



**State of Tennessee**

**Health Services and Development Agency**

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# AGENDA

Legislative Plaza  
Room 12  
Sixth Avenue North & Union Street  
Nashville, TN

Wednesday, October 26, 2016  
8:30 a.m. CST

- I. CALL TO ORDER
- II. ROLL CALL – **10 present: Jordan, Gaither, Ridgway, Harding, Mills, Taylor, Korth, Fleming, Grandy, Doolittle**
- III. DIRECTOR'S ANNOUNCEMENTS
- IV. APPROVAL OF MINUTES **Motion to approve—Mr. Mills, 2<sup>nd</sup>—Ms. Jordan, (10-0-0)**
- V. STATE HEALTH PLAN UPDATE
  - A. Update: Ms. Hill read the State Health Plan Update into the record, provided by Jeff Ockerman, Director of Health Planning, Department of Health.
- VI. CONSENT CALENDAR

*Mr. Mills  
recused.*

**APPROVED**

**Motion: Mr. Grandy  
2<sup>nd</sup>:Ms. Harding  
(9-0-0)**

**CONDITION:  
Maury, Giles,  
Lawrence, Lewis,  
Wayne and  
Hickman Counties  
be concurrently  
de-licensed from  
the service area of  
Maxlife at Home of  
Tennessee d/b/a  
CareAll Home Care  
Services.**

*Mr. Mills  
recused.*

**APPROVED**

**Motion: Ms.  
Harding**

- A. VIP Home Nursing and Rehabilitation Service, LLC d/b/a CareAll Home Care Services, Nashville (Davidson County), TN – CN1608-028  
The addition of six counties (Maury, Giles, Lawrence, Wayne, Lewis, and Hickman) to the existing 22 county (Bedford, Cheatham, Davidson, Rutherford, Williamson, Wilson, Clay, Cumberland, Jackson, Overton, Putnam, Macon, Robertson, Sumner, Smith, Trousdale, Dekalb, Van Buren, Warren, White, Perry, and Cannon Counties) service area of VIP Home Nursing and Rehabilitation Service d/b/a CareAll Home Care Services located at 4015 Travis Drive, Suite 102, Nashville, TN 37211. The estimated project cost is \$21,000.
- B. Maxlife at Home of Tennessee LLC d/b/a CareAll Home Care Services, Nashville (Davidson County), TN – CN1608-029  
The relocation of the applicant's principal office from 900 Nashville Highway, Columbia (Maury County) to 4015 Travis Drive, Suite 103, Nashville, TN

2nd: Ms. Jordan  
(9-0-0)

**CONDITION:**  
Maury, Giles,  
Lawrence, Lewis,  
Wayne and  
Hickman Counties  
be de-licensed  
from the service  
area.

37211. The relocation will occur with the surrender of Maury, Giles, Lawrence, Lewis, Wayne, and Hickman Counties from the service area and the transfer of these six counties to the applicant's sister agency VIP Home Nursing and Rehabilitation Service, d/b/a CareAll Home Care Services. The remaining service area will consist of Cheatham, Davidson, Rutherford, Williamson, Robertson, Sumner, Hardin, McNairy, Decatur, Perry, Humphreys, and Wilson. The estimated project cost is \$67,054.88.

## VII. CERTIFICATE OF NEED APPLICATIONS

*Mr. Ridgway  
recused.*

**APPROVED**

Motion: Ms. Jordan  
2<sup>nd</sup>: Dr. Fleming  
(9-0-0)

**CONDITION:3 OR/1  
PR.**

*Mr. Ridgway  
recused.*

**Motion to  
Approve:**

**FAILED/DENIED  
CON**

Motion: Dr. Fleming  
2<sup>nd</sup>: Mr. Grandy  
(4-5-0)

Nay: Jordan,  
Gaither, Mills,  
Korth, Grandy

*Mr. Korth, Mr.  
Ridgway, and Dr.  
Fleming recused.*

**APPROVED**

Motion: Mr. Mills  
2<sup>nd</sup>: Mr. Taylor  
(7-0-0)

**CONDITION:3 OR/1  
PR.**

*Dr. Fleming  
recused.*

**APPROVED**

Motion: Mr.  
Ridgway  
2<sup>nd</sup>: Mr. Grandy  
(9-0-0)

**APPROVED**

Motion: Mr.

- A. Tennessee Orthopedics, P.C., Lebanon (Wilson County), TN — CN1605-019  
The establishment of multi-specialty ambulatory surgical treatment center (ASTC) to be located in leased space at 101 Physicians Way, Lebanon (Wilson County), TN 37090. The ASTC will include three operating rooms and one procedure room. The estimated project cost is \$2,726,676. **OPPOSITION:** Tennova Healthcare – Lebanon (f/k/a University Medical Center) and Lebanon Medical Properties, LLC. **DEFERRED FROM AUGUST MEETING.**
- B. Middle Tennessee Imaging, LLC d/b/a Premier Radiology, Clarksville (Montgomery County), TN — CN1605-016  
The establishment of an outpatient diagnostic center and the initiation of MRI services through the acquisition of a fixed MRI unit. The estimated project cost is \$941,648. **OPPOSITION:** Tennova Healthcare-Clarksville.
- C. Bartlett ASC, LLC, Bartlett (Shelby County), TN — CN1605-020  
The establishment of a multi-specialty ambulatory surgical center (ASTC) providing outpatient surgery services. The estimated project cost is \$9,837,855.48.
- D. AxelaCare Health Solutions LLC, Memphis (Shelby County), TN — CN1606-022  
The establishment of a home care organization and the initiation of home health services limited to the home infusion of immune globulin pharmaceuticals in 21 West Tennessee counties. The service area includes Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, McNairy, Obion, Shelby, Tipton, and Weakley Counties. The estimated project cost is \$69,628.
- E. Trustpoint Hospital LLC, Murfreesboro (Rutherford County), TN — CN1606-024  
The addition of 88 hospital beds to the existing 129-bed acute care hospital

Ridgway  
2<sup>nd</sup>: Mr. Korth  
(10-0-0)

**CONDITION:**Limited  
to an additional 52  
Adult Psychiatric  
Beds, 8 Physical  
Rehabiliations  
Beds, 14  
Adolescent  
Psychiatric beds,  
and 14 Child  
Psychiatric beds.

**DEFERRED  
TO  
DECEMBER  
MEETING.**

licensed by the TN Department of Health resulting in a total of 217 licensed beds. The bed breakdown follows: Adult Psychiatric beds will increase from 59 to 111 beds; Physical Rehabilitation beds will increase from 16 beds to 24 beds; Child Psychiatric beds will increase from 0 beds to 14 beds; Adolescent Psychiatric will increase from 0 to 14 beds. The project includes the construction of a new building and renovation of existing facilities. A 32-bed residential care unit (16 adolescent/16 child) that is not subject to CON review will be built and housed onsite and will be licensed separately by the TDMHSAS. The estimated project cost is \$57,320,105.

- F. Compass Intervention Center, Memphis (Shelby County), TN – CN1606-025  
The establishment of a 48 bed inpatient mental health hospital for children and adolescents up to age 18 located at 7900 Lowrance Road, Memphis (Shelby County), TN 38125. The estimated project cost is \$12,152,661. **OPPOSITION:** Saint Francis Hospital, Crestwyn Behavioral Health and Baptist Memorial Hospital-Memphis. **DEFERRED TO DECEMBER MEETING.**

#### VIII. GENERAL COUNSEL'S REPORT

**APPROVED**  
Motion: Ms. Jordan  
2<sup>nd</sup>: Ms. Harding  
(10-0-0)

- A. NHC/Maury Regional Transitional Care Center, Columbia (Maury County), TN – CN1307-025AE

Request for a 3 month extension, from January 1, 2017 to April 1, 2017.

The establishment of a 112-bed\* Medicare skilled nursing home to be known as NHC/Maury Regional Transitional Care Center pursuant to T.C.A. § 68-11-1627, which permits the replacement of one or more currently licensed nursing homes with one single nursing home. The new facility will be created by relocating and replacing the 92-bed NHC Healthcare, Hillview and the 20-bed Maury Regional Hospital Skilled Nursing Unit to an 11 acre site at 5004 Trotwood Avenue, Columbia (Maury County), TN. The estimated project cost is \$18,161,672.

\*These beds are not subject to the 2013-2014 Nursing Home Bed Pool.

- On October 23, 2013, the Agency approved the request to approve the certificate of need with an expiration date of December 1, 2015. Because of delays related to zoning approvals, sanitary sewer locations and final approval of schematic drawings, the applicant sought an extension of the expiration date until January 1, 2017 which was granted at the August 26, 2015 Agency meeting. The project has experienced additional delays but was 72% complete in July and construction is projected to be complete by November 11, 2016. While it is possible the project will be complete by the expiration date of January 1, there are concerns regarding installations of furnishings and scheduling final inspections for licensure during the holiday season. Therefore, a 3-month extension is requested.

**Mr. Ridgway**

- B. Campbell Clinic Surgery Center, Germantown (Shelby County), TN – CN1208-

*recused.*

**APPROVED**

Motion: Mr. Grandy  
2<sup>nd</sup>: Ms. Harding  
(9-0-0)

040AE

Request for 24 month extension, from January 1, 2017 to January 1, 2019.

- On November 14, 2012, the Agency unanimously approved the request to expand the surgery center, from 5 surgical rooms (4 operating rooms and 1 procedure room) to 10 surgical rooms (8 operating rooms and 2 procedure rooms), on its present site. It will add approximately 21,000 SF of space to the facility. The estimated project cost is \$13,277,258. The facility is licensed by the Department of Health as an ambulatory surgical treatment center. Its services are limited to orthopaedics and pain management.
- On November 19, 2014, the Agency unanimously approved a request for a 24 month extension of the expiration date of the certificate of need, to January 1, 2017, due to 1) assessing needs in light of its acquisition of an additional licensed surgery center, and 2) additional design and approval issues pertaining to the medical office building in which it would be located.
- This request for a 24 month extension is due to the continued design and approval issues pertaining to the medical office building in which it would be located, and zoning change and site plan variances it has obtained. The requested time anticipates the possibility of seeking any necessary modifications of the CON.

C. Waynesboro Health & Rehabilitation Center, Waynesboro (Wayne County), TN — CN1411-045A

Request for a 24 month extension, from April 1, 2017 to April 1, 2019.

The relocation and replacement of Wayne Care Nursing Home located at 505 South Main Street, Waynesboro (Wayne County), TN, a 46-bed nursing facility, and the construction of an addition to Waynesboro Health and Rehabilitation Center (f/k/a Wayne County Nursing Home), a 109-bed nursing facility located at 104 J.V. Mangubat Drive, Waynesboro (Wayne County), TN 38485. The project will combine the two licensed facilities into one licensed nursing facility by closing the 46-bed facility and combining the beds by construction of an addition to the existing 109-bed facility. Upon completion, Waynesboro Health and Rehabilitation Center will house the combined 155-bed nursing facility, which will become dually certified for participation in Medicare and Medicaid and will include an 18-bed designated Memory Care Unit. The service area is Wayne County. The estimated project cost is \$5,658,318.00.

- On February 25, 2015, the Agency unanimously approved the certificate of need with an expiration date of April 1, 2017. The extension is sought primarily due to delays related to architectural and engineering work required to finalize the site development plans and costs, as portions of the initial design proposal created a more challenging construction process than originally anticipated, given some of the limitations of the site. However, the design modifications now anticipated are not expected to

**APPROVED**

Motion: Mr. Taylor  
2<sup>nd</sup>: Mr. Grandy  
(10-0-0)

increase the overall cost of the project.

**CN1303-007AE**

**APPROVED**

Motion: Mr. Grandy  
2<sup>nd</sup>: Dr. Fleming  
(10-0-0)

- D. McKendree Village, Hermitage (Davidson County), TN – CN1202-010AEE and McKendree Village, Hermitage (Davidson County), TN – CN1303-007AE

Request for a 19 month extension, from December 1, 2016 to July 1, 2018.

**CN1202-010AEE**

**APPROVED**

Motion: Mr. Grandy  
2<sup>nd</sup>: Mr. Taylor  
(10-0-0)

McKendree Village, Hermitage (Davidson County), TN – CN1202-010AEE -  
The addition of thirty (30)\* Medicare skilled nursing facility nursing home beds to the 150 nursing home beds it currently operates. Upon Certificate of Need approval and the licensure of this project, McKendree Village will operate a 180 licensed bed nursing home facility. McKendree Village will provide Medicare/Medicaid skilled nursing facility services in these proposed 30 nursing home beds. The estimated project cost was \$1,303,000.00

\*Subject to the 2011-2012 Nursing Home Bed Pool.

McKendree Village, Hermitage (Davidson County), TN – CN1303-007AE

The renovation, construction, and partial repositioning of fifty (50) existing dually certified beds in addition to the modification of CN1202-010A approved for thirty (30) dually certified nursing home beds. The nursing home's licensed bed complement of one hundred eighty (180) beds after implementation of CN1202-010A will not change. The estimated project cost was \$3,808,150.

- On May 23, 2013, CN1202-010A was approved unanimously to add 30 SNF beds to the existing 150-bed facility. On June 26, 2013, CN1303-007A was approved unanimously for additional improvements to the facility with the understanding that both projects would be undertaken as a single construction project. On November 20, 2013, a 13-month extension of the expiration date was requested for CN1202-010A from July 1, 2014 to August 1, 2015 so that it would coincide with CN1303-007A.
- On May 27, 2015, a 16-month extension of the expiration date was requested for both certificates of need from August 1, 2015 until December 1, 2016. McKendree noted before beginning the renovations it was necessary to make significant renovations to the critical plant infrastructure, including replacement of the central mechanical plant, installation of environmental control technology and replacement of failed roofing systems.
- Construction delay is detailed in Item 2 of the September 30, 2016 letter on behalf of McKendree Village. Renovations that prompted earlier extension requests due to extensive upgrades or replacements are now complete (roof and mechanical supply systems). Subsequent architectural plan revisions and the bidding and negotiating process for construction services are identified as challenges which resulted in increased prices and lengthened schedules which required value engineering and a redesign to complete the project within a reasonable time period and budget.

- E. Contested Case Update

IX. INTERLOCUTORY AGENCY REVIEW

**WITHDRAWN**

- A. Southern Hills Surgery Center, Brentwood (Davidson County), TN – CN1411-047A

The relocation of Southern Hills Surgery Center from 360 Wallace Road, Nashville (Davidson County), TN 37211, to leased space in a building to be constructed at an unaddressed site in the northeast corner of the intersection of Old Hickory Boulevard and American Way, Brentwood (Davidson County), TN 37250. The estimated project cost is \$17,357,832.00.

Southern Hills, Inc. d/b/a Southern Hills Surgery Center seeks Agency Review, pursuant to Tenn. Comp. R & Regs. 1360-04-01-.09(7), of the ALJ's Order denying its Motion for Partial Summary Judgment in the contested case appeal of the Agency's approval of the certificate of need application. Saint Thomas Campus Surgicare, L.P., Baptist Surgery Center, L.P., Baptist Plaza Surgicare, L.P., Franklin Endoscopy Center, LLC, and Physicians Pavilion, LP are petitioners in the contested case (Docket No. 25.00-131649J) and oppose reversal of the Motion for Partial Summary Judgment denied by the ALJ.

X. AGENCY DETERMINATION

**APPROVED**

Motion: Ms. Jordan  
2<sup>nd</sup>: Ms. Harding  
(10-0-0)

- A. Horizon Health & Rehabilitation Center has requested an Agency determination as to whether a certificate of need is required to expand its operations to an adjacent parcel of property.

XI. RULEMAKING

**APPROVED**

Motion: Mr. Grandy  
2<sup>nd</sup>: Ms. Jordan  
(10-0-0)

- A. The Agency will consider the promulgation of rules, making permanent the fee increase of the initial examination fee to \$5.75 per \$1,000 of the estimated capital expenditure involved, with a minimum of \$15,000 and a maximum of \$95,000.

XII. ADJOURNMENT