is attached at the end of this letter.

b. Please complete PET equipment utilization recently reported by the HSDA for PET units in the 9-county primary and secondary service area, in the chart shown below…

PET Utilization in the 9-County Tennessee PSA and Secondary Service Area

			2013	2014	2015	'13-'15	2015
County	**Provider**	**Fixed /Mobile Units**	**Procs.**	**Procs**	**Procs.**	**% change**	**% of Standard**

**The State Health Plan Certificate of Need PET Standards and Criteria indicate "applicants proposing a new stationary PET unit should project a minimum of at least 1,000 PET procedures in the first year of service, building to 1,600 procedures per year by the second year of service and every year* thereafter."

The provider/utilization data in the requested table was provided as an HSDA Registry report on page 45 of the application. This new table requests calculations of percentage changes from CY2013 to CY2015 for each provider and how the 2015 utilization compares to State Health Plan's standard for optimal PET utilization (1600 per year). Attached at the end of this response letter is a supplementary table showing both the previously submitted utilization data and the new calculations.

10. Section B, Need, Item 6 (applicant's projected utilization)

Please explain the reason the applicant will not meet the 1,600 PET procedure threshold even with being in close proximity to the new Middle Tennessee Proton Center and the Sarah Cannon Research Institute.

At 999 annual procedures in Year One, this project will substantially comply with the State Plan's target of performing 1,000 procedures in Year One. As noted the time needed to achieve the second-year target of 1,600 PET procedures has not been projected but is expected to occur within fist five years of operation.

Thinking it best at this stage to reflect a slow "build rate" for PET patients at this new location, Tennessee Oncology requested conservative referral forecasts from the Proton Center's development team, and used conservative assumptions of research patient referrals based on past experience with Sarah Cannon's other locations. Therefore, the application's projections may well be exceeded once the Middle Tennessee Proton Center and Sarah Cannon Research Institute are well-established at this location.

It should be noted that the new unit's projected utilization, though conservative, will nonetheless will make the service strongly financially feasible in both of its first two years of operation. And, adding a PET unit immediately is appropriate because, for more than a year, all existing service area PET units have exceeded the State Health Plan threshold of optimal utilization at which an additional unit can be approved.

11. Section B, Economic Feasibility Item 1.D
The applicant notes to "see page 47". Please clarify why.

That reference was an error. Attached at the end of this letter is revised page 48R eliminating the reference.

12. Section B, Economic Feasibility Item 2
The applicant provided *unaudited* financial statements to document available cash reserves to fund the proposed project. Please provide documentation from a financial institution of the availability of cash to finance the proposed project.

The practice does not prepare audited financial statements. Attached at the end of this letter, however, is documentation from the applicant's accounting firm that the PLLC has sufficient cash and cash flow to provide its $426,000 of funding to implement the project.

13. Section B, Economic Feasibility, Item 4. (Projected Data Chart)
a. The Projected Data Chart for Franklin Clinic and Projected PET/CT and Consolidated PET (all 3) and proposed Franklin PET/CT Project are noted. However, please specify line B.4 other operating revenue in each chart.

That item in the Projected Data Chart is an estimated annual adjustment of IPA payments to Tennessee Oncology physicians who are members of the IPA. All Blue Cross claims from IPA member physicians are subjected to a withholding for administrative expenses. At the end of the year, unused amounts of this fund are returned to member physicians (in this case to Tennessee Oncology PLLC).

b. In each Projected Data Chart Line D.9 "Other Expenses" appears to be missing the related costs for FDG. Please clarify.

The FDG costs are included in the "Medical Supplies" category of Other Expenses in each chart.

c. Please also identify the distance to the closest cyclotron source.

The closest cyclotron source is at 411 Industry Road, Suite 5008B, Louisville, KY 40208.

d. What are the arrangements for professional fees related to imaging interpretation services by radiologists? Are these reflected in the Projected Data Chart for the PET service?

This will be a "global billing" service in which the PET charges billed to the patient will include the costs of the radiologists' interpretation fees. The radiologists will be compensated by the practice under a service contract. The current radiology service contract is proprietary and confidential. Compensation for interpretations will be subject to the existing contract, which may or may not be modified by the time the project opens. The projected expenses of paying the radiologists are listed in the "other expense" itemization in the Projected Data Charts.

14. Section B., Economic Feasibility, Item 6 A.
Please provide audited copies of the applicant's balance sheet and income statement from the most recent reporting period and most recent audited financial statement with accompanying notes, if applicable.

The applicant PLLC does not have audits of its financial statements performed, so no such document can be provided. Please see response to Item 12 above and related documentation.

15. Section B., Economic Feasibility, Item 6 B.
The Projected year 2 Net Operating Ratio for the Clinic with PET/CT appears to be incorrect. Please verify and correct.

Attached at the end of this letter is a revised page 69R correcting those Net Operating Ratios to 0.11 and 0.12.

16. Section B, Orderly Development, Item 2 B.
a. The applicant notes the proposed project has the support of nearby Williamson Medical Center. What is the distance to Williamson Medical Center from the proposed site?

The distance between the public entrance of Williamson Medical Center and the future entrance drive to the project site is approximately 450 yards.

b. Also, please verify if there is a letter of support for the proposed project from Williamson Medical Center.

Williamson Medical Center has advised, following a meeting of its board of trustees on March 23, 2017, that it does not oppose this project. At this time, however, no further statement of support is expected from the hospital. A revised page 76R clarifying the hospital's decision not to oppose the project is attached at the end of this letter. Other letters of support will be forwarded to the Agency under separate cover well in advance of any hearing on the application.

c. The September 4, 2015 Tennessee Department of Health letter statement of deficiencies as the result of the licensure survey conducted August 25-26, 2015 is noted. However, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a letter from the appropriate agency.

MAR 27 '17 AM 11:15

SUPPLEMENTAL #1
March 27, 2017
11:14 am

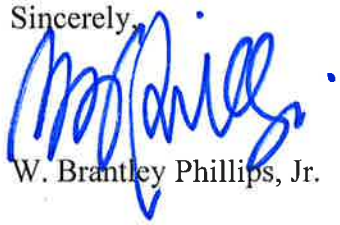
The requested letter from the Department of Health is attached at the end of this letter.

17. Section B, Orderly Development, Item 3 C.
Please discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g. internships, residencies, etc.)

Tennessee Oncology does not have a formal contract for rotation of students through its clinics or ODCs; however, it does arrange for medical school interns to accompany and observe a Tennessee Oncology physician in clinic settings on occasion.

We trust the foregoing and the attached are responsive to your requests for additional information. Thank you for your assistance. Please do not hesitate to contact either John Wellborn or me if further additional information is required in order for the application to be deemed complete.

Sincerely,



W. Brantley Phillips, Jr.

WBP:

cc: John Wellborn

MAR 27 '17 AM 11:15

SUPPLEMENTAL #1
March 27, 2017
11:14 am

CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

Franklin PET Scan Center
Name

Unaddressed site on the east side of Carothers Parkway, on the south side of the Scott Hamilton Proton Treatment Center site that is being developed at the intersection of Physicians Way and Carothers Parkway.	Williamson
Street or Route	*County*

Franklin	TN	37067
City	*State*	*Zip Code*

c/o Tennessee Oncology at *http://tnoncology.com*
Website Address

2. Contact Person Available for Responses to Questions

John Wellborn	Consultant
Name	*Title*

Development Support Group	jwdsg@comcast.net
Company Name	*E-Mail Address*

4219 Hillsboro Road, Suite 210	Nashville	TN	37215
Street or Route	*City*	*State*	*Zip Code*

CON Consultant	615-665-2022	615-665-2042
Association With Owner	*Phone Number*	*Fax Number*

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A-6A	Site Control Documentation
A-6B(1)a-d	Plot Plan and Location Maps
A-6B(2)	Floor Plan
A-6B(3)	Accessibility--Bus Line Schedule
A-13B	Major Medical Equipment Quotes or Leases Radiopharmaceutical Vendor's Letter of Commitment
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Section B

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B-Need-State Health Plan-6E	Medical Director Board Certification
B-Need-State Health Plan-8A	Medically Underserved Areas
B-Economic Feasibility-1E	Documentation of Construction Cost Estimate
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B-Economic Feasibility-6A	Applicant's Financial Statements
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2 Emergency Protocols
3. Charity Care Guidelines

Support Letters

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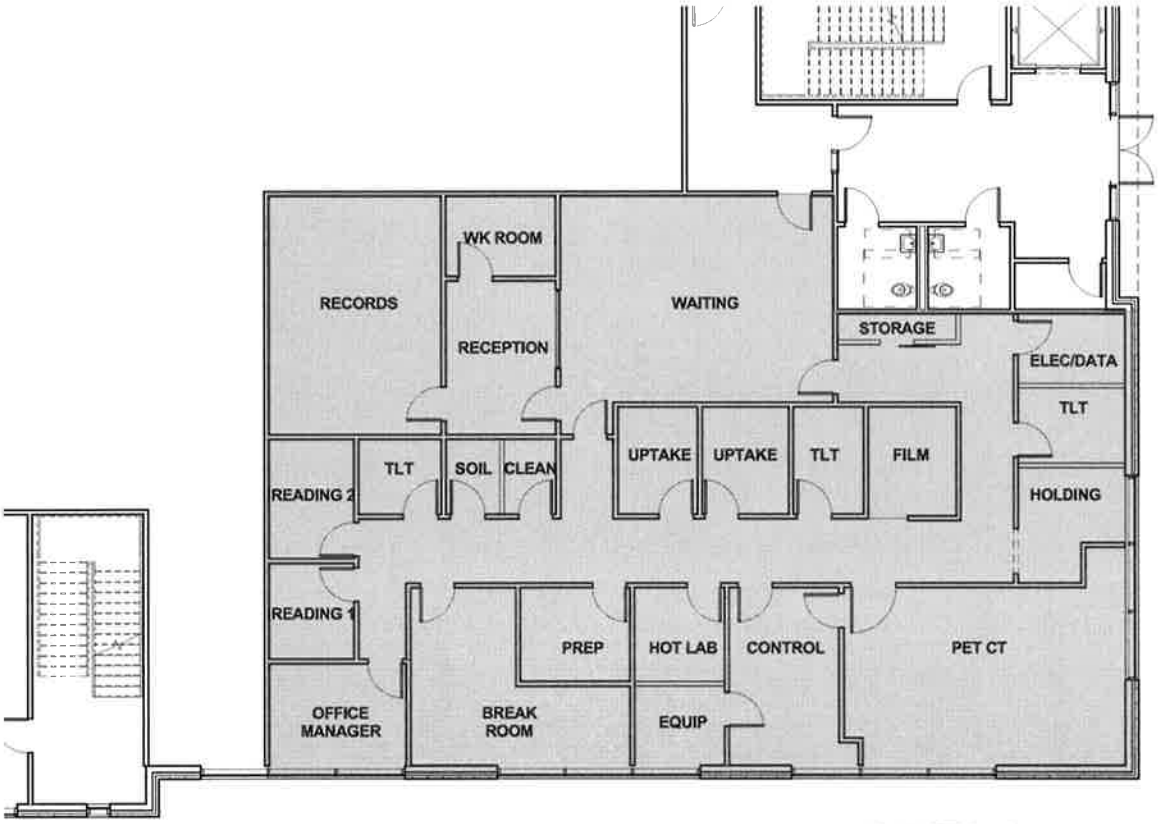

Franklin PET Scan Center

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B-Need-State Health Plan-6E

Medical Director Board Certification

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B-Need-State Health Plan-8A

Medically Underserved Areas Designations

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MUA Find Results

Search Criteria

Start Over | Modify Search Criteria | Map View

Click on a column heading to sort the results in ascending or descending order.

Data as of 3/18/2017

State: Tennessee
County: Dickson County
MUA ID: All

Collapse All

1 Page Size: 20 — 01 items in 01 pages

County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Dickson County	043	Charlotte Service Area	03264	Medically Underserved Area	Medically Underserved Area	0.00	05/12/1994	05/12/1994
MCD (90614) District 4								

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MUA Find Results

Search Criteria

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Click on a column heading to sort the results in ascending or descending order.

Data as of 3/18/2017

State: Tennessee
County: Giles County
MUA ID: All

Collapse All

1 Page Size: 20 01 items in 01 pages

County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Giles County	055	Giles County	03192	Medically Underserved Area	Medically Underserved Area	59.90	11/01/1978	05/21/2014

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MUA Find Results

Search Criteria

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Click on a column heading to sort the results in ascending or descending order.

Data as of 3/18/2017

State: Tennessee
County: Hickman County
MUA ID: All

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County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Hickman County	081	HICKMAN SERVICE AREA	03201	Medically Underserved Area	Medically Underserved Area	46.60	11/01/1978	11/01/1978

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MUA Find Results

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Click on a column heading to sort the results in ascending or descending order.

Data as of 3/16/2017

State: Tennessee
County: Lawrence County
MUA ID: All

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County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Lawrence County	099	LAWRENCE SERVICE AREA	03207	Medically Underserved Area	Medically Underserved Area	60.90	11/01/1978	11/01/1978

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MUA Find Results

Search Criteria

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Click on a column heading to sort the results in ascending or descending order.

Data as of 3/18/2017

State: Tennessee
County: Lincoln County
MUA ID: All

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County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Lincoln County	103	LINCOLN SERVICE AREA	03209	Medically Underserved Area	Medically Underserved Area	53.40	11/01/1978	11/01/1978

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MUA Find Results

Search Criteria

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Click on a column heading to sort the results in ascending or descending order.

Data as of 3/18/2017

State: Tennessee
County: Marshall County
MUA ID: All

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County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Marshall County	117	MARSHALL SERVICE AREA	03216	Medically Underserved Area	Medically Underserved Area	58.60	11/01/1978	11/01/1978

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MUA Find Results

Search Criteria

Start Over | Modify Search Criteria | Map View

Click on a column heading to sort the results in ascending or descending order.

Data as of 3/18/2017

State: Tennessee
County: Maury County
MUA ID: All

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County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Maury County	119	Bakerville/ Boldspringdiv. Service Area	03258	Medically Underserved Area	Medically Underserved Area	54.53	05/12/1994	05/12/1994

MCD (91640) District 9
MCD (91070) District 6
MCD (91450) District 8

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MUA Find Results

Search Criteria

Start Over | Modify Search Criteria | Map View

Click on a column heading to sort the results in ascending or descending order.

Data as of 3/18/2017

State: Tennessee
County: Rutherford County
MUA ID: All

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County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Rutherford County	149	Christiana Division Service Area	03259	Medically Underserved Area	Medically Underserved Area	56.90	05/12/1994	05/12/1994
MCD (91100) District 6								

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MUA Find Results

Search Criteria

Start Over | Modify Search Criteria | Map View

Click on a column heading to sort the results in ascending or descending order.

Data as of 3/18/2017

State: Tennessee
County: Williamson County
MUA ID: All

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County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Williamson County	187	Bethesda Division Service Area	03261	Medically Underserved Area	Medically Underserved Area	42.20	05/12/1994	05/12/1994
MCD (90378) District 2 MCD (90568) District 3								

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3. (Continued) Please complete the following tables, if applicable:

Service Area Counties	CY2015 PET Utilization by County Residents, At All Tennessee Providers	% of Total Procedures (By PSA & SSA Separately)
	Primary Service Area	
Dickson	211	7.7%
Giles	81	3.0%
Hickman	86	3.1%
Lawrence	188	6.8%
Lincoln	76	2.8%
Marshall	137	5.0%
Maury	399	14.6%
Rutherford	910	33.2%
Williamson	654	23.8%
PSA Total	*2,742*	100%
	Secondary Service Area	
Davidson	2,619	100.0%
SSA Total	*2,619*	100%

Source: HSDA Registry

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Supplemental Table: Health Care Providers that PET Patients Utilized for their Scans--2015
Franklin PET Scan Center--Primary and Secondary Service Areas

Provider County	Provider Type	Provider	Year	Resident County	Provider's Procedures from Primary Service Area 2015	Provider's Total Procedures 2015	% Dependence on PSA Utilization in 2015
Davidson	HOSP	Vanderbilt University Hospital	2015	Davidson	776	3,535	22.0%
Davidson	HOSP	TriStar Centennial Medical Center	2015	Davidson	162	526	30.8%
Davidson	PO	Tennessee Oncology, PET Services	2015	Davidson	435	1,220	35.7%
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	2015	Davidson	409	1,324	30.9%
Davidson	ODC	Premier Radiology Midtown	2015	Davidson	197	477	41.3%
				Subtotal	**1,979**		
				Other <5%	**640**		
		Total Procedures from Davidson County Residents			**2,619**		
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	2015	Dickson	111	1,324	8.4%
Davidson	HOSP	Vanderbilt University Hospital	2015	Dickson	29	3,535	0.8%
Davidson	PO	Tennessee Oncology, PET Services	2015	Dickson	28	1,220	2.3%
Davidson	HOSP	TriStar Centennial Medical Center	2015	Dickson	25	526	4.8%
Davidson	ODC	Premier Radiology Midtown	2015	Dickson	15	477	3.1%
				Subtotal	**208**		
				Other <5%	**3**		
		Total Procedures from Dickson County Residents			**211**		
Maury	HOSP	Maury Regional Medical Center	2015	Giles	48	508	9.4%
Davidson	HOSP	Vanderbilt University Hospital	2015	Giles	12	3,535	0.3%
Williamson	HOSP	Williamson Medical Center	2015	Giles	7	130	5.4%
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	2015	Giles	5	1,324	0.4%
Rutherford	ODC	Tennessee PET Scan Center	2015	Giles	4	1,628	0.2%
				Subtotal	**76**		
				Other <5%	**5**		
		Total Procedures from Giles County Residents			**81**		
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	2015	Hickman	32	1,324	2.4%
Davidson	PO	Tennessee Oncology, PET Services	2015	Hickman	15	1,220	1.2%
Maury	HOSP	Maury Regional Medical Center	2015	Hickman	13	508	2.6%
Davidson	HOSP	Vanderbilt University Hospital	2015	Hickman	10	3,535	0.3%
Davidson	ODC	Premier Radiology Midtown	2015	Hickman	8	477	1.7%
Davidson	HOSP	TriStar Centennial Medical Center	2015	Hickman	7	526	1.3%
				Subtotal	**85**		

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Supplemental Table: Health Care Providers that PET Patients Utilized for their Scans--2015
Franklin PET Scan Center--Primary and Secondary Service Areas

Provider County	Provider Type	Provider	Year	Resident County	Provider's Procedures from Primary Service Area 2015	Provider's Total Procedures 2015	% Dependence on PSA Utilization in 2015
				Other <5%	**1**		
		Total Procedures from Hickman County Residents			**86**		
Maury	HOSP	Maury Regional Medical Center	2015	Lawrence	123	508	24.2%
Davidson	HOSP	Vanderbilt University Hospital	2015	Lawrence	24	3,535	0.7%
Davidson	PO	Tennessee Oncology, PET Services	2015	Lawrence	15	1,220	1.2%
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	2015	Lawrence	11	1,324	0.8%
Davidson	HOSP	TriStar Centennial Medical Center	2015	Lawrence	8	526	1.5%
				Subtotal	**181**		
				Other <5%	**7**		
		Total Procedures from Lawrence County Residents			**188**		
Rutherford	ODC	Tennessee PET Scan Center	2015	Lincoln	30	1,628	1.8%
Davidson	ODC	Premier Radiology Midtown	2015	Lincoln	15	477	3.1%
Maury	HOSP	Maury Regional Medical Center	2015	Lincoln	15	508	3.0%
Davidson	HOSP	Vanderbilt University Hospital	2015	Lincoln	8	3,535	0.2%
Davidson	PO	Tennessee Oncology, PET Services	2015	Lincoln	4	1,220	0.3%
				Subtotal	**72**		
				Other <5%	**4**		
		Total Procedures from Lincoln County Residents			**76**		
Maury	HOSP	Maury Regional Medical Center	2015	Marshall	63	508	12.4%
Davidson	HOSP	Vanderbilt University Hospital	2015	Marshall	45	3,535	1.3%
Rutherford	ODC	Tennessee PET Scan Center	2015	Marshall	7	1,628	0.4%
Williamson	HOSP	Williamson Medical Center	2015	Marshall	7	130	5.4%
				Subtotal	**122**		
				Other <5%	**15**		
		Total Procedures from Marshall County Residents			**137**		
Maury	HOSP	Maury Regional Medical Center	2015	Maury	170	508	33.5%
Davidson	HOSP	Vanderbilt University Hospital	2015	Maury	125	3,535	3.5%
Williamson	HOSP	Williamson Medical Center	2015	Maury	30	130	23.1%
Davidson	PO	Tennessee Oncology, PET Services	2015	Maury	25	1,220	2.0%
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	2015	Maury	23	1,324	1.7%

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Supplemental Table: Health Care Providers that PET Patients Utilized for their Scans--2015
Franklin PET Scan Center--Primary and Secondary Service Areas

Provider County	Provider Type	Provider	Year	Resident County	Provider's Procedures from Primary Service Area 2015	Provider's Total Procedures 2015	% Dependence on PSA Utilization in 2015
				Subtotal	**373**		
				Other <5%	**26**		
		Total Procedures from Maury County Residents			**399**		
Rutherford	ODC	Tennessee PET Scan Center	2015	Rutherford	657	1,628	40.4%
Davidson	HOSP	Vanderbilt University Hospital	2015	Rutherford	141	3,535	4.0%
Davidson	PO	Tennessee Oncology, PET Services	2015	Rutherford	39	1,220	3.2%
Davidson	ODC	Premier Radiology Midtown	2015	Rutherford	28	477	5.9%
Davidson	HOSP	TriStar Centennial Medical Center	2015	Rutherford	24	526	4.6%
				Subtotal	**889**		
				Other <5%	**21**		
		Total Procedures from Rutherford County Residents			**910**		
Davidson	HOSP	Vanderbilt University Hospital	2015	Williamson	295	3,535	8.3%
Davidson	PO	Tennessee Oncology, PET Services	2015	Williamson	116	1,220	9.5%
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	2015	Williamson	89	1,324	6.7%
Williamson	HOSP	Williamson Medical Center	2015	Williamson	72	130	55.4%
Davidson	ODC	Premier Radiology Midtown	2015	Williamson	43	477	9.0%
				Subtotal	**615**		
				Other <5%	**39**		
		Total Procedures from Williamson County Residents			**654**		
		Total Procedures from Primary and Secondary Service Area Residents			**5,361**		

Medical Equipment Registry - 8/18/2016 -All data, except percentages and totals which were recalculated by applicant.

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Supplemental Table: PET Utilization In the 9-County Primary and Secondary Service Areas

County	Provider	Fixed/Mobile Units	2013 Procedures	2014 Procedures	2015 Procedures	% Change 2013-2015	Standard for Mobile (320/yr for 1.0 day/wk)	Standard for Fixed (1600/yr) Each Unit	% of Standard
PSA									
Maury	Maury Regional Medical Center	1 mobile @ 1 day/wk	425	441	508	19.5%	320		158.8%
Rutherford	Tennessee PET Scan Center	1 fixed	1,768	1,623	1,628	-7.9%		1,600	101.8%
Williamson	Williamson Medical Center	1 mobile @ 0.5 day/wk	101	127	130	28.7%	160		81.3%
SSA									
Davidson	Imaging Alliance-NV PET, LLC	1 fixed	1,722	1,510	1,324	-23.1%		1,600	82.8%
Davidson	Premier Radiology Midtown	1 fixed	157	364	477	203.8%		1,600	29.8%
Davidson	Tennessee Oncology, PET Services	1 fixed	1,770	1,554	1,220	-31.1%		1,600	76.3%
Davidson	TriStar Centennial Medical Center	1 fixed	273	226	526	92.7%		1,600	32.9%
Davidson	Vanderbilt University Hospital	2 fixed	3,340	3,136	3,535	5.8%		3,200	110.5%

Source: HSDA Registry, 2015 data 8/18/2016

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SUPPLEMENTAL Table B-Need-4A(2): Franklin PET Scan Center
Demographic Characteristics of Primary and Secondary Service Areas
2017-2021

	Department of Health / Health Statistics							Bureau of the Census				TennCare	
Service Area Counties	Current Total Population 2017	Projected Total Population 2021	Total Population % Change 2017 - 2021	Projected Target Population Age 50+ 2017	Projected Target Population Age 50+ 2021	Projected Target* Population Age 50+ % Change 2017 - 2021	Projected Target* Population Age 50+ As % of Projected Total Population 2021	Median Age	Median Household Income	Persons Below Poverty Level	Persons Below Poverty Level as % of Total Population	Current TennCare Enrollees (11-16)	TennCare Enrollees as % of Total County Population
PSA													
Dickson	54,315	56,809	4.6%	20,495	22,471	9.6%	39.6%	38.7	$44,680	8,853	16.3%	11,715	21.6%
Giles	29,774	29,828	0.2%	12,995	13,503	3.9%	45.3%	42.1	$41,093	4,883	16.4%	6,879	23.1%
Hickman	26,619	27,611	3.7%	10,466	11,328	8.2%	41.0%	40.0	$36,334	5,563	20.9%	6,623	24.9%
Lawrence	43,344	44,003	1.5%	17,315	18,386	6.2%	41.8%	39.7	$37,814	8,799	20.3%	11,383	26.3%
Lincoln	34,891	35,649	2.2%	14,879	15,772	6.0%	44.2%	41.8	$40,389	5,827	16.7%	8,048	23.1%
Marshall	33,491	35,030	4.6%	12,823	14,067	9.7%	40.2%	38.9	$42,661	5,426	16.2%	7,237	21.6%
Maury	89,512	94,062	5.1%	34,027	36,912	8.5%	39.2%	38.4	$47,692	13,695	15.3%	19,847	22.2%
Rutherford	328,279	367,508	11.9%	89,498	105,354	17.7%	28.7%	32.2	$56,219	40,707	12.4%	54,114	16.5%
Wiliamson	220,746	239,411	8.5%	78,770	93,082	18.2%	38.9%	38.5	$96,565	11,258	5.1%	13,204	6.0%
Primary Service Area	860,971	929,911	8.0%	291,268	330,875	13.6%	35.6%	38.9	$49,272	105,011	12.2%	139,050	16.2%
State of TN	6,887,572	7,179,512	4.2%	2,503,893	2,700,542	7.9%	37.6%	38.3	$45,219	1,225,988	17.8%	1,565,932	17.6%
SSA													
Davidson	689,338	722,655	4.8%	195,650	204,577	4.6%	28.3%	33.9	$48,368	125,460	18.2%	155,222	22.5%

Sources: TDOH Population Projections, 2016; U.S. Census QuickFacts; TennCare Bureau.
Service area data is either total, or average, as appropriate.

** Target Population is population that the project will primarily serve. For example, nursing home, home health ageny, hospice agency projects typically primarily serve the Age 65+ population; projets for child and adolescent psychiatric services will serve the population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from Current Year, e.g., if Current Year is 2016, then default Projected Year is 2020.*

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ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

A. All projects should have a project cost of at least $15,000 (the minimum CON Filing Fee), (See application instructions for Filing Fee.)

B. The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

D. Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

Please see the following pages for the Project Cost Chart and justification of the cost projections. The Square Footage Chart is provided in response to Section A.12 above. However, its construction cost represents the actual cost of the builder; the construction cost in line A.5 of the Project Cost Chart is the share of that actual cost that is borne by the applicant after deduction of the tenant improvement allowance in the lease.

E. For projects that include new construction, modification, and/or renovation documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:

1) A general description of the project;

2) An estimate of the cost to construct the project; and

3) A description of the status of the site's suitability for the proposed project;

4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

The letter is provided in Attachment Section B-Economic Feasibility-1E.

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6.A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved.

As shown on the Projected Data Chart, the anticipated utilization will assure financial breakeven and positive cash flow in Year One and thereafter.

Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project.
Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.

See Attachment Section B-Economic Feasibility-6A.

B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).
Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Net Operating Margin Calculations from three Projected Data Charts:

Clinic With PET/CT	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	NA	NA	NA	0.11	0.12

Franklin PET/CT	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	NA	NA	NA	0.43	0.43

Combined 4 PET Sites	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	NA	NA	NA	0.47	0.46

2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

A. Positive Effects

The proposed addition of a PET unit to the area will meet a present need for additional capacity based on the standards of the State Health Plan. It will be offered by a physician group with a long track record of providing very accessible, economically priced PET studies to patients from throughout Middle Tennessee.

B. Negative Effects

Much of the utilization projected for the unit will come from reallocating patients already being served by less accessible units in central Nashville, including two of the applicant's own units. The applicant has not identified any negative effects on other providers within this project's primary service area, whose fixed and mobile PET units are operating efficiently and well above the State Health Plan's optimal recommended levels of intensity. Also, Williamson Medical Center, which itself is a provider of PET scanning on a limited mobile basis, has affirmatively stated that it does not oppose the project.

SUPPLEMENTAL #1

March 27, 2017

11:14 am

SUPPLEMENTAL #1
March 27, 2017
11:14 am

March 20, 2017

Mr. John Wellborn
Development Support Group
4919 Hillsboro Road, Suite 210
Nashville, TN 37215

Re: Tennessee Oncology/Franklin CON Application

Dear Mr. Wellborn,

We have been asked to respond to the HSDA's March 17, 2017 request for supplemental information for the Certificate of Need Application CN1703-012.

We have been requested to affirm the company has sufficient cash and cash flow to fund a project in the amount of approximately $426,000. We have worked with the company for over 30 years and have known them to be very positive in cash flow in all years. The company completed the years ended December 31, 2015 and 2016 with an eight digit cash balance in their accounts. This has been the trend for the last several years and we would not anticipate a change in such continuing occurrence. Additionally, the company has available significant credit lines with a financial institution that would allow additional coverage should it be necessary. Again, we are comfortable the company can adequately sustain an investment of approximately $426,000. Should you need additional information please do not hesitate to contact us.

Very truly yours,

Kraft & Company, PLLC

Kenneth R. Kraft, CPA
Member

KRK:sw
Cc: Ron Horowitz
Tammy Versluis

SUPPLEMENTAL #1

March 27, 2017
11:14 am

03/20/2017 MON 10:14 FAX 0035942100 Dept of Health 001/001

SUPPLEMENTAL #1
March 27, 2017
11:14 am

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
7175 STRAWBERRY PLAINS PIKE, SUITE 103
KNOXVILLE, TENNESSEE 37914-7008

October 19, 2015

Ms. Marsha Diaz
Tennessee PET Scan Center, LLC
1840 Medical Center Parkway, Suite 100
Murfreesboro, TN 37129

Re: Licensure Survey – Lic #52

Dear Ms. Diaz:

The East Tennessee Regional Office of Health Care Facilities conducted a licensure survey at your facility on August 25-26, 2015. A desk review of your plan of correction for the health deficiencies cited as a result of the survey was conducted.

Based on the review, we are accepting your plan of correction and your facility is in compliance with all participation requirements as of October 1, 2015.

If you have any questions, please contact the East Tennessee Regional Office at (865) 594-9396.

Sincerely,

Karen Kirby /ram

Karen B. Kirby, RN
Regional Administrator

KBK / ram

SUPPLEMENTAL #1

March 27, 2017

11:14 am

SUPPLEMENTAL #1
March 27, 2017
11:14 am

GE Capital

September 7, 2016

Mr. Ron Horowitz
Tennessee Oncology
300 20th Avenue North
Nashville, TN 37211

Dear Mr. Horowitz:

GE Healthcare Financial Services, a component of GE HFS, LLC ("GEHFS"), is pleased to submit the following proposal:

Contract Description:	True lease of equipment.
Lessor:	GE HFS, LLC, or one or more of its affiliates and/or assigns.
Lessee:	Tennessee Oncology, PLLC
Equipment Description:	GE Discovery IQ 3 Ring PETCT
Equipment Cost:	$1,219,821.52
Term and Rental Payment Amount:	60 payments at $19,372.00 per month in Arrears, plus applicable taxes.
Lease Rate on Equipment Cost:	-2.88% Note: The lease rate and rental payment amounts have been calculated based on the Swap Rate (as defined below) and an assumption that, at the time of funding, the Swap Rate will be 1.23%. GEHFS reserves the right to adjust the lease rate and rental payment amounts if this is not the case, and/or if the lease commences after December 31, 2016, and/or for other changes in market conditions as determined by GEHFS in its sole discretion. As used herein, "Swap Rate" means the interest rate for swaps that most closely approximates the initial term of the lease as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 entitled "Selected Interest Rates" currently available online at http://www.federalreserve.gov/releases/h15/update/ or such other nationally recognized reporting source or publication as GEHFS may specify.
End of Lease Options:	Lessee shall, at its option, either purchase all (but not less than all) of the Equipment for its then fair market value, plus applicable taxes or return the Equipment to GEHFS.
Advance Rent:	No payment due with signed contract.
Documentation Fee:	A documentation fee of $Waived will be charged to Lessee to cover document preparation, document transmittal, credit write-ups, lien searches and lien filing fees. The documentation fee is due upon Lessee's acceptance of this proposal and is non-refundable. This fee is based on execution of our standard documents substantially in the form submitted by us. In the event significant revisions are made to our documents at your request or at the request of your legal counsel or your landlord or mortgagee or their counsel, the documentation fee will be adjusted accordingly to cover our additional costs and expenses.
Required Credit Information:	1. Two years fiscal year end audited/un-audited financial statements and comparative interim statements; or tax returns and business plan. 2. Such additional information as may be required.
Proposal Expiration:	This proposal and all of its terms shall expire within 30 days upon approval of CON.

SUPPLEMENTAL #1

March 27, 2017
11:14 am

The summary of proposed terms and conditions set forth in this proposal is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed herein would be subject to future negotiations. Moreover, by signing the proposal, the parties acknowledge that: (i) this proposal is not a binding commitment on the part of any person to provide or arrange for financing on the terms and conditions set forth herein or otherwise; (ii) any such commitment on the part of GEHFS would be in a separate written instrument signed by GEHFS following satisfactory completion of GEHFS' due diligence, internal review and approval process (which approvals have not yet been sought or obtained); (iii) this proposal supersedes any and all discussions and understandings, written or oral between or among GEHFS and any other person as to the subject matter hereof; and (iv) GEHFS may, at any level of its approval process, decline any further consideration of the proposed financing and terminate its credit review process. Lessee hereby acknowledges and agrees that GEHFS reserves the right to syndicate (via a referral, an assignment or a participation) all or a portion of the proposed transaction to one or more banks, leasing or finance companies or financial institutions (a "Financing Party"). In the event GEHFS elects to so syndicate all or a portion of the proposed transaction (whether before or after any credit approval of the proposed transaction by GEHFS) and is unable to effect such syndication on terms satisfactory to Lessee and/or GEHFS, GEHFS may, in its discretion, decline to enter into, and/or decline any further consideration of, the proposed financing. Lessee hereby further acknowledges and agrees that, in connection with any such syndication, GEHFS may make available to one or more Financing Parties any and all information provided by or on behalf of Lessee to GEHFS (including, without limitation, any third party credit report(s) provided to or obtained by GEHFS).

Except as required by law, neither this proposal nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed transaction and then only on the condition that such matters may not be further disclosed. Nothing herein is to be construed as constituting tax, accounting or legal advice by GEHFS to any person.

You hereby authorize GEHFS to file in any jurisdiction as GEHFS deems necessary any initial Uniform Commercial Code financing statements that identify the Equipment or any other assets subject to the proposed financing described herein. If for any reason the proposed transaction is not approved, upon your satisfaction in full of all obligations to GEHFS, GEHFS will cause the termination of such financing statements. You acknowledge and agree that the execution of this proposal and the filing by GEHFS of such financing statements in no way obligates GEHFS to provide the financing described herein. By signing below, you hereby consent to and authorize GEHFS to perform all background, credit, judgment, lien and other checks and searches as GEHFS deems appropriate in its sole credit judgment.

We look forward to your early review and response. If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at 615-854-3687.

Sincerely yours,

Don Diffendorf

Donald Diffendorf
Vice President
GE Healthcare Financial Services,
a component of GE HFS, LLC

Acknowledged and Accepted:

_____
(Legal Name)

By:_____

Title:_____

Date:_____

Fed. ID #:_____

SUPPLEMENTAL #1

March 27, 2017

11:14 am

GE Healthcare Service Quotation

AGREEMENT# ____ **BILLING ACCOUNT#** 357665 **QUOTATION ID#** CF29896

Customer Information:
Name: TENNESSEE ONCOLOGY PLLC
Address: 300 20TH AVE N STE 301
City: NASHVILLE State: TN Zip: 37203

Is the above address the correct billing address for this Agreement? ☐ Yes ☐ No If no, please provide the correct billing address below:

Customer Billing Information:
Name: ____
Address: ____
City: ____ State: ____ Zip: ____

Please provide the contact name and email address of the following person(s):

	Contact Name:	Email address:
1. To be notified when this Agreement is processed:		
2. To receive all invoices electronically via email:		

Term*: 60 months **Agreement Start Date**:** End of Warranty
Billing Frequency: Monthly - Advance
Payment Schedule*:**
The following payments have non-date effective dates:
$12,939.58 Monthly - Advance, Effective at End of Warranty
Payment Terms: Net 30 days of invoice date **Quotation Expiration Date:** July 31, 2017
Electronic Funds Transfer Authorized: ☐ Yes ☐ No **PO Requirement:** ☐ Yes ☐ No
PO #: ____ PO Expiration Date: ____

Service Sales Rep.: taylor bender
Email: taylor.bender@ge.com
Phone: 262-289-7498

***TERM:** Automatically renews for additional 12-month periods unless either party provides at least 60 days' written notice prior to the expiration date.

****AGREEMENT START DATE:** The "Agreement Start Date" begins on: (a) the above date if Customer signs and returns this Agreement within 15 calendar days of that date; or (b) the date of signature if Customer does not sign and return this Agreement within 15 calendar days of the above date.

ANNUAL CHARGES: See Product Schedule for annual charges, offerings, coverage, and start dates for each Product. Charges are based on Product inventory, offerings, and coverage as of the Agreement Start Date and may change to reflect inventory and coverage modifications, variable charges and other adjustments as specified in this Agreement.

****PAYMENT SCHEDULE:** Charges are payable in installments as set forth above plus applicable taxes. These charges may change based on Product additions/deletions, inflation adjustments or other modifications permitted by this Agreement. Customer will be billed beginning on the Agreement Start Date. Payment is due the first of each month. If the Agreement Start Date is not the first of the month, the first and last payments will be prorated.

PRODUCT REMOVAL: Products sold (excluding an assignment of this Agreement) or scrapped by Customer may be removed from this Agreement with 60 days' prior written notice to GE Healthcare, and fees will be adjusted on the later of the end of the notice period or the date the Product is sold or scrapped. Customer has no right to remove a Product at its convenience.

AGREEMENT: This Agreement is between the "Customer" identified above and General Electric Company, through its division, GE Healthcare ("GE Healthcare"), for the sale and purchase of the Services identified in this Quotation, together with any applicable schedules referred to herein ("Quotation"). "Agreement" is defined as the GE Healthcare (1) Quotation; (2) Product Schedule; (3) Statement of Service Deliverables; and (4) Service Terms & Conditions, that apply to the Products and/or Services identified in this Quotation. In the event of conflict, the order of precedence is as listed. GE Healthcare can withdraw this Quotation at any time before "Quotation Acceptance", which occurs when Customer either: (i) signs and returns this Quotation or (ii) provides evidence of Quotation acceptance satisfactory to GE Healthcare. On Quotation Acceptance, this Agreement is the complete and final agreement of the parties relating to the Services identified in this Quotation. There is no reliance on any terms other than those expressly stated or incorporated by reference in this Agreement and, except as permitted in this Agreement, no attempt to modify will be binding unless agreed to in writing by the parties. Modifications may result in additional fees and cannot be made without GE Healthcare's prior written consent.

Handwritten or electronic modifications on this Agreement (except signatures on the signature blocks below) are void. This Agreement is not part of an umbrella or other group purchasing agreement unless otherwise indicated.

The parties have caused this Agreement to be executed by their authorized representative as of the last signature date below.

Customer	General Electric Company, through its division, GE Healthcare
Signature: ____	Signature: taylor bender
Print Name: ____	Print Name: ____
Title: ____	Title: Services Account Manager
Date: ____	Date: 3/19/2017

Schedule A
Quote ID: CF29896

TENNESSEE ONCOLOGY PLLC

Support and prices quoted below are valid provided the customer signs and returns this quote to GE Healthcare by 4/30/2017

Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Annual Amount
System ID: TBD DISCOVERY IQ Phy Loc Acct: 357665	ADD POS	GE PET DISCOVERY IQ - 3 ring (P#3CC3)	End of Warranty	AssurePoint Performance	INCLUDED: DQA Imaging Phantom ILINQ RESPONSE TIME: 30 MIN. SYSTEM AND TUBE COVERAGE: 0003001-0005000 Patients InSite Onwatch iCenter EXCLUDED: MOBILE UNIT PERIPHERAL DEVICES Printers UNINTERRUPTED POWER SUPPLY WORKSTATION	FE Coverage Weekdays: MON-FRI, 8AM-9PM FE Coverage Weekend: NO COVERAGE HRS FE Onsite Response Time: 4-Hours InSite/Tech Phone Support PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM Repair Parts: Included, Next Day 10:30 AM LST-PET Software Upgrades and Updates: Software and Quality Updates TiP Answer Line TiP-Ed Online(TV) Subscription Uptime Commitment: 97% TiP Accredit Physicist Support: Excluded TiP Succeed Lifecycle Program: LCYCLE-4D	$155,275
NET ANNUAL VALUE:							$155,275

Customer:

Approved By: _____ Title: _____

Signature: _____ Date: _____

GE Healthcare:

Approved By: _____ Title: _____

Signature: _____ Date: _____

SUPPLEMENTAL #1
March 27, 2017
11:14 am

1. **Definitions.** As identified in this Agreement, "Equipment" is hardware and embedded software that is licensed with the purchase of the hardware delivered to Customer in GE Healthcare's packaging and with its labeling; "Software" is software developed by GE Healthcare and/or delivered to Customer in GE Healthcare's packaging and with its labeling, and Documentation associated with the software; "Third Party Software" and "Third Party Equipment" are respectively software developed by a third party, and hardware and embedded software that is licensed with the purchase of the hardware, that is delivered to Customer in the third party's packaging and with its labeling (collectively, "Third Party Product"); "Product" is Equipment, Software and Third Party Product; and "Services" is Product support or professional services. "Healthcare IT Products" are: (i) Software identified in the Quotation as "Centricity"; (ii) Third Party Software licensed for use in connection with Centricity Software; (iii) hardware used to operate Centricity or Third Party Software; (iv) Services provided for implementation, installation or support and maintenance of Centricity or Third Party Software; and/or (v) any Product or Service that is identified in a Healthcare IT Quotation. "Documentation" is the online help functions, user instructions and manuals regarding the installation and operation of the Product as made available by GE Healthcare to Customer.

2. **Term and Termination.** Services and/or Software licenses will have individual term lengths identified in the Quotation. If there is a material breach of this Agreement that is not cured by the breaching party within 60 days from receipt of written notice, the non-breaching party can terminate it. Other than as set forth in this Agreement, neither party can unilaterally terminate this Agreement. Any remaining undisputed, unpaid fees become immediately due and payable on expiration or termination.

3. **Inventory.** GE Healthcare will complete an inventory of Products and provide an updated Product schedule ("Product Schedule"). Products must be in safe, normal operating condition and comply with original equipment manufacturer ("OEM") specifications in order to be added to the Product Schedule, and GE Healthcare is not liable or responsible for any preexisting defect, malfunction or necessary repairs.

4. **Product Removal.** Product sold (excluding an assignment of this Agreement) or scrapped by Customer may be removed from this Agreement with 60 days' prior written notice to GE Healthcare, and fees will be adjusted on the later of the end of the notice period or the date the Product is sold or scrapped. Customer has no right to remove a Product at its convenience.

5. **Warranty.** GE Healthcare warrants that its Service will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will re-perform non-conforming Service as long as Customer provides prompt written notice to GE Healthcare. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WILL APPLY.

6. **Loaner Units.** GE Healthcare may provide a loaner unit during extended periods of Service. If a loaner unit is provided: (i) it is for Customer's temporary use at the location identified in the Quotation; (ii) it will be returned to GE Healthcare within 5 days after the Product is returned to Customer, and if it is not, GE Healthcare may repossess it or invoice Customer for its full list price; (iii) it, and all programs and information pertaining to it, remain GE Healthcare property; (iv) risk of loss is with Customer during its possession; (v) Customer will maintain and return it in proper condition, normal wear and tear excepted, in accordance with GE Healthcare's instructions; (vi) it will not be repaired except by GE Healthcare; (vii) GE Healthcare will be given reasonable access to it; (viii) Customer is not paying for its use, and Customer will ensure charges or claims submitted to a government healthcare program or patient are submitted accordingly; and (ix) prior to returning it to GE Healthcare, Customer will delete all information, including PHI, from it and its accessories, in compliance with industry standards and instructions provided by GE Healthcare.

7. **License Registration**. Online registration as a licensee may be required for receipt of Software and Documentation.

8. **Customer Responsibilities.** Customer must: (i) maintain power quality, grounding, temperature, humidity and repairs due to power anomalies, all as necessary for Products to operate within OEM specifications; (ii) ensure labeling complies with regulations; (iii) provide Third Party Product warranty and operating and maintenance manuals, maintenance and service requirements (e.g., software, tools, phantoms), or pay GE Healthcare for acquiring these materials; (iv) repair, replace and dispose of accessories and consumables, unless the item is identified on the Product Schedule or GE Healthcare is legally required to take the item back; (v) update Third Party Product; (vi) maintain licenses, permits and other approvals required to receive or use radioactive sources and provide the sources needed for calibration and performance checks; (vii) provide access to Products during Service coverage hours; and (viii) if required by GE Healthcare, sign an agency authorization letter to provide Services. Service for Products not maintained to OEM specifications may result in additional charges. Customer cannot stockpile replacement parts.

9. **End of Product Support.** GE Healthcare may remove any Third Party Product from this Agreement on or after the end of Third Party Product support/life date announced by the OEM, and fees will be adjusted accordingly. If GE Healthcare announces to customers that it will no longer support Equipment, Software or a component, then upon at least 12 months' prior notice, GE Healthcare may remove the item from this Agreement and adjust fees without otherwise affecting this Agreement.

10. **Return for Repair.** Prior to shipping Product to GE Healthcare for repair, Customer will back up and remove data stored on the Product. Customer is responsible for damage during shipment to GE Healthcare. GE Healthcare may remove data stored on the Product prior to sending it back to Customer and will provide standard shipping.

11. **Exclusions.** Unless identified on the Product Schedule, this Agreement does not cover: (i) tubes, detectors, probes, chillers, crystals, batteries, accessories, consumables, user-replaceable items, supplies, cosmetic upgrades or parts used to correct/enhance Product appearance; (ii) a defect, deficiency or repairs due to improper storage or handling, failure to maintain Product according to OEM instructions/specifications, inadequate backup or virus protection, cyber-attacks, or any cause external to the Product or beyond GE Healthcare's control; (iii) payment/reimbursement of facility costs arising from repair/replacement of Product; (iv) adjustment, alignment,

calibration, or planned maintenance; (v) Third Party Software or Third Party Equipment that was not commercially available from the OEM on the date the item was installed; (vi) OEM warranty service or recalls; (vii) Product upgrades, certification surveys and relocations; (viii) consultation, training or assistance with use, development, or modification of items/materials (e.g., software and protocols); (ix) installation and reusing existing facilities for testing, training and other purposes; (x) MR-related defect from failure of a Customer water chiller system or service to water chiller system; (xi) Healthcare IT Products; and (xii) non-GE Healthcare network/antenna installations/troubleshooting.

12. Existing Service Arrangements. This Agreement does not apply to Products covered by arrangements/warranties from other vendors until the end or termination of those arrangements/warranties. If Products covered by another arrangement/warranty are added to this Agreement, they will be added on the day following the end or termination of the other arrangement/warranty.

13. Hourly Billed Services. Services not covered by this Agreement are hourly-billed services and may have a 2-hour minimum charge.

14. Inflation. After the 1st year of a Service agreement, but no more than annually and with 60 days' prior notice, GE Healthcare may increase fees by an amount no more than the prior 12-month increase in the U.S. Bureau of Labor Statistics ("BLS") Employment Cost Index for "Installation, Maintenance and Repair (not seasonally adjusted, total compensation)" or any replacement index as determined by BLS, capped at 5% annually.

15. Payment and Taxes.

15.1. Late Payment. Customer must raise payment disputes before the payment due date. For any undisputed late payment, GE Healthcare may: (i) suspend performance under this Agreement until all past due amounts are paid; (ii) charge interest at a rate no more than the maximum rate permitted by applicable law; and (iii) use unapplied funds due to Customer to offset any of Customer's outstanding balance. If GE Healthcare suspends performance, any downtime will not be included in the calculation of any uptime commitment. If Customer fails to pay when due: (a) GE Healthcare may revoke its credit and designate Customer to be on credit hold; and (b) all subsequent shipments and Services must be paid in full on receipt.

15.2. Taxes. Prices do not include applicable taxes, which are Customer's responsibility.

16. Product Specific Service Terms.

16.1. Tube Support (Excluding C-Arms). GE Healthcare will provide tubes, on an exchange basis, to replace failed tubes. Customer will: (i) maintain a Product maintenance and repair program, including tube warm up, in accordance with GE Healthcare planned maintenance and repair requirements; (ii) repair the Product with repair parts that meet OEM specifications; and (iii) protect Product configuration against alteration except as authorized by GE Healthcare. Product must have an operational tube on the Agreement Start Date (as defined in the Quotation). No credit will be provided to Customer for the tube.

16.2. Magnetic Resonance ("MR").

16.2.1. Magnet Maintenance.

16.2.1.1. If magnet maintenance for MR systems with Lhe/Ln and shield cooler-configured magnets and condenser-configured magnets (K4 technology) is identified on the Product Schedule, GE Healthcare will: (i) adjust, repair, or replace covered components (i.e., MR magnet, cryostat, coldhead, cryo-cooler compressor, shim coils); (ii) monitor cryogen levels within the magnet cryostat, based on Customer cryostat meter readings; and (iii) perform magnetic field homogeneity adjustments to the extent required by magnet ramping or covered component adjustment, repair or replacement. Customer will ensure that the Product's cryo-cooler system and water chiller system used with the cryo-cooler system (including in vans or trailers in transit) are operational at all times and maintained, and immediately notify GE Healthcare if it is not.

16.2.1.2. If magnet maintenance for MR systems with permanent magnets is identified on the Product Schedule, GE Healthcare will perform magnetic field homogeneity adjustments to the extent required by a covered component adjustment, repair or replacement.

16.2.2. Remote Magnet Monitoring for non-GE Healthcare Systems. If remote magnet monitoring for non-GE Healthcare systems is identified on the Product Schedule, GE Healthcare will: (i) remotely monitor operating parameters of the MR magnet refrigeration system; (ii) oversee installation of remote monitoring hardware; and (iii) maintain the hardware. Customer will provide power, access and remote connectivity as needed for remote magnet monitoring.

16.2.3. Cryogen Coverage. If cryogen coverage for MR systems is identified on the Product Schedule, GE Healthcare will: (i) refill the cryostat with cryogens as necessary; (ii) schedule the delivery of cryogens; and (iii) transfer cryogens to the Product's cryostat. Cryogen transfill service will occur between 9pm-6am local time. GE Healthcare is not liable for cryogen loss or transfer efficiency during transfer to the cryostat. Customer will: (a) inform GE Healthcare of its authorized cryogen representative who will provide GE Healthcare accurate cryostat meter readings and receive notifications relative to cryogen quantity and delivery schedules (for Lhe/Ln and shield cooler configured magnets only); and (b) provide a delivery dock and storage facility.

16.2.4. Cryogen Cost Increases. If GE Healthcare's cryogen cost increases by more than 15%, as measured against its cost as of the Agreement Start Date (as defined in the Quotation) or its cost on the date of the most recent adjustment, GE Healthcare may increase Service fees in an amount equal to such cost increase.

16.3. Cyclotron. GE Healthcare will work in accordance with its health and safety rules and applicable radiation and radioactive materials safety laws and regulations, whichever is more stringent, including assessment and management of radiation dose in accordance with the As Low As Reasonably Achievable ("ALARA") standard. Customer will follow all reasonable ALARA guidelines to maintain and control the radiation exposures as far below the dose limits as possible. Customer will: (i) if requested by GE Healthcare, remove targets prior to Service; (ii) place targets in an appropriately shielded area/container during Service; (iii) replace targets following Service; (iv) provide at least 24 hours of Product downtime prior to planned maintenance; (v) provide GE Healthcare with Customer's emergency and site-specific safety procedures; (vi) ensure that a Customer representative is available in the work area during Service; (vii) confirm that GE Healthcare personnel and their tools and accessories are free from contamination prior to leaving Customer's facility; and (viii) store and dispose of waste generated by the Service

activity in compliance with applicable laws and regulations. GE Healthcare reserves the right not to enter areas with dose rates in excess of 2 mSv/hour at the position where work will be performed. Other radiation exposure limits may apply to the Service activity, including daily or personal cumulative dose limits, and local requirements, which could prevent Service of the cyclotron until radiation levels are reduced.

17. General Terms.

17.1. Confidentiality. Each party will treat this Agreement and the other party's proprietary information as confidential, meaning it will not use or disclose the information to third parties unless permitted in this Agreement or required by law. Customers are not prohibited from discussing patient safety issues in appropriate venues.

17.2. Governing Law. The law of the State where the Product is installed or the Service is provided will govern this Agreement.

17.3. Force Majeure. For non-monetary obligations, performance time will be reasonably extended for delays beyond a party's control.

17.4. Assignment; Use of Subcontractors. Rights and obligations under this Agreement cannot be assigned without the other party's prior written consent, unless: (i) it is to an entity (except to a GE Healthcare competitor) that (a) is an affiliate or parent of the party or (b) acquires substantially all of the stock or assets of such party's applicable business, Product line or Service thereof; and (ii) the assignee agrees in writing to be bound by this Agreement, including payment of outstanding fees. GE Healthcare may hire subcontractors to perform work under this Agreement but will remain responsible for its obligations.

17.5. Waiver; Survival. If any provision of this Agreement is not enforced, it is not a waiver of that provision or of a party's right to later enforce it. Terms in this Agreement related to intellectual property, compliance, data rights and terms that by their nature are intended to survive its end will continue in full effect after its end.

18. Compliance.

18.1. Generally. Each party will comply with applicable laws and regulations. Customer is only purchasing or licensing Products for its own medical, billing and/or non-entertainment use in the United States. GE Healthcare will not deliver, install, service or train if it discovers Products have been or are intended to be used contrary to this Agreement. This Agreement is subject to GE Healthcare's ongoing credit review and approval. Customer is aware of its legal obligations for cost reporting, including 42 C.F.R. § 1001.952(g) and (h), and will request from GE Healthcare any information beyond the invoice needed to fulfill Customer's cost reporting obligations. GE Healthcare will provide safety-related Equipment and Software updates required by applicable laws and regulations at no additional charge.

18.2. Security. Customer must provide network and Product security, virus protection, backup, data integrity, and recovery of data, images, software or equipment; GE Healthcare is not responsible for recovery of lost or damaged data or images. NEITHER PARTY WILL BE LIABLE FOR DAMAGES CAUSED BY UNAUTHORIZED ACCESS TO THE NETWORK OR PRODUCT IN SPITE OF A PARTY'S COMPLIANT SECURITY MEASURES.

18.3. Environmental Health and Safety. GE Healthcare has no obligation to provide Products and/or Services until Customer: (i) provides and maintains a safe, hazard-free environment in material compliance with applicable Federal, State, and local requirements and written requirements provided by GE Healthcare; (ii) provides to GE Healthcare onsite personnel with a list of chemical/hazardous materials with which these personnel may come into contact, related safety data sheets and its written safety procedures; (iii) performs GE Healthcare recommended routine maintenance and operator adjustments; and (iv) ensures that service not provided by GE Healthcare is performed, and Products are used, in accordance with applicable documentation. Before Customer sends a Product to GE Healthcare (e.g., for repair, loaner return) or GE Healthcare services a Product, Customer will remove bodily fluids and remediate hazardous conditions that may cause injury or illness, and be responsible for managing, storing and disposing of all waste material, unless GE Healthcare is legally required to take back the materials. Customer is responsible, at its expense, for: (a) controlling access to, and all operations and protocols of, the Product and the site, as well as ensuring compliance with environmental and health and safety regulations; (b) obtaining required permits and licenses, including any required to handle or produce radioactive materials; (c) decommissioning and disposal requirements of its facilities; and (d) as applicable, complying with GMP and/or pharmaceutical regulations. Customer will provide radioactive materials for calibration and testing of the Product.

18.4. Parts and Tubes. GE Healthcare: (i) recommends the use of parts it has validated for use with the Product; (ii) is not responsible for the quality of parts supplied by third parties to Customer; and (iii) cannot assure Product functionality or performance when non-validated parts are used. Certain Products are designed to recognize GE Healthcare-supplied tubes and report the presence of a non-GE Healthcare tube; GE Healthcare is not responsible for the use of, or effects from, non-GE Healthcare supplied tubes.

18.5. Training. GE Healthcare's training does not guarantee that: (i) Customer trainees are fully trained on Product use, maintenance or operation or (ii) training will satisfy any licensure or accreditation. Customer must ensure its trainees are fully qualified in the use and operation of the Product. Unless otherwise identified in the training catalog, Customer will complete training within 12 months after: (a) if with a Product purchase, the date of Product delivery; (b) if with a Services purchase, the start date for Services; or (c) if with a training-only purchase, the date training is ordered. If not done within this time period (other than because of GE Healthcare's fault), training expires without refund.

18.6. Medical Diagnosis and Treatment. All clinical and medical treatment, diagnostic and/or billing decisions are Customer's responsibility.

18.7. Connectivity. If a Product has remote access capability, Customer must provide GE Healthcare with, and maintain, remote access to the Product by a GE Healthcare-validated connection to permit GE Healthcare to perform Services. If remote access is not provided, GE Healthcare reserves the right to charge Customer for onsite support at GE Healthcare's then-current billing rate. The remote connection and collection of machine data (e.g., temperature, helium level) will continue after the end of this Agreement unless Customer requests in writing that GE Healthcare disable it.

18.8. Use of Data.

18.8.1. Protected Health Information. If GE Healthcare creates, receives, maintains, transmits or otherwise has access to Protected Health Information as such term is defined in 45 C.F.R. § 160.103 ("PHI") under this Agreement, it will only use and disclose the PHI as permitted by law and by the Business Associate Agreement between the parties.

18.8.2. Data Rights. GE Healthcare and its subcontractors may access, collect, maintain, analyze, prepare derivatives from and otherwise use information about Products and/or Services that is not PHI, including, but not limited to, machine, technical, systems, usage and related information ("Source Data") to facilitate the provision of Products and/or Services to Customer and for research, development and continuous improvement of GE Healthcare's products, software and services. GE Healthcare will own all discoveries, ideas, improvements, products, services, software, data, intellectual property and other rights arising from and/or related to GE Healthcare's and its subcontractors' use, analysis, research and/or development of the Source Data.

18.9. Customer Policies. GE Healthcare will use reasonable efforts to respect Customer-provided policies that apply to GE Healthcare, and do not materially contradict GE Healthcare policies. Failure to respect Customer policies is not a material breach unless it is willful and adversely affects GE Healthcare's ability to perform its obligations.

18.10. Insurance. GE Healthcare will maintain coverage in accordance with its standard certificate of insurance.

18.11. Excluded Provider. To its knowledge, neither GE Healthcare nor its employees performing Services under this Agreement have been excluded from participation in a Federal Healthcare Program. If an employee performing Services under this Agreement is excluded, GE Healthcare will replace that employee within a reasonable time; if GE Healthcare is excluded, Customer may terminate this Agreement upon written notice to GE Healthcare.

19. Disputes, Liability and Indemnity.

19.1. Dispute Resolution. The parties will first attempt to resolve in good faith any disputes related to this Agreement. Violation of GE Healthcare's license, confidentiality or intellectual property rights will cause irreparable harm for which the award of money damages alone is inadequate. GE Healthcare may: (i) seek injunctive relief and any other available remedies; and/or (ii) immediately terminate the license grant and require Customer to cease use of and return the Software and Third Party Software. Other than these violations or collection matters, unresolved disputes will be submitted to mediation prior to initiation of other means of dispute resolution.

19.2. Limitation of Liability. GE HEALTHCARE'S ENTIRE LIABILITY, AND CUSTOMER'S EXCLUSIVE REMEDY, FOR DIRECT DAMAGES INCURRED BY CUSTOMER FROM ANY CAUSE, REGARDLESS OF THE FORM OF ACTION, ARISING UNDER THIS AGREEMENT OR RELATED HERETO, WILL NOT EXCEED: (I) FOR PRODUCTS, THE PRICE FOR THE PRODUCT THAT IS THE BASIS FOR THE CLAIM; OR (II) FOR SERVICE OR SUBSCRIPTIONS, THE AMOUNT OF THE SERVICE OR SUBSCRIPTION FEES FOR THE 12 MONTHS IMMEDIATELY PRECEDING THE ACTION THAT IS THE BASIS FOR THE CLAIM. THIS LIMITATION OF LIABILITY WILL NOT APPLY TO GE HEALTHCARE'S DUTIES TO INDEMNIFY CUSTOMER IN ACCORDANCE WITH THIS AGREEMENT. THE LIMITATION OF LIABILITY WILL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

19.3. Exclusion of Damages. NEITHER PARTY WILL BE LIABLE FOR INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, CONSEQUENTIAL OR REPUTATIONAL DAMAGES, OR FOR LOSS OF PROFITS, REVENUE, TIME, OPPORTUNITY OR DATA, REGARDLESS OF THE FORM OF ACTION OR BASIS OF THE CLAIM. THE EXCLUSION OF DAMAGES WILL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

19.4. IP Indemnification. GE Healthcare will indemnify and hold Customer harmless from third-party claims for infringement of United States intellectual property rights caused solely by Customer's use of the Equipment and Software in accordance with the Documentation and license. GE Healthcare will control the defense. Customer may retain counsel but at Customer's expense.

19.5. General Indemnification. GE Healthcare will indemnify and hold Customer harmless for third party damages that Customer becomes legally obligated to pay related to bodily injury or damage to real or tangible personal property to the extent the damages are caused by a manufacturing or design defect, negligent failure to warn, negligent installation, or negligent Service with respect to Products manufactured by GE Healthcare and supplied under this Agreement. GE Healthcare has no obligation to indemnify and hold Customer harmless for damages caused by: (i) Customer's fault or legal expenses incurred by Customer in defending itself against suits seeking damages caused by Customer's fault or (ii) any Product modification not authorized in writing by GE Healthcare.

Customer will indemnify and hold GE Healthcare harmless from third party damages that GE Healthcare becomes legally obligated to pay related to bodily injury or damage to real or tangible personal property to the extent the damages are caused by Customer's: (a) medical diagnosis or treatment decisions; (b) misuse or negligent use of the Product; and/or (c) use of the Product in a manner or environment, or for any purpose, for which GE Healthcare did not design it, or in violation of GE Healthcare's recommendations or instructions

The above obligations are conditional on the indemnified party providing the indemnifying party prompt written notice of the claim after receiving notice of it, allowing the indemnifying party the option to control defense and disposition of the claim, and reasonably cooperating with the indemnifying party in the defense. The indemnifying party will not be responsible for any compromise made without its consent.

20. Notices. Notices will be in writing and considered delivered when received if sent by certified mail, postage prepaid, return receipt requested, by overnight mail, or by fax. Notice to Customer will be directed to the address on this Agreement, and notice to GE Healthcare to General Counsel, 9900 Innovation Dr., Wauwatosa, WI 53226

This Statement of Service Deliverables Full Service Options applies to the following GE Healthcare AssurePoint ("AP") service offerings: Standard, Rapid, Access, PM, Limited, Select, Performance, and Advance.

	Standard	Rapid	Access	PM	Limited	Select	Performance	Advance
Corrective Maintenance	•	•	•		°	°	•	•
Planned Maintenance	•	•	•	•	•	•	•	•
Replacement Parts	•	•	•	•	•	•	•	•
Software Updates	•	•	•	•	•	•	•	•
Phone Clinical Applications Support	•	•	•		•	•	•	•
TiP Options	°	°	°		°	°	°	°
Remote Diagnostic Service * # (InSite, iLinq, iCenter)	°	°	°	°	°	°	°	°
Uptime Performance	°	°	°				°	°
Specialty Component Options # (Complete, Reserve, Pro, GlassPro)	°	°	°	°	°	°	°	°
No Charge Special Parts Handling		°						
Quality Assurance Activities							°	°
Continuum/Refresh Options #								°
DoseWatch Explore * #	°	•	°				•	•
Remote Console * #	°	°	°				•	•
Supplemental Services During Warranty	°	°					°	°
Overtime Hours Allowance	°	°	°	°	°	°	°	°
Continuity/Technology Obsolescence	°	°	°				°	°

• Included (to the extent provided herein) ° Optional (if available/identified on the Product Schedule)

* Requires Connectivity # See supplemental terms of offering

1. **Corrective Maintenance.** GE Healthcare or its agents will use commercially reasonable efforts to resolve any verifiable and reproducible service issue of the Product (defined as the Product not substantially meeting original equipment manufacturer ("OEM") specifications) in a reasonable period of time after notification by Customer, through remote or on-site services. Phone technical support is available 24 hours per day, 7 days per week (excluding GE Healthcare holidays, extent of phone support may differ by product type). On-site support is identified on the Product Schedule (if not listed, 8am to 5pm local time). GE Healthcare will use reasonable efforts to meet the response time for on-site support as identified on the Product Schedule. Corrective maintenance outside of coverage hours, on GE Healthcare holidays, or expedited beyond the response time (at Customer's request) will be billed at GE Healthcare's then-current rates. Corrective maintenance includes corrective maintenance-related Replacement Parts (subject to availability).

- AP PM. Corrective Maintenance is excluded, but includes phone technical support for anesthesia, anesthesia patient monitoring, respiratory, ventilators, and maternal/infant care Products

- AP Limited and AP Select. GE Healthcare will provide a limited number of corrective maintenance service events as identified on the Product Schedule. Each Customer call/request for corrective maintenance service will be applied to the limited number of service events, unless Customer purchases service separately at GE Healthcare's then-current rates at the time it contacts GE Healthcare for such service.

2. **Planned Maintenance.** GE Healthcare or its agents will provide planned maintenance service ("PM") pursuant to OEM recommended frequencies and specifications as set forth in the OEM service manuals (where available), or pursuant to documented alternate PM frequencies and specifications based on GE Healthcare's risk-based assessment. PM will be performed at mutually agreed upon times during PM coverage

hours (excluding weekends and GE Healthcare holidays unless otherwise specified) as identified on the Product Schedule. PM includes PM-related Replacement Parts (subject to availability).

3. Replacement Parts. "Replacement Parts" mean the lowest level component repair part available that will bring the Product to OEM specifications. GE Healthcare will provide subassemblies or assemblies if a lower replacement part is not available. Replacement Parts may be provided on a new or refurbished/repaired (exchange) basis, at GE Healthcare's sole discretion. If an exchange part is provided, the original part becomes GE Healthcare property and GE Healthcare will remove it from Customer's site or Customer must return it to GE Healthcare within a reasonable timeframe of replacement to avoid being billed for the non-returned part. Replacement Parts are shipped freight included (excluding "Special Order" parts, which are not stocked by GE Healthcare due to low demand). If delivery priority is identified on the Product Schedule, it will be subject to shipment cut-off times for the applicable distribution center. Expedited parts delivery is available for an additional fee.

4. Software Updates and Upgrades. Software updates consist of any error correction or modification to Equipment that maintain existing software features and functionality made generally available to GE Healthcare's installed customer base. Software updates may be installed during PM, or as otherwise agreed to by the parties. Software updates do not include any separately licensed software modules which provide additional functionality related to an application or feature for the hardware or software. Software upgrades are not included, which consist of any revision or enhancement to the Software by GE Healthcare that improve or expand existing software features or functionality that are made generally available for purchase. Additional hardware and/or software (including upgrades to third party software or operating system software) required for software updates or software upgrades, training, project management, and integration services are excluded.

5. Phone Clinical Applications Support.

- All Products. GE Healthcare will provide clinical applications support by telephone, Monday-Friday, 8am to 5pm CST (unless otherwise identified on the Product Schedule), excluding OEM holidays. Off-hours support is available for an additional fee.

- Equipment. Only available for Customer personnel trained by GE Healthcare to use the Equipment.

- Third Party Product. Only provided if identified on the Product Schedule and available via the OEM.

6. TiP Options. Not all TiP options are available with all Products or with all GE Healthcare service options. See Product Schedule for a list of TiP options included in the Agreement.

-TiP Answer Line. Not available for Third Party Product. Provides toll-free access to GE Healthcare application staff. Hours of operation based on product type (times available upon request).

-TiP Virtual Assist On-Demand. Includes up to 12 hours per contract year of live, interactive, remote troubleshooting, problem solving, or training sessions. Remote training sessions can be scheduled for 1 or 2 hour blocks, Monday-Friday (excluding GE Healthcare holidays). Unused hours in a particular contract year are forfeited without refund or credit.

-Succeed Lifecycle TiP Applications Training. Technologist training performed yearly during the Agreement.

-TiP-Ed Online. Continuing education training and business programming for healthcare professionals.

7. Remote Diagnostic Services. If identified on the Product Schedule, the Agreement includes GE Healthcare's then-current InSite, InSite On Watch, iLinq, iLinq Diagnostic, or iCenter™ tools. Refer to applicable Statement of Service Deliverables for the particular remote diagnostic service. Not available on all Products. Hours of operation based on product type.

8. Uptime Performance. If a Product fails to meet GE Healthcare's uptime commitment identified on the Product Schedule during any year of the Agreement, GE Healthcare will provide the applicable remedy listed below (which is Customer's sole and exclusive remedy). Uptime is calculated as follows: (Uptime-Downtime)/Uptime, with Uptime measured as the coverage hours identified on the Product Schedule (hours per day x days per week x 52 weeks). Downtime is measured as the number of hours the Product is inoperable and out of service. PM time and software update/upgrade installation are excluded from downtime calculation. Product is considered down from the time the service request is received by GE Healthcare until it is turned over to Customer for operation/use. Product is considered in service if Customer fails to give GE Healthcare immediate and unencumbered access to it or continues to obtain scans from it after notifying GE Healthcare of Product failure. Product is considered out of service if it is unavailable for scanning patients and diagnosing images on the display console or operator's console. Peripheral equipment (e.g., remote console, magnetic tape drive, hard copy devices, multi-format, laser cameras) are excluded. Services required for anything other than Product failure, and damage or inoperability beyond GE Healthcare's control, are excluded. Customer is responsible for tracking and calculating uptime. To be eligible for the remedy, Customer must maintain a performance log that includes data required to calculate downtime.

Offering	Remedy	
AssurePoint Standard AssurePoint Rapid AssurePoint Access AssurePoint Performance AssurePoint Advance	Reduction in the amount of the then-current annual charge for the affected Product during the following contract year, at the following amounts:	
	% Less Than Uptime Commitment	Reduction %
	.1% - 5%	5%
	5.1% -10%	10%
	>10%	15%

9. Specialty Component Coverage. Customer may separately purchase specialty component coverage for tubes, probes and detectors, including AP Glass Pro, AP Complete, AP Reserve, or AP Pro. See applicable Statement of Service Deliverables for additional terms and conditions.

10. No Charge Special Parts Handling. GE Healthcare will provide no charge special handing of critical parts in Product hard down situations. Critical parts are Replacement Parts required for sufficient functionality of the Product to reasonably resume patient scanning and diagnosing images on the display console or operator's console. Special handling is expedited delivery beyond Replacement Parts delivery priority identified on the Product Schedule.

11. Quality Assurance Activities. Upon Customer request, GE Healthcare will provide quality assurance activities (e.g., Product and image quality control testing, calibrations, functional testing) to measure whether Product is performing according to Customer-determined standards.

12. AP Software Continuum/AP Refresh. For AP Software Continuum, Customer is entitled to those GE Healthcare software upgrades related to the Equipment, and reflective of Customer's existing functionality, as such software upgrades become commercially available during the Agreement. See AP Software Continuum Statement of Service Deliverables for additional terms and conditions. For AP Refresh, Customer is entitled to a pre-defined 1-time Equipment hardware and/or software upgrade at the beginning of the Agreement, with the cost of such upgrade paid over the full or partial term of the Agreement. See AP Refresh Statement of Service Deliverables for additional terms and conditions. 36-month minimum Agreement is required for AP Software Continuum and AP Refresh.

13. Full Service Riders. If the Product Schedule includes ultrasound products, DoseWatch Explore, or Remote Console, see applicable Statement of Service Deliverables Rider for additional terms and conditions.

14. Supplemental Services During Warranty. If identified on the Product Schedule, Customer is entitled to additional services for the Equipment as listed on the Product Schedule for the remaining term of the Equipment Warranty (as defined in the GE Healthcare "Warranty Statement"). The fees for the services are identified on the Product Schedule and will apply if Customer signs and returns this Agreement before delivery of the Equipment. Additional fees (i.e., in addition to the fees identified on the Product Schedule) will apply if Customer signs and returns this Agreement after delivery of the Equipment (please contact GE Healthcare). During the Equipment Warranty, Customer's remedies related to the services are those described in the Warranty Statement If Customer terminates this Agreement prior to its expiration date, Customer is responsible for amounts owed under this coverage (i.e., the value of services performed on a prorated basis), and will pay the amounts within 30 days following Agreement termination.

15. Product Usage Allowance/Level. Where Service charges are based on an estimate of annual total patient exam volume as identified on the Product Schedule, if Product usage in any contract year exceeds the volume level/band level identified on the Product Schedule by greater than 5%, GE Healthcare may: (i) increase the charges for the following contract year based on the prior year's annual total patient exam volume by 10% for CT, Nuclear and PET, and 20% for MR, for each volume level/band level increase; and (ii) charge for the prior year's overage at a per patient rate of $38 for CT, Nuclear and PET, and $65 for MR. The overage charge will not exceed the new volume level/band level charge increase by more than 10%.

16. Overtime Hours Allowance. If identified on the Product Schedule, corrective maintenance or PM service will be provided outside the coverage hours identified on the Product Schedule (if not listed, 8am to 5pm local time) up to the number of overtime hours identified on the Product Schedule. The number of overtime hours identified on the Product Schedule are valid for 12 months, commencing on the signature date of the Agreement or its anniversary date, as applicable. Service hours that exceed the number of overtime hours will be billed at GE Healthcare's then-current rates. Unused hours will not roll over to the following contract year and are forfeited without refund or credit.

17. Technology Obsolescence. If identified on the Product Schedule, Customer is entitled to receive certain technology obsolescence protection for the applicable Equipment. See Technology Obsolescence Statement of Deliverables for additional terms and conditions. Upgrades provided under the technology obsolescence protection will be scheduled and installed on a mutually agreed upon date. 36-month minimum Agreement is required for technology obsolescence protection. Payments provided for technology obsolescence protection are non-refundable and are not contingent on GE Healthcare's delivery of any particular upgrade or Customer's acceptance of any upgrade. Customer may decline to accept any upgrade made available by GE Healthcare, however Customer is not entitled to any price reduction, credit or refund. GE Healthcare makes no representation or warranty as to the type of technology or functionality that may be in included in any upgrade. Technology obsolescence protection is only available for Equipment. Training is excluded. Customer is responsible for the proper accounting for all payments made in the manner required under any state or federal program which provides reimbursement to Customer for or related to any products or services provided under this Agreement.

18. Exclusions. Products are excluded from coverage under the Agreement and Customer is not entitled to any remedy (including uptime remedy) if GE Healthcare's failure to provide Service is due to: (i) Customer cancellation, rescheduling, or inability of GE Healthcare to access the Product; (ii) Customer's default; (iii) improper care of the Product; or (iv) any cause beyond GE Healthcare's control. Unless identified on the Product Schedule, this Agreement does not cover: stand-alone workstations, sensors, transmission pin sources, transducers, non-GE Healthcare supplied coils, MR surface coils on Third Party Product (other than the body coil), MR magnet, cryostat, coldhead, cryo-cooler compressor, shim and gradient coils, and cryogens. GE Healthcare is not responsible for providing system database maintenance for Customer, including but not limited to, activities related to backup, new users, user privileges, physician list updates, and archive/data entry.

SUPPLEMENTAL #1

March 27, 2017
11:14 am

Statement of Service Deliverables
AssurePoint iCenter

GE Healthcare

This GE Healthcare Statement of Service Deliverables AssurePoint iCenter supplements and incorporates by reference the GE Healthcare (i) Quotation that identifies the Service offering purchased by Customer, (ii) Product Schedule ("Schedule"), (iii) Service Terms and Conditions and (iv) General Terms and Conditions, (collectively, referred to as the "Agreement" or "Service Agreement").

For Product identified on the attached Schedule as "iCenter", GE Healthcare will provide the following:

The iCenter informatics website provides current and historical information related to diagnostic imaging equipment and clinical assets. Access to maintenance, utilization, and capital planning reports is provided through a secure website.

Maintenance Reports
GE Healthcare Maintenance Reports provide detailed service records, planned maintenance schedule, service performance and other contract management information. Details are provided in Exhibit B.

Utilization Reports (*GE Healthcare Product Only*)
GE Healthcare Utilization Reports (Imaging Performance Manager) provide system specific usage statistics. Details are provided in Exhibit B.

Capital Planning Reports
GE Healthcare Capital Planning Reports provide facility wide Installed Base reports profiling the number of assets, age, End of Service Life and more. Details are provided in Exhibit B.

iCenter Subscription – During the term of the Agreement GE Healthcare will provide you a subscription allowing you to access information, through the iCenter website, for all your diagnostic imaging equipment covered by GE Healthcare Service agreement. During the term of your subscription, you are granted a limited, non-exclusive, non-transferable right to search, retrieve, display, download, print and use the information solely at the site for internal business use only. User ID and password or other security process defined by GE Healthcare will control access to the website. You will manage password assignment and confidentiality. Except as expressly permitted above, you may not de-compile or reverse engineer any of the associated software and other content and materials related to the website sell, sub-license, distribute, or commercially exploit the content on the website, make the content on the website available to any third party through any means or media, or modify, publish, transmit, participate in the license, transfer, or sale of, reproduce, create derivative works from, upgrade, modify, replace or delete portions of information, functions of the website, and related materials at any time during the term of the agreement.

iCenter Ownership and Use of Intellectual Property Rights – The content provided on the website is the property of GE Healthcare and is protected by copyright and other intellectual property laws of the United States and by applicable international treaties. All rights with regard to the content are reserved to GE Healthcare. No rights are transferred to you by virtue of this subscription except as specifically provided in this subscription. You agree to abide by all copyright notices, information, or restrictions.

iCenter Disclaimer of Warranties – Notwithstanding the limited warranties section in the master terms and conditions, GE Healthcare expressly disclaims all warranties and representations of any kind with respect to the information and related materials, whether expressed or implied, including any implied warranties of merchantability, fitness for a particular purpose, non-interference with enjoyment, and tittle. Due to the numbers of sources from which information is obtained, and the inherent hazards of electronic inaccuracies or typographical errors, and may not be available without interruption.

iCenter Training – At your request and in conjunction with the activation of your initial subscription, GE Healthcare or its agent will provide application training for two individuals in the use of the Information Related Materials (regardless of the number of pieces of equipment for which you have subscription). Additional applications training may be purchased separately and changes for such training will be in accordance with the prevailing rates then in effect for such services.

Exhibit A: Example Asset Data Required for Asset Management

Station Name	GE System ID	PACS IP address	Status
SPR-MP343	81768PQ25	1.11.11.111	OEM RC
SMR-MP333	81768TMR14	2.22.22.254	OEM RC
SXX-MP4453	81768PHXV13	3.44.81.212	OEM NO-RC

Possible Status Values:
DISABLED – Ignore this system
GE IPM – GE system with built-in IPM
GE NO-IPM – GE system without built-in IPM
OEM RC – non-GE system with remote connectivity
OEM NO-RC – non-GE system without remote connectivity

Exhibit B: Informatics Report Schedule
iCenter includes all of the following:

- iCenter: Maintenance Reports

Included
Welcome Page Help menus Messages from GE Today Page– Green, Yellow, Red – at a glance asset status Service call status Planned Maintenance Completed and Scheduled Print and download Asset Information Inventory Service Agreement Details Service Performance Corrective Maintenance Remote Service Uptime % Contact GE

- iCenter: Utilization Reports (*GE Healthcare Product Only*)

Included
IPM Summary Page Customizable target patient volume and staffed hours Data download to excel
Reports (online or pdf version) Volume of exams, patients Referring physician Types of Studies Two year trend IPM Interpreter Utilization calculation

- iCenter: Capital Planning Reports

Included
Facility Installed Base Analysis Data download to excel Standard reports (online or pdf) include: Age of asset compared to benchmark EOPL and EOSL Unplanned service compared to benchmark Service calls and service time per year for each asset Guideline on replacement target

GE Healthcare

Statement of Service Deliverables
Succeed Lifecycle TiP Support Plus

Succeed Lifecycle TiP Support Plus Program: Annual professionally managed customized TiP Applications on-site and remote training. Remote training delivered via TiP Virtual Assist ® (TVA) is live, interactive, two-way remote troubleshooting or training sessions. These sessions include real-time observation and interaction with the system interface and allow for reinforcement of on-site training, with the ability to do live interactive demonstrations, observe procedures, and answer questions as they arise. Possible topics for review include image quality assessment and protocol review. Facility personnel give permission for TVA session on iLinq™ and the TiP team initiates the session.

For Equipment identified on the attached Schedule as: Ongoing TiP Applications, Ongoing TiP Applications MR, Ongoing TiP Applications CT, Ongoing TiP Applications PT, Ongoing TiP Applications NM, Ongoing TiP Applications MM, or Ongoing TiP Applications XR, when one or more are selected as an option, GE Healthcare will provide the following:

Succeed Lifecycle TiP Support Plus Deliverables

Extended clinical applications training consisting of (1) Customer Needs Analysis, (2) On-site visits, and (3) TiP Virtual Assist (available only for selected modalities) per year, post-warranty.

(1) Customer Needs Analysis: Consists of one half-day, off-site telephone interview to identify areas of need and customize a training plan. GE will provide a professional TiP Applications Engagement Lead who will work with a customer-designated employee to scope out the areas of focus and goals of training each year. Once finalized, the annual plan may be revised only upon mutual agreement of customer and TiP Applications Lead.

Training will be used to address the mutually agreed upon areas of biggest need from the then-current list of available training courses. Examples for reference only: ACR, Staff Turnover, Safety, Analog to Digital Conversion, Physician Training, QC, Procedures Checkup, Workflow Checkup, Radiologist Training, QAP, Advanced Applications, Dose Reduction, Cardiac Studies.

(2) On-Site Visits: Length and frequency of on-site visits are as indicated on the Schedule A. Up to four technologists per onsite session. These days will be delivered on regular weekdays, excluding official GE Holidays. Customer may substitute Headquarters training classes upon mutual agreement of customer and TiP Applications Lead.

On-site training delivery schedule by modality:

- MR: 8 days on-site, not to exceed 2 on-site visits (visits may be in consecutive weeks by mutual customer and GE agreement)
- CT: 8 days on-site, not to exceed 2 on-site visits (visits may be in consecutive weeks by mutual customer and GE agreement)
- XR: 4 days on-site, not to exceed 2 on-site visits (visits may be in one consecutive week by mutual customer and GE agreement)
- PET: 4 days on-site, not to exceed 2 on-site visits (visits may be in one consecutive week by mutual customer and GE agreement)
- Nuclear: 4 days on-site, not to exceed 2 on-site visits (visits may be in one consecutive week by mutual customer and GE agreement)
- Mammography: 4 days on-site, not to exceed 2 on-site visits (visits may be in one consecutive week by mutual customer and GE agreement)

(3) TVA On Demand: Remote applications training and problem solving, consisting of up to 16 hours per year of TiP Virtual Assist including:

- **TVA Problem Resolution**: Use of TVA for immediate problem resolution and troubleshooting. This service contract supplement works in concert with the TiP Answerline, which consists of toll –free access to applications experts for phone support and is available to all contract customers. Support is available during modality hours of operation. Call 1-800-682-5327 or press your iLinq button and ask for TiP Answerline. As troubleshooting is done the TiP Applications experts may recommend follow-up remote training that can be scheduled at the GE TiP Applications team's earliest availability.

- **Scheduled One-on-One TVA Training**: Remote training can be scheduled for 1 or 2 hour blocks. Each session will be delivered on regular weekdays, excluding official GE Holidays.

Customer additional responsibilities for applications training:

- Any unused training entitlement in a particular contract year will be forfeited
- Training visits must be scheduled with the GE Healthcare TiP Applications Engagement Lead a minimum of three weeks before delivery is expected.

GE Healthcare

Statement of Service Deliverables
TiP-Ed Online

This GE Healthcare Statement of Service Deliverables TiP-Ed Online supplements and incorporates by reference the GE Healthcare (i) Quotation that identifies the Service offering purchased by Customer; (ii) Product Schedule ("Schedule"); (iii) Service Terms and Conditions; and (iv) General Terms and Conditions, (collectively, referred to as the "Agreement" or "Service Agreement").

1. TiP-Ed Online. TiP-Ed Online content is available through GE Healthcare's Learning System website with access to courses, supplemental materials, CE assessments and certificates of completion. Access to TiP-Ed Online content requires an Internet broadband connection which is Customer's responsibility. GE Healthcare is not responsible or liable for technical issues, loss of connection, or internal delivery problems.

1.1 Customer's Right to Access and Use TiP-Ed Online. During the term of this Agreement, GE Healthcare grants to Customer a non-exclusive, non-transferable, limited subscription license to access and use, solely for Customer's internal business purposes, the TiP-Ed Online content. Access to TiP-Ed Online content may not be granted to anyone other than Customer's healthcare employees at its facility.

1.2 Customer's TiP-Ed Online Responsibilities. Customer agrees to: assist GE Healthcare or its agents to determine the compatibility of Customer's existing on-line system to access TiP-Ed Online content; maintain its facilities in order to receive TiP-Ed Online content through the use of GE Healthcare's Learning System; designate an education coordinator for each facility utilizing TiP-Ed Online; and keep user names and passwords confidential.

1.3 GE Healthcare's TiP-Ed Online Responsibilities. GE Healthcare will provide: telephone assistance during the initial setup of TiP-Ed Online; utilization tools and processes for promoting participation in TiP-Ed Online (e.g., schedules, calendars); access via 1 user name and password to site-specific education records for 1 designated education coordinator per participating facility; and toll-free customer service support 24 hours per day, 7 days per week (excluding GE Healthcare holidays).

2. Additional Terms and Conditions

2.1 Intellectual Property Rights. Customer shall not (nor shall it authorize others to) permit any other access to or disclosure or use of TiP-Ed Online content, or modify any part of the TiP-Ed Online content without GE Healthcare's prior written consent. Customer agrees to take reasonable security measures to prevent unauthorized or unlawful access, copying, taping or use by others or disclosure to others of TiP-Ed Online content. TiP-Ed Online content is protected by the copyright laws of the United States and applicable international treaties. No right under copyright is transferred to Customer by virtue of this limited subscription license. The rights granted herein will not affect the exclusive ownership by GE Healthcare and/or GE Healthcare's vendors of any trademarks, copyrights, patents, or common law property rights pertaining to TiP-Ed Online content.

2.2 Disclaimer. TIP-ED ONLINE CONTENT IS PROVIDED "AS IS" AND "AS AVAILABLE". GE HEALTHCARE DOES NOT WARRANT THE COMPLETENESS OR ACCURACY OF TIP-ED ONLINE CONTENT OR THAT TIP-ED ONLINE CONTENT WILL BE CONSTANTLY AVAILABLE, UNINTERRUPTED OR ERROR FREE. GE HEALTHCARE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION OR DATA ACCURACY.

2.3 Reservation of Rights. At any time during the term of this Agreement, GE Healthcare may: change the delivery method of TiP-Ed Online content or the limited subscription license; assign all or a part of the rights and/or obligations under this Agreement to any third party; terminate the limited subscription license for any reason upon at least 12 months written notice; and change, modify or alter the TiP-Ed Online content, posted schedules, and/or program formats without prior notice.

SUPPLEMENTAL #1

March 27, 2017
11:14 am

SUPPLEMENTAL #1
March 27, 2017
11:14 am

BK/PG:7033/62-67
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6 PGS : DEED	
JESSICA SWEENEY 482510 - 17011174	
03/22/2017 - 11:15:26 AM	
MORTGAGE TAX	0.00
TRANSFER TAX	13108.94
RECORDING FEE	30.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	13141.94

STATE of TENNESSEE, WILLIAMSON COUNTY
SADIE WADE
REGISTER OF DEEDS

THIS INSTRUMENT PREPARED BY:
BASS, BERRY & SIMS PLC (MAS)
150 3rd Avenue South, Suite 2800
Nashville, Tennessee 37201

SPECIAL WARRANTY DEED

Address New Owner(s):	Send Tax Bills To:	Map/Parcel Numbers:
Middle Tennessee Health Realty, LLC 1400 Dowell Springs Boulevard, Suite 350 Knoxville, TN 37909	Same	A portion of Tax Parcel No. 079-048.04

FOR AND IN CONSIDERATION OF the sum of TEN AND NO/100 DOLLARS ($10.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MTPC, LLC, a Tennessee limited liability company (the "Grantor"), has bargained and sold, and hereby transfers and conveys, to MIDDLE TENNESSEE HEALTH REALTY, LLC, a Tennessee limited liability company, and its successors and assigns (the "Grantee"), certain real property in Williamson County, Tennessee, more particularly described on Exhibit A attached hereto, together with all rights and appurtenances pertaining to such real property and all improvements, structures and fixtures now constructed and completed or under construction on the real property.

Said property is conveyed subject to those matters more particularly described on Exhibit A attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD said property, together with the appurtenances, hereditaments, estate, title and interest thereto belonging, to Grantee, forever.

This is unimproved property.

Grantor covenants and binds itself and its successors to warrant specially and defend to Grantee forever the title to said property against the lawful claims of all persons claiming by, through or under Grantor (excluding claims arising out of the matters set forth on Exhibit B), but not further or otherwise.

[*Signature Page Follows*]

SUPPLEMENTAL #1
March 27, 2017
11:14 am

IN WITNESS WHEREOF, the undersigned Grantor has executed this instrument or has caused same to be executed as of the 17 day of March, 2017.

MTPC, LLC,
a Tennessee limited liability company

By: _____
Name: Robert Vincill
Title: CFO

STATE OF Tennessee)

COUNTY OF Knox)

Personally appeared before me, the undersigned, a Notary Public having authority within the State and County aforesaid, Robert Vincill, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the CFO of a MTPC, LLC, a Tennessee limited liability company, and is authorized by the limited liability company to execute this instrument on behalf of the limited liability company.

WITNESS my hand, at office, this 17th day of March, 2017.

BARBARA A. MILLER
STATE OF TENNESSEE NOTARY PUBLIC
KNOX COUNTY

_____
Notary Public

My Commission Expires:

8.5.2018

MAR 27 '17 AM 11:16

SUPPLEMENTAL #1

March 27, 2017
11:14 am

STATE OF Tennessee)

COUNTY OF Knox)

The actual consideration for this transfer or value of property transferred (whichever is greater) is $ 3,542,958.00.

Sworn to and subscribed before me this 17th day of March, 2017.

BARBARA A. MILLER
STATE OF TENNESSEE NOTARY PUBLIC
KNOX COUNTY

Notary Public

My Commission Expires:

8.5.2010

EXHIBIT A

A tract of land in the 9th Civil District, Williamson County, Tennessee being a portion of Lot 3 on Medcore Medical Subdivision, Final Plat, Revision Two of record in Plat Book, P56, Page 82, Register's Office for Williamson County, Tennessee, being more particularly described as follows:

POINT OF BEGINNING being on iron rod with "RAGEN" cap lying on the eastern ROW of said Carothers Parkway and being the southwestern corner of the tract being described; thence with said ROW, North 07°08'02" East 361.12 feet to a point; thence with a curve to the left having a length of 2.70 feet, a radius of 92.00 feet, a central angle of 01°40'57", and having a chord bearing and distance of North 06°17'31" East 2.70 feet to a point; thence leaving said ROW, South 82°27'58" East 564.46 feet to a point; thence North 07°44'13" East 112.52 feet to a point; thence South 82°15'47" East 74.35 feet to a point; thence South 07°44'13" West 476.11 feet to a point; thence North 82°27'45" West 634.94 feet to the point of beginning, contains 240,064 square feet, or 5.51 acres, more or less, all according to survey prepared by Robert Searson, Littlejohn, a Division of S&ME, 1935 21st Avenue South, Nashville, TN 37212, Bearings based on Tennessee State Plane Coordinate System.

Being a portion of the same property conveyed to MTPC, LLC, a Tennessee limited liability company by Special Warranty Deed dated 12/04/2015 from E. Warner Bass, Trustee of record in Book 6628, Page 1, Register's Office for Williamson County, Tennessee.

EXHIBIT B

1. Taxes for the year 2017, a lien not yet due and payable.

2. All matters as set forth per Plat Book P56, Page 82, Register's Office for Williamson County, Tennessee.

3. TVA Easement of record in Book 78, Page 331, Register's Office for Williamson County, Tennessee.

4. Grant of Transmission Line Structure Easement of record in Book 896, Page 364, Register's Office for Williamson County, Tennessee.

5. Order of Possession and Water Line Easement of record in Book 3622, Page 250, Register's Office for Williamson County, Tennessee.

6. Agreement for Dedication of Easement for Temporary Slope, Temporary Construction, Permanent Drainage & Permanent Pedestrian of record in Book 3357, Page 44, Register's Office for Williamson County, Tennessee.

7. Final Judgment of record in Book 3587, Page 614, Register's Office for Williamson County, Tennessee.

8. Stormwater Maintenance of record in Book 6629, Page 944, Register's Office for Williamson County, Tennessee.

9. Easement of record in Book 6966, Page 416, Register's Office for Williamson County, Tennessee.

22521406.1

MAR 27'17 AM11:16

SUPPLEMENTAL #1
March 27, 2017
11:14 am

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:
Franklin PET Scan Center
1st Supplemental Response

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.

Signature/Title
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 27th day of March, 2017, witness my hand at office in the County of DAVIDSON, State of Tennessee.

NOTARY PUBLIC

My commission expires July 2, 2018.

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires July 2, 2018

HF-0043

Revised 7/02

ORIGINAL

ADDITIONAL INFORMATION

FRANKLIN PET SCAN CENTER

CN1703-012

DSG Development Support Group

MAR 15 '17 AM10:08

March 15, 2017

Phillip Earhart
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application Submittal
Tennessee Oncology, PLLC -- Establishment of a PET Service
Franklin, Williamson County

Dear Philip:

This letter transmits a few substitution pages for the referenced CON application filed yesterday afternoon. Hopefully these can be substituted before your review begins. The substitutions/corrections are as follows.

1. Executed lease option documenting site control, which was sent to me yesterday from the attorney's office just after the application was filed.

2. Several pages correcting the address of the applicant's existing PET service in Nashville. Yesterday's filing had the address from the Licensure website (the owner's address) instead of the actual street address.

3. Several pages removing references to establishing or licensing an "ODC". The legal notice and the filed application's narrative state clearly that this application is for a service of the physician practice, not for an ODC. The ODC references were from an early draft of the application when ODC was still being considered.

4. Change in the MOB co-owner's name.

Respectfully,

John Wellborn

John Wellborn
Consultant

4219 Hillsboro Road, Suite 203
Nashville, TN 37215

jwdsg@comcast.net

Tel 615.665.2022
Fax 615.665.2042

MAR 15 '17 AM 10:08

3. SECTION A: EXECUTIVE SUMMARY

A. Overview

Please provide an overview not to exceed three pages in total, explaining each numbered point.

(1) Description (Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.)

• The applicant is a Tennessee physician group practice (Tennessee Oncology, PLLC). One of its clinics in Franklin (Williamson County) is relocating close to Williamson Medical Center and I-65. The applicant proposes to acquire a Positron Emission Tomography ("PET") scanner to initiate outpatient PET services at the new clinic location.

• The proposed scanner will be a leased GE Discovery combination PET/CT unit. Because CT (Computed Tomography) services and equipment do not require CON review, this application refers to the equipment as the "PET".

• The practice office and its PET will be located in leased space in a three-floor medical office building ("MOB") that will be constructed by a third party, on unaddressed property adjoining the south side of the Scott Hamilton Proton Treatment Center now under construction in Williamson County.

• The project site is less than one mile east of Interstate 65's Exit 65, which is the Highway 96/Franklin/Williamson Medical Center exit. The project site is on the east side of Carothers Parkway, just south of that Parkway's intersection with Physicians Way, and on the south side of the Scott Hamilton Proton Center being developed at that intersection. The project will be within sight of Williamson Medical Center's campus on the opposite side of Carothers Parkway.

• The PET area in the practice office will consist of 3,652 usable SF (4,200 rentable SF) area of the MOB's first floor. A substantial portion of the other MOB spaces will be occupied by Tennessee Oncology's physicians and clinic, and by staff of the Sarah Cannon Cancer Center.

• Additional details about the project are provided in Attachment Section A-3A(1).

(2) Ownership Structure

• The applicant is Tennessee Oncology, PLLC, whose 81 oncologists (78 of whom are full-time members of the group) constitute Tennessee's largest oncology group practice, and one of the largest oncology practices in America.

• Tennessee Oncology, PLLC, is owned by 67 of its full-time physicians, each with an interest of approximately 1.493%. No person or entity owns 5% or more of the PLLC.

• In addition to providing patient care in 31 practice locations and in 27 Middle Tennessee hospitals, Tennessee Oncology physicians also conduct clinical trials for the Sarah Cannon Cancer Center in Nashville. Sarah Cannon manages the nation's largest network of clinical trials of cancer medications.

• Tennessee Oncology, PLLC currently wholly owns--directly or indirectly--three PET facilities in Davidson and Rutherford Counties: (1) a practice-based PET scanner at 2018 Murphy Avenue, Suite 200 in Nashville (near the Tennessee Oncology headquarters office); (2) Imaging Alliance-Nashville PET, a licensed Outpatient Diagnostic Center ("ODC") at 52 White Bridge Road in Nashville/Davidson County; and (3) Tennessee PET Scan Center, an ODC at 1840 Medical Center Parkway, Suite 100, in Murfreesboro/Rutherford County. Those two ODC's are organized as limited liability companies ("LLC's") that are wholly owned by Tennessee Oncology, PLLC.

• In 2015, Tennessee Oncology's 3-unit PET network, as a whole, constituted the largest PET scan provider to residents of the 38 counties of Middle Tennessee--performing 43% of all PET scans of those counties' residents. It was the largest provider to Davidson County residents--performing 33% of their total scans.

(3) Service area

• The *primary* service area of the PET service will be nine counties southeast to west of Nashville/Davidson County--Dickson, Giles, Hickman, Lawrence, Lincoln, Marshall, Maury, Rutherford, and Williamson Counties. They contain two interstate corridors with rapidly growing populations. The *secondary* service area will include parts of Davidson County with easy access to Franklin. The PET will also serve patients from other counties and States, who come to the adjacent Scott Hamilton Proton Treatment Center, a regional cancer treatment facility whose Medical Director is a member of Tennessee Oncology.

• The primary service area is based on Tennessee Oncology's history of serving these counties. Tennessee Oncology is the only fixed PET provider in the primary service area and its unit is operating above optimal capacity. In 2015, these nine counties' residents received 2,742 PET scans, of which 1,246, or 45.8%, were performed on Tennessee Oncology's three PET scanners.

(4) Existing similar service providers

• There is only one fixed PET unit in the far eastern part of the primary service area. It is in the applicant's ODC in Murfreesboro (Rutherford County). It is operating at 120.8% of "optimal utilization" as defined by the State Health Plan. The proposed Franklin PET unit will help relieve this first unit, while improving patient accessibility to care in service area counties west and south of Rutherford County.

• The project is located in the high-growth I-65 corridor between Nashville and Alabama, in which there is no fixed PET scanner available Monday through Friday, the peak days of demand for diagnostic care.

• The primary service area also has two part-time mobile PET units. Together, they offer service a total of 1.5 days per week. They dock at Williamson Medical Center in Franklin/Williamson County (one half-day per week), and at Maury Regional Medical Center in Columbia/Maury County (one day per week).

7. Type of Institution (Check as appropriate—more than 1 may apply)

A. Hospital (Specify):		H. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		I. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		J. Rehabilitation Facility	
D. Home Health Agency		K. Residential Hospice	
E. Hospice		L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital		M. Other (Specify):	
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID		Private Professional Practice	

8. Purpose of Review (Check as appropriate—more than 1 may apply)

A. New Institution		F. Change in Bed Complement *Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation*	
B. Modifying an ASTC with limitation still required per CON		G. Satellite Emergency Department	
C. Addition of MRI Unit		H. Change of Location	
D. Pediatric MRI		I. Other (Specify):	
E. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify) Fixed PET Scanning	x		

9. Medicaid/TennCare, Medicare Participation

MCO Contracts (Check all that apply)*:
____Amerigroup ____United Healthcare Community Plan _____BlueCare _____TennCare Select
Medicare Provider Number: To be requested
Medicaid Provider Number: To be requestewd
Certification Type: IDTF (Independent Diagnostic Testing Facility)
If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?
Medicare _x_Yes___No___N/A __
Medicaid/TennCare _x__Yes___No___N/A __

** Tennessee Oncology, PLLC, and its two existing ODC's, contract with all the above four MCO's. The applicant will also have contracts with all four MCO's.*

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper, single-sided.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate "Not Applicable (NA)."***

APPLICANT'S ANALYSIS OF THE NEED FOR THE PROJECT

1. The Applicant and the Reasons for the Project

The proposed Franklin PET Scan Center will be operated as a service of Tennessee Oncology, PLLC. This physician group's 78 oncologists and 3 PRN oncologists comprise Tennessee's largest oncology group practice, and one of the largest in the United States. Tennessee Oncology physicians provide patient care at 31 offices at Middle Tennessee hospitals. They conduct hundreds of clinical trials of promising new cancer medications, in cooperation with the Sarah Cannon Cancer Center in Nashville, which manages the nation's largest network of clinical trials of promising new cancer medications.

Tennessee Oncology currently owns and operates--directly or indirectly--three PET units in Middle Tennessee. One is a practice-based unit near the headquarters office in Nashville. The other two are PET ODC's, organized as LLC's that are wholly owned by Tennessee Oncology, PLLC. One of those two PET ODC's is in Nashville. The other PET ODC is in Murfreesboro. In CY2015, Tennessee Oncology's three PET units together made Tennessee Oncology the largest PET scan provider serving the 37 counties of Middle Tennessee. They performed 45.8% of all PET scans of Middle Tennessee residents that year. It was also the largest PET scan provider chosen by Nashville/Davidson County residents, performing 33% of all their scans.

The mission of this 40-year old group practice is to provide access to high-quality cancer care and to the expertise of clinical research for all patients, at convenient locations within their community and close to their home. Tennessee Oncology's extensive network of 31 offices across Middle Tennessee reflects this commitment.

4. Identify the type of licensure and certification requirements applicable and verify that the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure:

Radioactive Materials License--from Tennessee Department of Environment and Conservation

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.):

1. Medicare
2. TennCare
3. Medicaid as needed for out of State referrals from Middle Tennessee Proton Center

Accreditation (e.g. Joint Commission, CARF, etc.)

American College of Radiology (for PET Unit)

A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

The applicant owns two licensed Outpatient Diagnostic Centers (Nashville and Murfreesboro). Both are in compliance with Licensure rules and regulations and are in good standing. The licenses of those facilities is in Attachment A-4A.

B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected, by providing a letter from the appropriate agency.

See Attachment Section B-Orderly Development-4B.

Section A-3A(1)--Detailed Project Description

1. The Applicant (Owned by Tennessee Oncology, PLLC)

The applicant is Tennessee Oncology, PLLC, the largest oncology group practice in Tennessee. That group practice currently consists of 81 medical and radiation oncologists--78 of whom are full-time FTE's of the practice; 3 of which are PRN. The group also employs psychologists and a pathologist. The PLLC is owned in equal membership interests by 67 of the group's full-time oncologists .

Tennessee Oncology is Middle Tennessee's largest provider of clinical care for cancer patients. In Middle Tennessee, it operates 31 practice offices (25 of which offer chemotherapy), and utilizes radiation oncology facilities at 9 major hospitals. Its physicians are on staff at 23 hospitals in 18 Middle Tennessee Counties. Tennessee Oncology physicians also conduct extensive clinical trials of new pharmaceuticals--in conjunction with the Sarah Cannon Cancer Center in Nashville, which manages the nation's largest network of clinical trials of new cancer drugs. Tennessee Oncology currently cares for approximately 1,000 patients in these trials.

One of Tennessee Oncology's most significant diagnostic services is the detection and evaluation of tumors using PET technology. The practice's PET service consists of three PET units in Davidson and Rutherford Counties: (1) a practice-based PET scanner at 2018 Murphy Avenue in Nashville (near the central Tennessee Oncology office); (2) Imaging Alliance-Nashville PET at 52 White Bridge Road in Nashville/Davidson County; and (3) the Tennessee PET Scan Center at 1840 Medical Center Parkway, Suite 100, in Murfreesboro/Rutherford County. The central office's PET unit is part of the medical practice. The two other PET units are licensed as Outpatient Diagnostic Centers ("ODC") and are organized as LLC's that are wholly owned by Tennessee Oncology, PLLC. No other entity has any ownership in any Tennessee Oncology PET service.

In 2015, HSDA Registry data shows that Tennessee Oncology PLLC's three PET units provided 40% of all PET studies performed by central Middle Tennessee PET units (4,172 of 10,433 total studies)--making Tennessee Oncology the largest PET provider in the Central Middle Tennessee region. The two Tennessee Oncology units in Davidson County together performed 2,544 (35.9%) of Davidson County's 7,082 PET procedures in 2015--making Tennessee Oncology Davidson County's largest PET scan provider other than Vanderbilt Medical Center.

2. Location of the Project

The site of the proposed service is on five acres of unaddressed property adjoining the south side of the Scott Hamilton Proton Center now under construction in Franklin, in Williamson County.

Like the Proton Center, the project will be on the east side of Carothers Parkway, just south of that Parkway's intersection with Physicians Way. That intersection is less than one mile east of Interstate 65's Exit 65, which is the Highway 96/Franklin/Williamson Medical Center exit. The project's building will be within sight of Williamson Medical Center's campus on the opposite side of Carothers Parkway.

MAR 15'17 AM10:08

3. Description of the Project and the Legal Entities Developing It

Middle Tennessee Health Realty, LLC, a newly created entity ("MTHR" in this narrative), will purchase the 5-acre project site from Middle Tennessee Proton Center, LLC, which owns the land on which the Scott Hamilton Proton Center is being built. MTHR is owned 50% by Franklin Investments, LLC and 50% by Provision Healthcare, LLC. Franklin Investments, LLC currently has only one member--Tennessee Oncology LLC. Its membership interests will be offered to Tennessee Oncology physicians after the project is operational.

The proposed PET/CT service will be developed in leased ground-floor space in a new three-floor, 73,500 gross square foot medical office building ("MOB") that will be constructed to shell space specifications by MTHR on the five-acre project site. The MOB is projected to be open for tenancy in late 2018. The total estimated capital cost of developing the building to shell stage, including land and site improvements, is $18,020,769. MTHR will be responsible for all of this cost.

MTHR will lease space in the MOB to several tenants. If this CON application is granted, the MOB's potential tenants will include the Tennessee Oncology's PET service, Tennessee Oncology's Medical Oncology Clinic (relocating from the nearby Williamson Medical Center campus), and a branch office of the Nashville-based Sarah Cannon Cancer Center.

The applicant will lease and build out a large area of the MOB for its physicians' practice space. Within this leased space, the practice will develop a dedicated area of approximately 3,652 usable square feet (4,200 rentable square feet) for the PET service, which will be known as the Franklin PET Scan Center ("FPSC"). The FPSC's rentable square feet will be 6.02% of the total MOB rentable square feet. The FPSC space, as part of the overall practice space, will be leased for an initial term of 10 years, at a triple net (NNN) base rate of $24.00 per rentable square foot (PRSF), with a 2.5% annual escalator after Year One. In addition to the base lease cost, the practice will pay separately its pro rata share of the building's taxes and utilities, estimated at $7.73 per rentable square foot the first year, and escalating at 1.5% annually after Year One.

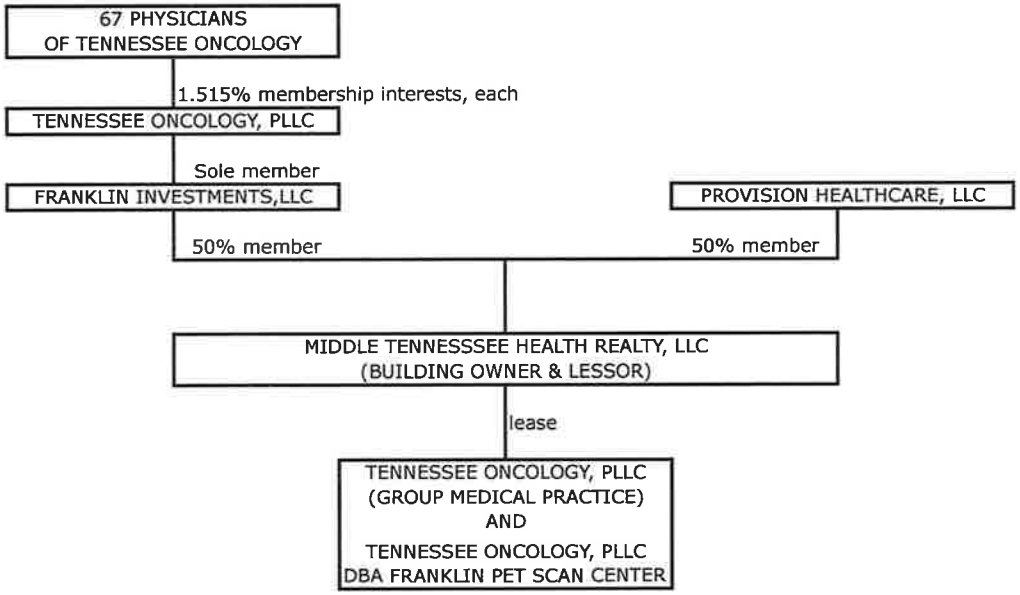
The preliminary design for the Franklin PET Scan Center will include a PET/CT room with associated support areas such as the control room, hot lab, uptake rooms, holding area, film room and reading rooms. Nonclinical support areas include waiting and reception, staff workroom, medical records, staff break room, a manager's office, patient and staff toilets, utility rooms, equipment and general storage spaces, and a room for electronic equipment and data transmission.

The FPSC's only projected services to patients will be PET and CT scans. These will be available to qualified patients referred to Tennessee Oncology physicians. The only equipment projected in the FPSC initially will be the PET/CT unit and its associated furnishings and equipment. The currently identified unit will be a GE Discovery combination PET/CT unit. The applicant has considered both lease and purchase options for the unit and has chosen an equipment lease. The purchase, lease, and service proposals are all provided in the Attachments. Their relative costs are compared in another section of this application.

4. Hours of Operation, Licensure, Certification, and Accreditation

Patient scan starts will be scheduled from 7 AM to 3 PM on weekdays. PET patients will be scheduled at the beginning of each hour; CT patients will utilize the time remaining between

PROJECT ORGANIZATION CHART--FRANKLIN PET SCAN CENTER (SERVICE OF TENNESSEE ONCOLOGY, PLLC)



OPTION TO LEASE AGREEMENT

THIS OPTION TO LEASE AGREEMENT (the "Agreement") is made and entered into as of this 9 day of March, 2017, by and between Middle Tennessee Health Realty, LLC, a Tennessee limited liability company ("Landlord") and Tennessee Oncology, PLLC, a Tennessee professional limited liability company ("Tenant").

WITNESSETH

WHEREAS, Landlord intends to acquire certain real property located in Williamson County, Tennessee more particularly described on Exhibit A hereto and hereby incorporated by reference herein, consisting of approximately 5.5 acres (the "Property"), and to construct a medical office building on the Property (the "Building"); and

WHEREAS, Landlord desires to enter into an option with Tenant whereby Landlord grants to Tenant the option to lease approximately 4,200 rentable square feet in the Building (the "Leased Premises"), which option must be exercised as set forth below.

NOW, THEREFORE, for $10 cash in hand paid and in consideration of the mutual promises set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1
GRANT OF OPTION

1.1 Landlord hereby grants to Tenant an exclusive option to lease the Leased Premises, upon the terms and conditions set forth herein (the "Option").

1.2 The term of Tenant's Option shall commence on the date hereof and shall continue for a period of nine (9) months from the date hereof (the "Option Period"). The Option Period may be extended at any time prior to its expiration upon the mutual consent of the parties.

1.3 Tenant shall exercise its Option by delivering written notice to Landlord within the Option Period by Registered or Certified Mail, or in person.

1.4 The Option, and Tenant's rights hereunder, are contingent upon Landlord acquiring the Property.

SECTION 2
TERMS AND CONDITIONS OF THE LEASE

2.1 Upon the exercise of the Option by Tenant as set forth herein, the parties agree to execute a lease agreement, subject to any terms and conditions contained in this Agreement and as

mutually agreed upon by the parties. The parties expect that rent shall reflect the fair market value of the property and shall be approximately $24.00 per rentable square foot for the first year of the lease. Rent shall increase by 2.5% each subsequent year during the term of the lease. The lease shall also provide that taxes and operating expenses will be passed through to Tenant. The parties estimate that pass through expenses for the first year of the lease will be approximately $7.73 per rentable square foot.

2.2 The initial term of Tenant's lease of the Leased Premises shall be for a period of ten (10) years (the "Term").

2.3 The lease shall provide Tenant an improvement allowance in the amount of $60.00 per usable square foot. The parties anticipate that the Leased Premises will contain approximately 3,652 usable square feet.

SECTION 3
MISCELLANEOUS PROVISIONS

3.1 Any notices required or permitted herein shall be addressed as follows and delivered to the other party by either registered or certified mail or in person:

If to Landlord:

c/o Middle Tennessee Health Realty, LLC
1400 Dowell Springs Blvd., Suite 350
Knoxville, TN 37909

If to Tenant:

c/o Tennessee Oncology, PLLC
300 20th Avenue North, Suite 301
Nashville, TN 37922

3.2 This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be amended except by written instrument executed by Landlord and Tenant. The section headings are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope or content of this Agreement or any provision hereof. This Agreement shall be construed and interpreted in accordance with the laws of the State of Tennessee. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns as the case may be. Tenant shall have the right to transfer or assign any of its rights and interest under this Agreement without obtaining the prior consent of Landlord. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one Agreement. To facilitate execution of this Agreement, the parties may execute and exchange executed counterparts of the signature pages by e-mail.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by such party, as of the date first above written.

LANDLORD:

Middle Tennessee Health Realty, LLC
a Tennessee Limited Liability Company

By: _____
Name: Christopher T. Brown
Its: Manager

TENANT:

Tennessee Oncology, PLLC
a Tennessee Professional Limited Liability Company

By: _____
Name: Jeff Pettit
Its: CEO

EXHIBIT A

The Property

That certain tract or parcel of real estate containing 240,064 square feet, or 5.51 acres, together with all appurtenances, rights, privileges, easements, and advantages belonging thereto, located in the 9th Civil District, Williamson County, Tennessee. Tract being Lot 4 of the proposed Medcore Medical Building Subdivision, Revision Three, Re-subdivision of Lot 3, not of record. Being bounded on the north by Lot 3 of said proposed Medcore Medical Building Subdivision, Revision Three, Re-subdivision of Lot 3, on the east by Lots 51 and 52 of Breckinridge South Subdivision, Section 5 as recorded in Plat Book 9, Page 119, ROWC, by the western Right-of-Way (ROW) of Breckinridge Road, and by Lots 66 and 67, Section 3, Breckinridge South Subdivision as recorded in Plat Book 7, Page 133, ROWC, on the south by Williamson County tract as recorded in deed book 988, page 832, ROWC, and on the west by Carothers Parkway Right-of-Way(ROW). Tract being described as follows:

> POINT OF BEGINNING being on iron rod with "RAGEN" cap lying on the eastern ROW of said Carothers Parkway and being the southwestern corner of the tract being described; thence with said ROW, North 07°08'02" East 361.12 feet to a point; thence with a curve to the left having a length of 2.70 feet, a radius of 92.00 feet, a central angle of 01°40'57", and having a chord bearing and distance of North 06°17'31" East 2.70 feet to a point; thence leaving said ROW, South 82°27'58" East 564.46 feet to a point; thence North 07°44'13" East 112.52 feet to a point; thence South 82°15'47" East 74.35 feet to a point; thence South 07°44'13" West 476.11 feet to a point; thence North 82°27'45" West 634.94 feet to the point of beginning.

Business Information Search

As of March 14, 2017 we have processed all corporate filings received in our office through March 13, 2017 and all annual reports received in our office through March 13, 2017.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search: 1-1 of 1

Search Name: Middle Tennessee Health Realty, LLC ◉ Starts With ○ Contains

Control #:

Active Entities Only: ☐

Search

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
000816456	LLC	Middle Tennessee Health Realty, LLC *TENNESSEE*	Entity	Active	09/30/2015	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by Clicking Here.

Click Here for information on the Business Services Online Search logic.

Division of Business Services
312 Rosa L. Parks Avenue, Snodgrass Tower, 6th Floor
Nashville, TN 37243
615-741-2286
8:00 a.m. until 4:30 p.m. (Central) Monday - Friday.
Directions | State Holidays | Methods of Payment

Business Filings and Information (615) 741-2286 | TNSOS.CORPINFO@tn.gov
Certified Copies and Certificate of Existence (615) 741-6488 | TNSOS.CERT@tn.gov
Motor Vehicle Temporary Liens (615) 741-0529 | TNSOS.MVTL@tn.gov
Notary Commissions (615) 741-3699 | TNSOS.ATS@tn.gov
Uniform Commercial Code (UCC) (615) 741-3276 | TNSOS.UCC@tn.gov
Workers' Compensation Exemption Registrations (615) 741-0526 | TNSOS.WCER@tn.gov
Apostilles & Authentications (615) 741-0536 | TNSOS.ATS@tn.gov
Summons (615) 741-1799 | TNSOS.ATS@tn.gov
Trademarks (615) 741-0531 | TNSOS.ATS@tn.gov
Nonresident Fiduciaries (615) 741-0536 | TNSOS.ATS@tn.gov

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AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

SIGNATURE/TITLE
CONSULTANT

Sworn to and subscribed before me this 14th day of March (Month), 2017 (Year) a Notary

Public in and for the County/State of DAVIDSON

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires July 2, 2018

NOTARY PUBLIC

My commission expires July 2. (Month/Day), 2018 (Year).