

**HEALTH SERVICES AND DEVELOPMENT AGENCY**  
**MINUTES**  
**August 26, 2009**

**AGENCY MEMBERS PRESENT**

Koella, Carl, III, Chair  
Lammert, Gregory, Vice Chair  
Atchley, Bryan  
Bishop, Jimmy  
Burns, Charlotte  
Gaither, Keith, designee for the TennCare Director  
Handorf, Charles, M.D.  
Jones, Clark  
Weaver, Faye, designee for the Comptroller of the Treasury

**AGENCY MEMBERS ABSENT**

Morris, John, designee for the Commissioner of Commerce and Insurance

**AGENCY STAFF PRESENT**

Hill, Melanie, Executive Director  
Bobbitt, Melissa, Administrative Services Assistant III  
Brogden, Reid, General Counsel  
Christoffersen, Jim, Deputy General Counsel  
Craighead, Alecia, Statistical Analyst III  
Earhart, Phillip, Health Planner III  
Farber, Mark, Assistant Executive Director  
Finchum, Rhonda, Office Manager  
Wells, Phil, Health Planner III

**GUESTS PRESENT**

Baker, E. Graham, Esq.  
Barry, Kelly, Vice President of Operations, Lakeshore Estates, Inc.  
Berry, Beth, Tennessee Hospital Association  
Betler, Larry, Director of Facility Management, Jackson-Madison County General Hospital  
Bishop, Joseph D., Chief of Police, City of Columbia  
Blomenberg, Emily M., Director, Imaging Services, Morristown-Hamblen Hospital  
Bomar, Neil, M.D., Medical Director, Solutions of Savannah  
Boyer, Paul, City Manager, City of Columbia  
Brent, Michael D., Esq., Bradley Arant Boult Cummings, LLP  
Brown, Dere, National HealthCare Corporation  
Campbell, Jr., James  
Corritore, Danell, Tennessee Department of Health  
Crawley, Debbie  
Culp, Joe, Tennessee Department of Health  
Davis, Mark, COO, West Tennessee Transitional Hospital  
Day, Edwin W., Consultant  
Dickey, Dean, Councilman, City of Columbia  
Dickson, Belinda, Recovery of Columbia  
Duhow, Dwayne M., President, Business Risk

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Duncan, Bruce, National HealthCare Corporation  
Elrod, Dan H., Esq., Miller & Martin  
Frix, Cary, M.D.  
Gant, Meleah  
Gooch, Warren, Esq., Kramer Rayson, LLP  
Harvey, Allison, PhD., State Methadone Specialist, Tennessee Department of Health  
Hill, Ronald, Vice President, Strategic Development, Vanderbilt University Hospital  
Houchin, Barbara, Executive Director, St. Thomas Health Services  
Jones, Beverly, Recovery of Columbia  
Jones, Charlie  
Joyce, Barry, Director of Finance/Capital, Jackson-Madison County General Hospital  
Kwasigroh, Catherine, Vice President, Jackson-Madison County General Hospital  
Lake, Vicki, Director, Market Research & Community Development, Jackson-Madison County General Hospital  
Lewis, Bob, Administrator, Lakeshore Estates, Inc.  
Luchessi, Jane, Memorial Hospital  
Matthews, Debbie, Councilwoman, City of Columbia  
McCall, Andrew, Vice-President, Memorial Hospital  
McCoy-Owens, Valerie  
Merville, LaDonna, Hospital Alliance of Tennessee  
Montgomery, Beverly, Tennessee Health Management, Inc.  
Ockerman, Jeff, Director, Health Planning, Tennessee Department of Finance & Administration  
Palculict, James, RDO, Grace Healthcare  
Poling, Becki, Director Hospital Services, Tennessee Dept. of Mental Health/Developmental Disabilities  
Richardson, Brandi  
Ross, James, Vice President, West Tennessee Healthcare  
Russell, Richard, THCA  
Rutherford, Ann R., RN, BSN, MBA, Director of Licensure, Tennessee Department of Health  
Sciortino, David, President, Lakeshore Estates, Inc.  
Scott, Amyll  
Seago, Alvin  
Sheehan, Jr., John Joseph, President, Maplewood Health Care, Inc.  
Stephenson, Kate, Esq., Trauger & Tuke  
Stevens, Wayne, Administrator, West Tennessee Transitional Care  
Talbolt, Jill, THA  
Tally, Sarah, Miller & Martin  
Taylor, Jerry W., Esq., Farris, Mathews, Bobango, PLC  
Thompson, Mark, CFO, Morristown Hamblen Healthcare System  
Tisher, C. Tim, Esq., City Attorney, City of Columbia  
Tolbert, Trent, COO, Grace Healthcare  
Trauger, Byron R., Esq., Trauger & Tuke  
Wellborn, John L., Consultant, Development Support Group  
Wilson, Melissa, Legislative Auditor, State of Tennessee, Comptroller's Office

**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. Ms. Hill announced the withdrawal of opposition from West Tennessee Transitional Care, CN0905-023; and the deferral of Plaza Radiology, LLC d/b/a Cleveland Imaging, LLC, CN0905-024 to the September Meeting. Ms. Hill further stated that the November and December meeting dates have been set for November 18 and December 16, 2009.

### **OTHER BUSINESS**

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

### **CERTIFICATE OF NEED APPLICATIONS**

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Mark Farber summarized the following CON applications:

Mr. Jones recused.

**Recovery of Columbia - (Columbia, Maury County) - Project No. CN0905-020**

The establishment of a non-residential methadone treatment facility to provide adult opioid treatment program services. The facility will be licensed by the Tennessee Department of Mental Health and Developmental Disabilities, as an Alcohol & Drug Abuse Non-residential Opiate Treatment Facility. The project does not contain major medical equipment or initiate or discontinue any other health services. Project Cost \$776,251.00.

Richard Lodge, Jr., Esq., representing the applicant, addressed the Agency. Belinda Dickson, Recovery of Columbia spoke on behalf of the project. Speaking in support of the project were: Valerie McCoy-Owens; James Campbell, Jr. Present in support were: Beverly Jones, Recovery of Columbia; Neil Bomar, M.D., Medical Director, Solutions of Savannah; and John L. Wellborn, Consultant.

Opposing the project were: Jerry W. Taylor, Esq., representing Behavioral Health Group; C. Tim Tisher, Esq., City Attorney, City of Columbia; Joseph D. Bishop, Chief of Police, City of Columbia; Alvin Seago; and Debbie Matthews, Councilwoman, City of Columbia.

Mr. Lodge rebutted.

Mr. Taylor provided summation for the opposition.

Mr. Lodge provided summation for the applicant.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is established by both the Department of Mental Health and Development Disabilities report and other information that has been presented regarding patients needing these services; 2) Economic Feasibility – The project is economically feasible supported by a commercial loan; and 3) The project does contribute to the orderly development of adequate and effective health care by making this service available to opioid addicted patients. Ms. Weaver seconded the motion. The motion CARRIED [6-1-1]. **APPROVED**

AYE: Burns, Bishop, Atchley, Lammert, Handorf, Weaver

NAY: Koella

ABSTAINED: Gaither

**Frix-Jennings Clinic, P.C. - (Henderson, Chester County) - Project No. CN0905-021**

The acquisition of a mobile magnetic resonance imaging (MRI) unit and the initiation of MRI services two (2) days per week limited to the patients of the Frix-Jennings Clinic. The MRI unit to be acquired will be permanently docked adjacent to the clinic's offices. There is no health care institution licensure required for this service. Project Cost \$887,938.00.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Cary Frix, M.D., spoke on behalf of the project.

Mr. Atchley moved for approval of the project based on: 1) Need – This service is not currently provided in this particular county; 2) Economic Feasibility – The project is economically feasible; and 3) The project does contribute to the orderly development of adequate and effective health care for the residents of this county. Mr. Lammert seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Burns, Bishop, Atchley, Lammert, Handorf, Weaver, Gaither, Jones, Koella

NAY: None

Mr. Atchley recused.

**West Tennessee Transitional Care - (Jackson, Madison County) - Project No. CN0905-023**

The construction and replacement of an eighty-five (85) bed nursing home facility. The nursing home will be relocated from its current site at 670 Skyline Drive, Jackson (Madison County), TN to a new site located at an unaddressed site on US Hwy 45 By-Pass (on the north by Northstar Park subdivision and on the east by Murray Guard Road). There will be no change in the number of licensed beds or health services. Project Cost \$12,999,183.00.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Wayne Stevens, Administrator, spoke on behalf of the project. Speaking in support was James Ross, Hospital Vice President, West Tennessee Healthcare. Mark Davis, COO, West Tennessee Transitional Hospital responded to questions from members.

Opposing the project were: Graham Baker, Esq., representing Maplewood Health Care, Inc.; John Joseph Sheehan, Jr., President, Maplewood Health Care, Inc.; and James Palculict, RDO, Grace Healthcare. Trent Tolbert, COO, Grace Healthcare was present in opposition.

Mr. Taylor rebutted.

Mr. Baker provided summation for the opposition.

Mr. Taylor provided summation for the applicant.

Mr. Lammert moved for approval of the project based on: 1) Need – Based upon comments and testimony presented there is a need for the replacement for skilled beds for patients in this area that is not being met now; 2) Economic Feasibility – The project's economic feasibility is met with cash reserves; and 3) The project does add and contribute to the orderly development of adequate and effective health care for the patients in Madison County Tennessee. Mr. Jones & Ms. Weaver seconded the motion. The motion CARRIED [6-2-0]. **APPROVED**

AYE: Burns, Bishop, Lammert, Weaver, Jones, Koella

NAY: Handorf, Gaither

**Plaza Radiology, LLC d/b/a Cleveland Imaging, LLC - (Cleveland, Bradley County) - Project No. CN0905-024**

The acquisition of a magnetic resonance imaging (MRI) unit and the initiation of MRI services. Other than the MRI no other major medical equipment, initiation of services nor discontinuance of health services are requested. Project Cost \$1,083,872.00.

**DEFERRED TO THE SEPTEMBER MEETING**

**GENERAL COUNSEL'S REPORT**

*Reid Brogden summarized the following requests for modifications:*

**Lakeshore Estates, Inc. d/b/a The Meadows - (Nashville, Davidson County) - Project No. 996-CN-87A**

Request to remove limitation on Medicare and Medicaid participation so that the facility can seek certification for ten (10) beds to be qualified as Medicare skilled beds. The total number of nursing home beds located in Davidson County will not change as a result of this project.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. David Sciortino, Administrator, spoke on behalf of the request and Ed Day, Consultant, was present.

Dr. Handorf moved for approval of the request based on that it does contribute to the orderly development of health care. Mr. Atchley seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Burns, Bishop, Atchley, Lammert, Handorf, Weaver, Gaither, Jones, Koella

NAY: None

**Morristown-Hamblen Hospital - (Morristown, Hamblen County) - Project No. CN0505-037A**

Request to increase positron emission tomography (PET) services from one (1) day per week to three (3) days per week. This project was approved on August 24, 2005 for the initiation of mobile PET services one (1) day per week utilizing equipment owned by another party. The project was implemented on June 15, 2006 with a project cost of \$662,000.

Warren L. Gooch, Esq., representing the applicant, addressed the Agency. Present on behalf of the request were: Mark Thompson, CFO, Morristown Hamblen Healthcare System; and Emily M. Blomenberg, Director, Imaging Services, Morristown-Hamblen Hospital.

Mr. Lammert moved for approval of the request to increase PET services from one (1) day per week to three (3) days per week. Dr. Handorf seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Burns, Bishop, Atchley, Lammert, Handorf, Weaver, Gaither, Jones, Koella  
NAY: None

**Jackson-Madison County General Hospital - (Jackson, Madison County) - Project No. CN0802-008A**

Request to not proceed with certain portions of the North Tower renovations due to the economy. The reduction in construction cost will be \$7,134,600; equipment by \$1,118,088; and the contingency fund of \$2,346,233.54 will be released and eliminated. These changes will result in a decrease of the project cost from \$28,863,928 to \$19,383,095. This project was approved on May 28, 2008 for the renovation of 66,729 square feet of existing space; the addition of twenty-three (23) acute care hospital beds; and the delicensure of twenty-three (23) beds from Gibson General Hospital. The expiration date is July 1, 2011 and the project cost was \$28,863,928.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Present on behalf of the request were: Vicki Lake, Director, Market Research & Community Development, Jackson-Madison County General Hospital; James Ross, Vice President, West Tennessee Healthcare; Catherine Kwasisgroh, Vice President, Jackson-Madison County General Hospital; Barry Joyce, Director of Finance/Capital, Jackson-Madison County General Hospital; and Larry Betler, Director of Facility Management, Jackson-Madison County General Hospital.

Mr. Jones moved for approval of the request as presented. Mr. Lammert seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Burns, Bishop, Atchley, Lammert, Handorf, Weaver, Gaither, Jones, Koella  
NAY: None

**CONTESTED CASE UPDATE**

Mr. Christoffersen provided an update on the status of current contested cases.

**OTHER BUSINESS**

Ms. Hill informed the HSDA about an issue that has arisen concerning home health agencies limited to private duty nursing.

Several certificates of need have been granted in the past, but TennCare now requires an agency to be Medicare certified in order to contract with an MCO, and the Department of Health will not certify agencies limited to private duty nursing.

An agency that has been unable to obtain certification and a contract with a TennCare MCO, due to its CON being limited to private duty, may be on the General Counsel's Report next month.

It is possible that several agencies limited to private duty will be decertified from TennCare participation.

**MINUTES**

The minutes of the July 22, 2009, meeting were accepted by unanimous voice vote.

**ADJOURNMENT**

There being no further business, the meeting adjourned.

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Melanie M. Hill, Executive Director

MMH/mab