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# Health Services and Development Agency

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## Communique

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**A MONTHLY PUBLICATION OF THE  
HEALTH SERVICES AND DEVELOPMENT AGENCY**

**Andrew Jackson State Office Building**

**500 Deaderick Street, Suite 850**

**Nashville, TN 37243**

**615.741.2364**

**JULY**

**2011**

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**For Meeting verification/change or agenda information, please call  
the Agency Office or check our website at [www.tn.gov/hsda](http://www.tn.gov/hsda)**

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### **HEALTH SERVICES & DEVELOPMENT AGENCY**

Chair..... Carl Koella, III  
Vice-Chair ..... "Vacant"  
Executive Director ..... Melanie Hill  
General Counsel ..... James B. Christoffersen

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Department of Health, Division of Health Statistics,  
Office of Policy, Planning and Assessment

615.741.1954

Department of Mental Health,  
Office of Policy Planning

615.532.6500

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Office Hours are 8:00 a.m. to 4:30 p.m., Central Time, Monday through Friday

**ALL RECORDS ARE PUBLIC INFORMATION**

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## CALENDAR

**The Health Services and Development Agency will be closed in 2011 on the following days:**

Monday, January 3 – New Year’s Day Observed  
 Monday, January 17 – Martin Luther King Day  
 Monday, February 21 – President’s Day  
 Friday, April 22 – Good Friday  
 Monday, May 30 – Memorial Day  
 Monday, July 4 – Independence Day  
 Monday, September 5 – Labor Day

\* Monday, October 10 – Columbus Day “ *will be substituted for the day after Thanksgiving at the Governor’s discretion.*”  
 Friday, November 11 – Veteran’s Day  
 Thursday, November 24 – Thanksgiving Day  
 \* Friday, November 25 – substituted for Columbus Day  
 Monday, December 26 – Christmas Day Observed

### 2011 REVIEW CYCLE

2011 Cycle	Publication Dates- Letter of Intent	Application	HSDA Meeting Dates	* End of Appeal Period
January 2011	12/01/10-12/10/10	5 days after Publication	03/23/11	04/07/11
February 2011	01/01/11-01/10/11	"	04/27/11	05/12/11
March 2011	02/01/11-02/10/11	"	05/25/11	06/09/11
April 2011	03/01/11-03/10/11	"	06/22/11	07/07/11
May 2010	04/01/11-04/10/11	"	07/27/11	08/11/11
June 2010	05/01/11-05/10/11	"	08/24/11	09/08/11
July 2010	06/01/11-06/10/11	"	09/28/11	10/13/11
August 2010	07/01/11-07/10/11	"	10/26/11	11/10/11
September 2010	08/01/11-08/10/11	"	11/16/11	12/01/11
October 2010	09/01/11-09/10/11	"	12/21/11	1/5/12
November 2010	10/01/11-10/10/11	"	01/25/12	02/9/12
December 2010	11/01/11-11/10/11	"	02/22/12	03/8/12

**In the event that the last appropriate filing date falls on a Saturday, Sunday, or legal holiday, such filing should occur on the preceding business day.**

\* Appeal deadline is 15 days after meeting date

### STATE OF TENNESSEE POLICY OF NON-DISCRIMINATION

PURSUANT TO THE STATE OF TENNESSEE’S POLICY OF NON-DISCRIMINATION, THE HEALTH SERVICES AND DEVELOPMENT AGENCY DOES NOT DISCRIMINATE ON THE BASIS OF RACE, SEX, RELIGION, COLOR, NATIONAL OR ETHNIC ORIGIN, AGE, DISABILITY OR MILITARY SERVICE IN ITS POLICIES OR IN THE ADMISSION OR ACCESS TO, OR TREATMENT OR EMPLOYMENT IN, ITS PROGRAMS, SERVICES OR ACTIVITIES.

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION INQUIRIES OR COMPLAINTS SHOULD BE DIRECTED TO THE HEALTH SERVICES AND DEVELOPMENT AGENCY EEO/AA COORDINATOR OR OFFICER, HEALTH SERVICES AND DEVELOPMENT AGENCY, 500 DEADERICK STREET, SUITE 850, NASHVILLE, TN 37243. TELEPHONE NO.: 615/741-2364. ADA INQUIRIES OR COMPLAINTS SHOULD BE DIRECTED TO THE HEALTH SERVICES AND DEVELOPMENT AGENCY’S ADA COORDINATOR: JAMES CHRISTOFFERSEN, HEALTH SERVICES AND DEVELOPMENT AGENCY, 500 DEADERICK STREET, SUITE 850, NASHVILLE, TN 37243. TELEPHONE NO.: 615/741-2364.

HEALTH SERVICES AND  
DEVELOPMENT AGENCY MEETINGS

THSDA Meetings are scheduled to be held at  
8:30 a.m. CDT/CST  
at the following location:

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July – December 2011 \*

Legislative Plaza

Room 12

Sixth Avenue North & Union Street

Nashville, TN

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\* Meeting locations are subject to change

\*\* All meetings of the Health Services and Development Agency are  
posted on the Agency's website at [www.tn.gov/hsda](http://www.tn.gov/hsda)

EXECUTIVE DIRECTOR'S ANNOUNCEMENTS:

PLEASE NOTE:

In order that the Agency members may have sufficient time to review the meeting packet, please submit all support, rebuttal and comments for matters on the Agency's agenda no later than noon (Central Time) on the thirteenth day before the meeting at which that matter will be Heard. The parties are encouraged to provide 28 copies. In accordance with T.C.A., Section 68-11-1609(g)(1), any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Agency and serve a copy on the applicant no later than fifteen days before the agency meeting at which time the application is originally scheduled.



## RESULTS OF APPLICATIONS HEARD AT THE JUNE MEETING

Hillview Health Center  
1666 Hillview Drive  
Elizabethton (Carter County), TN 37643  
CN1103-007  
Contact Person: E. Graham Baker, Jr., Esq.  
Phone No.: 615-370-3380

**APPROVED**

The addition of twenty (20)\* skilled nursing beds at its facility. The facility is currently licensed for fifty-six (56) dually-certified beds, and this application, if approved, will result in a total licensed bed complement of seventy-six (76) nursing home beds. The additional twenty (20) beds will be dually certified. There is no major medical equipment involved with this project. No other health services will be initiated or discontinued. It is proposed that the facility will continue to serve Medicare, Medicaid, commercially insured, and private-pay patients, and the facility will continue to be licensed by the Tennessee Department of Health.

\$ 1,799,816.00

\* These beds will be subject to the 125 nursing home bed pool for 2010-2011.

Chattanooga Medical Investors Limited  
Partnership dba Life Care Center of Ooltewah  
Northeast corner of Mountain View Road and  
Snow Hill Road  
Ooltewah (Hamilton County), TN 37363  
CN1103-009  
Contact Person: Edwin Day, Consultant  
Phone No.: 615-952-2297

**DEFERRED TO THE JULY MEETING**

The relocation and replacement of a nursing home (Life Care Center of Chattanooga) located at 455 North Highland Park Avenue, Chattanooga (Hamilton County), TN 37404. The replacement facility will be located on a 8.4 acre site, which has not been assigned an address, located on the northeast corner of Mountain View Road and Snow Hill Road, Ooltewah (Hamilton County), TN 37363. The number of licensed beds will be reduced from 153 to 120. No services will be initiated nor discontinued, and no major medical equipment is requested.

\$ 20,990,000.00

Saint Thomas Hospital  
4220 Harding Road  
Nashville (Davidson County), TN 37205  
CN1103-010  
Contact Person: Barbara Houchin, Executive  
Director, Planning  
Phone No.: 615-284-6869

**APPROVED**

The renovation of its existing Cardiac Surgery Suite within the hospital. The project involves the renovation of eight (8) operating rooms in approximately 11,143 square feet of existing operating room space and the purchase of major medical equipment. Major medical equipment for the project consists of two (2) Siemens Artis zeego floor mounted, multi-axis C-arm angiography systems. There are no additional services, operating rooms, or beds requested in the project.

\$ 10,275,135.00

\*NOL, LLC dba Premier Radiology  
5002 Crossing Circle  
Mt. Juliet (Wilson County), TN 37122  
CN1104-012  
Contact Person: Ed Day  
Phone No.: 615-952-2297

**DEFERRED TO THE JULY MEETING**

To establish an outpatient diagnostic (ODC) at 5002 Crossing Circle, Mt. Juliet (Wilson County), including the initiation of magnetic resonance imaging (MRI). The proposed ODC will be established by converting existing equipment and facilities currently operated at the location by NOL, LLC dba Premier Radiology as part of its physicians' practice. The diagnostic services in the existing physicians' practice and in the proposed ODC include MRI, CT, nuclear medicine, ultrasound, and x-ray. The project will not add any new services to the market or change the location of existing services. No other services will be initiated or discontinued and no additional equipment will be acquired as a part of this project. **\*Removed from Consent Calendar due to opposition received per HSDA Rule 0720-10-.05(4).**

\$ 3,000,848.00

# RESULTS OF APPLICATIONS HEARD AT THE JUNE MEETING

## **GENERAL COUNSEL'S REPORT**

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

**APPROVED**

Request for removal of condition limited to diagnostic catheterization 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 services. The expiration date was May 1, 2010 and the project cost was \$3,521,538.00. The project was implemented in November 2009.

**Deferred from the April Meeting**

Southern Hills Medical Center  
391 Wallace Road  
Nashville (Davidson County), TN  
CN1003-014A  
Contact Person: Jerry W. Taylor, Esq.  
Phone No.: 615-726-1200

**APPROVED**

Request for a modification to increase the project cost and square footage. The project cost will increase by \$390,000.00, from \$450,000.00 to \$840,000.00. The square footage will increase by 2,588 square feet, from 3,110 square feet to 5,698 square feet. The project was approved at the June 23, 2010 meeting for the initiation of inpatient rehabilitation services and the addition of twelve (12) inpatient beds to its license to be designated as rehabilitation beds, and the establishment of a twelve (12) bed inpatient rehabilitation unit in the main hospital facility.

Saint Francis Hospital  
2986 Kate Bond Road  
Bartlett, Bartlett (Shelby County), TN  
CN0712-099A  
Contact Person: Kim H. Looney, Esq.  
Phone No.: 615-244-6380

**APPROVED**

Request for a twelve (12) month extension of the expiration date from July 1, 2011 to July 1, 2012. This project was approved on May 28, 2008 for the initiation of a ten (10) bed neonatal intensive care unit (NICU) at the hospital's campus. The hospital's licensed bed capacity will not increase as a result of this project. The project cost is \$33,000.00.

## APPLICATIONS TO BE HEARD AT THE JULY MEETING

Chattanooga Medical Investors Limited  
Partnership dba Life Care Center of Ooltewah  
Northeast corner of Mountain View Road and  
Snow Hill Road  
Ooltewah (Hamilton County), TN 37363  
CN1103-009  
Contact Person: Edwin Day, Consultant  
Phone No.: 615-952-2297  
**DEFERRED FROM THE JULY  
MEETING**

The relocation and replacement of a nursing home (Life Care Center of Chattanooga) located at 455 North Highland Park Avenue, Chattanooga (Hamilton County), TN 37404. The replacement facility will be located on a 8.4 acre site, which has not been assigned an address, located on the northeast corner of Mountain View Road and Snow Hill Road, Ooltewah (Hamilton County), TN 37363. The number of licensed beds will be reduced from 153 to 120. No services will be initiated nor discontinued, and no major medical equipment is requested.  
\$ 20,990,000.00

\*NOL, LLC dba Premier Radiology  
5002 Crossing Circle  
Mt. Juliet (Wilson County), TN 37122  
CN1104-012  
Contact Person: Ed Day  
Phone No.: 615-952-2297  
**DEFERRED FROM THE JULY  
MEETING**

To establish an outpatient diagnostic center (ODC) at 5002 Crossing Circle, Mt. Juliet (Wilson County), including the initiation of magnetic resonance imaging (MRI). The proposed ODC will be established by converting existing equipment and facilities currently operated at the location by NOL, LLC dba Premier Radiology as part of its physicians' practice. The diagnostic services in the existing physicians' practice and in the proposed ODC include MRI, CT, nuclear medicine, ultrasound, and x-ray. The project will not add any new services to the market or change the location of existing services. No other services will be initiated or discontinued and no additional equipment will be acquired as a part of this project. **\*Removed from Consent Calendar due to opposition received per HSDA Rule 0720-10-.05(4).**  
\$ 3,000,848.00

Memorial North Park Hospital  
2051 Hamill Road  
Hixson (Hamilton County), TN 37343  
CN1104-011  
Contact Person: Jane Lucchesi  
Phone No.: 423-495-8931

To renovate and expand several departments of the hospital located at 2051 Hamill Road, Hixson (Hamilton County), TN. The project involves construction of a replacement Intensive Care Unit, renovation and expansion of the Emergency Department, renovation and expansion of the Endoscopy Unit, partial renovation of a Nursing Unit, and renovation of radiology space to add a SPECT-CT unit. The designated ICU beds will increase from eight (8) to ten (10) and the number of medical surgical beds will decrease from sixty-one (61) to fifty-nine (59). This project will not affect the hospital's total licensed bed complement of sixty-nine (69) beds. Emergency Department treatment rooms will increase from thirteen (13) to seventeen (17). The Endoscopy Unit will increase from two (2) to three (3) labs. The total project involves 32,880 total gross square feet of new and renovated space. The project does not involve acquisition of major medical equipment or the initiation or discontinuance of any health care services.  
\$ 17,583,642.00

## APPLICATIONS TO BE HEARD AT THE JULY MEETING

Clarksville Surgery Center, LLC  
793 Weatherly Drive  
Clarksville (Montgomery County), TN 37043  
CN1104-014  
Contact Person: Keith Bolton, Chief Executive Officer  
Phone No.: 931-801-2558

Initiation of extra corporeal shockwave lithotripsy (ESWL) services at Clarksville Surgery Center, 793 Weatherly Drive, Clarksville (Montgomery County), TN through a mobile service on a "as needed" basis.  
\$ 200,000.00

### GENERAL COUNSEL'S REPORT

Rosewood Manor  
Unaddressed site near Old Kedron Road  
Spring Hill (Maury County), TN  
CN0703-021A  
Contact Person: Jerry W. Taylor, Esq.  
Phone No.: 615-726-1200

### **DEFERRED FROM THE APRIL MEETING**

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 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. The project cost is \$10,668,976.00.

\* These beds were subject to the 125 Nursing Home Bed Pool for 2006-2007.

Saint Francis Hospital  
5959 Park Avenue  
Memphis (Shelby County), TN 38119  
CN0803-023A  
Contact Person: Kim H. Looney, Esq.  
Phone No.: 615-850-8722

Request for a twelve (12) month extension of the expiration date from September 1, 2011 to September 1, 2012. This project was approved on July 23, 2008 for the acquisition of a Cyberknife Stereotactic Radiosurgery System to be installed at the hospital's main campus. The Cyberknife is an alternative to, but not a replacement of the linear accelerator radiation oncology services already provided at the hospital, which services will continue to be provided. No inpatient beds are affected by this project. The project cost is \$6,651,513.00.

HealthSouth Rehabilitation Hospital of Williamson County  
Intersection of Edward Curd Lane and Physicians Way  
Franklin (Williamson County), TN 37064  
CN1012-059A  
Contact Person: Byron R. Trauger, Esq.  
Phone No.: 615-256-8585

Request for modification of structure of building from a one-story to a two-story. The project was approved at the March 23, 2011 meeting for the establishment of a forty (40) bed rehabilitation hospital and the initiation of inpatient/outpatient acute rehabilitation services in Williamson County. Expiration date is May 1, 2014 and the project cost is \$23,389,263.00.

## APPLICATIONS TO BE HEARD AT THE AUGUST MEETING

Southern Sports Medicine Surgery Center  
(SSMSC)  
1163 Nashville Pike  
Gallatin (Sumner County), TN 37066  
CN1104-013  
Contact Person: Thomas Gautsch, M.D.  
Phone No.: 615-452-3320

The establishment of a single specialty ambulatory surgical treatment center (ASTC). The center will contain approximately 6,200 square feet of space and will include two (2) operating rooms, one (1) procedure room, a pre/post holding area and support space. The project does not contain any major medical equipment and will not initiate or discontinue any other health service.  
\$ 3,296,400.00

Orange Grove Center, Inc.  
Site A 5345 Mountain Creek Road  
Chattanooga (Hamilton County), TN 37415  
CN1105-015  
Contact Person: Kyle Hauth, Executive Director  
Phone No.: 423-493-2910

The establishment of a four (4) bed ICF/MR home for four (4) residents who will transfer from an existing eight (8)-bed ICF/MR managed by The Orange Grove Center, Inc. Services will include complete life care support for individuals with intellectual disabilities, appropriate therapies, community integration opportunities and life skills development. The home will be licensed by the Tennessee Department of Mental Health.  
\$ 992,393.00

Orange Grove Center, Inc.  
Site B 5345 Mountain Creek Road  
Chattanooga (Hamilton County), TN 37415  
CN1105-016  
Contact Person: Kyle Hauth, Executive Director  
Phone No.: 423-493-2910

The establishment of a four (4) bed ICF/MR home for four (4) residents who will transfer from an existing eight (8)-bed ICF/MR managed by The Orange Grove Center, Inc. Services will include complete life care support for individuals with intellectual disabilities, appropriate therapies, community integration opportunities and life skills development. The home will be licensed by the Tennessee Department of Mental Health.  
\$ 992,393.00

St. Jude Children's Research Hospital  
315 Danny Thomas Place  
Memphis (Shelby County), TN 38105  
CN1105-017  
Contact Person: John Wellborn, Consultant  
Phone No.: 615-665-2022

To construct a new medical tower that will include a replacement Surgical Department and Intensive Care Unit (ICU). In the same structure, the hospital proposes to establish a proton beam therapy center for pediatric cancer treatment, to acquire major medical equipment (proton beam therapy equipment and related components), and to initiate inpatient and outpatient proton therapy services. It will be located within the St. Jude campus, next to the Chili's Care Center. St. Jude is licensed as a 78-bed general hospital. The project will not change the hospital's bed complement, or initiate or discontinue any other hospital service, or include any other types of major medical equipment.  
\$ 184,279,326.00

## APPLICATIONS TO BE HEARD AT THE AUGUST MEETING

Baptist Memorial Hospital - Tipton dba  
Baptist Center for Cancer Care  
1238 & 1280 South Germantown Pkwy  
Germantown (Shelby County), TN 38138  
CN1105-018  
Contact Person: Arthur Maples, Dir. Strategic  
Analysis  
Phone No.: 901-227-4137

To construct a comprehensive cancer center; to initiate linear accelerator and positron emission tomography (PET) services; and to acquire major medical equipment and related assets currently owned by Baptist Memorial Hospital-Memphis (BMHM). The new facility will include a full array of oncology services and programs, and will be operated as an outpatient department of Baptist Memorial Hospital-Tipton under the name Baptist Center for Cancer Care. The project involves relocating from BMHM the PET unit, two (2) linear accelerators and other radiation oncology equipment along with the CyberKnife linear accelerator approved but unimplemented by CN1010-050. The PET, accelerators and other treatment equipment and services will be located in approximately 105,291 square feet of space to be constructed at 1238 and 1280 South Germantown Parkway, Germantown (Shelby County), TN 38138. The location is close to the intersection of Germantown Parkway and Wolf River Boulevard in Germantown (Shelby County), TN and is approximately 5 miles from the current location of radiation therapy services at BMHM. The project does not involve the addition of beds or any other service for which a certificate of need is required.

\$ 64,925,225.00

## APPLICATIONS TO BE HEARD AT THE SEPTEMBER MEETING

Mercy Health System, Inc. dba  
Mercy Medical Center, North  
7551 Dannaher Way  
Powell (Knox County), TN 37849  
CN1106-019  
Contact Person: Jeffrey D. Potter, Senior Vice  
President and Chief Strategy Officer  
Phone No.: 865-218-7094

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.  
\$ 4,694,671.00

Seton Corporation dba Baptist Hospital  
2000 Church Street  
Nashville (Davidson County), TN 37236  
CN1106-020  
Contact Person: Barbara Houchin, Executive Director,  
Planning  
Phone No.: 615-284-6869

Renovations to the Cardiac and Medical Imaging departments at Baptist Hospital. The total number of licensed beds at Baptist Hospital will not change as a result of this project. One (1) PET/CT scanner will be purchased to replace two (2) PET scanners. Renovations will be made to 44,440 square feet of space and there will be 3,900 square feet of new construction.  
\$ 14,670,000.00

Johnson City Medical Center  
400 North State of Franklin Road  
Johnson City (Washington County), TN 37604  
CN1106-021  
Contact Person: Tony Benton, Vice-President,  
Strategic Planning  
Phone No.: 423-302-3379

The renovation and expansion of the current radiation oncology department in the main campus building of Johnson City Medical Center ("JCMC"). No new services will be initiated and no major medical equipment will be purchased. There will be no change in the hospital bed complement.  
\$ 14,999,924.00

NHC at Indian Path  
2300 Pavilion Drive  
Kingsport (Sullivan County), TN 37660  
CN1106-022  
Contact Person: Bruce K. Duncan, Assistant Vice  
President  
Phone No.: 615-890-2020

The establishment of a new thirty (30)\* bed nursing home certified for Medicare participation. The project will be located in the existing building at the site of the old Indian Path Pavilion.  
\$ 7,060,851.00  
\* These beds are subject to the 125 Nursing Home Bed Pool for 2010 – 2011.

## APPEALS OF AGENCY DECISIONS

<u>FACILITY</u>	<u>DOCKET #</u>	<u>DESCRIPTION</u>	<u>Approved/ Denied</u>
HealthSouth Rehabilitation Hospital of Williamson County Franklin, Williamson County CN102-059A	25.00- 111868J	Appeal of Approval of CON	3/23/2011
Middle Tennessee Rehabilitation Hospital, LLC Franklin, Williamson County CN102-055D	25.00- 111868J	Appeal of Denial of CON	3/23/2011
New Life Surgical Center, PLLC Franklin, Williamson County CN1009-043A	25.00-111517J	Appeal of Approval of CON	2/23/2011
Plaza Radiology, LLC d/b/a Cleveland Imaging Cleveland, Bradley County CN1010-047A	25.00-11270J	Appeal of Approval of CON	1/26/2011

# Health Services and Development Agency Members

Carl Koella  
(Consumer, Speaker of the Senate)

Charlotte C. Burns  
(Hospital)

Barrett G. Haik, M.D.  
(Physician)

D. Lynn Johnson  
(Consumer, Speaker of the House)

"Vacant"  
(Consumer, Governor)

Gregory Lammert  
(Home Care)

William Southwick  
(Ambulatory Surgical Treatment Centers)

James L. Wright  
(Nursing Home)

Darin J. Gordon  
(Director of TennCare)  
Keith Gaither, Designee

Julie Mix McPeak  
(Commerce & Insurance Commissioner)  
Lisa Jordan, Designee

Justin Wilson  
(Comptroller)  
Faye Weaver, Designee