



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, May 25, 2016
8:30 a.m. CST

- I. CALL TO ORDER
- II. ROLL CALL
- III. DIRECTOR'S ANNOUNCEMENTS
- IV. APPROVAL OF MINUTES
- V. STATE HEALTH PLAN UPDATE
 - A. Update: Jeff Ockerman, Director of Health Planning, Department of Health
- VI. CERTIFICATE OF NEED APPLICATIONS
 - A. Children's Hospital at Erlanger and Erlanger East Hospital, Chattanooga (Hamilton County), TN – CN1601-002
The initiation of a 10 bed Level 3 Neonatal Intensive Care service, through the transfer of 10 medical/surgical beds from Erlanger Medical Center to Erlanger East Hospital located at 1755 Gunbarrel Road in Chattanooga (Hamilton County), TN, 37416 and reclassification of the 10 beds as Level III Neonatal Intensive Care beds. These beds will be built in 8,805 sf of new construction resulting in a project cost in excess of \$5M. If approved, the licensed bed complement of Erlanger East Hospital will increase from 113 to 123 total beds. The project does not contain the acquisition of major medical equipment or the initiation or discontinuance of any other health service. The estimated project cost is \$7,021,555.
Deferred from April 2016 meeting.
 - B. CAH Acquisition Company 11, LLC d/b/a Lauderdale Community Hospital, Ripley (Lauderdale County), TN – CN1601-004
The construction and replacement of a 25 bed Critical Bed Access Hospital located at 326 Asbury Avenue, Ripley (Lauderdale County), TN 38063. The estimated project cost is \$20,262,987.
 - C. TriStar Centennial Medical Center, Nashville (Davidson County), TN – CN1602-008
To acquire an additional 1.5 Tesla MRI unit at a cost in excess of \$2 million. The project will also renovate existing space of the imaging department located on the 1st floor of the hospital inpatient tower. If approved, the proposed unit will be 1 of 4 MRI units operated under the hospital's license on the main hospital campus at 2300 Patterson Street, Nashville, TN, 37203. The estimated project cost is \$3,128,317.

- D. Methodist Healthcare-Memphis Hospitals d/b/a Methodist University Hospital Memphis (Shelby County), TN CN1602-009
Modification of a hospital requiring a capital expenditure greater than \$5 million and the addition of major medical equipment. The construction and renovation of approximately 470,000 square feet of space at Methodist University Hospital located at 1211-1265 Union Avenue in Memphis (Shelby County), TN 38104. The project involves the onsite replacement and modernization of the hospital campus including the construction of a new patient tower and an adjacent building to consolidate ambulatory services. The project will not increase or decrease the hospital's existing 617 licensed beds. Of the 617 licensed beds, 204 beds will be relocated to the new patient tower and 28 medical-surgical beds will be converted for use as critical beds. As a part of the project, the hospital will add an interoperative, GE Discovery 3.0 Tesla MRI unit (iMRI), an Elekta Versa Linear Accelerator unit and will relocate existing PET, CT and infusion equipment and services. The estimated project cost is \$280,000,000.

VII. GENERAL COUNSEL'S REPORT

- A. Hendersonville Medical Center, Hendersonville (Sumner County), TN – CN1302-002A
Request for an 18 month extension from August 1, 2016 to January 1, 2018

The project was previously approved June 26, 2013, by a 5-3 vote.

The construction of a new 4th floor of medical/surgical beds and the initiation of neonatal intensive care services in a new 6-bed level II-B neonatal nursery on the main campus of Hendersonville Medical Center located in Hendersonville (Sumner County), TN. The hospital currently holds a single consolidated licensed for 148 general hospital beds, of which 110 are at its main Hendersonville campus and 38 are at its satellite campus at 105 Redbud Drive, Portland (Sumner County), TN. The project will relocate 13 beds from the satellite campus to the main campus, resulting in 123 licensed beds at the Hendersonville campus and 25 licensed beds at the Portland satellite campus. The estimated project cost is \$32,255,000. The project was opposed by Baptist Hospital and Marta Papp, M.D., Neonatologist.

- B. Contested Case Update

VIII. OTHER BUSINESS – DISCUSSION OF COST CUTTING MEASURES

IX. EMERGENCY RULE MAKING

Pub. Ch. 1043, enacted in April, 2016, directs the Health Services and Development Agency to adjust fees by rule to provide that the program is self-sufficient. To comply, fees must necessarily be adjusted upward.

The Agency will consider which fees to raise, and by how much, to augment monies saved by staff reductions and other cost-cutting measures to comply with the requirement that the Agency be self-sufficient, while facing an anticipated loss of approximately \$560,000 – \$610,000 per FY due to Pub. Ch. 1043.

An Emergency Rule may not be effective for longer than 180 days, per TCA 4-5-208

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XI. ADJOURNMENT