

HEALTH SERVICES AND DEVELOPMENT AGENCY
MINUTES
OCTOBER 26, 2011

AGENCY MEMBERS PRESENT

Koella, Carl, III, Chair
Johnson, D. Lynn, Vice-Chair
Burns, Charlotte
Haik, Barrett, M.D.
Lammert, Gregory
Southwick, William
Gaither, Keith, designee for the TennCare Director
Jordan, Lisa, designee for the Commissioner of Commerce and Insurance
Weaver, Faye, designee for the Comptroller of the Treasury

AGENCY MEMBERS ABSENT

Wright, James

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Bobbitt, Melissa, Administrative Services Assistant III
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

Tucker, Liz

GUESTS PRESENT

Allen, Linda, RN, Manager, Middle Tennessee Medical Center
Andrews, David K., Sheriff, Putnam County Sheriff's Department
Babbs, Janice, Vanderbilt University Medical Center
Braber-Grove, Sandra, Esq., Tennessee Department of Mental Health
Barkman, Kevin, Executive Vice President, Ten Broeck of Tennessee
Bartlett, JoAnna, Director of Crisis Services, Volunteer Behavioral Health Care System
Beal, John, Esq., Cookeville Regional Medical Center
Benson, Sandy S., Assistant Professor, Middle Tennessee State University
Bouressa, Deborah, Director of Nursing, Baptist Hospital
Bowman, Joe, CFO, StoneCrest Medical Center
Brent, Michael D., Esq., Bradley Arant Boult Cummings, LLP
Bridgman, Carol, Planning Analyst, Tennova Healthcare
Bross-Evans, Mary Alice, RN, Legal Department, Accredo Home Health Group, Inc.
Brotherton, Matthew, Esq., Kramer Rayson, LLC
Campbell, Susan, M.D., Middle Tennessee Medical Center
Carter, Jason, Director of Pharmacy, Tennessee Department of Mental Health
Corddry, David, CFO, Ten Broeck of Tennessee
Corritore, Danell, Director, Certificate of Need Unit, Tennessee Department of Health
Cronk, Patsy, Cookeville President, NAMI
Crowley, Deb, Regional Manager, Memphis Center for Research and Addiction Treatment

Deml, Rachel, Middle Tennessee Medical Center/St. Thomas Health
 Draudt, James, COO, Memphis Center for Research and Addiction Treatment
 DuBois, Randy, WT DuBois Construction
 Duncan, Bruce, Vice President, National HealthCare Corporation
 Dyer, Rebecca R., Director, Accredo
 Elrod, Dan H., Esq., Miller & Martin
 Ettiew, Joann L., COO, StoneCrest Medical Center
 Felts, Ginna, Planning Associate, Strategy Development, Vanderbilt University Medical Center
 Florais, Cornelia, M.D., Baptist Ascension
 Gooch, Warren L., Esq., Kramer Rayson, LLP
 Graves, Connie, M.D., Director of Perinatal Services, Baptist/Ascension Health
 Gregory, Ellen, Nurse Manager, NICU, Baptist Hospital
 Hamburger, Norman, M.D., StoneCrest Medical Center
 Hamdan, Ashraf, M.D., Pediatric Medical Group of Nashville
 Hamrang, Gina, M.D.
 Hill, Ronald, Vice President, Strategic Development, Vanderbilt University Medical Center
 Hodge, Elisha, Esq., Tennessee Comptroller's Office
 Houchin, Barbara, Executive Director, Planning, Saint Thomas Health Services
 Huggins, Mike, Senior Executive Consultant, Tennessee Hospital Association
 Hughes, Mark, M.D., Grace Pediatrics
 Ikejiani, Afam C., M.D., Prime OB/Gyn
 King, Kimberly, M.D., StoneCrest Medical Center
 Korth, Paul, CFO, Cookeville Regional Medical Center
 Lambdin, Leeann, Planning, St. Thomas Health Services
 Langer, Menachem, CEO, Cookeville Regional Medical Center
 Ledbetter, James, Ph.D, COO, Ten Broeck Tennessee
 Lemons, Elizabeth, COO, Middle Tennessee Medical Center
 Lodge, J. Richard, Esq., Bass Berry & Sims, PLC
 Lovell, Carole, Program Director, Personal Growth and Learning Center
 Mayer, Sherry, Ten Broeck Healthcare
 Merville, LaDonna, Vice President, Hospital Alliance of Tennessee
 Ockerman, Jeff, Director, Division of Health Planning, Tennessee Department of Finance & Administration
 Person, Michelle
 Phillips, Brant, Esq., Bass Berry & Sims, PLC
 Phillips, Heather, M.D., Tennessee Medicine & Pediatrics
 Pickett-Smith, Paula
 Potter, Jeffrey D., Senior Vice President, Strategist, Tennova Healthcare
 Reed, Ann, R., RN, BSN, MBA, Director of Licensure, Div. of Health Care Facilities, Tenn. Dept. of Health
 Rice, Dan, Regional Manager, Accredo
 Richardson, Michael, Vice President, Planning and Business Development, Covenant Health Services
 Robinson, Melanie B., Director of Business Development, Tennova Healthcare
 Ruffing, LeeAnn, Vanderbilt University Medical Center
 Sims, Mark, CEO, StoneCrest Medical Center
 Smith, Ed, Director of Development, Ten Broeck
 Smith, Sullivan, M.D., Cookeville Regional Medical Center
 Smotherman, Brian, Controller, StoneCrest Medical Center
 Stewart, Jack, Executive Director, NAMI
 Stoburg, Cyndi, CNO, StoneCrest Medical Center
 Swallows, Paul, Cookeville Regional Medical Center
 Tally, Sarah Lodge, Esq., Miller & Martin
 Taylor, Jerry W., Esq., Farris, Mathews, Bobango, PLC
 Thompson, Christopher, M.D., StoneCrest Family Physicians
 Trauger, Byron R., Esq., Trauger & Tuke
 Wellborn, John L., Consultant, Development Support Group
 West, David, Vice President, Finance, Southern College of Optometry
 West, William H., Esq., Baker, Donelson, Bearman, Caldwell & Berkowitz
 Wiginton, Samantha, Vanderbilt University Medical Center
 Wilson-Mitchell, Jane, RN, Premier Care

HEALTH SERVICES AND DEVELOPMENT AGENCY

OCTOBER 26, 2011 MEETING

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Chairman Koella, called the meeting to order at 8:30 a.m. in Meeting Room 12, of The Legislative Plaza, Nashville, Tennessee.

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, made general announcements and stated the following: applications to be heard in the upcoming meetings include two (2) for November, two (2) for December and possibly nine (9) for January; due to the holidays, the meeting dates for the November and December meetings have been set for November 16th and December 14th; the November and December meetings will be held at Legislative Plaza; the January through May (or June) meetings will be held at the AT & T Building; and the Audit Committee will meet at the conclusion of the November meeting.

STATE HEALTH PLAN UPDATE – Jeff Ockerman, Director, Division of Health Planning, Finance & Administration discussed the status of the state health plan.

CONSENT CALENDAR

Melanie Hill summarized the following Consent Calendar application:

NHC HealthCare - Sumner, LLC - (Gallatin, Sumner County) - Project No. CN1108-029

The relocation of two (2) previously approved Certificates of Need granted as CN0702-014AE, a sixty-two (62) bed nursing home and CN0808-057AE, for the addition of thirty (30) Medicare certified nursing home beds. The project site is on eighteen (18) acres located on Nashville Pike and is located approximately 1,500 feet east from the intersection of Nashville Pike and Kennesaw Boulevard on a yet to be determined street and address in Gallatin (Sumner County), TN. The project will be part of a larger continuum of care community which will offer in addition to the ninety-two (92)* bed nursing center, approximately eighty-three (83) assisted living units. No new beds are being requested as part of this relocation proposal so the bed pool will not be impacted. Cost \$17,902,991.00. * These beds will not be subject to the 125 nursing home bed pool for 2011-2012.

Dan H. Elrod, Esq., representing the applicant, and Bruce K. Duncan, Assistant Vice President were present on behalf of the project.

Mr. Southwick moved for approval of the project based on: 1) Need – The need to relocate the project within the same service area is evident based on the Agency's previous decisions; 2) Economic Feasibility – The project's economic feasibility is justified with the resources of NHC; and 3) The project does contribute to the orderly development of adequate and effective health care as need is already established and the location will better suit the needs and more quickly fulfill the needs of the community. The expiration date will be extended from two (2) years to three (3) years. Mr. Johnson seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Burns, Lammert, Johnson, Weaver, Gaither, Southwick, Koella
NAY: None

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON applications:

Dr. Haik arrived during presentation but did not vote.

Memphis Center for Research and Addiction Treatment - (Memphis, Shelby County) - Project No. CN1107-027

The relocation from the current site at 1270 Madison Avenue, Memphis (Shelby County), TN 38104 to 1734 Madison Avenue, Memphis (Shelby County), TN 38104, a distance of less than a mile. This is a companion CON to CN1109-035 filed in September, 2011, for relocation of the same facility to 1391 Madison Avenue Memphis (Shelby County), TN 38104. Application CN1109-035 was filed as an alternate location in the event CON approval is not granted for this application (CN1107-027). The facility is currently licensed by the

Tennessee Department of Mental Health as an Alcohol & Drug Non-Residential Opiate Treatment Facility. It will be used exclusively to provide a comprehensive adult outpatient treatment program for opioid addiction. Project Cost \$1,228,000.00.

J. Richard Lodge, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: Deb Crowley, Regional Manager, Memphis Center for Research and Addiction Treatment; and James Draudt, COO, Memphis Center for Research and Addiction Treatment. Present in support were: David West, Vice President, Finance, Southern College of Optometry; and John L. Wellborn, Consultant.

Ms. Weaver moved for approval of the project based on: 1) Need – They have met the criteria and need has already been established; 2) Economic Feasibility – The project is economically feasible and cash is on hand to do the move and renovations; and 3) The project does contribute to the orderly development of adequate and effective health care. Ms. Weaver recommended that the criteria as set forth by the Department of Mental Health be used as a basis for that criteria. Ms. Jordan seconded the motion. The motion CARRIED [6-1-1]. **APPROVED**

AYE: Jordan, Burns, Lammert, Johnson, Weaver, Southwick,

NAY: Koella

ABSTAINED: Gaither

Mercy Health System, Inc. dba Mercy Medical Center, North - (Powell, Knox County) - Project No. CN1106-019

The acquisition of a second linear accelerator to be located and utilized on the Mercy Medical Center, North ("MMCN") campus. No new services will be initiated. As part of this application, the certificate of need to provide radiation therapy services at Mercy Riverside will be relinquished. No inpatient beds are involved in this project. Project Cost \$4,694,671.00.

Warren L. Gooch, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: Jeffrey D. Potter, Senior Vice President and Chief Strategy Officer, Tennova Healthcare; and Melanie B. Robinson, Director of Business Development, Tennova Healthcare. Present in support was Carol Bridgman, Planning Analyst, Tennova Healthcare.

Mr. Johnson moved for approval of the project based on: 1) Need – The need is there and has been demonstrated; 2) Economic Feasibility – The project is economically feasible and finances are in place; and 3) The project does contribute to the orderly development of adequate and effective health care particularly for the rural part of that service area and better locates it within the district. Mr. Southwick seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

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

NAY: None

Mr. Southwick recused.

Ten Broeck Tennessee at Cookeville Regional Medical Center - (Cookeville, Putnam County) - Project No. CN1107-025

The establishment of a thirty-two (32) bed mental health hospital. The facility will be located in leased space on the fifth (5th) floor of Cookeville Regional Medical Center. Services to be provided are inpatient and outpatient mental health services for adults. Project Cost \$4,896,680.00.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: James Ledbetter, Ph.D, COO, Ten Broeck Tennessee; Menachem Langer, CEO, Cookeville Regional Medical Center; Sullivan Smith, M.D., Cookeville Regional Medical Center; David K. Andrews, Sheriff, Putnam County Sheriff's Department; Carole Lovell, Program Director, Personal Growth and Learning Center; Jack Stewart, Executive Director, NAMI; JoAnna Bartlett, Director of Crisis Services, Volunteer Behavioral Health Care System; Patsy Cronk, Cookeville President, NAMI; Paul Korth, CFO, Cookeville Regional Medical Center; and David Corddry. Present in support was Paul Swallows, Cookeville Regional Medical Center.

Ms. Burns moved for approval of the project based on: 1) Need – The need is there as there are no types of beds in the service area like this; 2) Economic Feasibility – The project is economically feasible due to the cash reserves of the parent company; and 3) The project does contribute to the orderly development of adequate and effective health care by allowing those patients to be treated locally. Ms. Jordan seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Burns, Lammert, Johnson, Weaver, Gaither, Haik, Koella
NAY: None

StoneCrest Medical Center - (Smyrna, Rutherford County) - Project No. CN1107-026

The addition of eight (8) licensed hospital beds through construction of an eight (8)-bed neonatal intensive care nursery (“NICU”) and the initiation of Level II-B NICU services at the hospital’s campus. This proposed project will add eight (8) licensed NICU beds increasing the hospital’s licensed bed complement from 101 to 109. The project does not contain major medical equipment or initiate or discontinue any other health service. Project Cost \$2,991,463.00.

Jerry L. Taylor, Esq., representing the applicant, addressed the Agency. Mark Sims, CEO, StoneCrest Medical Center spoke on behalf of the project. Speaking in support were: Ashraf Hamdan, M.D., Pediatric Medical Group of Nashville; Gina Hamrang, M.D., Chair of Children’s Services, StoneCrest Medical Center; Norman Hamburger, M.D., StoneCrest Medical Center; Susan Campbell, M.D., Middle Tennessee Medical Center; Paula Pickett-Smith; Mark Hughes, M.D., Grace Pediatrics; Heather Phillips, M.D., Tennessee Medicine & Pediatrics; Kimberly King, M.D., StoneCrest Medical Center; Afam C. Ikejiani, M.D., Prime OB/Gyn; Christopher Thompson, M.D., StoneCrest Family Physicians; and Joe Bowman, CFO, StoneCrest Medical Center. Present in support of the project were: Joann L. Ettiew, COO, StoneCrest Medical Center; Brian Smotherman, Controller, StoneCrest Medical Center; Cyndi Stoburg, CNO, StoneCrest Medical Center; and John L. Wellborn, Consultant.

Speaking in opposition were: Warren L. Gooch, Esq. representing Baptist Hospital and Middle Tennessee Medical Center; Connie Graves, M.D., Director of Perinatal Services, Baptist/Ascension Health; and Ronald W. Hill, Vice President, Strategic Planning, Vanderbilt University Medical Center. Present in opposition of the project were: Deborah Bouressa, Director of Nursing, Baptist Hospital; Rachel Deml, Middle Tennessee Medical Center/St. Thomas Health; Ellen Gregory, Nurse Manager, NICU, Baptist Hospital; Elizabeth Lemons, COO, Middle Tennessee Medical Center; and Barbara Houchin, Executive Director, Planning, Saint Thomas Health.

Mr. Taylor rebutted.

Mr. Gooch provided summation for the opposition.

Mr. Taylor provided summation for the applicant.

Mr. Lammert moved for approval of the project based on: 1) Need – This project will meet a need in the community by providing a standard of care that is prevalent throughout Middle Tennessee; 2) Economic Feasibility – The project’s economic feasibility is met with cash reserves from the parent corporation; and 3) The project does contribute to the orderly development of adequate and effective health care by allowing the families to not have to separate at a very critical time in the mother and the child’s life. **CONDITION: The eight (8) beds are to be delicensed from other HCA facilities and limited to Level II B services.** Ms. Weaver seconded the motion. The motion CARRIED [7-1-0]. **APPROVED**

AYE: Jordan, Burns, Lammert, Johnson, Weaver, Gaither, Koella
NAY: Haik

Mr. Lammert left the meeting.

GENERAL COUNSEL’S REPORT

Jim Christoffersen summarized the following CON modification requests:

Accredo Health Group, Inc. fka Kids & Nurses, Inc. - (Memphis, Shelby County) - Project No. CN9606-040A

Request for modification of Certificate of Need to remove the pediatric restriction and be allowed to service patients of all ages for those medications dispensed by Accredo as a pharmacy. This project was approved on October 23, 1996 for the establishment of a home care organization for high risk pediatric patients. The service area includes Fayette, Hardeman, Haywood, Lauderdale, Shelby and Tipton Counties. **CONDITION:** Only pediatric patients eighteen (18) years of age and under could be treated by the home health agency.

Mary Alice Bross-Evans, RN, Legal Department, addressed the Agency on behalf of Accredo Health Group, Inc..

Ms. Jordan moved for approval to remove the Condition: Limited to pediatric patients; and add the Condition that Accredo is to serve the adult patients who receive drugs dispensed by the Accredo pharmacy. Mr. Johnson seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Burns, Johnson, Weaver, Gaither, Haik, Southwick, Koella
NAY: None

RHA/Trenton MR, Inc. - (Three Way, Madison County) - Project No. CN0906-031A

Request for a four (4) month extension of the expiration date from December 1, 2011 to April 1, 2012. This project was approved at the October 28, 2009 meeting for the relocation of four (4) ICF/MR beds previously approved by CN0810-098A from 102 Turner Loop Road, Three Way (Madison County), TN 38343 to 108 Turner Loop Road, Three Way (Madison County), TN 38343. Project cost is \$1,128,780.00.

William West, Esq., representing the applicant, addressed the Agency.

Mr. Southwick moved for approval of the extension by twelve months, from December 1, 2011 to December 1, 2012. Mr. Johnson seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Burns, Johnson, Weaver, Gaither, Haik, Southwick, Koella
NAY: None

RHA/Trenton MR, Inc. - (Three Way, Madison County) - Project No. CN0906-032A

Request for a four (4) month extension of the expiration date from December 1, 2011 to April 1, 2012. The relocation of four (4) ICF/MR beds previously approved by CN0810-097A from 101 Turner Loop Road, Three Way (Madison County), TN 38343 to 107 Turner Loop Road, Three Way (Madison County), TN 38343. Project cost is \$1,139,240.00.

William West, Esq., representing the applicant, addressed the Agency.

Mr. Southwick moved for approval of the extension by twelve months, from December 1, 2011 to December 1, 2012. Mr. Johnson seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jordan, Burns, Lammert, Johnson, Weaver, Gaither, Haik, Southwick, Koella
NAY: None

CONTESTED CASE

Mr. Christoffersen provided an update on contested cases.

MINUTES

The minutes of the September 28, 2011, meeting were accepted by unanimous voice vote.

ADJOURNMENT

There being no further business, the meeting adjourned.



Melanie M. Hill, Executive Director

MMH/mab