HEALTH SERVICES AND DEVELOPMENT AGENCY
FEBRUARY 27, 2013
APPLICATION SUMMARY

NAME OF PROJECT: Jamestown Regional Medical Center

PROJECT NUMBER: CN1211-055

ADDRESS: 436 Central Avenue West
Jamestown (Fentress County), TN 38556

LEGAL OWNER: HMA Fentress General Hospital, d/b/a Jamestown Regional Medical Center
436 Central Avenue West
Jamestown (Fentress County), TN 38556

OPERATING ENTITY: Not Applicable

CONTACT PERSON: Melanie B. Robinson
(931) 752-5762

DATE FILED: November 9, 2012

PROJECT COST: $30,677.00

FINANCING: Cash Reserves

PURPOSE FOR FILING: The establishment of Swing Bed services through the designation of six (6) of the existing eighty-five (85) licensed beds as swing beds

DESCRIPTION:

HMA Fentress General Hospital, d/b/a Jamestown Regional Medical Center ("Jamestown RMC") is seeking approval for initiation of swing bed services at Jamestown Regional Medical Center located at 436 Central Avenue West, Jamestown (Fentress County), Tennessee 38556. Jamestown RMC is an 85-bed acute care hospital licensed for seventy-five (75) medical/surgical beds and ten (10) geriatric psychiatric beds. The applicant is proposing to convert six (6) existing medical/surgical beds to swing beds. **The proposed project is subject to the bed pool for the 2012-2013 state fiscal year period.**

SPECIFIC CRITERIA AND STANDARDS REVIEW:

Swing Bed Services

A. Applicants must meet the same standards for determining needs as applicant for nursing homes, with the exception of the standard for the minimum number of beds required for a freestanding nursing home.

The Tennessee Department of Health, Division of Health Statistics used the nursing home bed need formula to determine there is currently a need of 1,766 beds in the proposed service area. Currently there are 1,330 licensed beds in the proposed service area resulting in a need for an additional 436 beds.

It appears that the application meets this criterion.

B. Applicants must meet appropriate federal criteria as mandated by the Health Care Financing Administration.

Federal criteria require hospitals be located in a rural area; have fewer than 100 beds; and have a Medicare provider agreement.

The applicant appears to have met the appropriate federal criteria for swing beds.

C. Any existing provider must document that all deficiencies (if any) cited in the last licensure and/or certification inspection have been corrected.

The applicant provided a recent Joint Commission survey noting all deficiencies have been corrected.

It appears that the application meets this criterion.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW:

NURSING HOME SERVICES

A. Need

1. **According to TCA 68-11-108, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:**

County bed need = .0005 x pop. 65 and under, plus
.0120 x pop. 65-74, plus
.0600 x pop. 75-84, plus
.1500 x pop. 85, plus

See second criterion below.

2. **The need for nursing home beds shall be projected two years into the future from the current year, as calculated by the Department of Health.**

   Based on the projected population for proposed six (6) county service area in 2014, the Tennessee Department of Health's Division of Health Statistics used the above formula to calculate a need of 1,766 nursing home beds for the applicant's declared service area (Fentress, Morgan, Pickett, Scott, Putnam and Cumberland counties).

3. **The source of the current supply and utilization of licensed and CON approved nursing home beds shall be the inventory of nursing home beds maintained by the Department of Health.**

   The Tennessee Department of Health, Division of Health Statistics used the nursing home bed need formula to determine there is currently a need of 1,766 beds in the proposed service area. Currently there are 1,330 licensed beds in the proposed service area resulting in a need for an additional 436 beds.

   It appears the application meets this criterion.

4. **"Service Area" shall mean the county or counties represented on an application as the reasonable area to which a health care institution intends to provide services and/or in which the majority of its service recipients reside. A majority of the population of a service area for any nursing home should reside within 30 minutes travel time from that facility.**

   The applicant's proposed service area is Fentress, Morgan, Pickett, Scott, Putnam and Cumberland counties. Jamestown RMC is located in Fentress County. Fentress County is centrally located within the six (6) county proposed service area and is bordered by all the other five (5) counties.

It appears the application meets this criterion.

5. **The HSDA may consider approving new nursing home beds in excess of the need standard for a service area, but the following criteria must be considered:**

   a. **All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and**

      Since the Net Nursing Home Bed Need for the proposed service area is 436, the applicant's request for six (6) beds is not in excess of the nursing home bed need standard for the service area. It appears this criterion does not apply to the proposed project.

   b. **All nursing homes that serve the same service area population as the applicant have an annualized occupancy in excess of 90%.**

      As in 3.a., this criterion does not apply to the proposed project.

B. **Occupancy and Size Standards:**

   1. **A nursing home should maintain an average annual occupancy rate for all licensed beds of at least 90 percent after two years of operation.**

      The applicant states the facility occupancy for 6 beds is 90.6% in Year One and 94.8% in Year Two.

      It appears the application meets this criterion.

   2. **There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95 percent. The circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently noncomplying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate.**

      In 2010, the six (6) county proposed service area counties had 12 licensed nursing homes which had a licensed capacity of 50 beds or more. The occupancy rate for the whole group was less than 87.3%.

The applicant did not consider any nursing homes, identified by the Regional Administrator, that consistently non-complied with quality assurance regulations in the proposed service area in determining the service areas and average occupancy rate.

It appears the application does not meet this criterion.

3. **A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.**

   This application is for 6 new swing beds. This criterion does not apply.

4. **A free-standing nursing home shall have a capacity of at least 30 beds in order to be approved. The HSDA may make an exception to this standard. A facility of less than 30 beds may be located in a sparsely populated rural area where the population is not sufficient to justify a larger facility. Also, a project may be developed in conjunction with a retirement center where only a limited number of beds are needed for the residents of that retirement center.**

   The proposed project is not a free-standing nursing home.

   This criterion is not applicable.

SUMMARY:

Jamestown Regional Medical Center proposes to maximize the efficiency of operations and meet the unpredictable demands of acute or skilled level beds by proposing to initiate Swing Bed services by converting six (6) acute care beds to skilled nursing/swing beds. The swing beds will be located within the existing nursing units with services provided by the existing hospital nursing staff. Physical, occupational and speech therapies will be provided. No construction will be required for the proposed project.

The applicant states the conversion of six acute care beds to swing beds would be a convenience for patients and their families. According to the applicant, there are no other hospitals in the proposed service area that has designated swing beds. If approved, the applicant indicates patients would be able to stay in a

familiar environment, avoid an unnecessary transfer to another facility and be cared for in a setting that matches their acuity.

Medicare "swing bed" designation is available for hospitals (a) with "fewer than 100 beds", (b) located in "rural areas", (c) do not have in effect a 24-hour nursing waiver, and (d) have not had a swing-bed approval terminated within two years previous to their application for swing-bed designation. "Swing bed" designation has been traditionally applied to acute care beds in hospitals which meet the Medicare requirements. These beds can, then, also be used as skilled nursing care beds, provided that the condition of the patient warrants skilled nursing care. Rather than being reimbursed at the acute care bed rate, the hospital is reimbursed at a skilled nursing care rate. A fact sheet provided by the Centers for Medicare and Medicaid Services (CMS) describing swing bed services is provided in the supplemental response.

Jamestown Regional Medical Center, built in 1960, is the only acute care hospital located in Fentress County and is owned and operated by HMA Fentress County General Hospital, LLC. HMA Fentress County General Hospital, LLC is a wholly owned subsidiary of Health Management Associates, LLC, of Naples, Florida. Health Management Associates operates seventy (70) hospitals in fifteen (15) states. Besides Jamestown Regional Medical Center, Health Management Associates, LLC operates University Medical Center in Lebanon (Wilson County); Harton Regional Medical Center in Tullahoma (Coffee County); and six Tennova Healthcare hospitals in Knox, Jefferson, Campbell and Cocke counties in East Tennessee.

Jamestown RMC is licensed as a general hospital by the Tennessee Department of Health and accredited by The Joint Commission.

Based on data from the Joint Annual Report (JAR) for hospitals, Jamestown RMC's licensed hospital bed occupancy in 2011 was 25.3% for 85 licensed beds and 40% for the average number of staffed beds in service during the reporting period (54 beds).

Per the Department of Health, the definition of licensed beds and staffed beds is as follows:

Licensed Beds- The maximum number of beds authorized by the appropriate state licensing (certifying) agency or regulated by a federal agency. This figure is broken down into adult and pediatric beds and licensed bassinets (neonatal intensive or intermediate care bassinets).

Staffed Beds-The total number of adult and pediatric beds set up, staffed and in use at the end of the reporting period. This number should be less than or equal to the number of licensed beds.

According to the applicant, the proposed six county (Fentress, Morgan, Pickett, Scott, Putnam, and Cumberland counties) primary service area residents accounted for 90.4% of total hospital admissions. According to the Department of Health (TDH), the population of the service area is composed of 197,388 residents in 2013 and is expected to grow by 3.2% to 203,705 by 2017. Individuals age 65 and older, the age group most likely to utilize the proposed swing beds services, accounted for approximately 19.1% of the total population in 2013 and will grow to 20.5% of the service area's population by 2017. The statewide proportion of the population of persons 65 and over is expected to be 15.3% by 2017.

The proposed six (6) county service area has skilled nursing care available at eleven (11) existing nursing homes containing a combined total of 1,234 skilled licensed beds. One provider, Wharton Nursing Home (licensed for 96 beds) is not certified as a skilled nursing home provider. A breakout of the inventory of beds by Medicare/Medicaid certification status and the combined utilization of the eleven facilities in 2010 is provided as follows:

Proposed Six (6) County Service Area Nursing Home Utilization - 2010

Nursing Home	Licensed Beds	SNF Beds-Medicare	SNF/NF Beds – Dually Certified	SNF Medicare Level II ADC	Other SNF (TnCare, Private) ADC	NF-ADC Other Payors	Licensed Occupancy
Wynbridge Health and Rehab. (Cumberland County)	157	0	157	21	1.49	119	89.7%
Wharton Nursing Home (Cumberland County)	62	0	0	0	0	60.6	97.8%
Life Care Center of Crossville (Cumberland County)	122	0	122	24	0	56	65.8%
Signature Health Care Fentress County (Fentress County)	140	0	100	24	2.14	70	68.4%
Life Care Center of Morgan County (Morgan County)	124	0	124	15	13	76	84.0%
Pickett Care & Rehab Ctr. (Pickett County)	69	0	69	15	5.7	45	94.3%
Masters Health Care Ctr. (Putnam County)	175	0	175	30	3.5	138	98.0%
NHC Healthcare Cookeville (Putnam County)	94	0	48	19	10.5	59	94.4%
Standing Stone Care & Rehab. (Putnam County)	115	0	78	22	.76	65	75.9%
Bethesda Health Care Ctr. (Putnam County)	120	0	120	*22	0	88	91.5%
Onieda Nursing & Rehab. Ctr. (Scott County)	56	0	56	12	0	44	98.8%
Huntsville Manor (Scott County)	96	0	96	18	8.4	63	93.9%
Totals	**1,330**	**0**	**1,145**	**200**	**46**	**884**	**86.4%**
Percent of Total Mix		0%	86%	15%	3.5%	66%	

Source: Tennessee Department of Health, Division of Health Statistics: Nursing Homes Joint Annual Reports, 2010
*Bethesda Health Care Center 2010 data verified by HSDA staff on 1/31/13.

The table on the following page represents nursing home utilization data from 2009 through 2011 for the proposed six (6) county service area. The 2011 nursing home occupancy ranged from 69.2% at Signature Healthcare of Fentress County to 98.3% at Mary Cravath Wharton Nursing Home. There were a total of twelve (12) nursing homes representing 1,330 licensed beds that filed a Tennessee Department of Health Joint Annual Report (JAR) in 2011. Good Samaritan Society of Fairfield Glade (Cumberland County), CN0806-035A was approved at the September 24, 2008 Agency meeting and licensed by the Tennessee Department of Health on September 22, 2011. *Note to Agency Members: Good*

Samaritan of Fairfield Glade (Cumberland County) did not file a 2011 JAR since they were not licensed until September 2011.

Six County
Service Area Utilization Trends (2009-2011)

Facility	Licensed Beds	2009 Patient Days	2010 Patient Days	**2011 Patient Days	'09- '11 % change	2009 % Occupancy	2010 % Occupancy	**2011 % Occupancy
Signature Healthcare of Fentress Co.	140	34,760	34,966	35,385	1.8%	68.0%	68.4%	69.2%
Pickett Care and Rehab Ctr.	69	24,187	23,759	23,631	-2.3%	96.0%	94.3%	93.8%
Life Care Ctr. Of Morgan Co.	124	41,609	38,012	34,978	-15.9%	91.9%	84.0%	77.3%
Huntsville Manor	96	32,502	32,906	32,661	0.5%	92.8%	93.9%	93.2%
Oneida Nursing and Rehab Ctr.	56	18,490	20,204	18,690	1.1%	90.5%	98.8%	91.4%
Bethesda Health Care Ctr.	120	42,529	*40,091	39,572	-7.0%	97%	91.5%	90.3%
Masters Health Care Ctr.	175	61,759	62,601	60,331	-2.3%	96.7%	98.0%	94 .5%
NHC Healthcare, Cookeville	94	32,298	32,380	31,823	-1.5%	94.1%	94.4%	92.8%
Standing Stone Care and Rehab Ctr.	115	32,630	31,847	33,724	3.4%	77.7%	75.9%	80.3%
Life Care Ctr. Of Crossville	122	38,492	29,279	31,127	-19.1%	86.4%	65.8%	69.9%
Mary Cravath Wharton Nursing Home	62	21,595	22,138	22,241	3.0%	95.4%	97.8%	98.3%
Wyndrydge Health and Rehab Center	157	52,339	51,403	49,980	-4.5%	91.3%	89.7%	87.2%
Good Samaritan Society Fairfield Glade	30							
Total	1,360	433,190	419,586	414,143	-4.4%	89.2%	86.4%	85.3%

Source: Tennessee Department of Health, Division of Health Statistics: Nursing Homes Joint Annual Reports, 2009-2011
*Bethesda Health Care Center 2010 Joint Annual Report data verified by HSDA staff on 1/31/13.
**2011 Provisional Joint Annual Report Data

If approved, the applicant states the proposed project may impact the utilization rates of existing providers in the proposed service area. The applicant indicates the reality is that it has become more difficult to place patients with other providers due to staffing and occupancy issues. The applicant states there were some cases in the latter half of 2011 where an open skilled bed could not be found and the patient had to remain in the hospital as an acute care patient for safety reasons. The applicant notes extended patient days are not reimbursed by the Centers for Medicare and Medicaid Services (CMS) because

hospitals are now paid for services based on a Diagnosis Related Group (DRG) allowable payment.

In the supplemental response, the applicant expects that 98+% of the patients that will utilize the proposed swing bed services will require near-acute care as opposed to the kind of chronic or palliative care provided by traditional nursing homes. These are patients who have undergone an acute care, inpatient stay, for various reasons including surgery, hip fractures, pneumonia, or other acute illness.

The applicant reports discharging 338 patients in 2011, or 14.6% of total discharges, from inpatient acute care into a skilled bed in another facility. The applicant states the average length of stay for skilled beds in the service area was 55 days according to the Tennessee Department of Health 2011 Joint Annual Report data. The applicant stated if 25% of the 338 patients, or 85 patients annually were able to receive their needed skilled nursing services within Jamestown RMC, and their average length of stay were half of a typical nursing home patient (23 days), the average daily census of the swing beds in Year One of the proposed project would be 5.3 patients. The following table submitted in the supplemental response breaks out the projected swing bed utilization of Year One and Year Two of the proposed project.

HMA Fentress dba Jamestown Regional Medical Center
Projected Swing Bed Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	SNF Medicaid ADC	SNF All other Payors ADC	NF ADC	Total ADC	Licensed Occupancy %
1	6	6	4	1.3			5.3	88.3%
2	6	6	4.1	1.4			5.5	91.6%

* Includes dually-certified beds

The applicant indicates staffing for the proposed project is already in place because the swing beds are integrated with the hospital's nursing units. The applicant projects staffing levels for the first year of operation at 13.5 FTE's: 1.0 nurse manager; 4.0 registered nurses; 4.0 licensed professional nurses; 3.0 nurse's aides; 1.0 case manager; and a .5 FTE social worker. Jamestown Regional Medical Center will employ a current member of the hospital's medical staff as the medical director for the proposed swing beds. The applicant will recruit and employ a part-time therapist to provide physical and occupational therapy upon approval of the proposed swing bed service.

A Projected Data Chart was provided in the application for both the swing bed service and the hospital as a whole. Per the proposed six (6) bed swing bed Projected Data Chart, gross operating revenue is $5,106,320 ($2,574 per patient day) in Year One of the project, increasing by approximately 4.6% to $5,343,105 in Year Two. The average deduction from gross operating revenue is $1,959 in Year One and Year Two. The applicant projects favorable net operating income of $101,182 in project Year One and $130,637 in

Year Two. The total hospital financial profitability is projected to improve in Year One with a net operating income (NOI) of $680,000 and $700,400 in Year Two. The applicant projects $46,202,000 in total hospital inpatient revenue and $59,404,000 in outpatient revenue in Year One of the proposed project.

The applicant participates in Medicare and TennCare contracting with the following TennCare MCOs: TennCare Select, AmeriChoice and AmeriGroup. The applicant estimates charges and net revenues under the assumption that 90% of the patients receiving swing bed services will be Medicare.

Review of the Historical Data Chart and related financial information for the hospital revealed net operating income (NOI) of ($638,534) in 2009, $1,678,674 in 2010 and $1,554,464 in 2011. In 2011 outpatient revenue for the applicant totaling $43,080,887 outpaced inpatient revenue which totaled $36,922,288. The applicant paid Management Fees to Affiliates in the amount of $996,989 in 2008, $630,953 in 2010 and $1,292,053 in 2011. Salaries and Wages decreased 11.6% from $10,039,123 in 2009 to $8,996,114 in 2011. In the supplemental response, the applicant states Jamestown RMC experienced a staff reduction in 2011 which reduced the costs associated for both salaries and benefits.

The project cost is $30,677.00, which amount will be funded from the cash reserves of Jamestown Regional Medical Center. The project cost consists of $2,677.00 for Moveable Equipment, $25,000.00 for Legal, Administrative and Consultant Fees and $3,000.00 for CON Filing Fees. A letter dated October 10, 2012 from Bill Ziesmer, Chief Financial Officer of Health Management Associates, LLC attests to the availability of sufficient cash reserves to fund the project.

The applicant has submitted the required corporate documents, deed, and major medical equipment and maintenance quotation with their FDA approvals. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency office.

Should the Agency vote to approve this project, the CON would expire in three years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent or denied applications for this applicant.

Note: Health Management Associates, LLC has financial interests in this project and other projects as follows:

Pending Applications

Metro Knoxville HMA, LLC d/b/a Tennova Healthcare, North Knoxville Medical Center, CN1211-056 has a pending application that will be heard at the February 27, 2013 agency meeting for the initiation of diagnostic cardiac catheterization services located at 7565 Dannaher Drive, Powell (Knox County), TN. The project involves construction and equipping of shell space within the hospital to serve as a dual cardiac catheterization/vascular lab, support areas for the lab, expanded waiting room, and additional pre-operative and post-operative space. The estimated project cost is **$4,377,421.00**.

Outstanding Certificates of Need

Lebanon HMA, d/b/a University Medical Center, CN1210-051A, has an outstanding Certificate of Need that will expire March 1, 2016. The CON was approved at the January 23, 2013 agency meeting for the initiation of linear accelerator services and acquisition of existing major medical equipment from Southeast Cancer Network, Inc. The estimated project cost is **$4,844,035.00.** Project Status: *This project was recently approved.*

Metro Knoxville HMA, LLC d/b/a Tennova Healthcare--North Knoxville Medical Center, CN1206-027A, has an outstanding Certificate of Need that will expire November 1, 2015. The CON was approved at the September 26, 2012 agency meeting for the initiation of mobile positron emission tomography/computerized tomography (PET/CT) services at Tennova Healthcare – North Knoxville Medical Center (NKMC). Mobile services are being proposed for one (1) day per week. The estimated project cost is **$1,309,471.00**. Project Status: *This project was recently approved.*

North Knoxville Medical Center f/k/a Mercy Medical Center-North, CN1106-019A, has an outstanding Certificate of Need that will expire on 12/1/2014. The CON was approved at the October 26, 2011 Agency meeting for acquisition of a second linear accelerator for its radiation therapy department located on Mercy Medical Center-North campus located at 7551 Dannaher Way, Powell (Knox County), Tennessee 37849. The estimated project cost is **$4,694,671.** *Project Status Update: After an analysis of Tennova's radiation therapy centers was completed by Health Management, it was determined that the most orderly approach to ensuring that patient care would not be disrupted was to delay adding the second linear accelerator to the North Knoxville Medical Center campus until Tennova's other radiation therapy centers could be upgraded. First an aged linear accelerator was replaced at Physicians Regional Medical Center and upgraded with new hardware and software. Currently, the linear accelerator at Turkey Creek Medical Center is closed while the equipment is being replaced with a new Varian linear accelerator. Upon completion of the aforementioned upgrades, which is expected by July 2013, the health system will address the project to add a second linear accelerator to North Knoxville Medical Center.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no Letters of Intent, pending or denied applications or outstanding Certificates of Need from other health care organizations in the service area for projects similar to this application.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME (1/8/12)

Note: even though the swing beds will be located in licensed hospital beds and because these beds can "swing" between acute care and skilled nursing care, Certificate of Need applications for swing bed services are subject to the 125 bed Nursing Home Bed Pool as required by statute, TCA 68-11-1622.05. The status of the state nursing home bed pool is provided as follows:

July 1, 2012 – June 30, 2013
125 BED POOL

NH BEDS APPROVED	**0 NURSING HOME BEDS**
NH BEDS PENDING	**30 NURSING HOME BEDS**
SWING BEDS APPROVED	**0 SWING BEDS**
SWING BEDS PENDING	**6 SWING BEDS**
TOTAL BEDS DENIED	**30 BEDS**
SUBTOTAL-- BEDS REQUESTED	**66 BEDS**
TOTAL BEDS AVAILABLE FROM POOL	**125 BEDS**
(TOTAL PENDING BEDS)	**(36 BEDS)**

COUNTY	PROJECT NUMBER	FACILITY	PROJECT DISPOSITION	MEETING DATE	DESCRIPTION
Hamilton	CN1207-032	Shallowford Healthcare, LLC	DENIED	12/12/2012	The establishment of a thirty (30)* skilled bed nursing home (subject to the 2012-2013 Nursing Home Bed Pool). This is the second of two (2) applications, both for thirty (30)* skilled nursing home beds--the first application, CN1206-028 (subject to the 2011-2012 Nursing Home Bed Pool). The applicant plans to eventually operate a sixty (60) bed facility. There is no major medical equipment involved with this project. No other health services will be initiated or discontinued.
Fentress	CN1211-055	HMA Fentress County Hospital, LLC d/b/a Jamestown Regional Medical Center	PENDING	2/27/2013	The conversion of six (6) existing acute care hospital beds to swing beds. The initiation of the swing bed service will not affect the licensing bed complement of the hospital. No other services will be initiated or discontinued, and no major medical equipment is requested. No facility renovations are required for this project.
Sullivan	CN1212-059	NHC at Indian Path, LLC	PENDING	3/27/2013	The replacement and relocation of the twenty-two (22) bed Indian Path Medical Center Transitional Care Unit and the

					addition of thirty (30) new Medicare certified skilled nursing home beds. The facility will relocate from Indian Path Medical Center at 2000 Brookside Drive to 2300 Pavilion Drive, Kingsport (Sullivan County), TN. The new facility will be licensed as NHC at Indian Path and will contain fifty-two (52) Medicare-only (skilled) nursing home beds.

LETTER OF INTENT

17

2012 NOV -7 AM 9:57

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the **Fentress Courier** which is a newspaper
(Name of Newspaper)
of general circulation in **Fentress County**, Tennessee, on or before **November 7, 2012**, for one day.
(County) (Month / day)(Year)

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This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that: **HMA Fentress County Hospital, LLC, d/b/a Jamestown Regional Medical Center** **Hospital**
(Name of Applicant) (Facility Type-Existing)

owned by: **HMA Fentress County Hospital** with an ownership type of **Limited Liability Corporation** and to be managed by: **HMA Fentress County Hospital, LLC** intends to file an application for a Certificate of Need

for: **the establishment of six (6) swing beds and the initiation of swing bed services at Jamestown Regional Medical Center, which is located at 436 Central Avenue West, Jamestown, Tennessee 38556. Six (6) existing medical/surgical beds will be converted to swing beds. The number of licensed beds will not change. No other services will be initiated or discontinued and no major medical equipment is requested. No facility renovations are required for this project. The anticipated total cost of the project is $30,677.**

The anticipated date of filing the application is: **November 12, 2012**

The contact person for this project is **Melanie B. Robinson** **Regional Director, Planning and Business Development**
(Contact Name) (Title)

who may be reached at: **Tennova Healthcare** **200 E. Blount Ave., Suite 600**
(Company Name) (Address)

Knoxville **Tennessee** **37920** **865 / 632-5604**
(City) (State) (Zip Code) (Area Code / Phone Number)

(Signature) **October 5, 2012** **melanie.robinson@hma.com**
(Date) (E-mail Address)

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The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243

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The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice 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.

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Copy Application

Jamestown Regional Medical Center

CN1211-055

THIS CHECK IS VOID IF BLUE BACKGROUND IS ABSENT

19

Health Management™ Associates

Wachovia Bank, NA
Naples, Florida 33963

VOID AFTER 60 DA
NOT VALID IF OVER $5,

63-751
631

No. 0313

DATE 10/12/11

PAY Three Thousand Dollars and 00/100

DOLLARS $3000.00

SPECIAL RESTRICTED ACCOUNT

TO THE ORDER OF In. Health Services & Development Agency

Lynetta Pritchett

⑈031353⑈ ⑆063107513⑆ 2090001854506⑈

STATE OF TENNESSEE
Health Services and Dev Agency
Office 31607001
11/9/2012 10:30 AM

Cashier: annir081100
Batch #: 420135
Trans #: 1
Workstation: AF0719WP45

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CON Filing Fees

Receipt #: 08654957
HA01 CON Filing Fees $3,000.00
Payment Total: **$3,000.00**

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Transaction Total: **$3,000.00**

Check $3,000.00

Thank you for your payment.
Have a nice day!

CN1211-055

SECTION A:

2012 NOV 9 AM 10 54

APPLICANT PROFILE

1. ***Name of Facility, Agency, or Institution***			
HMA Fentress County General Hospital, LLC, d/b/a Jamestown Regional Medical Center			
Name			
436 Central Avenue West		**Fentress**	
Street or Route		County	
Jamestown	**TN**	**38556**	
City	State	Zip Code	
2. ***Contact Person Available for Responses to Questions***			
Melanie B. Robinson	**Director of Business Development**		
Name	Title		
Health Management Associates	**Melanie.robinson@hma.com**		
Company Name	Email address		
200 E. Blount Avenue, Suite 600	**Knoxville**	**TN**	**37920**
Street or Route	City	State	Zip Code
Employee	**865-632-5604**	**865-632-5630**	
Association with Owner	Phone Number	Fax Number	
3. ***Owner of the Facility, Agency or Institution***			
HMA Fentress County General Hospital, d/b/a Jamestown Regional Medical Center	**931-752-5762**		
Name	Phone Number		
436 Central Avenue West	**Fentress**		
Street or Route	County		
Jamestown	**TN**	**38556**	
City	State	Zip Code	

4. ***Type of Ownership of Control (Check One)***

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

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

5. ***Name of Management/Operating Entity (If Applicable)***		
Not Applicable		
Name		Phone Number
Street or Route	County	
City	State	Zip Code

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

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

A.	Ownership	X	D.	Option to Lease	
B.	Option to Purchase		E.	Other (Specify) _____	
C.	Lease of _____ Years				

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

7. ***Type of Institution (Check as appropriate--more than one response may apply)***

A.	Hospital (Specify) **General**	X	I.	Nursing Home	
B.	Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty		J.	Outpatient Diagnostic Center	
C.	ASTC, Single Specialty		K.	Recuperation Center	
D.	Home Health Agency		L.	Rehabilitation Facility	
E.	Hospice		M.	Residential Hospice	
F.	Mental Health Hospital		N.	Non-Residential Methadone Facility	
G.	Mental Health Residential Treatment Facility		O.	Birthing Center	
H.	Mental Retardation Institutional Habilitation Facility (ICF/MR)		P.	Other Outpatient Facility (Specify)_____	
			Q.	Other (Specify) _____	

8. Purpose of Review *(Check) as appropriate--more than one response may apply)*

A.	New Institution		G.	Change in Bed Complement	
B.	Replacement/Existing Facility				
C.	Modification/Existing Facility				
D.	Initiation of Health Care Service as defined in TCA §68-11-1607(4) (Specify) **Swing Beds**	X	H.	Change of Location	
E.	Discontinuance of OB Services		I.	Other (Specify)_____	
F.	Acquisition of Equipment				

9. Bed Complement Data
Please indicate current and proposed distribution and certification of facility beds.

		Current Beds		*Staffed*	*Beds*	*TOTAL*
		Licensed	**CON*	*Beds*	*Proposed*	*Beds at Completion*
A.	Medical	75		54	-6	69
B.	Surgical					
C.	Long-Term Care Hospital					
D.	Obstetrical					
E.	ICU/CCU					
F.	Neonatal					
G.	Pediatric					
H.	Adult Psychiatric					
I.	Geriatric Psychiatric	10		10		10
J.	Child/Adolescent Psychiatric					
K.	Rehabilitation					
L.	Nursing Facility (non-Medicaid Certified)					
M.	Nursing Facility Level 1 (Medicaid only)					
N.	Nursing Facility Level 2 (Medicare only)					
O.	Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P.	ICF/MR					
Q.	Adult Chemical Dependency					
R.	Child and Adolescent Chemical Dependency					
S.	Swing Beds				6	6
T.	Mental Health Residential Treatment					
U.	Residential Hospice					
	TOTAL *CON-Beds approved but not yet in service	85		64	0	85

10. Medicare Provider Number 44-0083
Certification Type _____

11. Medicaid Provider Number 44-0083
Certification Type _____

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid?

Not applicable.

13. ***Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area.*** **Will this project involve the**

treatment of TennCare participants? Yes **If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted *or plans to contract.***

Jamestown Regional Medical Center has contracted with Americhoice, Amerigroup, Bluecare, and Tenncare Select.

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

Not applicable.

NOTE: ***Section B*** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. ***Section C*** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Project Description

HMA Fentress County General Hospital, LLC, d/b/a Jamestown Regional Medical Center ("Jamestown RMC") is an 85-bed acute care hospital, currently licensed for 75 Medical/Surgical beds and ten (10) Geriatric Psychiatric beds. Jamestown RMC is the only hospital providing acute care services in Fentress County. In this application, Jamestown RMC proposes to initiate Swing Bed Services by converting six acute care beds to skilled nursing/swing beds, in order to maximize the efficiency of operations and meet the unpredictable demands for acute or skilled level beds. No other health care services will be initiated or discontinued.

Under the Affordable Care Act, there is a growing emphasis by all payers, particularly Medicare and Medicaid, for patients to receive care in the most appropriate setting for their needs, which has increased the demand for enhanced discharge planning, case management, and enhanced resources for patients who continue to need care following an acute-care hospital stay.

Services and Equipment

The proposed swing beds will be located within the existing nursing units. Additional services provided for the patients will include physical, occupational and speech

therapies. No construction is required for the project, although some minor equipment for physical therapy is required. The list of equipment to be purchased is Attachment B.I.Project Description.1. Skilled nursing will be provided by the existing hospital nursing staff.

Ownership Structure

Jamestown Regional Medical Center is owned and operated by HMA Fentress County General Hospital, LLC, which is a wholly owned subsidiary of Health Management Associates, LLC, of Naples, Florida. The ownership structure is shown on the organizational chart, Attachment B.I.Project Description.2. Health Management operates 70 hospitals in 15 states. Besides Jamestown RMC, Health Management also operates University Medical Center in Lebanon, Harton Regional Medical Center in Tullahoma, and the six Tennova Healthcare hospitals in Knox, Jefferson, Campbell, and Cocke counties in Tennessee.

The swing beds proposed in this application will be owned solely by Jamestown RMC and operated under its hospital license.

Service Area

The service area is a six county area, consisting of Fentress, Pickett, Morgan, Scott, Putnam, and Cumberland counties, which are the source for 95% of Jamestown RMC's inpatient admissions. A map of the proposed service area is attached, as Attachment B.I.Project Description.3.

Need

Utilizing the population-based calculation outlined by the State for determining the need for nursing home/skilled beds, the six county service area for the project has a current need for 1,633 beds. In the six counties, there are 1,330 existing beds, with no further approved, unimplemented beds, leaving a deficit of 303 beds, based on the population-based demand calculation. Projecting two years forward, to 2014, the bed deficit grows to 390 beds for the service area. The demand calculation can be seen on Attachment B.I.Project Description.4.

In 2011, Jamestown RMC discharged 338 patients, or 14.6% of total discharges, from acute care into a skilled bed in another facility. As a convenience for patients and their families, converting six acute care beds to swing beds would allow a portion of those patients to stay in a familiar environment, avoid transfer to another facility, and yet be cared for in the appropriate setting for their acuity. With six beds available as swing beds, the available capacity would be 2,190 patient days of care. The average length of stay for skilled nursing beds in the service area is 55 days. At 55 days average length of stay, Jamestown RMC's swing beds could serve a maximum of 39 patients, or 11.5% of its current discharges into skilled beds, ensuring that a minimum of 299 patients annually continue to utilize other skilled beds in the service area.

Existing Resources

There are twelve skilled nursing facilities/nursing homes in the six county service area, with a total of 1,330 beds. In every case, the other Providers are serving both patients

who need skilled nursing, as well as those who don't require skilled nursing but need intermediate (Level I) care. Those providers are averaging 85.5% occupancy serving both patient populations. For a detailed listing of the Providers in the service area, see Attachment B.I.Project Description.5.

Project Cost and Funding

The only costs for the project are the purchase of minor therapy equipment, attorney fees, and the CON application filing fee, for a total of $30,677.00. A list of therapy equipment that will be purchased is attached as Attachment B.I.Project Description.6. The project will be funded through the operating profit of the hospital.

Financial Feasibility

The project is projected is financially feasible, with an estimated operating profit of $101,182 in the first year.

Staffing

Because the swing beds are integrated with the hospital's nursing units, staffing for the project is already in place. During the first year of operation, expected staffing levels for these units is 13.5 FTE's, 1.0 nurse manager, 4.0 registered nurses, 4.0 licensed professional nurses, 3.0 nurse aides, 1.0 case manager, and 0.5 social worker. The Medical Director for the swing beds will be Dr. Jonathon Allred, who is currently a member of the Jamestown RMC Medical Staff. Dr. Allred's CV is attached as Attachment B.I.Project Description.7. Upon approval of this application, the hospital will recruit and employ a part-time therapist to provide physical and occupational therapy.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of $5 million) and other facility projects (construction cost in excess of $2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.
If the project involves none of the above, describe the development of the

		proposal. Not applicable.
	B.	**Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.** The total number of licensed beds operated by Jamestown RMC will not change as a result of this application, but six (6) of the existing acute care beds will be converted to swing beds. As a facility serving a rural community, the approval of the conversion of acute care beds to swing beds will support the hospital's ability to provide more convenient access to post-acute care for patients who qualify for it, as well as to enhance the hospital's ability to maximize operational efficiency by broadening its ability to utilize licensed and staffed beds. Approval of this application will broaden the hospital's ability to provide physical and occupational therapy to its patients, by supporting the employment of a therapist.

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost/ SF		
					Renovated	New	Total	Renovated	New	Total
Not applicable										
B. Unit/Depart. GSF Sub-Total		xxx		xxx	xxx		xxx	$xxx.xx	$xxx.xx	$xxx.xx
C. Mechanical/ Electrical GSF										
D. Circulation /Structure GSF										
E. Total GSF		xxx		xxx	xxx		xxx	$xxx.xx		$xxx.xx

	C.	**As the applicant, describe your need to provide the following health care services (if applicable to this application):** **1. Adult Psychiatric Services** **2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)** **3. Birthing Center** **4. Burn Units** **5. Cardiac Catheterization Services** **6. Child and Adolescent Psychiatric Services** **7. Extracorporeal Lithotripsy** **8. Home Health Services** **9. Hospice Services** **10. Residential Hospice** **11. ICF/MR Services** **12. Long-term Care Services** **13. Magnetic Resonance Imaging (MRI)** **14. Mental Health Residential Treatment** **15. Neonatal Intensive Care Unit** **16. Non-Residential Methadone Treatment Centers** **17. Open Heart Surgery** **18. Positron Emission Tomography** **19. Radiation Therapy/Linear Accelerator** **20. Rehabilitation Services** **21. Swing Beds** As a rural hospital, Jamestown RMC needs the ability to provide the broadest possible range of services to the community as close to home as possible. Particularly for elderly patients with family living nearby, continuing care in the same location following an acute hospital stay to continue therapy or regain strength is very convenient. Almost 15% of Jamestown RMC's discharges are discharged into another care setting; having the ability to serve a portion of that patient population improves convenience for those patients and increases the operational efficiency of the hospital.		
	D.	**Describe the need to change location or replace an existing facility.** Not applicable.		
	E.	**Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of $1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:**		
		1.	**For fixed-site major medical equipment (not replacing existing equipment):**	
			a.	**Describe the new equipment, including:**
				1. Total cost ;(As defined by Agency Rule). **2. Expected useful life;** **3. List of clinical applications to be provided; and**

				4. Documentation of FDA approval. Not applicable.
			b.	**Provide current and proposed schedules of operations.** Not applicable.
		2.	**For mobile major medical equipment:**	
			a.	**List all sites that will be served;** Not applicable.
			b.	**Provide current and/or proposed schedule of operations;** Not applicable.
			c.	**Provide the lease or contract cost** Not applicable.
			d.	**Provide the fair market value of the equipment; and** Not applicable.
			e.	**List the owner for the equipment.** Not applicable.
		3.	**Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.** Not applicable.	
III	**(A)**	**Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:** **1. Size of site (*in acres*);** **2. Location of structure on the site; and** **3. Location of the proposed construction.** **4. Names of streets, roads or highway that cross or border the site.** ***Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.*** See attached plot plan for Jamestown RMC, Attachment B.III.(A). There is no construction proposed as part of this application.		
	(B)	**1. 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. Jamestown RMC is accessible via Highways 127, 154, and 52. While public transportation is not available in Fentress County, Upper Cumberland Transportation, a local van service, can assist patients with transportation if needed.
IV.	**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 1/2" x 11" sheet of white paper.** **NOTE: *DO NOT SUBMIT BLUEPRINTS*. Simple line drawings should be submitted and need not be drawn to scale.** A floor plan of the nursing units is attached as Attachment B.IV.	
V.	**For a Home Health Agency or Hospice, identify:** **1. Existing service area by County;** **2. Proposed service area by County;** **3. A parent or primary service provider;** **4. Existing branches; and** **5. Proposed branches.** Not applicable	

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 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, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) 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.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

Need

1.	**Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.**	
	A.	**Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.** The Guidelines for Swing Bed Services are applicable to this application. The Guidelines for Growth for Nursing Home Services are also applicable, since the Swing Bed guidelines reference those guidelines. Both sets of guidelines are addressed in this application. **Nursing Home Services** **A. Need** **1. According to TCA 68-11-108, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:** **County bed need= .0005 x pop. 65 and under, plus** **.0120 x pop. 65-74, plus** **.0600 x pop. 75-84, plus** **.1500 x pop. 85 plus** The application meets the guideline, based on the calculation of population-based demand. The total population of the six county service area is 194,659. After breaking the population down into the age cohorts outlined in the County Bed Need calculation above and factoring in the bed need for each age cohort, the bed need for the six counties is calculated to be 1,633. There are currently 1,330 beds in service, leaving a deficit of 303 beds. For a detailed calculation of population-based demand versus current resources, see Attachment C.Need.A.1. **2. The need for nursing home beds shall be projected two years into the future from the current year, as calculated by the Department of Health.** In the six county service area, population growth is expected to be approximately 2.3%, based on Department of Health population statistics. Assuming that no additional skilled nursing beds are approved in the service area during that time, the deficit of needed beds versus available beds in the service area will have grown to 380 beds. For a detailed calculation of bed need and availability for 2012-2014 (projected), see Attachment C.Need.A.2.

3. The source of the current supply and utilization of licensed and CON approved nursing home beds shall be the inventory of nursing home beds maintained by the Department of Health.

The skilled nursing bed counts utilized in this application were taken from the records of the Department of Health.

4. "Service Area" shall mean the county or counties represented on an application as the reasonable area to which a health care institution intends to provide services and/or in which the majority of its service recipients reside. A majority of the population of a service area for any nursing home should reside within 30 minutes travel time from that facility.

The service area proposed in this application is the six counties from which Jamestown Regional Medical Center derives 95% of its patients. Jamestown RMC is located in Fentress County; the other five counties in the service area are contiguous to Fentress County, and each of the counties in the service have areas that are within 30 minutes travel time to Jamestown RMC.

5. The Health Facilities Commission may consider approving new nursing home beds in excess of the need standard for a service area, but the following criteria must be considered:

a. All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and

All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation.

b. All nursing homes that serve the same service area population as the applicant have an annualized occupancy in excess of 90%.

The occupancy of nursing home beds in the service area was 85.5% at the end of 2011, which is the date of the most recently reported data. While this does not meet the guideline specifying that nursing homes serving the service area should have an annualized occupancy over 90%, there are other factors that should be considered.

Swing beds provide a different level of convenience for patients and their families by allowing the patient to stay in the same care environment while receiving less acute services. For a rural hospital working to expand the continuum of care it is able to offer the members of the community, having the flexibility to serve patients who no longer qualify for acute services but need care before going home enhances the patient experience as well as convenience for family members. The hospital will use the swing beds to serve patients who have completed an inpatient stay and need more care, as opposed to marketing the beds to the community, the way a nursing home must. Patients requiring

longer stays or intensive therapy services will be transferred to a nursing home in the service area.

The swing beds will also support the hospital's ongoing viability, by enabling the applicant to more efficiently utilize the beds for which it is licensed.

B. Occupancy and Size Standards:

1. A nursing home should maintain an average annual occupancy rate for all licensed beds of at least 90 percent after two years of operation.

Not applicable.

2. There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95 percent. The circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently noncomplying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate.

According to the 2011 Joint Annual Reports provided by the nursing homes in the service area, there is an average annual occupancy rate of 85.5% (see the utilization chart, Attachment C.Need.B.2). However, these are true nursing home beds in nursing home facilities, as opposed to swing beds in a rural hospital. A key part of the Affordable Care Act is the treatment of patients in the most appropriate care setting. There are no other hospitals in the service area offering swing beds for the convenience of patients who have already had an inpatient stay and might simply need a few more days of nursing care prior to returning home. The most efficient and convenient way to care for these patients is to allow them to complete their care in the same environment, without the stress of a short-term transfer to a nursing home. Patients requiring longer stays or intensive therapy services will be transferred to a nursing home in the service area.

3. A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.

Not applicable.

4. A free-standing nursing home shall have a capacity of at least 30 beds in order to be approved. The health Facilities Commission may make an exception to this standard. A facility of less than 30 beds may be located in a sparsely populated rural area where the population is not sufficient to justify a larger facility. Also, a project may be developed in conjunction with a retirement center where only a limited number of beds are needed for the residents of that retirement center.

Not applicable.

		Swing Bed Services **A. Applicants must meet the same standards for determining need as applicants for nursing homes, with the exception of the standard for the minimum number of beds required for a freestanding nursing home.** The Nursing Home Services guidelines have been addressed above. **B. Applicants must meet appropriate federal criteria as mandated by the Health Care Financing Administration.** The applicant meets appropriate federal criteria as mandated by the Health Care Financing Administration. **C. Any existing provider must document that all deficiencies (if any) cited in the last licensure and/or certification inspection have been corrected.** A copy of the most recent Joint Commission survey is attached, as Attachment C.Need.Swing Bed Services.C. All noted deficiencies have been corrected.

	B.	**Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c).** Not applicable.
2.	**Describe the relationship of this project to the applicant facility's long-range development plans, if any.** As the only facility providing acute care hospital services in Fentress County, Jamestown Regional Medical Center is committed to the ongoing expansion of services to the region, most particularly the expansion of its ability to provide services across the continuum of care. The Affordable Care Act puts additional emphasis on providing care in the most appropriate setting, and the hospital's plans include continued development of services in a variety of settings, from outpatient services to acute care to long-term care services. This application, if approved, will allow the hospital to provide patients in this rural community with an option for skilled care that allows patients who are already in the hospital for an acute stay to remain there to receive the balance of the care they need before returning home. This project is a key part of the hospital's long-range development plans to expand services along the entire continuum of care.	
3.	**Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11"**	

sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).

The project service area consists of six counties in Tennessee, Fentress, Morgan, Pickett, Scott, Putnam, and Cumberland. 95% of Jamestown Regional Medical Center's inpatient admissions originate from these six counties. A map of the service area is attached as Attachment C.Need.3.

4. A. Describe the demographics of the population to be served by this proposal.

The population of the service area for this application is 194,659, and it is expected to grow by 3.9% between 2012 and 2016. See the table below.

				Growth	
County	**2012**	**2016**		**2012-2016**	
Fentress	18,154	18,577		423	2.3%
Morgan	20,896	21,373		477	2.3%
Pickett	5,069	5,203		134	2.6%
Scott	23,253	24,086		833	3.6%
Putnam	72,489	75,364		2,875	4.0%
Cumberland	54,798	57,735		2,937	5.4%
Total	194,659	202,338		7,679	3.9%

Source: Division of Health Statistics, Tennessee Department of Health

B. 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.

A closer look at the population's makeup reveals that growth in the senior population (age 65+) continues to outpace growth of other age groups in both the service area and the state as a whole. Between 2012 and 2016, the senior population is expected to grow in the service area by 12.5%. The increase in the number of people in the 65+ group exceeds the increase in all other age groups. Growth in age groups under 65 is much lower, ranging from 0.8% to 1.7% over the same time period. See the table below.

Percent Change in Population by Age Group 2012-2016

Growth Rate	**0-19**	**20-44**	**45-64**	**65+**	**All Ages**
Fentress	0.6%	-1.1%	0.8%	13.3%	2.3%
Morgan	2.3%	1.2%	-1.6%	11.7%	2.3%
Pickett	4.3%	-0.4%	-1.8%	10.5%	2.6%
Scott	2.6%	0.5%	2.4%	14.8%	3.6%
Putnam	1.8%	1.8%	3.7%	13.0%	4.0%
Cumberland	0.8%	-0.1%	1.1%	11.9%	3.5%
Total Service Area	1.6%	0.8%	1.7%	12.5%	3.4%

Total Tennessee	2.4%	1.5%	2.0%	12.4%	3.4%

The rapid increase in the senior population supports the need for healthcare services geared toward the elderly, recognizing the unique needs of this population, particularly for services that provide care beyond acute care hospital stays.

Service Area Race-Ethnicity Make-up

There is a low degree of ethnic diversity in the service area, with 91% of the population classified as White Non-Hispanic. This compares to 74% statewide. See table below.

	White	Black	Hispanic	Other
Fentress	97.1%	0.2%	1.0%	1.7%
Morgan	93.6%	3.6%	0.8%	1.9%
Pickett	97.1%	0.1%	1.3%	1.5%
Scott	97.8%	0.1%	0.5%	1.6%
Putnam	87.3%	1.9%	5.1%	5.7%
Cumberland	90.3%	0.5%	4.1%	5.1%
Total Service Area	**91.3%**	**1.4%**	**3.3%**	**4.0%**
Total Tennessee	**74.2%**	**15.9%**	**4.4%**	**5.5%**

Source: US Census Data

Service Area Economic Indicators

Economically, the service area is more challenged than the state as a whole. Per capita income and median household incomes are well below the state average, and the percent of people in poverty is higher than the state average. See tables below.

	Per Capita Income	Median Household Income	Persons Below Poverty Level
Fentress	$ 17,291	$ 29,642	25.0%
Morgan	$ 17,833	$ 36,772	19.2%
Pickett	$ 19,327	$ 30,193	17.1%
Scott	$ 15,087	$ 28,728	24.5%
Putnam	$ 19,434	$ 35,185	22.5%
Cumberland	$ 20,544	$ 36,813	15.8%
Total Service Area (ave.)	**$ 18,253**	**$ 32,889**	**20.7%**
Total Tennessee	**$ 23,722**	**$ 43,314**	**16.5%**

Source: US Census Data

Insurance Coverage Estimates

Currently, it is estimated that about 42% of the service area population has commercial or private insurance, with another 22% utilizing Medicare and just under 16% on Medicaid/TennCare. The percentage of the population that is uninsured is high, at 19.6% versus a state average of 16.6%. Based on successful implementation of the recently enacted Affordable Care Act, the projections for 2015 suggest a drop in the numbers of uninsured by more than half, with the differences absorbed by Medicaid/TennCare, Medicare, and the new private Exchange. See table below.

	2011	2015 Est.
Medicaid / TennCare	15.7%	22.6%
Medicare	17.0%	18.6%
Medicare - Dual Eligible	5.2%	5.5%
Private - Direct	4.3%	2.9%
Private - ESI	38.2%	37.0%
Private - Exchange	0.0%	6.7%
Uninsured	19.6%	6.6%

Source: Thomson Reuters – The Market Planner Plus

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions 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. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

There are 1,330 nursing home beds in the service area, and no hospitals with swing beds. See the following table, which details the bed count and 2011 utilization for each institution.

Facility	Licensed Beds	Maximum Patient Days	Actual Patient Days	% Capacity
Signature Healthcare of Fentress County	140	51,100	35,385	69.2%
Pickett Care and Rehabilitation Center	69	25,185	23,631	93.8%
Life Care Center of Morgan County	124	45,260	34,978	77.3%
Huntsville Manor	96	35,040	32,661	93.2%
Oneida Nursing & Rehab Center	56	20,440	18,690	91.4%
Bethesda Health Care Center	120	43,800	40,560	92.6%
Masters Health Care Center	175	63,875	60,331	94.5%
NHC Healthcare, Cookeville	94	34,310	31,823	92.8%
Standing Stone Care & Rehabilitation Center	115	41,975	33,724	80.3%
Life Care Center of Crossville	122	44,530	31,127	69.9%
Mary Cravath Wharton Nursing Home	62	22,630	22,241	98.3%
WyndRidge Health & Rehabilitation Center	157	57,305	49,980	87.2%
All Providers*	1,330	485,450	415,131	85.5%

Source: 2011 Joint Annual Reports

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) 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.

Since swing beds will not be a new service, no information is available on utilization of the service for the past three years. Jamestown RMC is licensed for 85 beds, 75 medical/surgical beds and ten (10) gero-psychiatric beds. The hospital has run an average daily census of 49 over the past three years.

Projected utilization of the six proposed swing beds is based on the percentage of discharges currently requiring a post-discharge into acute care, and the percentage of those patients who could appropriately be cared for in a swing bed. In 2011, Jamestown RMC discharged a total of 2,314 patients. 14.6%, or 338 of those patients were discharged into a skilled bed within another facility. While in many cases a transfer to a nursing home is the most appropriate choice for patients and their families, for those patients requiring a shorter skilled stay or less intense therapy or rehabilitation services, avoiding a transfer to a new environment and staying in the hospital in a swing bed is the most convenient and comfortable choice.

The average length of stay for patients in skilled beds in the service area, as reported

	in the 2011 Joint Annual Reports submitted by the service area nursing homes, was 55 days. Assuming that patients who would be a fit for the swing beds as opposed to a lengthy nursing home stay represent only a portion of the total discharges from the hospital, it is reasonable to assume that only 25% of the patients discharged into skilled beds from Jamestown RMC would appropriately stay in a swing bed. If 25% of the 338 patients, or 85 patients annually, were able to receive their needed skilled nursing within Jamestown RMC, and their average length of stay were half that of a typical nursing home patient, or 23 days, the average daily census in the swing beds would be 5.3, essentially fully utilizing the six beds annually. The utilization and financial projections are based on the assumption that the average daily census of the unit will be 5.3 and that the average length of stay for those patients will be 23 days, or half of the average length of stay for nursing home patients requiring longer term care or more therapy services than the hospital can offer.

ECONOMIC FEASIBILITY

I.	**Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.**	
	•	**All projects should have a project cost of at least $3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)** The minimum CON filing fee of $3,000 has been inserted in the Project Cost Chart.
	•	**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.** Not applicable.
	•	**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.** The only equipment included in the project is minor equipment, which does not require installation or maintenance.

	•	**For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.** Not applicable.

PROJECT COSTS CHART

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A.	Construction and equipment acquired by purchase:		
	1.	Architectural and Engineering Fees	
	2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$25,000.00
	3.	Acquisition of Site	
	4.	Preparation of Site	
	5.	Construction Costs	
	6.	Contingency Fund	
	7.	Fixed Equipment (Not included in Construction Contract)	
	8.	Moveable Equipment (List all equipment over $50,000)	$2,677.00
	9.	Other (Specify) _____	

B.	Acquisition by gift, donation, or lease:		
	1.	Facility (inclusive of building and land)	
	2.	Building only	
	3.	Land only	
	4.	Equipment (Specify) _____	
	5.	Other (Specify) _____	

C.	Financing Costs and Fees:		
	1.	Interim Financing	
	2.	Underwriting Costs	
	3.	Reserve for One Year's Debt Service	
	4.	Other (Specify)_____	

D.	Estimated Project Cost (A+B+C)	$27,677.00

E.	CON Filing Fee	$3,000.00

F.	Total Estimated Project Cost (D+E)	$30,677.00

	TOTAL	$30,677.00

2.	**Identify the funding sources for this project.** **Please 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;charges.**
__	**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; or**
X	**E.**	**Cash Reserves--Appropriate documentation from Chief Financial Officer.** A letter from the CFO is attached, Attachment C.Economic Feasibility.2.E.
__	**F.**	**Other—Identify and document funding from all other sources.**
3.	**Discuss and document the reasonableness of the proposed project costs. If applicable,compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.** The project's only costs are minor equipment for physical therapy, attorney fees, and the CON filing fee. There is no construction involved in the project.	
4.	**Complete Historical and Projected Data Charts on the following two 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 for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. 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 Historical and Projected Data Charts are complete.	
5.	**Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.** Projected gross charges per patient day are $2,573.75. The average deduction from operating revenue assumed is 70%, for an average net charge of $614.49. These assumptions are based on RUG/Reimbursement rates from the Medicare Federal Rate Tables.	

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HISTORICAL DATA CHART

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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 2009	Year 2010	Year 2011
A. Utilization Data (Admissions)	2,487	2,307	2,289
B. Revenue from Services to Patients			
1. Inpatient Services	$35,802,115	$36,741,393	$36,922,288
2. Outpatient Services	39,226,632	38,481,703	43,080,887
3. Emergency Services			
4. Other Operating Revenue (Specify) Cafeteria, Medical Record Fees, Nursing Student Fees	53,003	42,433	50,269
Gross Operating Revenue	**$75,081,750**	**$75,265,529**	**$80,053,444**
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	$46,356,633	$47,140,334	$49,311,303
2. Provision for Charity Care	7,845,263	8,314,376	9,596,874
3. Provisions for Bad Debt	2,914,185	2,550,841	2,832,644
Total Deductions	**$57,116,081**	**$58,005,551**	**$61,740,821**
NET OPERATING REVENUE	**$17,965,669**	**$17,259,978**	**$18,312,623**
D. Operating Expenses			
1. Salaries and Wages	$10,039,123	$9,601,915	$8,996,114
2. Physician's Salaries and Wages			
3. Supplies	1,918,924	1,763,487	1,665,688
4. Taxes			
5. Depreciation	1,170,174	1,151,471	1,004,863
6. Rent	271,963	361,715	376,482
7. Interest, other than Capital	46,601	48,663	53,152
8. Management Fees:			
a. Fees to Affiliates	996,989	630,953	1,292,053
b. Fees to Non-Affiliates			
9. Other Expenses – Specify on separate page 14	4,160,429	5,380,448	6,478,735
Total Operating Expenses	**$18,604,203**	**$18,938,652**	**$19,867,087**
E. Other Revenue (Expenses) – Net (Specify)_____	$_____	$_____	$_____
NET OPERATING INCOME (LOSS)	**$ (638,534)**	**$(1,678,674)**	**$(1,554,464)**
F. Capital Expenditures			
1. Retirement of Principal	$_____	$_____	$_____
2. Interest			
Total Capital Expenditures	**$_____**	**$_____**	**$_____**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$(638,534)**	**$(1,678,674)**	**$(1,554,464)**

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HISTORICAL DATA CHART-OTHER EXPENSES

OTHER EXPENSE CATEGORIES:

	2009	2010	2011
1. Repairs and Maintenance	$ 506,514	$ 599,723	$ 652,005
2. Travel/Mileage	$ 47,269	$ 52,759	$ 68,666
3. Meals	$ 4,657	$ 4,803	$ 4,360
4. Training	$ 16,789	$ 29,264	$ 36,269
5. Dues & Subscriptions	$ 63,102	$ 67,521	$ 71,876
6. Recruitment	$ 107,747	$ 34,514	$ 22,645
7. Insurances	$1,598,746	$2,077,797	$2,741,288
8. Outside Services	$1,815,605	$2,514,067	$2,881,626
Total Other Expenses	**$4,160,429**	**$5,380,448**	**$6,478,735**

PROJECTED DATA CHART

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Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January (Month).

		Year 1	Year 2
A.	Utilization Data (Patient Days)	1,984	2,076
B.	Revenue from Services to Patients		
	1. Inpatient Services	$5,106,320	$5,343,105
	2. Outpatient Services		
	3. Emergency Services		
	4. Other Operating Revenue (Specify)_____		
	Gross Operating Revenue	**$5,106,320**	**$5,343,105**
C.	Deductions from Gross Operating Revenue		
	1. Contractual Adjustments	$3,574,424	$3,740,174
	2. Provision for Charity Care	6,369	6,664
	3. Provisions for Bad Debt	306,379	320,586
	Total Deductions	**$3,887,172**	**$4,067,424**
NET OPERATING REVENUE		**$1,219,148**	**$1,275,681**
D.	Operating Expenses		
	1. Salaries and Wages	$ 753,650	$ 799,836
	2. Physician's Salaries and Wages	20,000	20,000
	3. Supplies	98,439	103,426
	4. Taxes	27,980	29,318
	5. Depreciation	60,292	60,292
	6. Rent	23,808	24,912
	7. Interest, other than Capital		
	8. Management Fees:		
	a. Fees to Affiliates		
	b. Fees to Non-Affiliates		
	9. Other Expenses – Specify on separate page 14	103,120	107,260
	Total Operating Expenses	**$1,087,289**	**$1,145,044**
E.	Other Revenue (Expenses) -- Net (Specify)_____	$	$
NET OPERATING INCOME (LOSS)		**$ 131,859**	**$ 130,637**
F.	Capital Expenditures		
	1. Retirement of Principal	$ 30,677	$
	2. Interest		

Total Capital Expenditures	**$ 30,677**	**$ _____**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ 101,182**	**$ 130,637**

Note:
D.9 – Other Expenses include Outside Services, Utilities, Business Meals, Travel, Training)

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PROJECTED DATA CHART

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Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January (Month).

		Year 1	Year 2
A.	Utilization Data (Admissions)	2,432	2,505
B.	Revenue from Services to Patients		
1.	Inpatient Services	$46,202,000	$47,588,060
2.	Outpatient Services	59,404,000	61,186,120
3.	Emergency Services		
4.	Other Operating Revenue (Specify)_____		
	Gross Operating Revenue	**$105,606,000**	**$108,774,180**
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	$75,424,000	$77,686,720
2.	Provision for Charity Care	3,574,000	3,681,220
3.	Provisions for Bad Debt	4,058,000	4,179,740
	Total Deductions	**$83,056,000**	**$85,547,680**
NET OPERATING REVENUE		**$22,550,000**	**$23,226,500**
D.	Operating Expenses		
1.	Salaries and Wages	$10,295,000	$10,603,850
2.	Physician's Salaries and Wages	20,000	20,600
3.	Supplies	2,057,000	2,118,710
4.	Taxes	325,000	334,750
5.	Depreciation	859,000	884,770
6.	Rent	339,000	349,170
7.	Interest, other than Capital		
8.	Management Fees:		
	a. Fees to Affiliates	982,000	1,011,460
	b. Fees to Non-Affiliates		
9.	Other Expenses – Specify on separate page 14	6,993,000	7,202,790
	Total Operating Expenses	**$21,870,000**	**$22,526,100**
E.	Other Revenue (Expenses) -- Net (Specify)_____	$_____	$_____
NET OPERATING INCOME (LOSS)		**$680,000**	**$700,400**
F.	Capital Expenditures		
1.	Retirement of Principal	$_____	$_____
2.	Interest		

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Total Capital Expenditures	**$_____**	**$_____**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	**$ 680,000**	**$ 700,400**

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PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSE CATEGORIES:

	Year 1	Year 2
1. Repairs and Maintenance	$ 672,000	$ 692,160
2. Travel/Mileage	$ 40,000	$ 41,200
3. Meals	$ 3,000	$ 3,090
4. Training	$ 29,000	$ 29,870
5. Dues & Subscriptions	$ 160,000	$ 164,800
6. Recruitment	$ 26,000	$ 26,780
8. Advertising	$ 50,000	$ 51,500
9. Postage	$ 17,000	$ 17,510
10. Telephone	$ 79,000	$ 81,370
11. Utilities	$ 387,000	$ 398,610
7. Insurances	$1,962,000	$2,020,860
8. Outside Services	$3,568,000	$3,675,040
Total Other Expenses	**$6,993,000**	**$7,202,790**

6.	A.	**Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.** Proposed charges: $2,574 per patient day Contractual adjustments: $1,802 per patient day Expected net revenue: $614 per patient day (also considers bad debt and charity care) There will be no impact to existing patient charges or charge schedules. This is a new service for the hospital.
	B.	**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).** The estimated charges and net revenues were developed utilizing an assumption that 90% of the patients utilizing swing bed services will be Medicare patients, and as such, prevailing Medicare rates are the basis for the charge and net revenue assumptions.
7.	**Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.** Swing bed services, if properly utilized as an appropriate case management tool, increase the efficiency of a rural hospital, allowing the hospital to maximize its existing resources to serve a greater population of patients. The projected utilization of 85 patients per year, or an average daily census of 5.3, is sufficient to maintain the cost-effectiveness of the existing hospital staff, as well as to be a profitable service for the hospital.	
8.	**Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.** Based on the projected utilization rates and the efficiency of utilizing resources already in place to serve more patients, the project is projected to be profitable within the first year of operation.	
9.	**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. In addition,**	

		report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation. The hospital, and by extension this project, participates in all state and federal funding programs, including Medicare and all Tenncare programs.
10.		**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 new projects, provide financial information for the corporation, partnership, or principal parties involved with 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-10.** See Attachment C.Economic Feasibility-10 and Attachment C.Economic Feasibility-10b.
11.		**Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:**
	a.	**A discussion regarding 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, the applicant should justify why not; including reasons as to why they were rejected.** This project is as close to being without cost as a Certificate of Need project can be, requiring only minor physical therapy equipment. By far the bulk of the cost is for legal and administrative fees. The alternative to initiating swing beds is to continue to discharge all patients needing skilled nursing services to area nursing homes. There are many patients who want their family member to be able to receive that care in the familiar hospital setting, without having to transfer that family member to a nursing home, particularly for shorter stays that do not require intensive therapy services.
	b.	**The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.** Not applicable.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1.	**List all existing health care providers (e.g., 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, e.g., transfer agreements, contractual agreements for health services.** Tennova Healthcare Hospitals Cookeville Regional Medical Center St. Thomas Hospital Methodist Medical Center Vanderbilt Medical Center Amedisys Home Health Care Signature Healthcare of Fentress County Huntsville Manor Life Care of Wartburg Oneida Nursing and Rehab Center Pickett County Care & Rehab Standing Stone Care & Rehab Wyndridge Health & Rehab Cares Hospice Amedisys Hospice <u>Managed Care Contracts</u>: BCBS (Commercial, Tenncare and Medicare) Beech Street Bluegrass Family Health Center Care Cigna First Health GEHA Humana (Commercial, Tricare and Medicare) Initial Group Multiplan National Provider Network Perdue Farms Prime Health Private Healthcare Systems United Healthcare (Commercial and Tenncare)
2.	**Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition 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.**

	The proposal will have a positive effect on the health care system serving this rural market. Providing services in the most convenient way possible for patients is a key tenet of both the State Health Plan as well as the Affordable Care Act. Jamestown RMC is committed to providing care in the most appropriate, convenient and cost-effective way possible, and this project contributes to that goal. While there could be impact to utilization rates of existing providers in the service area of the project, the reality is that it has become more difficult to place patients with other providers, due to staffing and occupancy issues. For the convenience of the patients and the efficiency of the hospital, including the efficiency of its case management function, the swing beds provide a very orderly option for those patients needing care following an acute hospital stay.
3.	**Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.** Because the swing beds are not new beds, and will be utilized as either medical/surgical or skilled nursing beds, the staffing levels for the nursing unit will not change. The staffing plan for Jamestown RMC's nursing units is to staff with two (2.0) Registered Nurses, supported by 2.0 – 5.0 Licensed Professional Nurses, dependent upon the number of patients in the unit. The RNs and LPNs are also supported by 1.0 – 3.0 Aides and 1.0 Technician. Physical therapy services will be provided by a parti-time (0.5 FTE) physical therapist. Jamestown RMC wage scales are in line with prevailing wage patterns in the service area, as published by the Tennessee Department of Labor & Workforce Development. Registered Nurse — JRMC Wage Scale: $22.00 - $35.00 — Prevailing Wage Scale: $20.60 - $28.27 Licensed Practical Nurse — JRMC Wage Scale: $16.50 - $22.00 — Prevailing Wage Scale: $12.85 - $17.50 Nursing Aide — JRMC Wage Scale: $8.50 - $14.00 — Prevailing Wage Scale: $8.13 - $11.19
4.	**Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.** The applicant does not anticipate having issues filling these positions.
5.	**Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff.**

		These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education. The applicant has reviewed, understands, and will comply with all licensing certification requirements.
6.		**Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (*e.g.*, internships, residencies, etc.).** Jamestown RMC serves as a training site for the Tennessee Technological Center at Crossville for licensed practical nursing students, and for MedVance for operating room technicians, lab technicians, and pharmacy technicians.
7.	**(a)**	**Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.** Not applicable.
	(b)	**Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.** **Licensure:** The Tennessee State Department of Health **Accreditation:** The Joint Commission on Accreditation of Healthcare Facilities.
	(c)	**If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.** Jamestown RMC is in good standing with all licensing, certifying, and accrediting agencies. A copy of the current hospital license is attached, as Attachment C.Orderly Development.7.(c).
	(d)	**For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.** The most recent Joint Commission survey report is attached. All deficiencies have been addressed through an approved plan of correction.

		See Attachment C. Orderly Development.7.(d).
8.	**Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.** Not applicable.	
9.	**Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.** Not applicable.	
10.	**If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.** The applicant will provide the Tennessee Health Service and Development Agency and/or the reviewing agency information and data as requested.	

SUPPLEMENTAL

PROJECT COMPLETION FORECAST CHART

February 27, 2013 T.C.A. § 68-11-1609(c): _____

Assuming the CON approval becomes the final agency action on that date; indicate the number of days **from the above agency decision date** to each phase of the completion forecast.

Phase	**DAYS REQUIRED**	**Anticipated Date (MONTH/YEAR)**
1. Architectural and engineering contract signed		
2. Construction documents approved by the Tennessee Department of Health		
3. Construction contract signed		
4. Building permit secured		
5. Site preparation completed		
6. Building construction commenced		
7. Construction 40% complete		
8. Construction 80% complete		
9. Construction 100% complete (approved for occupancy		
10. *Issuance of license	45 days	April, 2013
11. *Initiation of service	1 day	April, 2013
12. Final Architectural Certification of Payment		
13. Final Project Report Form (HF0055)		

*** For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.**

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

AFFIDAVIT

2012 NOV 9 AM 10 55

STATE OF Tennessee

COUNTY OF Knox

Melanie B. Robinson, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant 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.

Melanie B. Robinson, Director
SIGNATURE/TITLE

Sworn to and subscribed before me this 8th day of November (Month), 2012 (Year) a Notary Public in and for the County/State of Tennessee.

Susan E. England
NOTARY PUBLIC

My commission expires July 7 (Month/Day), 2015 (Year).

SUSAN E. ENGLAND
STATE TENNESSEE NOTARY PUBLIC
KNOX COUNTY

2012 NOV 9 AM 10 55

STATE OF TENNESSEE
FENTRESS COUNTY

The undersigned - Bill Bowden, Editor and Publisher of the Fentress Courier, a newspaper published weekly in Jamestown, Tennessee certifies that the attached notice was published for One (1) Consecutive weeks on the dates of November 7, 2012 ,and

Bill Bowden

Sworn to and subscribed before me this 7th day of November, 2012.

LINDA S. GARRETT
OF
TENNESSEE
NOTARY
PUBLIC
FENTRESS COUNTY

Linda S. Garrett
Notary Public

My commission expires: March 23, 2015.

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. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that HMA Fentress County General Hospital, HMA Fentress Hospital owned by: HMA Fentress County General Hospital with an ownership type of Limited Liability Corporation and to be managed by: HMA Fentress County General Hospital, LLC intends to file an application for a Certificate of Need for: the establishment of six (6) swing beds and the initiation of swing bed services at Jamestown Regional Medical Center, which is located at 435 Centennial Avenue, Jamestown, Tennessee 38556. Six (6) existing medical/surgical beds will be converted to swing beds. The number of licensed beds will not change. No other services will be initiated or discontinued and no major medical equipment is requested. No facility renovations are required for this project. The anticipated total cost of the project is $30,677. The anticipated date of filing the application is: November 12, 2012. The contact person for this project is Melanie Burton, Regional Director, who may be reached at: Tenova Healthcare, 200 E. Blount Avenue, Suite 600, Knoxville, Tennessee 37920. 865 / 632-5604.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearings should be sent to: Health Services and Development Agency, Andrew Jackson Building, 500 Deaderick Street, Suite 850, Nashville, Tennessee 37243.

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1): (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice 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 least ten (10) days in advance of the application by the Agency.

(11-7-1 to)

List of Attachments

Attachment A.4.a	Jamestown Regional Medical Center Organizational Documents
Attachment A.4.b	Corporate Organizational Chart
Attachment B.I.Project Description.1	Equipment List
Attachment B.I.Project Description.2	Corporate Organizational Chart
Attachment B.I.Project Description.3	Service Area Map
Attachment B.I.Project Description.4	Skilled Nursing Bed Demand Calculation
Attachment B.I.Project Description.5	Service Area Provider Listing
Attachment B.I.Project Description.6	Equipment List
Attachment B.I.Project Description.7	Medical Director CV
Attachment B.III.(A)	Plot Plan of Site
Attachment B.IV	Floor Plan of Jamestown RMC Nursing Units
Attachment C.Need.A.1	Skilled Nursing Bed Demand Calculation
Attachment C.Need.B.2	Service Area Provider Current Utilization Chart
Attachment C.Need.Swing Bed Svcs.C	Joint Commission Survey
Attachment C.Need.3	Service Area Map
Attachment C.Economic Feasibility.2.E	CFO Letter
Attachment C.Economic Feasibility-10	Income Statement, September, 2012
Attachment C.Economic Feasibility-10b	Audited Financial Statements
Attachment C.Orderly Development.7.c	Hospital License
Attachment C.Orderly Development.7.d	Most Recent Survey Inspection Report

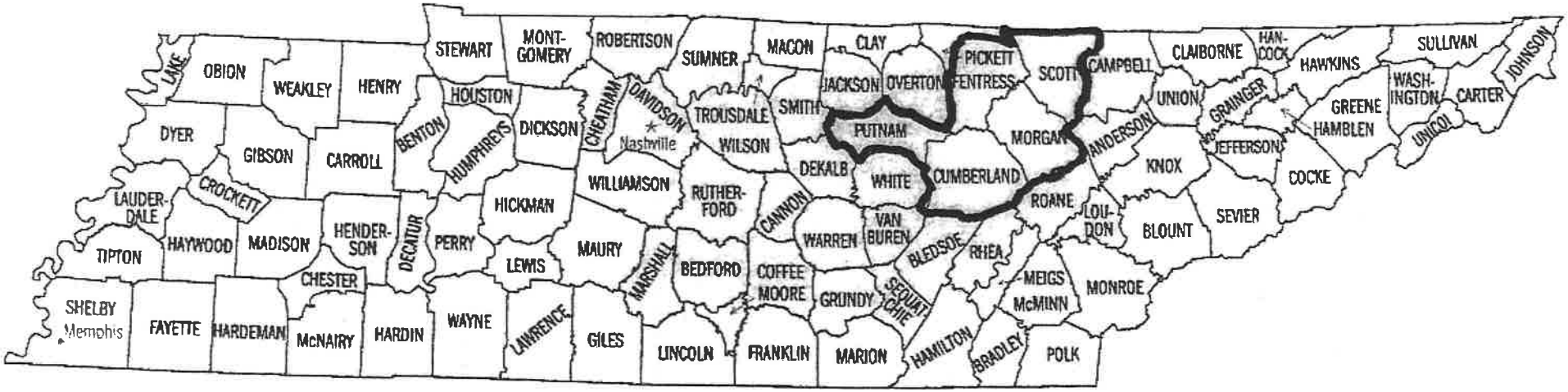
Attachment A.4.a

Attachment B.I.Project Description.1

Equipment Needed - Jamestown RMC Swing Beds

	Equipment Description	Catalog Price	
1	Trapeze Bar	$	250
2	Parallel Bars	$	770
3	Pedal Exerciser	$	30
4	2 Sided Staircase	$	580
5	Table Top Hand Cycle	$	820
	Subtotal	$	2,450
	Sales tax (est.)	$	227
	Total	**$**	**2,677**

Attachment B.I.Project Description.3


LAKE
OBION
WEAKLEY
HENRY
STEWART
MONT-GOMERY
ROBERTSON
SUMNER
MACON
CLAY
PICKETT
FENTRESS
SCOTT
CAMPBELL
CLAIBORNE
HAN-COCK
HAWKINS
SULLIVAN
JOHNSON
DYER
GIBSON
CARROLL
BENTON
HOUSTON
HUMPHREYS
DICKSON
CHEATHAM
DAVIDSON
Nashville
TROUSDALE
SMITH
JACKSON
OVERTON
PUTNAM
WILSON
MORGAN
ANDERSON
UNION
GRAINGER
GREENE
HAMBLEN
WASH-INGTON
CARTER
UNICOI
CROCKETT
LAUDER-DALE
TIPTON
HAYWOOD
MADISON
HENDER-SON
DECATUR
PERRY
HICKMAN
WILLIAMSON
RUTHER-FORD
DEKALB
WHITE
CUMBERLAND
KNOX
JEFFERSON
COCKE
ROANE
LOU-DON
BLOUNT
SEVIER
CANNON
WARREN
VAN BUREN
BLEDSOE
RHEA
MAURY
MARSHALL
BEDFORD
COFFEE
MOORE
GRUNDY
SEQUATCHIE
MEIGS
McMINN
MONROE
CHESTER
LEWIS
SHELBY
Memphis
FAYETTE
HARDEMAN
McNAIRY
HARDIN
WAYNE
LAWRENCE
GILES
LINCOLN
FRANKLIN
MARION
HAMILTON
BRADLEY
POLK

Attachment B.I.Project Description.4

Population Based Demand Calculation - Jamestown Regional Medical Center Swing Bed Services Application

	Populaton - 2012				
	< 65	65-74	75-84	85+	Total
Fentress	14,998	1,882	904	370	18,154
Morgan	17,802	1,870	914	310	20,896
Pickett	3,968	635	351	115	5,069
Scott	19,986	1,953	922	392	23,253
Putnam	61,305	6,209	3,445	1,530	72,489
Cumberland	40,412	8,424	4,357	1,605	54,798
Total	**158,471**	**20,973**	**10,893**	**4,322**	**194,659**

	Populaton - 2013				
	< 65	65-74	75-84	85+	Total
Fentress	15,003	1,950	932	380	18,265
Morgan	17,824	1,939	936	315	21,014
Pickett	3,974	651	364	115	5,104
Scott	20,077	2,033	955	400	23,465
Putnam	61,670	6,475	3,495	1,572	73,212
Cumberland	41,499	8,717	4,440	1,669	56,325
Total	**160,047**	**21,765**	**11,122**	**4,451**	**197,385**

	Populaton - 2014				
	< 65	65-74	75-84	85+	Total
Fentress	15,011	2,017	963	389	18,380
Morgan	17,859	2,004	957	319	21,139
Pickett	3,982	667	378	117	5,144
Scott	20,171	2,120	985	407	23,683
Putnam	62,035	6,747	3,542	1,618	73,942
Cumberland	41,603	9,018	4,522	1,736	56,879
Total	**160,661**	**22,573**	**11,347**	**4,586**	**199,167**

	Calculated Demand				
	< 65	65-74	75-84	85+	Total
Fentress	7	23	54	56	140
Morgan	9	22	55	47	133
Pickett	2	8	21	17	48
Scott	10	23	55	59	148
Putnam	31	75	207	230	541
Cumberland	20	101	261	241	623
Total	**79**	**252**	**654**	**648**	**1,633**

	Calculated Demand				
	< 65	65-74	75-84	85+	Total
Fentress	8	23	56	57	144
Morgan	9	23	56	47	136
Pickett	2	8	22	17	49
Scott	10	24	57	60	152
Putnam	31	78	210	236	554
Cumberland	21	105	266	250	642
Total	**80**	**261**	**667**	**668**	**1,676**

	Calculated Demand				
	< 65	65-74	75-84	85+	Total
Fentress	8	24	58	58	148
Morgan	9	24	57	48	138
Pickett	2	8	23	18	50
Scott	10	25	59	61	156
Putnam	31	81	213	243	567
Cumberland	21	108	271	260	661
Total	**80**	**271**	**681**	**688**	**1,720**

	Beds in Service*	Unimp. Beds	Total Beds	Demand	Variance
Fentress	140	-	140	140	0
Morgan	69	-	69	133	(64)
Pickett	124	-	124	48	76
Scott	152	-	152	148	4
Putnam	504	-	504	541	(37)
Cumberland	341	-	341	623	(282)
Total	1,330	-	1,330	1,633	**(303)**

	Beds in Service	Unimp. Beds	Total Beds	Demand	Variance
Fentress	140	-	140	144	(4)
Morgan	69	-	69	136	(67)
Pickett	124	-	124	49	75
Scott	152	-	152	152	0
Putnam	504	-	504	554	(50)
Cumberland	341	-	341	642	(301)
Total	1,330	-	1,330	1,676	**(346)**

	Beds in Service	Unimp. Beds	Total Beds	Demand	Variance
Fentress	140	-	140	148	(8)
Morgan	69	-	69	138	(69)
Pickett	124	-	124	50	74
Scott	152	-	152	156	(4)
Putnam	504	-	504	567	(63)
Cumberland	341	-	341	661	(320)
Total	1,330	-	1,330	1,720	**(390)**

Attachment B.I.Project Description.5

Skilled Nursing Beds in the Jamestown Regional Medical Center Service Area

Facility	Licensed Beds	Average Length of Stay - Level II Skilled Beds (in days)	Maximum Patient Days	Actual Patient Days	% Utilization
Signature Healthcare of Fentress County	140	86	51,100	35,385	69.2%
Pickett Care and Rehabilitation Center	69	47	25,185	23,631	93.8%
Life Care Center of Morgan County	124	767	45,260	34,978	77.3%
Huntsville Manor	96	95	35,040	32,661	93.2%
Oneida Nursing & Rehab Center	56	96	20,440	18,690	91.4%
Bethesda Health Care Center	120	23	43,800	40,560	92.6%
Masters Health Care Center	175	21	63,875	60,331	94.5%
NHC Healthcare, Cookeville	94	68	34,310	31,823	92.8%
Standing Stone Care & Rehabilitation Center	115	34	41,975	33,724	80.3%
Life Care Center of Crossville	122	30	44,530	31,127	69.9%
Mary Cravath Wharton Nursing Home	62	n/a	22,630	22,241	98.3%
WyndRidge Health & Rehabilitation Center	157	48	57,305	49,980	87.2%
All Providers	1,330	55	485,450	415,131	85.5%

Source: 2011 Joint Annual Reports

Attachment B.I.Project Description.6

Equipment Needed - Jamestown RMC Swing Beds

	Equipment Description	Catalog Price	
1	Trapeze Bar	$	250
2	Parallel Bars	$	770
3	Pedal Exerciser	$	30
4	2 Sided Staircase	$	580
5	Table Top Hand Cycle	$	820
	Subtotal	$	2,450
	Sales tax (est.)	$	227
	Total	**$**	**2,677**

Attachment B.I.Project Description.7

CURRICULUM VITAE

Jonathan David Allred
Charity Lane
Jamestown, Tennessee 38556

EMPLOYMENT

Jonathan D. Allred D.Ph., M.D., P.C. – Full-time private practice started August 3, 1992 to current date.

RESIDENCY

Double-Residency in Internal Medicine and Pediatrics; Charleston Area Medical Center, Charleston, W.V. - July, 1988 - June, 1992.

ACADEMIC DEGREES

Board Certified - Internal Medicine - August 2003

East Tennessee State University, College of Medicine; Johnson City, Tennessee - M.D. - May, 1988.

Samford University, School of Pharmacy; Birmingham, Alabama - B.S. - Pharmacy - August, 1984

Tennessee Technological University; Cookeville, Tennessee - B.S. - Chemistry - June, 1982.

LICENSE

Doctor of Medicine, State of Tennessee - 1991
Doctor of Pharmacy, State of Tennessee - 1985

HONORS and AWARDS

Charleston Area Medical Center - Residency

* Excellence in Student Teaching in Pediatrics, 1992
* Excellence in Student Teaching in Internal Medicine, 1991.

CURRICULUM VITAE

Jonathan David Allred

East Tennessee State University Medical School

* Merck Award

Samford University

* Elected Who's Who Among American Universities and Colleges.
* Received for 1983-84 graduate with highest grade point average;
  - Alabama Pharmaceutical Association Award
  - Rho Chi Scholarship Award
  - Phi Delta Chi Scholarship Award
* Merck Award for Excellence in Pharmaceutical Chemistry
* Dean's Award for outstanding performance in the areas of Pharmacy Administration.
* Elected To Rho Chi Scholarship Society
* Elected to Lambda Sigma Pharmacy Leadership Society, President 1983 - 1984.

Tennessee Technological University

* Elected to Mortor Board for excellence in leadership, scholarship, and service to the University, President 1981-1982.

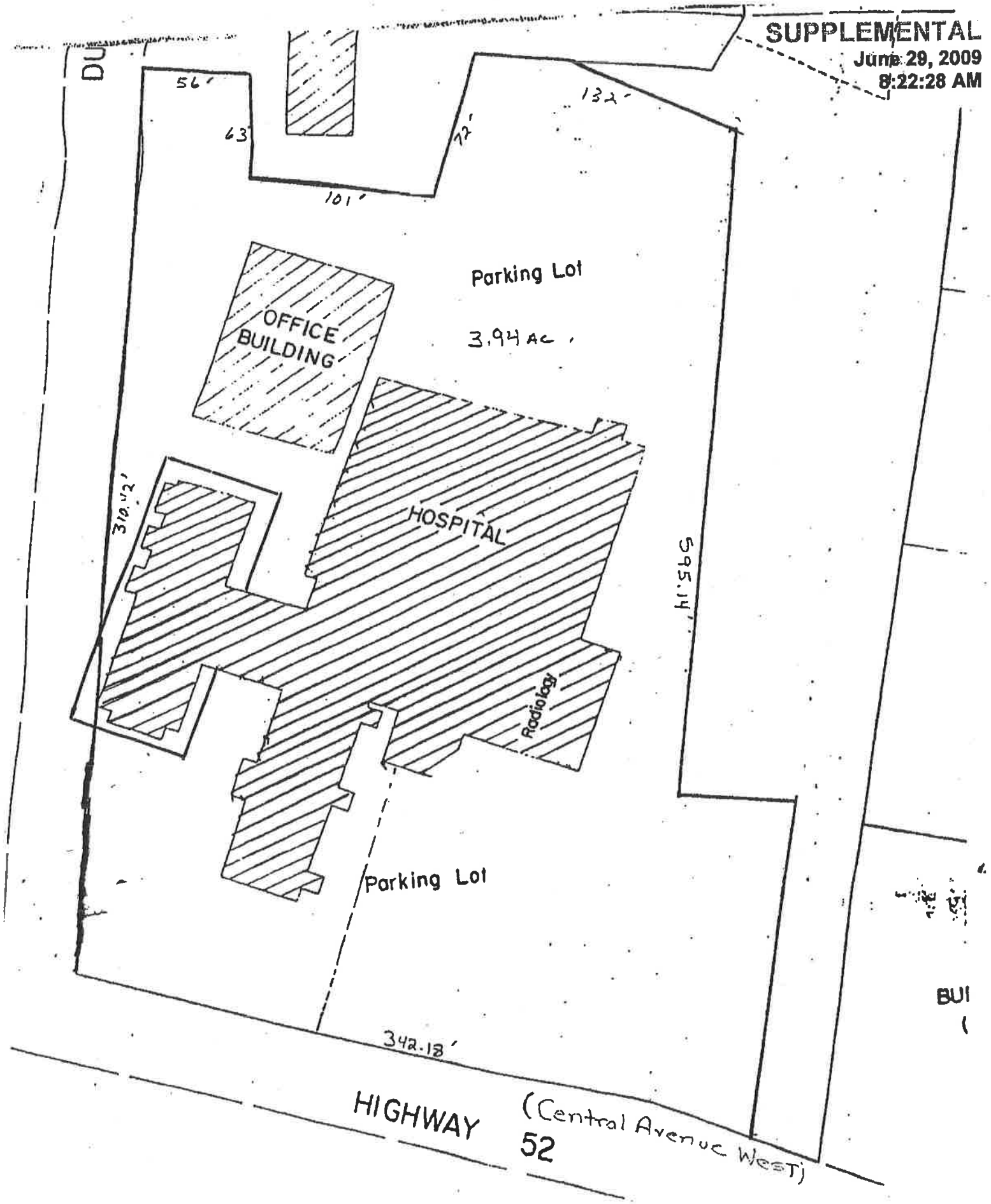
PROFESSIONAL SOCIETY MEMBERSHIPS

American Academy of Pediatrics, 1988 to present.
American College of Physicians, 1988 to present.
Tennessee Medical Association, 1992 to present.
American Medical Association, 1984 to present
American Medical Student Association, 1984 to 1988.
Phi Rho Sigma Medical Society, 1986 to 1991.
American Academy of Family Physicians, 1984 to 1988.
Tennessee Pharmaceutical Association, 1985 to present.
Student American Pharmaceutical Association, 1982 to 1984.
Phi Delta Chi Pharmacy Fraternity, Treasurer, 1982 to 1984.

PERSONAL DATA

Birthdate - September 2, 1960 Health - Excellent
Marital Status - Married Wife's Name - Karen
Wife's Occupation - Housewife, Certified Public Accountant (inactive)
Children - DeLayne (17 years), Jacob (14 years)
Outside Interest - Golf, Travel, Reading

Attachment B.III.(A)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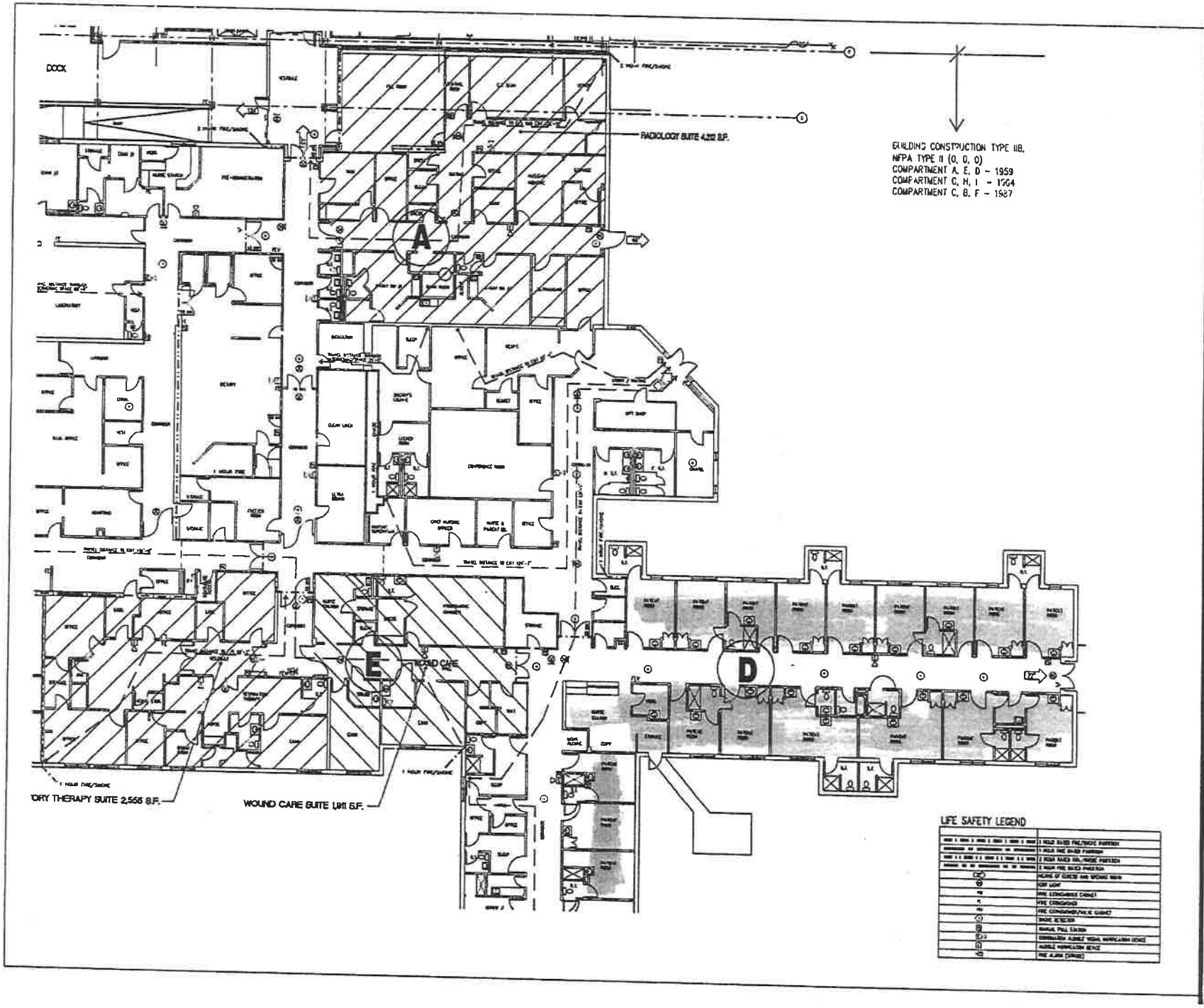
56'
63
101'
72'
132'
Parking Lot
3.94 AC
OFFICE BUILDING
HOSPITAL
310.42'
595.14'
Radiology
Parking Lot
342.18'
HIGHWAY 52
(Central Avenue West)
BUI

Attachment B.IV



HHCP

Health Mangement Associates

Life Safety Plans

Jamestown Regional Medical Center

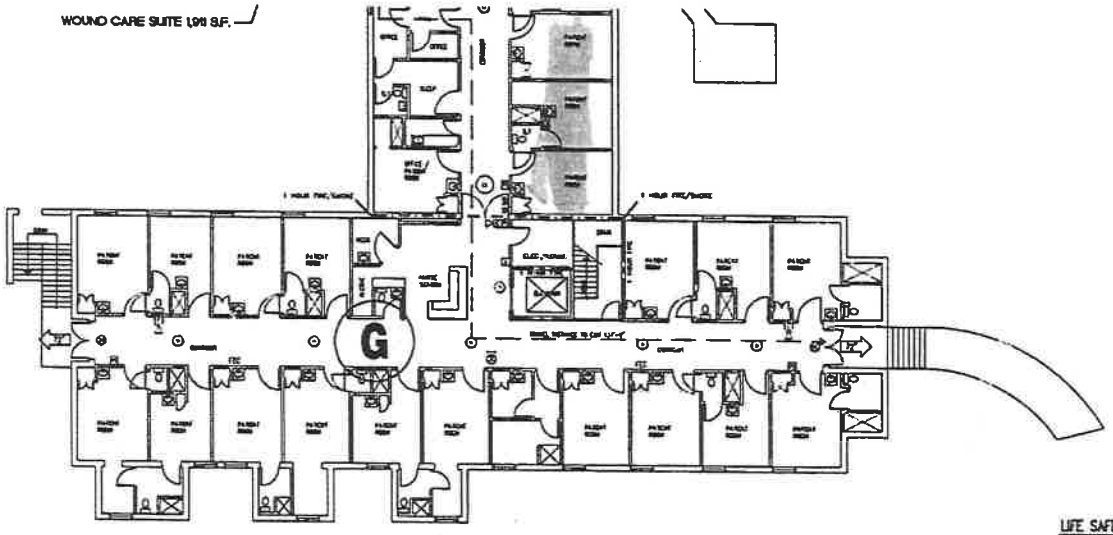
Key Plan

Issued for

Revisions

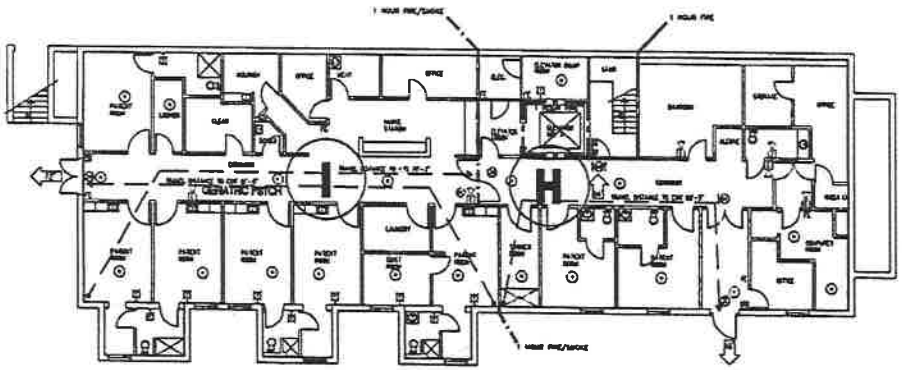
LIFE SAFETY PLAN
GROUND LEVEL

2.00C



EXISTING GROUND FLOOR

SCALE: 1/16"=1'-0"



EXISTING LOWER FLOOR

SCALE: 1/16"=1'-0"

LIFE SAFETY LEGEND

	1 HOUR RATED FIRE/SMOKE PARTITION
	1 HOUR FIRE RATED PARTITION
	2 HOUR RATED FIRE/SMOKE PARTITION
	2 HOUR FIRE RATED PARTITION
	HOME OF EXIT AND SPECIAL HAZARD
	EXIT LIGHT
	FIRE EXTINGUISHER CABINET
	FIRE EXTINGUISHER
	FIRE EXTINGUISHER/HOSE CABINET
	SMOKE DETECTOR
	MANUAL PULL STATION
	COMBINATION AUDIBLE VISUAL NOTIFICATION DEVICE
	AUDIBLE NOTIFICATION DEVICE
	FIRE ALARM (SMOKE)

HHCP

Health Mangement Associates

Life Safety Plans

Jamestown Regional Medical Center

Key Plan

Issued for

Revisions

LIFE SAFETY PLAN
GROUND LEVEL

2.00D

Attachment C.Need.A.1

Population Based Demand Calculation - Jamestown Regional Medical Center Swing Bed Services Application

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Putnam	31	75	207	230	541
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Morgan	69	-	69	138	(69)
Pickett	124	-	124	50	74
Scott	152	-	152	156	(4)
Putnam	504	-	504	567	(63)
Cumberland	341	-	341	661	(320)
Total	1,330	-	1,330	1,720	**(390)**

Attachment C.Need.B.2

Skilled Nursing Beds in the Jamestown Regional Medical Center Service Area

Facility	Licensed Beds	Average Length of Stay - Level II Skilled Beds (in days)	Maximum Patient Days	Actual Patient Days	% Utilization
Signature Healthcare of Fentress County	140	86	51,100	35,385	69.2%
Pickett Care and Rehabilitation Center	69	47	25,185	23,631	93.8%
Life Care Center of Morgan County	124	767	45,260	34,978	77.3%
Huntsville Manor	96	95	35,040	32,661	93.2%
Oneida Nursing & Rehab Center	56	96	20,440	18,690	91.4%
Bethesda Health Care Center	120	23	43,800	40,560	92.6%
Masters Health Care Center	175	21	63,875	60,331	94.5%
NHC Healthcare, Cookeville	94	68	34,310	31,823	92.8%
Standing Stone Care & Rehabilitation Center	115	34	41,975	33,724	80.3%
Life Care Center of Crossville	122	30	44,530	31,127	69.9%
Mary Cravath Wharton Nursing Home	62	n/a	22,630	22,241	98.3%
WyndRidge Health & Rehabilitation Center	157	48	57,305	49,980	87.2%
All Providers	1,330	55	485,450	415,131	85.5%

Source: 2011 Joint Annual Reports

Attachment C.Need.Swing Bed Svcs.C

Jamestown Regional Medical Center

Jamestown, TN

has been Accredited by

The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Hospital Accreditation Program

November 20, 2009

Accreditation is customarily valid for up to 39 months.

David L. Nahrwold, M.D.
Chairman of the Board

Organization ID: 7841
Print/Reprint Date: 1/14/10

Mark Chassin, M.D.
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.

AMA

Jamestown Regional Medical Center
436 Central Avenue West
Jamestown, TN 38556

Organization Identification Number: 7841

Evidence of Standards Compliance (45 Day) Submitted: 1/4/2010

Program(s)
Hospital Accreditation

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

You will have follow-up in the area(s) indicated below:

- Measure of Success (MOS) – A follow-up Measure of Success will occur in four (4) months.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission
Summary of Compliance

Program	Standard	Level of Compliance
HAP	HR.01.06.01	Compliant
HAP	IC.02.02.01	Compliant
HAP	LS.02.01.20	Compliant

The Joint Commission
Summary of CMS Findings

CoP: §482.28 **Tag:** A-0618 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.28 Condition of Participation: Food and Dietetic Services

The hospital must have organized dietary services that are directed and staffed by adequate qualified personnel. However, a hospital that has a contract with an outside food management company may be found to meet this Condition of Participation if the company has a dietician who serves the hospital on a full-time, part-time, or consultant basis, and if the company maintains at least the minimum standards specified in this section and provides for constant liaison with the hospital medical staff for recommendations on dietetic policies affecting patient treatment.

CoP Standard	Tag	Corresponds to	Deficiency
§482.28(a)(3)	A-0622	HAP - HR.01.06.01/EP5	Compliant

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01.20/EP8, EP13	Compliant

---

CoP: §482.51 **Tag:** A-0940 **Deficiency:** Compliant

Corresponds to: HAP - IC.02.02.01/EP2

Text: §482.51 Condition of Participation: Surgical Services

If the hospital provides surgical services, the services must be well organized and provided in accordance with acceptable standards of practice. If outpatient surgical services are offered the services must be consistent in quality with inpatient care in accordance with the complexity of services offered.

Jamestown Regional Medical Center
436 Central Avenue West
Jamestown, TN 38556

Organization Identification Number: 7841

Program(s)
Hospital Accreditation

Surveyor(s) and Survey Date(s)
John V.Milazzo, MD - (11/16 - 11/19/2009)
David E.Sladewski, CHSP - (11/16 - 11/16/2009)

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Representative.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

November 20, 2009

Kimberly Anthony
CEO
Jamestown Regional Medical Center
436 Central Avenue West
Jamestown, TN 38556

Joint Commission ID #: 7841
Program: Hospital Accreditation
Accreditation Activity: Unannounced Full Event
Accreditation Activity Completed: 11/19/2009

Dear Ms. Anthony:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

The Joint Commission
Summary of Findings

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day this report is posted to your organization's extranet site:

Program:	Hospital Accreditation Program	
Standards:	HR.01.06.01	EP5
	IC.02.02.01	EP2
	LS.02.01.20	EP8,EP13

Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day this report is posted to your organization's extranet site:

Program:	Hospital Accreditation Program	
Standards:	APR.01.03.01	EP1
	LS.02.01.10	EP3
	RC.01.01.01	EP19

The Joint Commission
Summary of CMS Findings

CoP: §482.24 **Tag:** A-0431 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.24 Condition of Participation: Medical Record Services

The hospital must have a medical record service that has administrative responsibility for medical records. A medical record must be maintained for every individual evaluated or treated in the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.24(c)(1)	A-0450	HAP - RC.01.01.01/EP19	Standard

CoP: §482.28 **Tag:** A-0618 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.28 Condition of Participation: Food and Dietetic Services

The hospital must have organized dietary services that are directed and staffed by adequate qualified personnel. However, a hospital that has a contract with an outside food management company may be found to meet this Condition of Participation if the company has a dietician who serves the hospital on a full-time, part-time, or consultant basis, and if the company maintains at least the minimum standards specified in this section and provides for constant liaison with the hospital medical staff for recommendations on dietetic policies affecting patient treatment.

CoP Standard	Tag	Corresponds to	Deficiency
§482.28(a)(3)	A-0622	HAP - HR.01.06.01/EP5	Standard

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01.10/EP3, LS.02.01.20/EP8, EP13	Standard

---

CoP: §482.51 **Tag:** A-0940 **Deficiency:** Standard

Corresponds to: HAP - IC.02.02.01/EP2

Text: §482.51 Condition of Participation: Surgical Services

If the hospital provides surgical services, the services must be well organized and provided in accordance with acceptable standards of practice. If outpatient surgical services are offered the services must be consistent in quality with inpatient care in accordance with the complexity of services offered.

The Joint Commission
Findings

Chapter: Accreditation Participation Requirements

Program: Hospital Accreditation

Standard: APR.01.03.01 ESC 60 days

Standard Text: The hospital reports any changes in the information provided in the application for accreditation and any changes made between surveys.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

1. The hospital notifies The Joint Commission in writing within 30 days of a change in ownership, control, location, capacity, or services offered. 4
Note: When the hospital changes ownership, control, location, capacity, or services offered, it may be necessary for The Joint Commission to survey the hospital again. If the hospital does not provide written notification to The Joint Commission within 30 days of these changes, the hospital could lose its accreditation.

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 1
Observed in Respiratory Therapy at Jamestown Regional Medical Center site.
Staff identified to the surveyor that the hospital had added a new ambulatory pulmonary rehabilitation service at it's main site (initiated November/December 2008) since it's last survey without notifying the Joint Commission in writting as is required by the relevant standard.

Chapter: Human Resources

Program: Hospital Accreditation

Standard: HR.01.06.01 ESC 45 days

Standard Text: Staff are competent to perform their responsibilities.

Primary Priority Focus Area: Orientation & Training

Element(s) of Performance:

5. Staff competence is initially assessed and documented as part of orientation. 3

Scoring Category : C
Score : Partial Compliance

Observation(s):

The Joint Commission
Findings

EP. 5
§482.28(a)(3) - (A-0622) - (3) There must be administrative and technical personnel competent in their respective duties.
This Standard is NOT MET as evidenced by:
Observed in Competency tracer at Jamestown Regional Medical Center site.
During review of an HR file of a RN hired in 2008, there was no documentation of assessment of competence at initial orientation related to the actual observation of application of restraints by the new hire and their release although the Hospital's Education coordinator identified that to be an essential part of the assessment of restraint competency.

Observed in Competency tracer at Jamestown Regional Medical Center site.
During review of the competency file of an OR technician who occasionally works in sterile processing, their was not documentation of a competency in the use of sterile processing in the initial orientation although this responsibility was included in his initial job description. Also, this responsibility was not addressed in his initial ninety day evaluation.

Chapter: Infection Prevention and Control

Program: Hospital Accreditation

Standard: IC.02.02.01 ESC 45 days

Standard Text: The hospital reduces the risk of infections associated with medical equipment, devices, and supplies.

Primary Priority Focus Area: Equipment Use

Element(s) of Performance:

2. The hospital implements infection prevention and control activities when doing the following: Sterilizing medical equipment, devices, and supplies. (See also EC.02.04.03, EP 4) 3

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 2
§482.51 - (A-0940) - §482.51 Condition of Participation: Surgical Services

If the hospital provides surgical services, the services must be well organized and provided in accordance with acceptable standards of practice. If outpatient surgical services are offered the services must be consistent in quality with inpatient care in accordance with the complexity of services offered.
This Condition is NOT MET as evidenced by:
Observed in the operating room at Jamestown Regional Medical Center site.
During a tracer in the OR, it was identified to the surveyor that instruments are " Flash Sterilized" in open metal trays and transported to the sterile field in the open metal trays which are covered with sterile towels. This is not consistent with AORN recommendations which support "Flash Sterilization" in closed containers or "Flash Packs" which are specifically designed by the manufacturer to use in the Flash autoclaves. These allow penetration of steam to all instrument surfaces, and effectively eliminate contamination of the instruments on transfer from the substerile area to the sterile field. The Hospital identified that they will include Flash Packs in their budgeted items for purchase.

Chapter: Life Safety

Program: Hospital Accreditation

Standard: LS.02.01.10 ESC 60 days

The Joint Commission
Findings

Standard Text: Building and fire protection features are designed and maintained to minimize the effects of fire, smoke, and heat.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

3. Walls that are fire-rated for 2 hours (such as common walls between buildings and occupancy separation walls within buildings) extend from the floor slab to the floor or roof slab above and extend from exterior wall to exterior wall. (For full text and any exceptions, refer to NFPA 101-2000: 8.2.2.2)

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

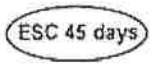
EP 3
§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.
This Standard is NOT MET as evidenced by:
Observed in The Building Tour at Jamestown Regional Medical Center site.
The concrete block fire-rated wall in the Electrical room, that is connected to the Laboratory, had a hole in the corner about 6 inches by 12 inches.The hole was stuffed with a large plastic garbage bag and some rags.The wall was inspected through the lab break room, there were openings that were not completley sealed at the top.

Chapter: Life Safety

Program: Hospital Accreditation

Standard: LS.02.01.20



Standard Text: The hospital maintains the integrity of the means of egress.

Primary Priority Focus Area: Physical Environment

The Joint Commission
Findings

Element(s) of Performance:

8. Exits discharge to the outside at grade level or through an approved exit passageway that is continuous and terminates at a public way or at an exterior exit discharge. (For full text and any exceptions, refer to NFPA 101-2000: 7.7)

Scoring Category : A
Score : Insufficient Compliance

13. Exits, exit accesses, and exit discharges are clear of obstructions or impediments to the public way, such as clutter (for example, equipment, carts, furniture), construction material, and snow and ice. (For full text and any exceptions, refer to NFPA 101-2000: 7.1.10.1)

Scoring Category : C
Score : Partial Compliance

Observation(s):

EP 8
§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.
This Standard is NOT MET as evidenced by:
Observed in The Building Tour at Jamestown Regional Medical Center site.
The exit behind Nursing Station one did not terminate at a public way. The exit terminated into a grassy area.

EP 13
§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.
This Standard is NOT MET as evidenced by:
Observed in The Building Tour at Jamestown Regional Medical Center site.
Observed and corrected at the time of survey.The egress corridor by the ER lobby had clutter consisting of informational signage and a metal stand containing H1N1 supplies.

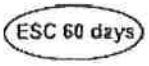
Observed in The Building Tour at Jamestown Regional Medical Center site.
Observed and corrected at the time of survey.The egress corridor in the PCU unit had clutter consisting of a metal stand containing H1N1 supplies.

The Joint Commission
Findings

Chapter: Record of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: RC.01.01.01



Standard Text: The hospital maintains complete and accurate medical records.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

19.
For hospitals that use Joint Commission accreditation for deemed status purposes: All entries in the medical record, including all orders, are timed.

Scoring Category : C
Score : Insufficient Compliance

Observation(s):

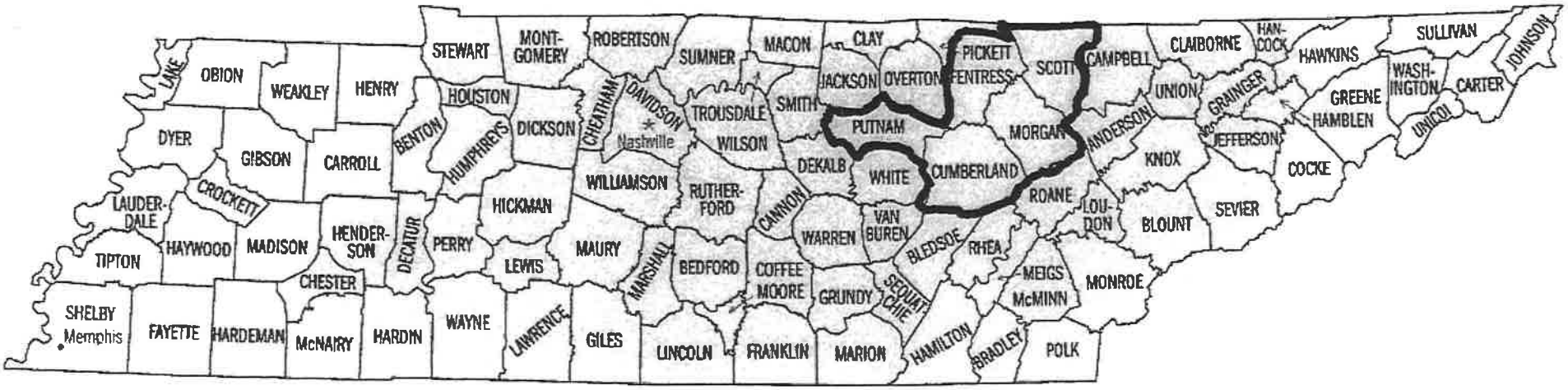
EP 19
§482.24(c)(1) - (A-0450) - (1) All patient medical record entries must be legible, complete, dated, timed, and authenticated in written or electronic form by the person responsible for providing or evaluating the service provided, consistent with hospital policies and procedures.
This Standard is NOT MET as evidenced by:
Observed in outpatient surgery at Jamestown Regional Medical Center site.
During review of a closed endoscopy record of a patient who underwent colonoscopy and EGD on 11/16/09, it was noted that the surgeon's post procedure progress note was note timed.

Observed in outpatient surgery at Jamestown Regional Medical Center site.
During review of a closed endoscopy record of a second patient who underwent EGD on 11/16/09, it was noted that the surgeon's post procedure progress note was note timed.

Observed in closed record review at Jamestown Regional Medical Center site.
During review of closed obstetrical records, it was noted that a history and physical was not timed.

Observed in closed record review at Jamestown Regional Medical Center site.
During review of a closed obstetrical record of a normal vaginal delivery, it was noted that the physician's discharge order was not timed.

Attachment C.Need.3


LAKE
OBION
WEAKLEY
HENRY
STEWART
MONT-
GOMERY
ROBERTSON
SUMNER
MACON
CLAY
PICKETT
CAMPBELL
CLAIBORNE
HAN-
COCK
HAWKINS
SULLIVAN
JOHNSON
WASH-
INGTON
CARTER
UNICOI
GREENE
HAMBLEN
GRAINGER
UNION
JEFFERSON
COCKE
SEVIER
BLOUNT
KNOX
ANDERSON
MORGAN
SCOTT
FENTRESS
OVERTON
JACKSON
SMITH
TROUSDALE
WILSON
CHEATHAM
DAVIDSON
Nashville
DICKSON
HOUSTON
HUMPHREYS
BENTON
DYER
GIBSON
CARROLL
CROCKETT
LAUDER-
DALE
TIPTON
HAYWOOD
MADISON
HENDER-
SON
CHESTER
DECATUR
PERRY
HICKMAN
LEWIS
WAYNE
SHELBY
Memphis
FAYETTE
HARDEMAN
McNAIRY
HARDIN
LAWRENCE
GILES
MAURY
WILLIAMSON
RUTHER-
FORD
MARSHALL
BEDFORD
LINCOLN
CANNON
DEKALB
WHITE
CUMBERLAND
ROANE
LOU-
DON
WARREN
VAN
BUREN
BLEDSOE
RHEA
MEIGS
McMINN
MONROE
COFFEE
MOORE
GRUNDY
SEQUATCHIE
FRANKLIN
MARION
HAMILTON
BRADLEY
POLK

Attachment C.Economic Feasibility.2.E

Health Management™ Associates

October 10, 2012

Ms. Melanie Hill
Executive Director
Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243

Dear Ms. Hill:

This letter is confirmation that as the Chief Financial Officer of Health Management Associates – Tennessee Division, we have sufficient cash reserves to fully fund the capital costs of $30,677 associated with the initiation of Swing Bed services at Jamestown Regional Medical Center (estimate includes legal and administrative costs, and minor equipment costs). These costs will be funded through Jamestown Regional Medical Center's disbursement account, which is funded daily by Health Management Associates.

We are a part of Health Management Associates, a proprietary health system operating in 15 states.

Sincerely,

Bill Ziesmer

Bill Ziesmer
Chief Financial Officer

HMA.COM

5811 PELICAN BAY BLVD., SUITE 500, NAPLES, FL 34108
P 239.598.3131 F 239.597.5794

Attachment C.Economic Feasibility-10

HEALTH MANAGEMENT ASSOCIATES, INC.
INCOME STATEMENT (SECONDARY)
SEPTEMBER, 2012

SEPTEMBER, 2012 ACTUAL $$$	/ PD	BUDGET $$$	/ PD	LAST YR. $$$	/ PD	%	#864 JAMESTOWN	YEAR-TO-DATE ACTUAL $$$	/ PD	BUDGET $$$	/ PD	LAST YR. $$$	/ PD	%
							REVENUES							
							GROSS REVENUE:							
349788	445	364456	519	328705	473	6	ROUTINE SERVICES	3069135	458	3157957	513	2933638	494	5
3143136	3998	2880767	4103	3059696	4402	3	INPATIENT ANCILLARY SERV	29689481	4437	24586451	4000	24570105	4142	21
4854582	6176	4460295	6353	3542762	5097	37	OUTPATIENT ANCILLARY SER	41979616	6275	35647906	5800	32395097	5461	30
8347506	10620	7705518	10976	6931162	9972	20	TOTAL GROSS REVENUE.....	74738231	11171	63392314	10314	59898840	10097	25
							LESS: DEDUCT. FROM REVENU							
5231208-	6655	5376029-	7658	4302514-	6190	22-	CONTRACTUAL ADJUSTMENTS	47801228-	7145	44136853-	7181	36763144-	6197	30-
1029352-	1309	288180-	410	874874-	1258	18-	POLICY DISCOUNT	9175962-	1371	2343107-	381	7256754-	1223	26-
6260560-	7965	5664209-	8068	5177388-	7449	21-	TOTAL DEDUCTIONS.....	56977190-	8516	46479960-	7562	44019897-	7420	29-
2086946	2655	2041309	2907	1753774	2523	19-	NET OPERATING REVENUE	17761041	2654	16912354	2751	15878942	2676	12-
3376	4	4356	6	3281	4	3	OTHER REVENUE	37918	5	49981	8	43656	7	13-
2090322	2659	2045665	2914	1757055	2528	19-	NET REVENUE	17798959	2660	16962335	2759	15922599	2684	12-
302503-	384	284922-	405	241804-	347	25-	PROV. BAD DEBT	2578984-	385	2400278-	390	2173541-	366	19-
1787819	2274	1760743	2508	1515251	2180	18-	NET REV. AFTER BAD DEBT	15219975	2275	14562057	2369	13749058	2317	11-
							OPERATING EXPENSES:							
696187	885	653171	930	549758	791	27-	SALARIES	5950821	889	5335717	868	5607992	945	6-
135656	172	130756	186	135514	195	0	EMPLOYEE BENEFITS	1304148	194	1308093	212	1221707	206	7-
149161	189	173035	246	182171	262	18	SUPPLIES	1397010	208	1307267	212	1279969	215	9-
0	0	16167	23	0	0	0	PROFESSIONAL FEES	0	0	73503	12	0	0	0
260045	330	280045	398	225139	323	16-	OUTSIDE SERVICES	2340187	349	2326492	378	2140594	360	9-
24206	30	59802	85	31245	45	23	RENT	278125	41	360468	58	268395	45	4-
303526	386	360095	513	318864	458	5	OTHER OPERATING	2827322	422	3041196	494	2689446	453	5-
1568780	1995	1673071	2383	1442692	2075	9-	TOTAL OPER. EXPENSES	14097615	2107	13752736	2237	13208102	2226	7-
219039	278	87672	124	72559	104	202	OPERATING PROFIT.....	1122360	167	809321	131	540955	91	107
							FIXED EXPENSES:							
73595	93	80888	115	78736	113	7	DEPRECIATION	701884	104	727992	118	751645	126	7
13508	17	0	0	4836	7	179-	AMORTIZATION	55096	8	0	0	38415	6	43-
0	0	0	0	0	0	0	(GAIN) LOSS OF SALE OF A	0	0	0	0	0	0	0
0	0	0	0	0	0	0	INTEREST EXPENSE	0	0	0	0	77	0	100
0	0	0	0	0	0	0	INTEREST AND OTHER INCOM	0	0	0	0	0	0	0
87103	110	80888	115	83572	120	4-	TOTAL FIXED EXPENSES....	756980	113	727992	118	790136	133	4
131936	167	6784	9	11013-	15	298-	PRE-INTERCOMP (PROFIT/LO	365381	54	81329	13	249181-	42	247-
							INTERCOMPANY CHARGES:							
81827	104	81827	116	87127	125	6	CORPORATE ALLOCATION	678495	101	678495	110	759300	128	11
0	0	0	0	0	0	0	NONCONTROLLING INTERESTS	0	0	0	0	0	0	0
81827	104	81827	116	87127	125	6	TOTAL INTER-CO. CHRG	678495	101	678495	110	759300	128	11
1737710	2210	1835786	2615	1613391	2321	8-	TOTAL EXPENSES.....	15533090	2321	15159223	2466	14757538	2487	5-
50109	63	75043-	106	98140-	141	151-	PROFIT/LOSS(-).....	313114-	46	597166-	97	1008481-	170	69-
0	0	0	0	0	0	0	MANAGEMENT FEES	0	0	0	0	0	0	0
0	0	0	0	0	0	0	INTERCOMPANY INTEREST	0	0	0	0	0	0	0
1737710	2210	1835786	2615	1613391	2321	8-	TOTAL EXPENSES.....	15533090	2321	15159223	2466	14757538	2487	5-
50109	63	75043-	106	98140-	141	151-	ADJ PRE-TAX PROFIT/LOSS(	313114-	46	597166-	97	1008481-	170	69-

Attachment C.Economic Feasibility-10b

Health Management™ Associates

2011 ENABLING AMERICA'S BEST LOCAL HEALTH CARE.

ANNUAL REPORT TO SHAREHOLDERS

We

OUR GUIDING PRINCIPLES

HEALTH MANAGEMENT ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

	Years Ended December 31,		
	2011	2010	2009
Net revenue	$ 5,804,451	$ 5,092,166	$ 4,536,106
Salaries and benefits	2,302,844	2,016,967	1,779,440
Supplies	776,598	703,426	637,663
Provision for doubtful accounts	716,856	624,753	553,639
Rent expense	154,279	122,983	100,990
Other operating expenses	1,067,980	892,465	788,051
Medicare and Medicaid HCIT incentive payments	(39,982)	-	-
Depreciation and amortization	267,900	241,873	234,883
Interest expense	222,747	211,673	217,938
Gains on early extinguishment of debt, net	-	-	(16,202)
Write-offs of deferred debt issuance costs and related other	24,595	-	444
Other	(1,771)	(8,797)	(4,980)
	5,492,046	4,805,343	4,291,866
Income from continuing operations before income taxes	312,405	286,823	244,240
Provision for income taxes	(106,071)	(101,049)	(82,937)
Income from continuing operations	206,334	185,774	161,303
Income (loss) from discontinued operations, including gains/losses on disposals, net of income taxes (see Notes 4 and 10)	(2,409)	(13,526)	2,638
Consolidated net income	203,925	172,248	163,941
Net income attributable to noncontrolling interests	(25,215)	(22,179)	(25,759)
Net income attributable to Health Management Associates, Inc.	$ 178,710	$ 150,069	$ 138,182
Earnings (loss) per share attributable to Health Management Associates, Inc. common stockholders:			
Basic			
Continuing operations	$ 0.72	$ 0.66	$ 0.55
Discontinued operations	(0.01)	(0.05)	0.01
Net income	$ 0.71	$ 0.61	$ 0.56
Diluted			
Continuing operations	$ 0.71	$ 0.65	$ 0.55
Discontinued operations	(0.01)	(0.05)	0.01
Net income	$ 0.70	$ 0.60	$ 0.56
Weighted average number of shares outstanding:			
Basic	251,541	248,272	245,381
Diluted	255,037	251,106	246,965

See accompanying notes.

HEALTH MANAGEMENT ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Years Ended December 31,		
	2011	2010	2009
Consolidated net income	$ 203,925	$ 172,248	$ 163,941
Components of other comprehensive income (loss) before income taxes attributable to:			
Interest rate swap contract			
Changes in fair value	47,735	(17,646)	85,923
Reclassification adjustments for amortization of expense into net income	10,384	-	-
Net activity attributable to the interest rate swap contract	58,119	(17,646)	85,923
Available-for-sale securities			
Unrealized gains (losses) on available-for-sale securities, net	(117)	2,473	2,086
Adjustments for net (gains) losses reclassified into net income	(1,020)	(2,143)	-
Net activity attributable to available-for-sale securities	(1,137)	330	2,086
Other comprehensive income (loss) before income taxes	56,982	(17,316)	88,009
Income tax (expense) benefit related to items of other comprehensive income (loss)	(21,298)	6,434	(38,337)
Other comprehensive income (loss), net	35,684	(10,882)	49,672
Total consolidated comprehensive income	239,609	161,366	213,613
Total comprehensive income attributable to noncontrolling interests	(25,215)	(22,179)	(25,759)
Total comprehensive income attributable to Health Management Associates, Inc. common stockholders	$ 214,394	$ 139,187	$ 187,854

See accompanying notes.

HEALTH MANAGEMENT ASSOCIATES, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	December 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 64,143	$ 101,812
Available-for-sale securities	122,277	57,327
Accounts receivable, less allowances for doubtful accounts of $578,972 and $495,486 at December 31, 2011 and 2010, respectively	903,517	759,131
Supplies, at cost (first-in, first-out method)	156,529	137,214
Prepaid expenses	59,066	46,867
Prepaid and recoverable income taxes	61,756	44,961
Restricted funds	28,289	39,684
Assets of discontinued operations	14,561	11,384
Total current assets	1,410,138	1,198,380
Property, plant and equipment:		
Land and improvements	249,842	201,278
Buildings and improvements	2,848,185	2,431,910
Leasehold improvements	259,048	200,538
Equipment	1,565,236	1,332,064
Construction in progress	164,185	99,645
	5,086,496	4,265,435
Accumulated depreciation and amortization	(1,823,324)	(1,602,488)
Net property, plant and equipment	3,263,172	2,662,947
Restricted funds	96,244	51,067
Goodwill	999,380	909,470
Deferred charges and other assets	235,255	88,221
Total assets	$ 6,004,189	$ 4,910,085
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 198,120	$ 172,501
Accrued payroll and related taxes	80,281	83,286
Accrued expenses and other liabilities	368,790	226,125
Due to third party payors	20,658	11,921
Deferred income taxes	50,466	27,052
Current maturities of long-term debt and capital lease obligations	85,509	34,745
Total current liabilities	803,824	555,630
Deferred income taxes	234,080	157,177
Long-term debt and capital lease obligations, less current maturities	3,489,489	2,983,719
Other long-term liabilities	491,037	478,586
Total liabilities	5,018,430	4,175,112
Redeemable equity securities	200,643	201,487
Stockholders' equity:		
Health Management Associates, Inc. equity:		
Preferred stock, $0.01 par value, 5,000 shares authorized, none issued	-	-
Common stock, Class A, $0.01 par value, 750,000 shares authorized, 254,156 shares and 250,880 shares issued at December 31, 2011 and 2010, respectively	2,542	2,509
Accumulated other comprehensive income (loss), net of income taxes	(95,440)	(131,124)
Additional paid-in capital	156,859	123,040
Retained earnings	705,180	526,470
Total Health Management Associates, Inc. stockholders' equity	769,141	520,895
Noncontrolling interests	15,975	12,591
Total stockholders' equity	785,116	533,486
Total liabilities and stockholders' equity	$ 6,004,189	$ 4,910,085

See accompanying notes.

HEALTH MANAGEMENT ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2011, 2010 and 2009
(in thousands)

	Health Management Associates, Inc.						
	Common Stock		Accumulated Other Comprehensive Income (Loss), Net	Additional Paid-in Capital	Retained Earnings	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Par Value					
Balances at January 1, 2009	244,221	$ 2,442	$ (169,914)	$ 108,374	$ 238,219	$ 106,690	$ 285,811
Net income	-	-	-	-	138,182	25,759	163,941
Unrealized gains (losses) on available-for-sale securities and reclassifications into net income, net	-	-	1,351	-	-	-	1,351
Change in fair value of interest rate swap contract and amortization of expense into net income, net	-	-	48,321	-	-	-	48,321
Exercises of stock options and related tax matters	1,632	16	-	10,734	-	-	10,750
Issuances of deferred stock and restricted stock and related tax matters	2,664	27	-	(1,376)	-	-	(1,349)
Stock-based compensation expense	-	-	-	10,867	-	-	10,867
Distributions to noncontrolling shareholders	-	-	-	-	-	(29,227)	(29,227)
Incremental costs of certain transactions with noncontrolling shareholders	-	-	-	(1,054)	-	-	(1,054)
Restructuring of a joint venture with Novant Health, Inc., net (see Note 4)	-	-	-	(31,014)	-	(28,206)	(59,220)
Reclassification to redeemable equity securities	-	-	-	-	-	(68,571)	(68,571)
Balances at December 31, 2009	248,517	2,485	(120,242)	96,531	376,401	6,445	361,620
Net income	-	-	-	-	150,069	22,179	172,248
Unrealized gains (losses) on available-for-sale securities and reclassifications into net income, net	-	-	221	-	-	-	221
Change in fair value of interest rate swap contract and amortization of expense into net income, net	-	-	(11,103)	-	-	-	(11,103)
Exercises of stock options and related tax matters	1,094	11	-	11,328	-	-	11,339
Issuances of deferred stock and restricted stock and related tax matters	1,269	13	-	(3,185)	-	-	(3,172)
Stock-based compensation expense	-	-	-	18,366	-	-	18,366
Distributions to noncontrolling shareholders	-	-	-	-	-	(19,598)	(19,598)
Noncontrolling shareholder interests in an acquired business	-	-	-	-	-	3,565	3,565
Balances at December 31, 2010	250,880	2,509	(131,124)	123,040	526,470	12,591	533,486
Net income	-	-	-	-	178,710	25,215	203,925
Unrealized gains (losses) on available-for-sale securities and reclassifications into net income, net	-	-	(741)	-	-	-	(741)
Change in fair value of interest rate swap contract and amortization of expense into net income, net	-	-	36,425	-	-	-	36,425
Exercises of stock options and related tax matters	1,563	16	-	16,237	-	-	16,253
Issuances of deferred stock and restricted stock and related tax matters	1,713	17	-	(7,587)	-	-	(7,570)
Stock-based compensation expense	-	-	-	25,169	-	-	25,169
Distributions to noncontrolling shareholders	-	-	-	-	-	(25,394)	(25,394)
Noncontrolling shareholder interests in acquired businesses	-	-	-	-	-	3,563	3,563
Balances at December 31, 2011	254,156	$ 2,542	$ (95,440)	$ 156,859	$ 705,180	$ 15,975	$ 785,116

See accompanying notes.

HEALTH MANAGEMENT ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,		
	2011	2010	2009
Cash flows from operating activities:			
Consolidated net income	$ 203,925	$ 172,248	$ 163,941
Adjustments to reconcile consolidated net income to net cash provided by continuing operating activities:			
Depreciation and amortization	274,526	248,583	241,683
Amortization related to interest rate swap contract	10,384	-	-
Fair value adjustment related to interest rate swap contract	5,979	-	-
Provision for doubtful accounts	716,856	624,753	553,639
Stock-based compensation expense	25,169	18,366	10,867
Losses (gains) on sales of assets, net	1,325	(711)	(1,228)
Gains on sales of available-for-sale securities, net	(518)	(4,328)	(1,384)
Gain on early extinguishment of debt, net	-	-	(16,202)
Write-offs of deferred debt issuance costs	24,045	-	444
Deferred income tax expense	79,159	20,311	90,467
Changes in assets and liabilities of continuing operations, net of the effects of acquisitions:			
Accounts receivable	(870,898)	(731,607)	(595,780)
Supplies	(3,108)	(14,250)	(3,917)
Prepaid expenses	(8,271)	(6,393)	(348)
Prepaid and recoverable income taxes	(18,987)	31,020	881
Deferred charges and other long-term assets	(5,785)	5,382	(12,025)
Accounts payable	23,380	31,699	(21,296)
Accrued expenses and other liabilities	87,431	27,370	27,690
Equity compensation excess income tax benefits	(2,999)	(1,278)	(218)
(Income) loss from discontinued operations, net	2,409	13,526	(2,638)
Net cash provided by continuing operating activities	544,022	434,691	434,576
Cash flows from investing activities:			
Acquisitions of hospitals and other ancillary health care businesses	(582,090)	(191,454)	(138,764)
Additions to property, plant and equipment	(302,046)	(209,108)	(198,878)
Proceeds from sales of assets and insurance recoveries	2,765	3,150	5,326
Proceeds from sales of discontinued operations	4,851	26,360	-
Purchases of available-for-sale securities	(1,385,580)	(921,724)	(86,527)
Proceeds from sales of available-for-sale securities	1,321,398	904,881	50,000
Decrease (increase) in restricted funds, net	(35,309)	(5,758)	11,590
Net cash used in continuing investing activities	(976,011)	(393,653)	(357,253)

See accompanying notes.

HEALTH MANAGEMENT ASSOCIATES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in thousands)

	Years Ended December 31,		
	2011	2010	2009
Cash flows from financing activities:			
Proceeds from long-term borrowings	$ 3,356,970	$ -	$ 38,000
Principal payments on debt and capital lease obligations	(2,869,380)	(40,147)	(127,073)
Payments of debt issuance costs	(75,149)	-	-
Repurchases of convertible debt securities in the open market	-	-	(67,714)
Proceeds from exercises of stock options	14,067	7,469	9,699
Cash received from noncontrolling shareholders, net of certain costs	-	2,547	54,796
Cash payments to noncontrolling shareholders	(28,284)	(20,630)	(35,377)
Equity compensation excess income tax benefits	2,999	1,278	218
Net cash provided by (used in) continuing financing activities	401,223	(49,483)	(127,451)
Net decrease in cash and cash equivalents before discontinued operations	(30,766)	(8,445)	(50,128)
Net increases (decreases) in cash and cash equivalents from discontinued operations:			
Operating activities	5,991	5,672	14,593
Investing activities (see Note 10)	(12,894)	(1,433)	(1,503)
Financing activities	-	-	(558)
Net decrease in cash and cash equivalents	(37,669)	(4,206)	(37,596)
Cash and cash equivalents at the beginning of the year	101,812	106,018	143,614
Cash and cash equivalents at the end of the year	$ 64,143	$ 101,812	$ 106,018
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest, net of amounts capitalized	$ 188,734	$ 204,576	$ 204,718
Income taxes	$ 50,651	$ 69,443	$ 32,124

See accompanying notes.

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SUPPLEMENTAL-1

HMA Fentress County General Hosp.

CN1211-055

SUPPLEMENTAL

2012 NOV 26 AM 9: 34

November 21, 2012

Melanie B. Robinson
Health Management Associates/Ternnova Healthcare
200 E. Blount Avenue, Suite 600
Knoxville, TN 37920

RE: Certificate of Need Application CN1211-055
HMA Fentress dba/Jamestown Regional Medical Center

Dear Ms. Robinson:

This will acknowledge our November 9, 2012 receipt of your application for a Certificate of Need for the establishment of six (6) swing bed services at Jamestown Regional Medical Center converted from six (6) existing medical/surgical beds.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 4:00 p.m., Friday, November 23, 2012. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Section A, Applicant Profile, Item 4.**

   Please provide a copy of the Limited Liability Company (LLC) Certificate of Existence from the Tennessee Secretary of State verifying the LLC is active.

   A copy of the Limited Liability Company (LLC) Certificate of Existence from the Tennessee Secretary of State verifying the LLC is active is attached as Attachment 1.

2. **Section A, Applicant Profile, Item 5.**

   The applicant has indicated there is not a Management/Operating Entity. Although, in Section 7 of the Amended and Restated Operating Agreement attached to Exhibit A, the

SUPPLEMENTAL

Articles of Organization of HMA Fentress County General Hospital, LLC, states "the company shall be managed by Hospital Management Associates, Inc." Please clarify.

The response was meant to indicate that there is no outside management company outside the Health Management Associates' family of companies. Hospital Management Associates, Inc. is a wholly owned subsidiary of Health Management Associates, Inc., the ultimate parent company of HMA Fentress County General Hospital, LLC, d/b/a Jamestown Regional Medical Center. Hospital Management Associates, Inc. provides centralized support services to Jamestown Regional Medical Center, such as Legal, IT, and HR services.

3. **Section A, Applicant Profile, Item 6.**

Please provide documentation of HMA Fentress dba/Jamestown Regional Medical Center ownership of the property.

The property ownership documents are attached as Attachment 3. The attachment includes the following documents:

- ***Order of Default Judgment, dated November 13, 2012, quieting title in favor of HMA Fentress County General Hospital LLC for Parcel 1 (.57 acres) and Parcel 2 (1.49 acres).***
- ***Deed for Parcel 3 (2.95 acres, dated December 21, 2001, from Paracelsus Real Estate Corporation to Paracelsus Fentress County General Hospital, Inc.***
- ***Certificate of Amendment of Articles of Incorporation of Paracelsus Fentress County General Hospital, Inc., dated January 23, 2002, changing name of Paracelsus Fentress County General Hospital, Inc. to HMA Fentress County General Hospital, Inc.***
- ***Certificate of Conversion, dated May 1, 2009, converting HMA Fentress County General Hospital, Inc., to HMA Fentress County General Hospital, LLC.***
- ***Deed for Parcel 4 (2.42 acres), dated July 24, 2003, from Mark and Sarah Clapp to HMA Fentress County General Hospital, Inc.***

4. **Section B, Project Description, Item I.**

What is the age of the physical facility where the proposed six (6) bed swing unit will be located?

The hospital was built in 1960. The facility is 52 years old.

Please provide a brief overview and history of the swing bed program.

The Swing Bed program originated in the 1970's, with the first swing beds being approved in 1973 in Utah, as a means of solving two issues facing rural hospitals: (1) hospitals were built on a scale that often resulted in more beds than patients to fill them, and (2) frail elderly people who were disabled often needed to be transferred from an acute care setting to a nursing home setting far from home. After several years as a demonstration project, the swing bed concept was broadly accepted and encouraged by the Department of Health & Human Services Centers for Medicare &

Medicaid Services (CMS). Today over 60% of all rural hospitals provide swing bed services.

According to CMS, hospitals approved to furnish swing bed services may use their beds as needed to furnish either acute or Skilled Nursing Facility (SNF)-level care. The stated purpose of this allowance is to enable rural hospitals to increase Medicare beneficiary access to post-acute SNF care and maximize the efficiency of operations by meeting demands for acute and long-term care. Hospitals that qualify may use any acute care bed within the hospital, with the exception of rehabilitation, psychiatric, or intensive care units, for the provision of swing bed services.

In order to qualify for CMS approval to provide Swing Beds, a hospital must meet the following criteria:

- ***Be located in a rural area***
- ***Have fewer than 100 beds***
- ***Have a Medicare provider agreement as a hospital***
- ***Have not had a swing bed approval terminated within the two years previous to submission of the current application for swing bed approval***
- ***Not have a nursing waiver granted as specified in the "Code of Federal Regulations" (CFR) at 42 CFR 482.66(b)(1-8)***
- ***Be substantially in compliance with the following SNF participation requirements as specified at 42 CFR 482.66(b)(1-8):***
    - ***Residents' rights;***
    - ***Admission, transfer, and discharge rights;***
    - ***Resident behavior and facility practices;***
    - ***Patient activities;***
    - ***Social services;***
    - ***Discharge planning;***
    - ***Specialized rehabilitation services; and***
    - ***Dental services***

Jamestown Regional Medical Center understands and intends to comply with all of the criteria required for CMS approval of Swing Bed services. The CMS Fact Sheet describing Swing Bed Services is attached as Attachment 4.

In order to better understand how a skilled nursing level of care would be differentiated from general acute as it pertains to the proposal, please briefly compare/contrast the key features of the services. In your response, it would be helpful to compare/contrast the primary clinical features that apply such as qualifying clinical conditions/diagnoses, level of physician supervision required, types of services offered, the average length of stay and any other factors that the applicant wishes to provide.

It is important to note that the bed itself does not "swing," but rather the services and level of care required by the patient in the bed that swings. In addition to the level of care provided, the way the patient is treated from an accounting and billing standpoint changes as well.

The applicant expects that 98+% of the patients utilizing the Swing Bed services require near-acute care as opposed to the kind of chronic or palliative care provided by traditional nursing homes. These are patients who have undergone an acute care, inpatient stay, for various reasons including surgery, hip fractures, pneumonia, or other acute illnesses. For those patients who no longer require the level of nursing provided during an acute stay, but who need near-acute, "long-term" care, such as injections, catheters, intravenous feedings, or rehabilitation services, swing bed

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services can provide a smooth continuum of care from initial hospital admission through discharge to home or nursing home. The patient benefits from the continuity of care during the healing process. According to the Robert Wood Johnson Foundation Swing Bed Project, swing bed patients nationally have an average length of stay of 20 days, versus the local nursing home length of stay of 55 days, again reinforcing the point that patients using swing beds are in more of a near-acute situation than traditional nursing home patients. Many patients will transition from acute care, to skilled nursing care in a hospital swing bed, and then into a traditional nursing home setting.

In terms of comparing clinical care between acute care and skilled nursing, there are some concrete differences. In a skilled nursing bed, the attending physician will not need to see the patient daily, but may see the patient every third or fourth day. The nurses take over more responsibility for the care of the patient than the physician does when the bed "swings" from acute to skilled nursing. The care shifts from diagnosis-centered, doctor-dominated, acute care to the nursing-centered, multidimensional needs of the long-term-care patient. Staff members shift from doing everything for the patient to assisting or allowing the patient to do some tasks for him or herself, for example, feeding and dressing themselves.

What type of patient activities, social services, specialized rehabilitation services and discharge planning will be needed for the skilled nursing component?

For the skilled nursing component, the hospital has social work services to identify social and psychosocial needs and connect patients and their families to the appropriate service providers. In addition, physical, occupational, and speech therapies will be provided. The hospital conducts discharge planning for its patients daily and is fully qualified to provide discharge planning services to the skilled nursing patients.

What are the distinct advantages, other than convenience, for a patient to receive skilled nursing home services in a hospital rather than a free standing nursing home?

The distinct advantages for a patient receiving skilled nursing home services in a hospital rather than a free standing nursing home are the accessibility to medical services and the ability to have continuity of physician care and oversight throughout the acute and post-acute stay in the hospital. A study conducted by the Robert Wood Johnson Foundation also found that patients who need care following an acute hospital stay to prepare to return home are positive about swing beds; being in a hospital makes them feel better cared for and is less disruptive than moving to a nursing home would have been.

What type of acute hospitalization and length of stay requirements qualifies a patient for a swing bed?

There is not a specific type of acute hospitalization that qualifies a patient for a swing bed. CMS does require that the patient have been an inpatient for a medically necessary stay for at least three consecutive calendar days before qualifying for a swing bed. Typical acute care stays that can lead to the need for swing bed services are fractures, mild strokes, heart attacks, and surgical procedures.

How will consumer choice drive the patient's decision to either step down into a swing bed or into a community based nursing home?

The Nurse responsible for discharge planning and case management for the patient will discuss the options for long-term care with the patient and the patient's family members. Those options will include a swing bed, a community based nursing home, or a medically or socially appropriate alternative.

The CV for the proposed Medical Director, Dr. Jonathan Allred, is noted. Please clarify Dr. Allred's experience and expertise with swing bed units and/or patients.

Dr. Allred is Board Certified in Internal Medicine with Residencies in Internal Medicine and Pediatrics. Dr. Allred has been providing care in rural hospitals for twenty years. He has also had many patients discharged into nursing home care who remain his patients. He has experience treating patients across the continuum of care, from good health through acute illnesses and then post-acute levels of care.

The applicant states the conversion of six acute care beds to skilled nursing/swing beds is needed to maximize the efficiency of operations and meet the unpredictable demands for acute and skilled level beds. Please clarify what is meant by unpredictable demands and how often has the applicant experienced these demands within the last year.

As was noted in the application, 338 Jamestown Regional Medical Center acute care patients were discharged into a skilled nursing bed during 2011. In some cases, particularly in the latter half of 2011, an open skilled bed could not be found at the point when discharge from acute care was appropriate, and the patient had to remain in the hospital as an acute care patient for his or her safety. Unfortunately, because hospitals are now paid for services based on a DRG allowable payment, the hospital is not paid for the extra days of care by CMS. If swing bed services are approved, the hospital can provide skilled nursing services to those patients, reducing disruption to the patient until and unless he or she is ready to move to another care setting or go home, and the hospital can be paid for the care it is providing.

Please indicate the closest nursing home offering skilled nursing services to the applicant and the traveling distance.

The closest nursing home offering skilled nursing services is Signature Healthcare of Fentress County, which is located in close proximity to the hospital, across the street.

5. Section B, Project Description, Items II. A and II. B

Please indicate the square footage of the location of the proposed six (6) swing beds including the size of patient rooms. Also, please indicate the total number of private and semi-private beds associated with the proposed swing beds.

The proposed swing beds are not in a separate unit, but rather any medical/surgical bed in the hospital can "swing" to become a skilled nursing bed, depending on the needs and status of the patient, up to a maximum of six (6) skilled nursing patients at any one time.

The total square footage of the nursing/patient care units is 13,567 square feet. The room breakdown is as follows:

13 Private rooms – 120 square feet each
21 Semi-private rooms – 240 square feet each
2 Three-bed wards – 320 square feet each

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Please provide a percentage breakdown on how the applicant will utilize the six (6) proposed swing beds, i.e., skilled care vs. acute care hospital services.

This application has estimated an average daily census of 5.3 patients needing skilled nursing services. Translated into percentages, it is estimated that 88% of the six (6) bed capacity will be utilized for skilled care.

For patients requiring Level II skilled nursing care services, are any modifications required to the proposed swing bed area to meet licensure requirements by the Tennessee Department of Health, such as arrangements for privacy, handicapped access, etc.?

No modifications are required to the proposed swing bed area to meet licensure requirements by the Tennessee Department of Health.

6. Section B, Project Description, Item II. C.

The applicant states almost 15% of Jamestown's RMC's discharges are discharged into another care setting. Please indicate which nursing home received the most discharges for skilled nursing care in 2011.

Signature Healthcare of Fentress County received the most discharges for skilled nursing care from Jamestown Regional Medical Center in 2011.

7. Section B, Project Description, Item IV (Floor Plan)

Please submit a legible floor plan.

Unfortunately, an alternative floor plan is not available, and increasing the size of this document does not improve its legibility. The floorplan has been resubmitted as Attachment 7, with the nursing units highlighted, so that it is apparent where the swing beds can be located.

8. Section C, Need, Item 1

Please respond to each principle in the "Five Principles to Achieve Better Healthcare" Section.

The Five Principles to Achieve Better Healthcare in Tennessee's State Health Plan are:

1. ***Healthy Lives***
2. ***Access to Care***
3. ***Economic Efficiencies***
4. ***Quality of Care***
5. ***Health Care Workforce***

This application supports achievement of the Five Principles in the following ways:

1. ***<u>Healthy Lives</u>. Goal 1F is to "Reduce barriers to becoming healthy for everyone." Two strategies for achieving this goal are supported by this application:***
   - ***a. Increase community-based, culturally appropriate care, and***
   - ***b. Support programs that foster good mental and physical health for…the elderly…and other vulnerable populations.***

Providing skilled nursing in a setting that helps transition elderly patients from acute care to the appropriate longer-term setting by offering skilled nursing beds within the hospital eliminates potential barriers to returning home or into the appropriate long-term care environment.

2. Access to Care. The entire focus of this application is to improve access to needed medical services for those patients who are transitioning from an acute care hospital stay and need additional medical services in a near-acute environment.

3. Economic Efficiencies. By allowing the hospital to utilize its available beds to provide skilled nursing care, the Agency will be helping the hospital achieve maximum efficiency. According to the Department of Health & Human Services, one of the primary purposes of a swing bed program is to help the hospital maximize its efficiency of operations.

4. Quality of Care. While the State Health Plan addresses many issues and has many goals related to quality of care, Goal 4E states "Ensure patients receive well-coordinated…care across all providers, settings, and levels of care." This application, if approved, allows patients to experience coordinated and consistent care in two care settings, acute and skilled nursing care. Having consistency of both physicians and nursing staff for the skilled nursing portion of a hospital stay will promote better quality of care, particularly for those patients requiring more medical services, such as catheters or IV medications.

5. Health Care Workforce. This application supports having a strong health care workforce in two ways. First, by allowing for greater flexibility in the use of the hospital beds, it allows Jamestown Regional Medical Center to provide greater stability and higher numbers of patients, thereby ensuring stable employment for the nursing and support staff of the hospital. Second, skilled nursing is more nurse-driven than diagnosis or physician-driven. Providing the Jamestown RMC nursing staff the opportunity to take a greater leadership role in providing patient care promotes professional growth and development of the nursing staff.

9. Section C, Need, Item 1.a. (Service Specific Criteria (Swing Bed Services) B.

Please identify the federal criteria as mandated by the Health Care Financing Administration for a swing bed unit and how the applicant meets those criteria.

The federal criteria as mandated by CMS for swing beds follow.
The Hospital must:

- ***Be located in a rural area, which includes all areas that are not delineated as urbanized by the U.S. Census Bureau based on the most recent census for which data is published (an urbanized area does not include an urban cluster);***
- ***Have fewer than 100 beds;***
- ***Have a Medicare provider agreement as a hospital;***
- ***Have not had a swing bed approval terminated within the two years previous to submission of the current application for swing bed approval;***
- ***Not have a nursing waiver granted as specified in the "Code of Federal Regulations" (CFR) at 42 CFR 482.66(b)(1-8);***
- ***Be substantially in compliance with the following SNF participation requirements as specified at 42 CFR 482.66(b)(1-8):***
    - ***Residents' rights;***
    - ***Admission, transfer, and discharge rights;***

- ***Resident behavior and facility practices;***
- ***Patient activities;***
- ***Social services;***
- ***Discharge planning;***
- ***Specialized rehabilitation services; and***
- ***Dental services***

Jamestown Regional Medical Center understands and intends to comply with all of the criteria required for CMS approval of Swing Bed services.

10. Section C, Need, Item 4.B

Please explain the new private exchange as part of the recently enacted Affordable Care Act and how the applicant expects the numbers of uninsurable in the proposed service area to drop 50% by the year 2015.

The Affordable Care Act contemplates the reduction in the uninsured through expansion of Medicaid eligibility, allowing young people to stay on their parents' health insurance until age 26, and subsidizing the purchase of health insurance on the new private exchange starting in 2014. People expected to benefit from the private exchange subsidies are working people whose employers do not offer health care benefits, or who are lower wage earners for whom purchasing health care insurance is currently cost prohibitive. It is projected by Thomson Reuters, the source used to provide the insurance coverage estimated included in this application, that the number of uninsured Americans will drop by 50% because of expanded coverage under the Affordable Care Act.

11. Section C., Need, Item 5

The applicant appears to not have included Good Samaritan Society Fairfield Glade (Cumberland County) in the existing nursing home bed inventory. The project (CN0806-035) was for the establishment of a new 30 bed skilled nursing home for skilled nursing services to be licensed for dually certified participation in Medicare and Medicaid at a project cost of $6,228,253. The project was implemented in November 1, 2011. Please include this facility as an existing facility and revise other areas of the application to reflect this facility as necessary.

Good Samaritan Society Fairfield Glade is included on the chart, but no utilization data is currently available. Therefore, the beds have been added to the chart, but no categorized ADC information can be provided.

Since you are requesting six (6) skilled Medicare-certified beds from the Nursing Home Bed Pool, please complete the following tables for the nursing homes in the proposed six (6) county service area:

For the purposes of legibility, these charts have been produced full size, and are attached as Attachment 11.

Six County
Service Area Nursing Home Utilization-2011

Facility	Licensed Beds	SNF Beds-Medicare	SNF/NF Beds-Dually Certified	NF Beds-Medicaid	Licensed Only Beds Non-Certified	SNF Medicare ADC	SNF Medicaid ADC	SNF All other Payors ADC	NF ADC	Total ADC

TOTAL										

Six County
Service Area Utilization Trends (2009-2011)

Facility	Licensed Beds	2009 Patient Days	2010 Patient Days	2011 Patient Days	'09- '11 % change	2009 % Occupancy	2010 % Occupancy	2011 % Occupancy
TOTAL								

12. Section C, Need, Item 6

Please calculate the hospital's licensed and staffed bed occupancy rates for the past three years by the following two methods: 1) for all 85 licensed beds, and 2) for the 75 medical/surgical beds

Occupancy Rates – Please note that the Geri-Psych unit was not implemented until 2010, so all 85 beds were Medical/Surgical beds in 2009.

Licensed Bed Occupancy Rates:
2009 – 24% occupancy rate (all 85 beds)

2010 – 21% occupancy rate for 85 beds. 24% occupancy rate for 75 medical/surgical beds.

2011 – 20% occupancy rate for 85 beds. 22% occupancy rate for 75 medical/surgical beds.

Staffed Bed Occupancy Rates:
2009 – 38% occupancy rate

2010 – 36% occupancy rate for 85 beds. 39% occupancy rate for 75 medical/surgical beds.

2010 – 34% occupancy rate for 85 beds. 36% occupancy rate for 75 medical/surgical beds.

SUPPLEMENTAL

Please complete the following table:

HMA Fentress dba Jamestown Regional Medical Center
Projected Swing Bed Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	SNF Medicaid ADC	SNF All other Payors ADC	NF ADC	Total ADC	Licensed Occupancy %
1	6	6	4	1.3			5.3	88.3%
2	6	6	4.1	1.4			5.5	91.6%

* Includes dually-certified beds

The applicant indicates that all patient days will be Level II days. What will happen to Medicaid patients who no longer require care to justify Level II reimbursement?

Jamestown RMC's swing bed services will be for the purposes of caring for patients who need Level II skilled nursing care. When any patient no longer requires Level II care, he or she will be discharged into a more appropriate care setting. As discussed previously, at discharge, a Nurse (along with the entire patient care team) will assist the patient by providing appropriate discharge planning, including connecting the patient with necessary social services.

13. Section C, Economic Feasibility, Item 1

Since the Department of Health's Board for Licensing Health Care Facilities adopted the 2010 Edition of the AIA Guidelines recently, please discuss how the project will pass the Department of Health's Board for Licensing Health Care Facilities' survey inspection for occupancy as skilled nursing beds.

The beds that will be utilized in this project are existing Medical/Surgical beds in the Jamestown Regional Medical Center nursing units. The hospital has recently undergone surveys in which it passed the requirements for hospital facilities, which are more stringent than the requirements for skilled beds.

14. Section C, Economic Feasibility, Item 4 (Historical and Projected Data Chart)

Please clarify why salaries and wages have decreased from $10,039,123 in 2009 to $8,996,114 in 2011 on the Historical Data Chart while revenue for outpatient and inpatient services have increased during the same time period.

The hospital went through a reduction in staff during 2011, reducing the costs for both salaries and benefits, which is reflected in the salaries and wages line of the Historical Data Chart. Revenues for inpatient and outpatient services increased due to two charge increases over the three year period.

The categories of D.9 Operating Expenses in the Historical Data chart for 2009-2011 on a separate page is noted. Since these expenses range from $5,157,418 to $7,508,379,

please itemize those expenses to the categories listed by the applicant i.e.- Repairs and Maintenance, Travel, Training, Meals, Dues and Subscriptions, Memberships, Recruitment.

An itemization of D.9 Operating Expenses has been included on the updated Historical Data Chart, shown in Attachment 14.A.

Please 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 also include any management fees paid by agreement to third party entities not having common ownership with the applicant. Management fees should not include expense allocations for support services, e.g., finance, human resources, information technology, legal, managed care, planning marketing, quality assurance, etc. that have been consolidated/centralized for the subsidiaries of a parent company. The HSDA is utilizing more detailed Historical and Projected Data Charts. If needed, please complete a revised Projected Data Chart.

A revised Historical Data Chart has been attached to more accurately categorize management fees, Attachment 14.A. The most recent format of the Historical Data Chart was used. No Management Fees were projected in the original Projected Data Chart, so no revision is needed.

The applicant has experienced net operating losses in 2009-2011. Please provide a projected data chart for HMA Fentress dba/Jamestown Regional Medical Center for two years following completion of the proposed project.

A projected data chart for HMA Fentress County General Hospital d/b/a Jamestown Regional Medical Center for two years following completion of the project is attached as Attachment 14.B.

The applicant is assigning $20,000 to Physician's Salaries and Wages which calculates to $1,666 per month for physician's services. Please clarify if this amount is sufficient while the applicant is projecting a 90% occupancy rate in Year One.

The $20,000 projected as "Physician's Salaries and Wages" is actually the Medical Director fee. $20,000 has been determined to be fair market value for Medical Director services for the skilled nursing beds according to the most recent MGMA Medical Director compensation data. The physicians providing patient care bill for the professional component of their services, and are not paid a salary by the hospital.

The applicant has assigned $753,650 to salaries in Year One and $799,836 in Year Two of the project. Please provide details regarding how these figures were calculated.

The salary assumptions made to support the staffing needed for an average daily census of 5.3 patients is one (1) RN, one (1) LPN, and one (1) CNA at all times, 24 hours per day, seven days per week. Going from Year One to Year Two, a 3% salary increase was projected, along with an increase in the cost of benefits.

15. Section C, Economic Feasibility, Item 9

As was noted earlier it is unclear how the applicant expects to serve only skilled patients as some Medicaid patients will at some point in their stay only require NF care. Please discuss.

Jamestown Regional Medical Center's swing bed services will be for the purposes of caring for patients who need Level II skilled nursing care. When any patient no longer requires Level II care, he or she will be discharged into a more appropriate care setting.

16. Section C, Orderly Development, Item 3

The applicant states earlier in the application Occupational therapy will be provided by a part-time therapist. Please clarify if the applicant plans to hire an Occupational Therapist.

Yes, the applicant intends to hire an Occupational Therapist on a part-time basis.

Please clarify if the existing staff is trained to provide skilled nursing services.

The existing staff is qualified to provide skilled nursing services and to meet the needs of the skilled nursing patients. If this application is approved, general staff training will be provided, ensuring that staff members are fully aware of the differences in expectation for skilled nursing patients versus acute care patients, as well as the accommodations that should be made to help those patients gain greater independence.

17. Section C, Orderly Development, Item 7 (a).

Please verify that the applicant has reviewed and understand licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or applicable Medicare requirements.

The applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and applicable Medicare requirements.

18. Project Completion Chart

Since this application will not be heard any sooner than February 2012, please make the appropriate adjustments and submit a revised Project Completion Forecast Chart.

An updated Project Completion Forecast Chart is attached as Attachment 18.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is Tuesday, January 15, 2013. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

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):

(1) 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.

(2) 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 any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Phillip Earhart
Health Services Development Examiner

SUPPLEMENTAL

Enclosure

PME

SUPPLEMENTAL

List of Attachments

Attachment 1	Certificate of Existence
Attachment 3	Property Ownership Documents
Attachment 4	CMS Fact Sheet regarding Swing Bed Services
Attachment 7	Floor Plan
Attachment 11	Utilization Charts
Attachment 14.A	Updated Historical Data Chart with Other Expense Detail
Attachment 14.B	Projected Data Chart for Jamestown Regional Medical Center
Attachment 18	Project Completion Forecast Chart

SUPPLEMENTAL

Attachment 4

SUPPLEMENTAL

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services

Official CMS Information for
Medicare Fee-For-Service Providers

Swing Bed Services

RURAL HEALTH FACT SHEET SERIES

This publication provides the following information about swing bed services:

- Background;
- Requirements that apply to hospitals;
- Requirements that apply to Critical Access Hospitals (CAH);
- Swing bed services payments; and
- Resources.

Background

Hospitals, as defined in Section 1861(e) of the Social Security Act, or CAHs with a Medicare provider agreement that includes Centers for Medicare & Medicaid Services (CMS) approval to furnish swing bed services, may use their beds as needed to furnish either acute or Skilled Nursing Facility (SNF)-level care.

Rural hospitals and CAHs that have swing bed approval increase Medicare beneficiary access to post-acute SNF care and maximize the efficiency of operations by meeting unpredictable demands for acute and long-term care.

Hospitals that are paid under the Acute Care Hospital Inpatient Prospective Payment System (IPPS) and CAHs may use any acute care bed within the hospital or CAH (with the exception of beds within their IPPS excluded rehabilitation or psychiatric unit, beds in an intensive care-type unit, or beds for newborns) for the provision of swing bed services.

Medicare beneficiaries must receive acute care as a hospital or CAH inpatient for a medically necessary stay of at least three consecutive calendar days in order to qualify for coverage of SNF-level services.

Requirements That Apply to Hospitals

In order to be granted, and retain, approval to furnish post-acute level SNF care via a swing bed agreement, hospitals must:

- Be located in a rural area, which includes all areas that are not delineated as urbanized by the U.S. Census Bureau based on the most recent census for which data is published (an urbanized area does not include an urban cluster);
- Have fewer than 100 beds (excluding beds for newborns and intensive care-type units);
- Have a Medicare provider agreement as a hospital;
- Have not had a swing bed approval terminated within the two years previous to submission of the current application for swing bed approval;

ICN 006951 November 2011

- Not have a nursing waiver granted as specified in the "Code of Federal Regulations" (CFR) at 42 CFR 488.54(c); and
- Be substantially in compliance with the following SNF participation requirements as specified at 42 CFR 482.66(b)(1–8):
  - Residents' rights;
  - Admission, transfer, and discharge rights;
  - Resident behavior and facility practices;
  - Patient activities;
  - Social services;
  - Discharge planning;
  - Specialized rehabilitative services; and
  - Dental services.

Requirements That Apply to Critical Access Hospitals

CAHs must be substantially in compliance with the following SNF participation requirements as specified at 42 CFR 485.645(d)(1–9):

- Residents' rights;
- Admission, transfer, and discharge rights;
- Resident behavior and facility practices;
- Patient activities (with exceptions for director of services);
- Social services;
- Comprehensive assessment, comprehensive care plan, and discharge planning (with some exceptions);

- Specialized rehabilitative services;
- Dental services; and
- Nutrition.

A CAH may maintain no more than 25 inpatient beds. When a CAH has Medicare approval to furnish swing bed services, it may use any of its 25 inpatient beds for either acute care or SNF-level care. A CAH may also be certified to have an additional 10 beds each in a psychiatric or rehabilitation distinct part unit (DPU); however, a bed that is within a CAH psychiatric or rehabilitation DPU may not be used for swing bed services.

Swing Bed Services Payments

Effective with cost reporting periods beginning on or after July 1, 2002, hospitals offering swing bed services (excluding CAHs) are paid for their SNF-level services under the SNF PPS. The SNF PPS covers all costs (ancillary, routine, and capital) related to covered services furnished to Medicare beneficiaries under a Medicare Part A covered SNF stay, with the exception of certain specified services that are separately billable under Part B.

CAHs that offer swing bed services are exempt from the SNF PPS and are instead reimbursed for their SNF-level services based on 101 percent of the reasonable cost of the services.

Resources

For more information about swing bed services, visit http://www.cms.gov/SNFPPS/03_SwingBed.asp on the CMS website. You may also refer to Chapter 8 of the "Medicare Benefit Policy Manual" (Publication 100-02) and Chapter 6 of the "Medicare Claims Processing Manual" (Publication 100-04) located at http://www.cms.gov/Manuals/IOM/list.asp and the "Skilled Nursing Facility" section of the Medicare Learning Network® publication titled "MLN Guided Pathways to Medicare Resources Provider Specific" booklet at http://www.cms.gov/MLNEdWebGuide/Downloads/Guided_Pathways_Provider_Specific_Booklet.pdf on the CMS website. For more information about "CFR" citations, refer to the "CFR" located at http://www.gpo.gov/fdsys/search/home.action on the U.S. Government Printing Office website. To find the compilation of Social Security laws, visit http://www.ssa.gov/OP_Home/ssact/title18/1800.htm on the U.S. Social Security Administration website. To find Medicare information for beneficiaries (e.g., Medicare basics, managing health, and resources), visit http://www.medicare.gov on the CMS website.

Helpful Websites

American Hospital Association Rural Health Care
http://www.aha.org/advocacy-issues/rural

Critical Access Hospitals Center
http://www.cms.gov/center/cah.asp

Disproportionate Share Hospital
http://www.cms.gov/AcuteInpatientPPS/05_dsh.asp

Federally Qualified Health Centers Center
http://www.cms.gov/center/fqhc.asp

Health Resources and Services Administration
http://www.hrsa.gov

Hospital Center
http://www.cms.gov/center/hospital.asp

HPSA/PSA (Physician Bonuses)
http://www.cms.gov/hpsapsaphysicianbonuses

Medicare Learning Network
http://www.cms.gov/MLNGenInfo

National Association of Community Health Centers
http://www.nachc.org

National Association of Rural Health Clinics
http://www.narhc.org

National Rural Health Association
http://www.ruralhealthweb.org

Rural Health Clinics Center
http://www.cms.gov/center/rural.asp

Rural Assistance Center
http://www.raconline.org

Swing Bed Providers
http://www.cms.gov/SNFPPS/03_SwingBed.asp

Telehealth
http://www.cms.gov/Telehealth

U.S. Census Bureau
http://www.census.gov

Regional Office Rural Health Coordinators

Below is a list of contact information for CMS Regional Office Rural Health Coordinators who provide technical, policy, and operational assistance on rural health issues.

Region I – Boston
Rick Hoover
E-mail: rick.hoover@cms.hhs.gov
Telephone: (617) 565-1258
States: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

Region II – New York
Miechal Lefkowitz
E-mail: miechal.lefkowitz@cms.hhs.gov
Telephone: (212) 616-2517
States: New Jersey, New York, Puerto Rico, and Virgin Islands

Region III – Philadelphia
Patrick Hamilton
E-mail: patrick.hamilton@cms.hhs.gov
Telephone: (215) 861-4097
States: Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia

Region IV – Atlanta
Lana Dennis
E-mail: lana.dennis@cms.hhs.gov
Telephone: (404) 562-7379
States: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee

Region V – Chicago
Christine Davidson
E-mail: christine.davidson@cms.hhs.gov
Telephone: (312) 886-3642
States: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin

Region VI – Dallas
Becky Peal-Sconce
E-mail: becky.peal-sconce@cms.hhs.gov
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States: Arkansas, Louisiana, New Mexico, Oklahoma, and Texas

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Claudia Odgers
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Telephone: (816) 426-6524
States: Iowa, Kansas, Missouri, and Nebraska

Region VIII – Denver
Lyla Nichols
E-mail: lyla.nichols@cms.hhs.gov
Telephone: (303) 844-6218
States: Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming

Region IX – San Francisco
Neal Logue
E-mail: neal.logue@cms.hhs.gov
Telephone: (415) 744-3551
States: Arizona, California, Hawaii, Nevada, Guam, Commonwealth of the Northern Mariana Islands, American Samoa, Marshall Islands, Republic of Palau, and Federated States of Micronesia

Region X – Seattle
Teresa Cumpton
E-mail: teresa.cumpton@cms.hhs.gov
Telephone: (206) 615-2391
States: Alaska, Idaho, Oregon, and Washington

This fact sheet was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

This fact sheet was prepared as a service to the public and is not intended to grant rights or impose obligations. This fact sheet may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

Your feedback is important to us and we use your suggestions to help us improve our educational products, services and activities and to develop products, services and activities that better meet your educational needs. To evaluate Medicare Learning Network® (MLN) products, services and activities you have participated in, received, or downloaded, please go to http://www.cms.gov/MLNProducts and click on the link called 'MLN Opinion Page' in the left-hand menu and follow the instructions.

Please send your suggestions related to MLN product topics or formats to MLN@cms.hhs.gov.

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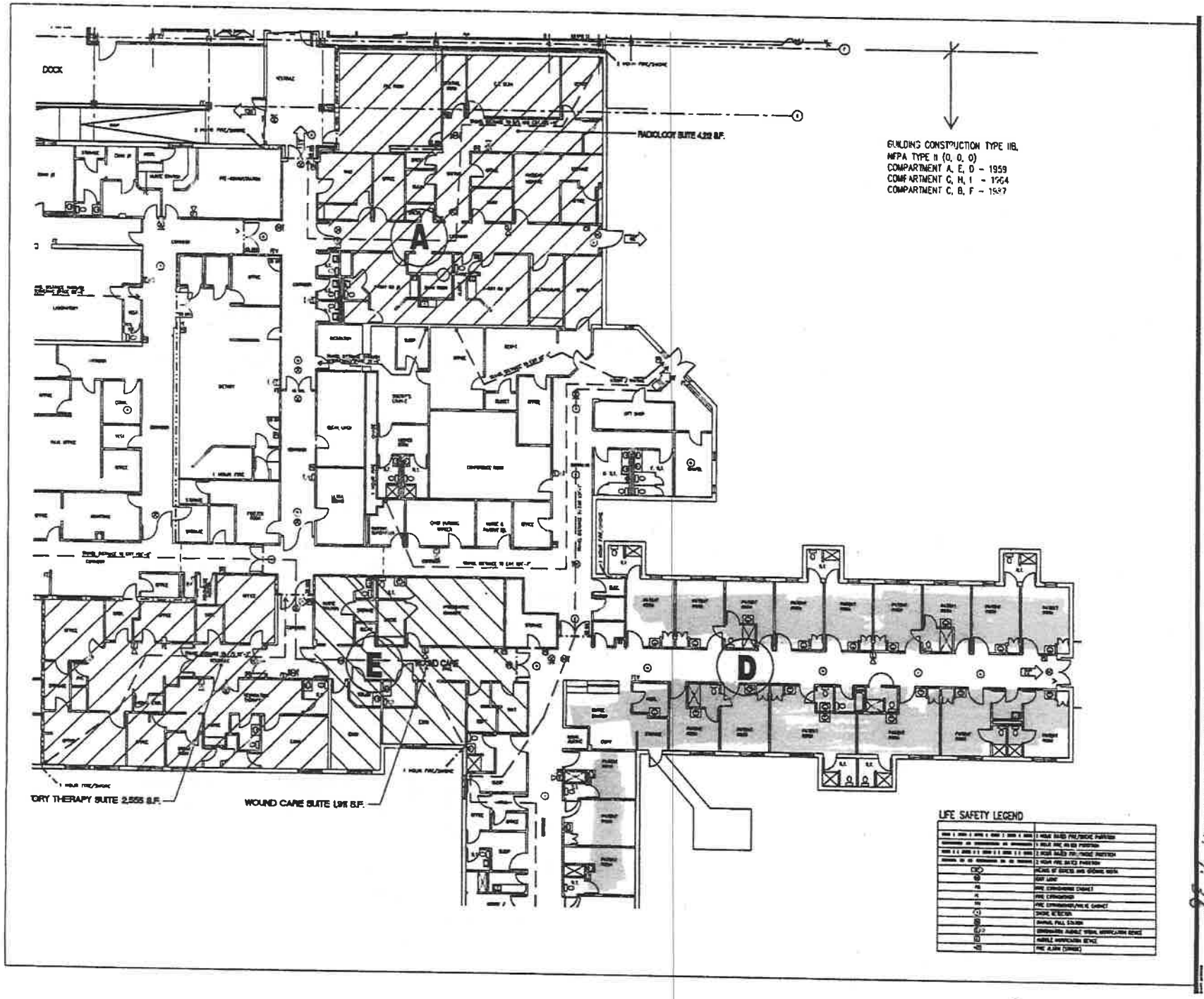
SUPPLEMENTAL

Attachment 7



HHCP

Health Mangement Associates
Life Safety Plans
Jamestown Regional Medical Center

Key Plan

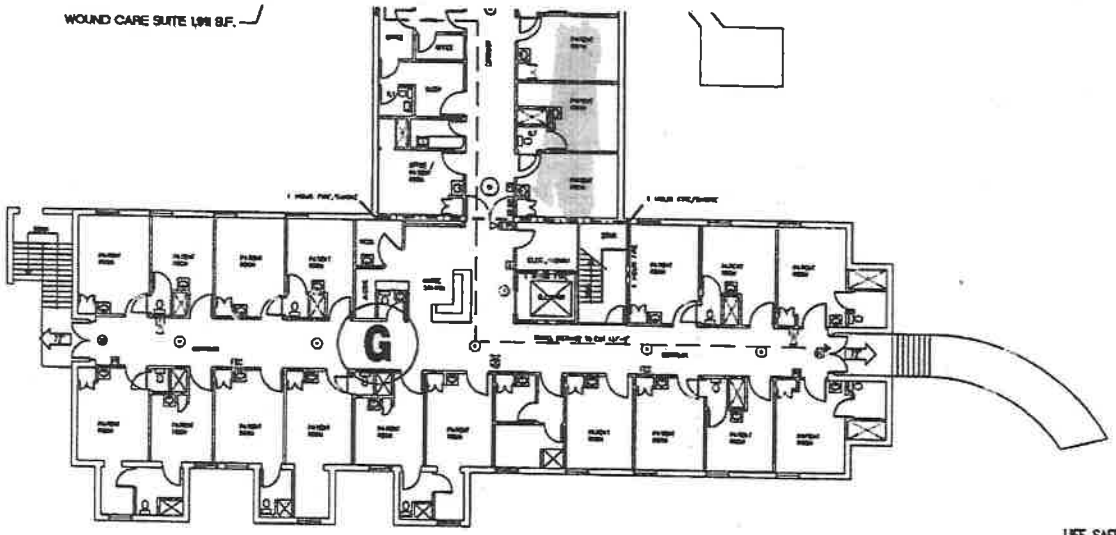
Issued for

Revisions

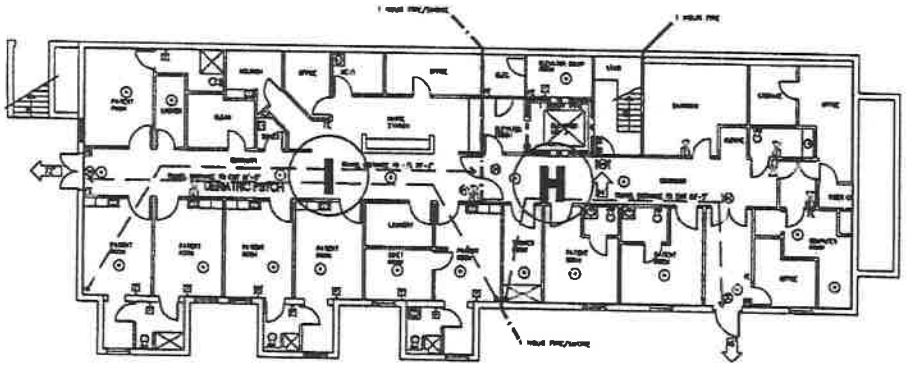
SUPPLEMENTAL

LIFE SAFETY PLAN
GROUND LEVEL

2.00C



EXISTING GROUND FLOOR



EXISTING LOWER FLOOR

LIFE SAFETY LEGEND

	1 HOUR RATED FIRE/SMOKE PARTITION
	1 HOUR FIRE RATED PARTITION
	2 HOUR RATED FIRE/SMOKE PARTITION
	2 HOUR FIRE RATED PARTITION
	HEIGHT OF DIRECT AND SPECIFIC AREA
	EXIT LIGHT
	FIRE EXTINGUISHER CABINET
	FIRE EXTINGUISHER
	FIRE EXTINGUISHER/HOSE CABINET
	SMOKE DETECTOR
	MANUAL PULL STATION
	COMBINATION AUDIBLE VISUAL NOTIFICATION DEVICE
	AUDIBLE NOTIFICATION DEVICE
	FIRE ALARM (STROBE)

HHCP

Health Mangement Associates
Life Safety Plans
Jamestown Regional Medical Center
AN EMERY ARCHITECTS, P.A. PROJECT

Key Plan

Issued for

Revisions

LIFE SAFETY PLAN
GROUND LEVEL

2.00D

SUPPLEMENTAL

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SUPPLEMENTAL

Attachment 11

Skilled Nursing Beds in the Jamestown Regional Medical Center Service Area

Facility	Licensed Beds	SNF Beds - Medicare	SNF/NF Beds - Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non-Certified	SNF Medicare ADC	SNF Medicaid ADC	SNF All Other Payors ADC	NF ADC	Total ADC
Signature Healthcare of Fentress County	140		100		40	27.2	1.4	0.0	68.3	96.9
Pickett Care and Rehabilitation Center	69		69			16.2	0.5		48.0	64.7
Life Care Center of Morgan County	124		124			11.2	2.9	8.1	73.6	95.8
Huntsville Manor	96		96			18.8	4.4	2.6	63.8	89.5
Oneida Nursing & Rehab Center	56		56			15.8			35.4	51.2
Bethesda Health Care Center	120		120			21.0			90.1	111.1
Masters Health Care Center	175		175			30.8	2.0	0.8	131.8	165.3
NHC Healthcare, Cookeville	94		48	46		23.4	9.8		54.0	87.2
Standing Stone Care & Rehabilitation Center	115		78		37	18.8			73.6	92.4
Life Care Center of Crossville	122		122			24.4			60.8	85.3
Mary Cravath Wharton Nursing Home	62			62					60.9	60.9
Good Samaritan Society Fairfield Glade*	30		30							
WyndRidge Health & Rehabilitation Center	157		157			20.4	0.3	0.7	115.5	136.9
All Providers	1,360		1,175	108	77	228	21	12	876	1,137

Source: 2011 Joint Annual Reports

* Good Samaritan Society Fairfield Glade was implemented in November, 2011. No publicly reported data is available.

SUPPLEMENTAL

Six County Service Area Utilization Trends (2009 - 2011)

Facility	Licensed Beds	2009 Patient Days	2010 Patient Days	2011 Patient Days	09- '11 % Change	2009 % Occupancy	2010 % Occupancy	2011 % Occupancy
Signature Healthcare of Fentress County	140	34,760	34,966	35,385	1.8%	68.0%	68.4%	69.2%
Pickett Care and Rehabilitation Center	69	24,187	23,759	23,631	-2.3%	96.0%	94.3%	93.8%
Life Care Center of Morgan County	124	41,609	38,012	34,978	-15.9%	91.9%	84.0%	77.3%
Huntsville Manor	96	32,502	32,906	32,661	0.5%	92.8%	93.9%	93.2%
Oneida Nursing & Rehab Center	56	18,490	20,204	18,690	1.1%	90.5%	98.8%	91.4%
Bethesda Health Care Center	120	30,080	76,780	40,560	34.8%	68.7%	175.3%	92.6%
Masters Health Care Center	175	61,759	62,601	60,331	-2.3%	96.7%	98.0%	94.5%
NHC Healthcare, Cookeville	94	32,298	32,380	31,823	-1.5%	94.1%	94.4%	92.8%
Standing Stone Care & Rehabilitation Center	115	32,630	31,847	33,724	3.4%	77.7%	75.9%	80.3%
Life Care Center of Crossville	122	38,492	29,279	31,127	-19.1%	86.4%	65.8%	69.9%
Mary Cravath Wharton Nursing Home	62	21,595	22,138	22,241	3.0%	95.4%	97.8%	98.3%
WyndRidge Health & Rehabilitation Center	157	52,339	51,403	49,980	-4.5%	91.3%	89.7%	87.2%
Good Samaritan Society Fairfield Glade	30							
All Providers	1,360	420,741	456,275	415,131	-1.3%	84.8%	91.9%	83.6%

NOTE: 2010 Patient Days for Bethesda Health Care Center appears to be a reporting error in the Joint Annual Report. More days reported than available

Good Samaritan Fairfield Glade was implemented in November 2011. No utilization data is available for 2011

Source: 2009-2011 Joint Annual Reports

SUPPLEMENTAL

SUPPLEMENTAL

Attachment 14.A

137

Health Management Associates

SUPPLEMENTAL- # 2
November 20, 2012
10:00am

2012 NOV 27 AM 9 51

November 26, 2012

Mr. Phillip Earhart, Health Services Development Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, TN 37243

Re: CN1211-055 – Additional Response to Supplemental Questions

Dear Mr. Earhart:

Per our discussion, enclosed please find, in triplicate, documentation of the existence of Jamestown Regional Medical Center's LLC, as well as an updated Historical Data Chart and Projected Data Chart.

Thank you for the opportunity to provide further information.

Sincerely,

Melanie B. Robinson
Regional Director, Planning and Business Development

HMA.COM

5811 PELICAN BAY BLVD., SUITE 500, NAPLES, FL 34108
P 239.598.3131 F 239.597.5794

2012 NOV -7 AM 9:57

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the **Fentress Courier** which is a newspaper
(Name of Newspaper)
of general circulation in **Fentress County**, Tennessee, on or before **November 7, 2012**, for one day.
(County) (Month / day)(Year)

==========

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that: **HMA Fentress County Hospital, LLC, d/b/a Jamestown Regional Medical Center** **Hospital**
(Name of Applicant) (Facility Type-Existing)

owned by: **HMA Fentress County Hospital** with an ownership type of **Limited Liability Corporation** and to be managed by: **HMA Fentress County Hospital, LLC** intends to file an application for a Certificate of Need

for: **the establishment of six (6) swing beds and the initiation of swing bed services at Jamestown Regional Medical Center, which is located at 436 Central Avenue West, Jamestown, Tennessee 38556. Six (6) existing medical/surgical beds will be converted to swing beds. The number of licensed beds will not change. No other services will be initiated or discontinued and no major medical equipment is requested. No facility renovations are required for this project. The anticipated total cost of the project is $30,677.**

The anticipated date of filing the application is: **November 12, 2012**

The contact person for this project is **Melanie B. Robinson** **Regional Director, Planning and Business Development**
(Contact Name) (Title)

who may be reached at: **Tennova Healthcare** **200 E. Blount Ave., Suite 600**
(Company Name) (Address)

Knoxville **Tennessee** **37920** **865 / 632-5604**
(City) (State) (Zip Code) (Area Code / Phone Number)

(Signature) **October 5, 2012** **melanie.robinson@hma.com**
(Date) (E-mail Address)

==========

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243

==========

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice 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.

==========

CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
Division of Policy, Planning and Assessment
Office of Health Statistics
615-741-1954

DATE: January 31, 2013

APPLICANT: HMA Fentress County Hospital
D/b/a Jamestown Fentress Regional Medical Center
436 Central Avenue West
Jamestown, Tennessee 38556

CON# CN1211-055

CONTACT PERSON: Melanie B. Robinson, Regional Director, Planning
Health Management Associates
200 East Blount Avenue, Suite 600
Knoxville, Tennessee 37920

COST: $30,677

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Health Statistics, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's Health: Guidelines for Growth, 2000 Edition*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, HMA Fentress County Hospital d/b/a Jamestown Regional Medical Center, located at 436 Central Avenue West, Jamestown, Tennessee, seeks Certificate of Need (CON) approval to convert six acute care beds to skilled nursing/swing beds in order to maximize the efficiency of operations and meet the unpredictable demands for acute or skilled level beds. No other health care services will be initiated or discontinued.

The proposed swing beds will be located in the existing nursing units. Additional services provided for the patients will include physical, occupational, and speech therapies. No construction is required for the project, although some minor equipment for physical therapy is required. Skilled nursing will be provided by existing nursing staff.

Jamestown Regional Medical Center is owned and operated by HMA Fentress County General Hospital, LLC, which is wholly owned subsidiary of Health Management Associates, LLC, of Naples, Florida. The ownership structure is shown on the organizational chart, Attachment B. I. Project Description. 2. Health Management operates 70 hospitals in 15 states. Besides Jamestown RMC, Health Management also operated University Medical Center in Lebanon, Harton Regional Medical Center in Tullahoma, and six Tennova hospitals in Knox, Jefferson, Campbell, and Cocke counties in Tennessee.

The total project cost is $30,677 and will be funded through cash reserves as noted by the Chief Financial Officer in a letter located in Attachment C. Economic Feasibility 2. E.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

NEED:

The service area consists of the six county area that includes Fentress, Pickett, Morgan, Scott, Putnam, and Cumberland counties, which are the source for 95% of Jamestown RMG's inpatient admissions.

The following chart illustrates the total population projections of the service area.

Service Area Total Population Projections for 2013 and 2017

County	2013 Population	2017 Population	% Increase/ (Decrease)
Cumberland	56,325	58,041	3.0%
Fentress	18,265	18,662	2.2%
Morgan	21,014	21,467	2.2%
Pickett	5,107	5,221	2.2%
Putnam	73,212	76,042	1.1%
Scott	23,465	24,272	3.4%
Totals	**197,388**	**203,705**	**3.2%**

Source: *Tennessee Population Projections 2000-2020, February 2008 Revision; Tennessee Department of Health, Division of Policy, Planning and Assessment – Office of Health Statistics*

Service Area 65+ Population Projections for 2013

County	2013 Population	65+ Population	% Population 65+
Cumberland	56,325	14,826	26.3%
Fentress	18,265	3,662	21.0%
Morgan	21,014	3,190	15.2%
Pickett	5,107	1,130	22.1%
Putnam	73,212	11,542	15.8%
Scott	23,465	3,388	12.8%
Totals	**197,388**	**37,738**	**19.1%**

Source: *Tennessee Population Projections 2000-2020, February 2008 Revision; Tennessee Department of Health, Division of Policy, Planning and Assessment – Office of Health Statistics*

The proposed swing beds are not in a separate unit, but rather located in the medical/surgical beds in the hospital. Depending on the needs and status of the patients, a maximum of six skilled nursing patients can be provided services at one time.

In 2011, Jamestown RMC discharged 338 patients, or 14.6% of total discharges from acute care beds into another facility. As a convenience for patients and their families, converting six acute care beds to swing beds would allow a portion of those families to stay in a familiar environment, avoid transfer to another facility, and be cared for in the appropriate setting for their acuity. With six beds available as swing beds, the available capacity would be 2,190 patient days of care. The average length of stay of skilled nursing beds in the service area is 55 days. At 55 days average length of stay, Jamestown RMC's swing beds could serve a maximum of 39 average patients, or 11.5% of its current discharges into skilled beds, ensuring that a minimum of 299 patients annually continue to utilize other skilled beds in the service area.

There are twelve skilled nursing facilities/nursing homes in the six county service area, with a total of 1,330 beds. In every case, the providers are serving both patients who need skilled nursing care, as well as these who don't require skilled nursing care but need intermediate (Level I) care. These providers average approximately 87.3% occupancy serving both types of patient population.

Comparing clinical care and acute care and skilled nursing, there are some concrete differences. In a skilled nursing bed, the attending physician will not need to see the patient daily, but may see

the patient every third or fourth day. The nurses take over more of the responsibility for the care of the patient than the physician does hence the bed "swings" from acute to skilled nursing. The care shifts from diagnosis-centered, doctor-dominated, acute care to nursing-centered, multi-dimensional needs of the long-term-care patient. Staff members shift from doing everything for the patient to assisting or allowing the patient to do some tasks for him or herself, for example, feeding and dressing themselves.

The advantage for a patient receiving skilled nursing home services in a hospital rather than a free standing nursing home are the accessibility to medical services in a hospital rather than a free-standing nursing home are the accessibility to medical services and the ability to have continuity of physician care and oversight throughout the acute and post-acute stay in the hospital. A study conducted by the Robert Wood Johnson Foundation also found that patients who need care following an acute care hospital stay to prepare to return home are positive about swing beds; being in a hospital makes them feel better cared for and is less disruptive than moving to a nursing home would have been.

For the skilled nursing component, the hospital has social work services to identify social and psychosocial needs and connect patients and their families to the appropriate service providers. In addition, physical, occupational, and speech therapies will be provided. The hospital conducts discharge planning for its patients daily and is fully qualified to provide discharge planning services to the skilled nursing patients.

CMS requires that a patient must have been an inpatient with a medically necessary stay for at least three consecutive calendar days before qualifying for a swing bed. Typical acute care stays that can lead to a need for swing bed services are fractures, mild strokes, heart attacks, and surgical procedures.

As previously noted, 338 Jamestown RMC acute care patients were discharged into a skilled nursing bed during 2011. In some cases, particularly in the latter half of 2011, an open skilled bed could not be found at the point when discharge from acute care was appropriate, and the patient had to remain in the hospital as an acute care patient for their safety. Hospitals now are not paid for services based on a DRG allowable payment, and the hospital is not paid for the extra days of care by CMS. If swing beds are approved, the hospital can provide skilled nursing services to those patients, reducing disruption to the patient until and unless they are ready to move to another care setting or go home, and the hospital can be paid for the care it is providing.

Note to Agency Members: The Health Services and Development Agency questioned the applicant regarding services to swing bed patients that no longer meet the SNF level of care. CMS in the Medicare Benefit Policy Manual Chapter 8 (Revision 58, Issued:11/09/06) states "swing bed patients who no longer qualify for Part A coverage of SNF benefits under the Medicare program revert to receipt of a hospital level of care in the swing bed. Thus, any further Medicare coverage in the swing bed would be for inpatient hospital ancillary services under Part B, notwithstanding a patient's eligibility for Medicaid NF coverage."

The Medicare Benefit Policy Manual goes on to state "A dually-eligible patient who continues to receive SNF level of care or who has dropped below the SNF level may nonetheless still qualify for Medicaid coverage of nursing facility (NF) services, if the hospital has a Medicaid swing bed agreement that has been approved by the State in which the facility is located. Such agreements permit Medicaid-participating rural hospitals to use their beds interchangeably to furnish both acute hospital care and NF care to Medicaid recipients, when no beds are available in area nursing facilities."

The following chart illustrates the service area Nursing Home utilization for 2010:

Service Area Nursing Home Utilization 2010

Nursing Home	Licensed Beds	SNF Beds-Medicare	SNF/NF Beds-Dually Certified	NF Beds-Medicaid	NF-ADC (Medicaid/Level I Only)	SNF Medicare Level II ADC	NF-ADC	Licensed Occupancy
Wynbridge Health and Rehab.	157	0	157	0	93	21	119	89.7%
Wharton Nursing Home	62	0	0	62	33	0	61	97.8%
Life Care Center of Crossville	122	0	122	0	0	24	56	65.8%
Signature Health Care Fentress County	140	0	100	0	0	24	70	68.4%
Life Care Ctr Morgan County	124	0	124	0	43	15	76	84.0%
Pickett Care & Rehab Ctr.	69	0	69	0	43	15	45	94.3%
Master Health Care Ctr.	175	0	175	0	123	30	138	98.0%
NHC Healthcare Cookeville	94	0	48	46	30	19	59	94.4%
Standing Stone Care & Rehab.	115	0	78	0	60	22	65	75.9%
Bethesda Health Care Ctr.	120	0	120	0	n/a	n/a	n/a	n/a%
Onieda Nursing & Rehab. Ctr.	56	0	56	0	40	12	44	98.8%
Huntsville Manor	96	0	96	0	36	18	63	93.9%
Total	**1,330**	**0**	**1,145**	**108**	**501**	**176**	**1,096**	**87.3%**

Source: *Tennessee Population Projections 2000-2020, February 2008 Revision; Tennessee Department of Health, Division of Policy, Planning and Assessment – Office of Health Statistics*

The applicant estimates it will have 2,432 admissions in year one and 2,505 admissions in year two of the project.

TENNCARE/MEDICARE ACCESS:

The applicant participates in all state and federal funding programs including TennCare and Medicare.

The applicant estimates 22% of patients will be utilizing Medicare and 16% will be utilizing TennCare/Medicaid.

The following chart illustrates the TennCare enrollees in the applicant's service area.

Service Area TennCare Enrollment 2013

County	2013 Population	TennCare Enrollees	% TennCare Enrollees
Cumberland	56,325	10,345	18.4%
Fentress	18,265	5,476	30.0%
Morgan	21,014	4,173	19.9%
Pickett	5,107	968	19.0%
Putnam	73,212	13,349	18.2%
Scott	23,465	7,332	31.2%
Totals	**197,388**	**41,643**	**21.1%**

Source: *Tennessee Population Projections 2000-2020, February 2008 Revision; Tennessee Department of Health, Division of Policy, Planning and Assessment – Office of Health Statistics*

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

In the Project Costs Chart, the total estimated project cost is $30,677, which includes $25,000 for legal, administrative, and consultant fees; $2,677 for moveable equipment; and $3,000 for CON filing fees.

In the Historical Data Chart located in Supplemental 2, the applicant reported 2,487, 2,307, and 2,289 admissions in 2009, 2010, and 2011 with gross operating revenues of $75,081,750, $72,265,529, and $80,053,444 each year, respectively. Contractual adjustments, provisions for charity care and bad debt reduced net operating revenues to $17,965,669, $17,259,978 and $18,312,623 each year. The applicant paid management fees to affiliates of $996,989, $630,953, and $1,292,053 each year, respectively. The applicant reported a net operating income of ($638,534), ($1,678,674), and ($1,554,464) each year, respectively.

In the Projected Data Chart located in Supplemental 2, the applicant projects 2,432 admissions in year one and 2,505 in year two with gross operating revenues of $105,606,000 and $108,774,180, each year, respectively. Contractual adjustments, provisions for charity care and bad debt reduced net operating revenues to $22,550,000 and $23,226,500 each year. The applicant projects management fees to affiliates of $982,000 and $1,011,460 each year, respectively. The applicant projects a net operating income of $680,000 in year one and $700,400 in year two of the project.

The applicants proposed charges are $2,574 per patient day, less contractual adjustments of $1,802, resulting in a net charge of $614 per patient day.

The project is as close to being without cost as can be, requiring only minor physical therapy equipment. The majority of the cost is for legal and administrative fees. The alternative to initiating swing beds is to continue to discharge patients needing skilled nursing services to area nursing homes. There are many patients who want their family members to be able to receive that care in a familiar hospital setting, without having to transfer their family member to a nursing home, particularly for shorter stays that do not require intensive therapy services.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

The applicant provides a listing of all existing healthcare providers with which they have contracts, relationships, or transfer agreements on page 32 of the application.

This proposed project should have a positive effect on the health care system in this rural market. Providing services in the most convenient way possible for patients is a key tenet of both the state health plan as well as the Affordable Care Act. Jamestown RMC is committed to providing care in the most appropriate, convenient, and cost effective way possible. This project contributes to that goal.

While there could be an impact to the utilization rates of existing providers, the reality is that the applicant has experienced difficulty in pacing patients with other providers due to staffing and occupancy issues. For the convenience of the patients and the efficiency of the hospital and its case management function, the swing beds provide a very orderly option for those patients needing care following an acute hospital stay.

The applicant's staffing plan for this project includes 2.0 FTE registered nurses, supported by 2.0-5.0 FTE licensed practical nurses, depending upon how many patients are on in the unit. The RNs and LPNs are also supported by 1.0 to 3.0 FTE aides and 1.0 technician. Physical therapy services will be provided by a 0.5 physical therapist.

Jamestown RMC serves as a training site for Tennessee Technological Center at Crossville for licensed practical nursing students and for MedVance for operating room technicians, lab technicians, and pharmacy technicians.

Jamestown RMC is licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and accredited by The Joint Commission. The most recent licensure survey occurred on 11/19/2009 and all deficiencies were addressed through a plan of correction.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

NURSING HOME SERVICES

Public Chapter No. 1112, Senate Bill No. 2463, which passed during the 1998 legislative session, amended and changed the code sections establishing the bed need formula that the Health Facilities Commission must follow when granting certificates of need for nursing home beds in Tennessee. During a fiscal year (July 1-June 30), the Commission shall issue no more than the designated number of Medicare skilled nursing facility beds for applicants filing for a certificate of need. The number of Medicare skilled nursing facility beds issued shall not exceed the allocated number of beds for each applicant. The applicant must also specify in the application the skilled services to be provided and how the applicant intends to provide such services.

A. Need

1. According to TCA 68-11-108, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:

   County bed need = .0005 x pop. 65 and under, plus
   .0120 x pop. 65-74, plus
   .0600 x pop. 75-84, plus
   .1500 x pop. 85, plus

   The Division of Health Statistics used the above formula to calculate a need of 1,766 beds. Currently, there are 1,330 licensed beds in the service area resulting in a need for 436 beds.

2. The need for nursing home beds shall be projected two years into the future from the current year, as calculated by the Department of Health.

   The Division of Health Statistics used the above formula to calculate a need of 1,766 beds. Currently, there are 1,330 licensed beds in the service area resulting in a need for 436 beds.

3. The source of the current supply and utilization of licensed and CON approved nursing home beds shall be the inventory of nursing home beds maintained by the Department of Health.

   The skilled nursing bed count utilized in the application is taken from the Department of Health's inventory of nursing home beds.

4. Service Area" shall mean the county or counties represented on an application as the reasonable area to which a health care institution intends to provide services and/or in which the majority of its service recipients reside. A majority of the population of a service area for any nursing home should reside within 30 minutes travel time from that facility.

   The service area consists of a six county area that includes Fentress, Pickett, Morgan, Scott, Putnam, and Cumberland counties, which are the source for 95% of Jamestown RMG's inpatient admissions.

5. The Health Facilities Commission may consider approving new nursing home beds in excess of the need standard for a service area, but the following criteria must be considered:

   a. All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and

      All outstanding CON projects in the proposed service resulting in a net increase in beds are licensed and in operation.

   b. All nursing homes that serve the same service area population as the applicant have an annualized occupancy in excess of 90%.

      The occupancy of the nursing home beds in the service area is 87.3%,

B. Occupancy and Size Standards:

   1. A nursing home should maintain an average annual occupancy rate for all licensed beds of at least 90 percent after two years of operation.

      Not applicable.

   2. There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95 percent. The circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently noncomplying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate.

      The occupancy of the nursing home beds in the service area is 87.3%. Only three of the 12 nursing home in the service are 95% or above in occupancy.

   3. A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.

      Not applicable.

   4. A free-standing nursing home shall have a capacity of at least 30 beds in order to be approved. The Health Facilities Commission may make an exception to this

standard. A facility of less than 30 beds may be located in a sparsely populated rural area where the population is not sufficient to justify a larger facility. Also, a project may be developed in conjunction with a retirement center where only a limited number of beds are needed for the residents of that retirement center.

Not applicable.

SWING BED SERVICES

A. Applicants must meet the same standards for determining need as applicants for nursing homes, with the exception of the standard for the minimum number of beds required for a freestanding nursing home.

The applicant understands and intends to comply with all the criteria required for CMS approval of Swing Bed services.

B. Applicants must meet appropriate federal criteria as mandated by the Health Care Financing Administration.

He applicant meets appropriate federal criteria as mandated by the Health Care Financing Administration.

C. Any existing provider must document that all deficiencies (if any) cited in the last licensure and/or certification inspection have been corrected.

A copy of the most recent Joint Commission survey is attached and all deficiencies have been corrected.

Via Facsimile & U.S. Mail

2013 FEB 11 AM 7 53

Melanie Hill
Executive Director
Tennessee Health Services & Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

RE: Jamestown Regional Medical Center
Certificate of Need Application No. CN1211-055

Dear Ms. Hill:

I am writing to express my strong support for Jamestown Regional Medical Center's ("JRMC") pending application for a certificate of need. This excellent and much needed project is most deserving of your approval as I hope you will give it your favorable consideration.

There is a great need in the community for this project. There are no other hospitals in JRMC's service area offering swing beds for the convenience of patients who have already had an inpatient stay and might simply need a few more days of nursing care prior to returning home. The most efficient and convenient treatment for these patients is treatment in the same environment, which alleviates the need for a stressful transfer to a nursing home.

I enthusiastically endorse the application for a certificate of need. The service is needed for the community and the surrounding area, and it will contribute to the orderly development of healthcare in our state. Please feel free to contact me if you have any questions or comments.

Sincerely,

Chad Conatser, MD

Via Facsimile & U.S. Mail

2013 FEB 11 AM 7 53

Melanie Hill
Executive Director
Tennessee Health Services & Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

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Sincerely,

James Sego, MD
Medical Director of Medicine Services

Via Facsimile & U.S. Mail

2013 FEB -8 AM 8:51

Melanie Hill
Executive Director
Tennessee Health Services & Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

RE: Jamestown Regional Medical Center
Certificate of Need Application No. CN1211-055

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Sincerely,

Richard Clark, MD
Chief of Staff

Via Facsimile & U.S. Mail

2013 FEB -8 AM 8:51

Melanie Hill
Executive Director
Tennessee Health Services & Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

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Certificate of Need Application No. CN1211-055

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Sincerely,

Mark Clapp, MD
Vice Chief of Staff