

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

April 27, 2011

AGENCY MEMBERS PRESENT

Jordan, Lisa, designee for the Commissioner of Commerce and Insurance
Wright, James
Burns, Charlotte
Johnson, D. Lynn
Lammert, Greg
Gaither, Keith, designee for the TennCare Director
Weaver, Faye, designee for the Comptroller of the Treasury
Southwick, Bill
Koella, Carl

AGENCY MEMBERS ABSENT

Handorf, Charles
Jones, Clark

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Christoffersen, Jim, General Counsel
Craighead, Alecia, Statistical Analyst III
Farber, Mark, Assistant Executive Director
Finchum, Rhonda, Director of Administrative Services
Wells, Phil, Health Planner III

COURT REPORTER

Kidd, Ed

GUESTS PRESENT

Bardill, Janice, CFO, Roane Medical Center
Brent, Mike, Esq., Bass, Berry & Sims
Brotherton, Matthew, Esq., Kramer Rayson, LLP
Byers, Tracy, Harton Regional Medical Center
Chapek, Steve, Administrator, Willow Springs Assisted Living
Cross, Linda, Project Manager, Life Care
Duncan, Bruce, Vice President, National HealthCare Corporation
Elrod, Dan, Esq., Miller & Martin
Gann, Jim, Administrator, Roane Medical Center
Gibbs, Marty, VP, Rentenbach Constructors
Gooch, Warren, Esq., Kramer, Rayson, LLP
Harris, Jodi, Roane Medical Center
Harris, Nang, Director, Covenant Health
Hill, Ron VP, Vanderbilt
Houchin, Barbara, Executive Director, St. Thomas Health Systems
Hutchings, Mara, RN, St. Thomas Medical Center
Johnson, Jerri, Roane Medical Center
Lodge, Richard, Esq., Bass, Berry & Sims

Majors, Norman, UTMC
Mason, Chris, Mayor, City of Harriman
McAfee, Rick, Life Care
McMillin, Rod, M.D., Roane Medical Center
Parrish, Jeff, Tennessee Health Management
Place, Janice, Nurse Manager, St. Thomas Health Systems
Robbini, Mark, M.D., Vanderbilt University
Saller, Lynda, CNO, Roane Medical Center
Sharma, Mykesh, M.D., Roane Medical Center
Swafford, Kate, Executive Director, Life Care
Tally, Sarah, Esq., Miller & Martin
Taylor, Jerry, Esq., Farris, Mathews, Bobango
Trauger, Byron, Esq., Trauger & Tuke
VanderSteege, Jim, COO, Covenant Health
Wellborn, John, Development Support Group
West, Scott, M.D., St. Thomas Hospital
Woody, Ron, Roane County Executive, Roane County
Young, Phil, Southern Tennessee Medical Center

Chairman Koella called the meeting to order at 8:30 a.m. in the auditorium, of The AT & T Building, Nashville, Tennessee.

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, made general announcements.

OTHER BUSINESS

- 1) State Health Plan – Jeff Ockerman, Director, Division of Health Planning, Finance & Administration discussed the status of the state health plan.

GENERAL COUNSEL'S REPORT

CONTESTED CASE

Mr. Christoffersen provided an update on contested cases and summarized the following CON modification requests:

Southern Tennessee Medical Center, LLC, Winchester (Franklin County), TN – CN0712-096A

Mr. Southwick recused.

Request for removal of the condition limiting cardiac catheterization to diagnostic services. This project was approved on March 2008 for the acquisition of fixed cardiac catheterization equipment and the initiation of cardiac catheterization services to replace its existing mobile service. The expiration date was May 1, 2010 and the project cost was \$3,521,538.00. The project was implemented in November 2009.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency.

Barbara Houchin, representing St. Thomas Health Services, and Richard Lodge, representing Harton Regional Medical Center, spoke in opposition to the removal of the condition on the Certificate of Need.

Ms. Jordan moved for a sixty day deferral to the June 22nd meeting. Ms. Burns seconded the motion. The motion CARRIED (8-0-0). DEFERRED

AYE: Jordan, Wright, Burns, Johnson, Lammert, Gaither, Weaver, Koella

NAY: None

Rosewood Manor, Spring Hill (Maury County), TN – CN0703-021AE

Request for a twenty-four (24) month extension of the expiration date from September 1, 2011 to September 1, 2013. The original expiration date was September 1, 2009, but was extended to September 1, 2011 at the July 22, 2009 HSDA meeting. The project was approved for a replacement and relocation of the existing nursing home, and the addition of thirty (30* Medicare certified skilled nursing beds. The facility's bed complement which is currently licensed for sixty-eight (68) beds, will increase to ninety-eight (98) SNF beds.

*These beds were subject to the 125 nursing home bed pool for 2006-2007. The project cost was \$10,668,976.00.

Jerry Taylor, Esq., representing the applicant, addressed the Agency. Present on behalf of the request was Jeff Parrish.

Mr. Lammert moved for a ninety day deferral to the July 27th meeting. Ms. Burns seconded the motion. The motion CARRIED (9-0-0). DEFERRED

AYE: Jordan, Wright, Burns, Johnson, Lammert, Gaither, Weaver, Southwick, Koella

NAY: None

Behavioral Healthcare Center at Memphis, Memphis (Shelby County), TN – CN0711-089A

Request for a twenty-four (24) month extension of the expiration date from July 1, 2011 to July 1, 2013. This project was approved at the May 28, 2008 HSDA meeting for the establishment of a sixteen (16) bed mental health hospital and the initiation of inpatient psychiatric services. The inpatient beds and services will be focused on the geriatric population, and all sixteen (16) beds will be designated as geriatric psychiatric beds. The project cost was \$6,663,901.00.

Jerry Taylor, Esq., representing the applicant, addressed the Agency. Present on behalf of the request was Jeff Parrish.

Mr. Lammert moved for approval of the twenty-four (24) month extension. Ms. Burns seconded the motion. The motion CARRIED (9-0-0). APPROVED

AYE: Jordan, Wright, Burns, Johnson, Lammert, Gaither, Weaver, Southwick, Koella

NAY: None

University of Tennessee Medical Center, Knoxville (Knox County), TN – CN0803-019A

Request for a twenty-four (24) month extension of the expiration date from August 1, 2011 to August 1, 2013. This project was approved at the June 25, 2008 HSDA meeting for the acquisition of a linear accelerator for service at UTMC. The project cost was \$4,692,691.00

Jerry Taylor, Esq., representing the applicant, addressed the Agency. Present on behalf of the request was Norman Majors.

Mr. Johnson moved for approval of the twenty-four (24) month extension. Mr. Wright seconded the motion. The motion CARRIED (9-0-0). APPROVED

AYE: Jordan, Wright, Burns, Johnson, Lammert, Gaither, Weaver, Southwick, Koella

NAY: None

Roane Medical Center, Harriman (Roane County), TN – CN9602-008A

Mr. Southwick recused.

Request for removal of the condition limiting cardiac catheterization to diagnostic services. This project was approved on May 22, 1996 for the initiation of mobile cardiac catheterization services with a project cost of \$68,000.00 and expiration date of July 1, 1998. The project was implemented in 1996 and suspended in 2008.

Dan Elrod, Esq., representing the applicant, addressed the Agency. Present on behalf of the request was Mike Richardson.

Speaking in opposition was Warren Gooch, representing Mercy Health Partners.

Ms. Jordan moved for approval of the request for removal of the condition. Mr. Johnson seconded the motion. The motion carried (8-0-0). APPROVED

AYE: Jordan, Wright, Burns, Johnson, Lammert, Gaither, Weaver, Koella

NAY: None

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON applications

Roane Medical Center, Harriman (Roane County), TN – CN1101-001

Mr. Southwick recused.

A replacement hospital to be located at a new location on a currently unaddressed site on Roane County State Highway 70 at Midtown, Harriman (Roane County), TN from 412 Devonia Street, Harriman (Roane County), TN. The existing hospital has a total of 105 licensed beds including ten (10) swing beds. The proposed replacement facility will have fifty-four (54) licensed beds, including ten (10) swing beds. The project does not involve either the acquisition of major medical equipment or the initiation of any new healthcare service.

Dan Elrod, Esq., representing the applicant, addressed the Agency. Jim Gann, Administrator of Roane Medical Center, addressed the Agency. Jim Johnson, Board Member from Roane County addressed the Agency. Janice Bardill, CFO of Roane Medical Center addressed the Agency. Present in support of the project were Mike Richardson, Vice President, Covenant Healthcare and Jim VanderSteege, Executive VP, Covenant Health.

Ms. Burns moved for approval of the project. The motion was based upon the following: 1) Need – There is definitely a need to replace an old, outdated facility. 2) Economic Feasibility – The project is economically feasible due to being paid for by cash reserves of the parent corporation. 3) The project does contribute to the orderly development of healthcare in order to meet and exceed physician, patient, and employee expectations. Ms. Weaver seconded the motion. The approval included a four year expiration date. The motion carried (8-0-0). APPROVED

AYE: Jordan, Wright, Burns, Johnson, Lammert, Gaither, Weaver, Koella

NAY: None

St. Thomas Hospital, Nashville (Davidson County), TN – CN1101-003

Mr. Southwick recused

The expansion of the existing Neuro-Behavioral Health Unit by nine (9) geriatric psychiatric beds through the conversion of existing medical/surgical beds to be located within the hospital at 4220 Harding Road, Nashville, (Davidson County), TN 37205. This will increase the geriatric psychiatric beds from fifteen (15) to twenty-four (24). The project involves the renovation of approximately 2,146 square feet of former patient rooms for reuse. These rooms are currently being used as on-call rooms. There are no additional services, beds, or major medical equipment requested in the project.

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Warren Gooch, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Dr. Scott West and Steve Chapek, Administrator, Willow Springs Assisted Living and Alzheimer's Care.

Speaking in opposition was Jennifer Robinson, Administrator, Behavioral Health Care Center at Clarksville.

Mr. Gooch rebutted.

Mr. Lammert moved for approval of the project. 1) Need – There is an obvious need from the testimony presented here today in the patients that are being turned away. 2) Economic Feasibility – Economic feasibility is met with cash reserves. 3) The project does contribute to the orderly development of healthcare by allowing these services to expand and meet a need that is not being met in Davidson County. Mr. Wright seconded the motion. The motion carried (8-0-0). APPROVED

AYE: Jordan, Wright, Burns, Johnson, Lammert, Gaither, Weaver, Koella

NAY: None

Dayton Medical Investors, LLC dba Life Care Center of Rhea County, Dayton (Rhea County), TN – CN1101-004

The relocation and replacement of an eighty-nine (89) bed nursing home (Life Care Center of Rhea County) located at 7824 Rhea County Highway, Dayton (Rhea County), TN 37321. The replacement facility will be located on a site which has not been assigned an address on Rhea County Highway 27, Dayton (Rhea County), TN 37321. The proposed site is located between 9961 and 10529 Rhea County Highway. No additional beds are being requested, no new services will be initiated nor discontinued, and no major medical equipment is requested. The facility will continue to be certified for both Medicare and Medicaid programs.

Sarah Talley, Esq., representing the applicant, addressed the Agency. Present in support of the project were: Edwin Day, Consultant; Rick McAfee; Linda Cross; and Mike Pigg.

Mr. Southwick moved for approval of the project, granting a three year certificate. The motion was based upon the following: 1) Need-The need is clearly identified as relocation. A new center is justified. 2) Economic Feasibility-Economic Feasibility is clearly shown. 3) The project does contribute to the orderly development of healthcare because the applicant listened to the board and has made different location arrangements. Mr. Johnson seconded the motion. The motion carried (9-0-0). APPROVED

AYE: Jordan, Wright, Burns, Johnson, Lammert, Gaither, Weaver, Southwick, Koella

NAY: None

MINUTES

The minutes of the March 23, 2011 meeting were accepted by unanimous voice vote.

ADJOURNMENT

There being no further business, the meeting adjourned.

Melanie M. Hill, Executive Director

MMH/rif