TN Division of
Health Care
Finance & Administration

September 9, 2015

The Honorable Larry B. Martin
Commissioner
Department of Finance & Administration
State Capitol
Nashville, TN 37219

Dear Commissioner Martin:

In accordance with the provisions of T.C.A. 68-11-1613, please find attached a summary report of hospital and nursing home bed approvals by the Tennessee Health Services Development Agency in the month of August.

Please feel free to call me if you would like any further information.

Sincerely,

Darin J. Gordon
Deputy Commissioner

DJG:cm

Attachments

CC: Representative Charles Sargent, Chair – House Finance, Ways and Means Committee
Senator Randy McNally, Chair – Senate Finance, Ways and Means Committee
Jeff Spalding, Director – Fiscal Review Committee
Georganne Martin – Legislative Budget Office

PROJECTED FISCAL IMPACT FOR BED APPROVALS
Aug-15

I. HOSPITAL BEDS

4 Beds Approved
2 Beds Delicensed
0 Beds Denied

TriStar Summit Medical Center, Hermitage (Davidson County), TN — CN1505-020
TriStar Summit Medical Center seeks approval for the addition of 8 inpatient rehabilitation beds and 2 medical/surgical beds. It will delicense 6 obstetric beds by converting 6 Labor/Delivery/Recorvery/Postpartum (LDRP) beds to LDR so the net increase will result in only four additional licensed beds, resulting in an increase in bed capacity from 196 to 200. The project involves renovations of existing patient floors to include the addition of the beds. The estimated project cost is $4,892,904.

Regional Hospital of Jackson, Jackson (Madison County), TN — CN1505-022
Regional Hospital of Jackson seeks approval for a major construction project requiring a capital expenditure greater than $5 million for the following: 1) renovation of approximately 9,294 SF in the existing surgical department; 2) the addition of approximately 3,777 SF of new construction to the existing surgical department; and 3) the addition of 2 operating rooms, increasing the number of operating rooms from 6 to 8. If approved the hospital will de-license 2 inpatient beds. The estimated project cost is $8,864,901.

II.

Estimated Potential New TennCare Beds:		3
Estimated Potential Annual Fiscal Impact to TennCare:	$	1,268,925
Estimated State(35.647%):	$	452,334
Estimated Federal(64.353%):	$	816,592

III. NURSING HOME BEDS REVIEWED THROUGH THE CERTIFICATE OF NEED PROCESS

	New Beds Approved	Beds Delicensed	New Beds Denied
Level I - Medicaid Only	0	0	0
Level II - Medicare Only	0	0	0
Level II - Dually Certified (Medicaid and Medicare)	0	0	0
Non-Certified (Private Pay)	0	0	0

This annual fiscal impact projection assumes the current reimbursement rates as indicated below, 70% utilization by Medicaid patients unless otherwise known, and no patient income component. Because dually certified beds may be used for either Medicaid or Medicare reimbursement, a range of the fiscal impact is shown.

Current Reimbursement Rate:
Federal Component (64.353%):
State Component (35.647%):

NURSING HOME BEDS ADDED WITHOUT CERTIFICATE OF NEED REVIEW

Fiscal Impact: Medicaid Reimbursement	Level I	Level II
	$ 114.56	$ 162.12
	$ 73.72	$ 104.33
	$ 40.84	$ 57.79

	State	Federal
Total Part III:	$ -	$ -
Grand Total:	$ 452,333.84	$ 816,591.58

HEALTH SERVICES AND DEVELOPMENT AGENCY
NEW BED / REPLACEMENT BED DECISIONS
FISCAL YEAR 2015 -- 2016

NEW BEDS

Aug-15

	TDH* Hospitals	TDH* Nursing Homes	Other TDH* Applications	TDMH/SA** Applications	Total
Approved	4	0	0	0	4
Delicensed	2	0	0	0	2
Denied	0	0	0	0	0
Revoked/ Surrender	0	0	0	0	0

	TDH* Hospitals	TDH* Nursing Homes	Other TDH* Applications	TDMH/SA** Applications	Total
Approved	4	0	0	0	4
Delicensed	2	0	0	0	2
Denied	0	0	0	0	0
Revoked/ Surrender	0	0	0	0	0

TriStar Summit Medical Center, Hermitage (Davidson County), TN — CN1505-020
TriStar Summit Medical Center seeks approval for the addition of 8 inpatient rehabilitation beds and 2 medical/surgical beds. It will delicense 6 obstetric beds by converting 6 Labor/Delivery/Recorvery/Postpartum (LDRP) beds to LDR so the net increase will result in only four additional licensed beds, resulting in an increase in bed capacity from 196 to 200. The project involves renovations of existing patient floors to include the addition of the beds. The estimated project cost is $4,892,904.

Regional Hospital of Jackson, Jackson (Madison County), TN — CN1505-022
Regional Hospital of Jackson seeks approval for a major construction project requiring a capital expenditure greater than $5 million for the following: 1) renovation of approximately 9,294 SF in the existing surgical department; 2) the addition of approximately 3,777 SF of new construction to the existing surgical department; and 3) the addition of 2 operating rooms, increasing the number of operating rooms from 6 to 8. If approved the hospital will de-license 2 inpatient beds. The estimated project cost is $8,864,901.

HEALTH SERVICES AND DEVELOPMENT AGENCY
ALL APPLICATIONS
FISCAL YEAR 2015 -- 2016

ALL APPLICATIONS -August 2015

	Hospitals		Nursing Homes		TDMH/DD Applications		Other Applications		Total	
	# APPS	COST	# APPS	COST	# APPS	COST	# APPS	COST	# APPS	COST
Approved	5	$ 26,413,020.04	1	$ 3,202,188.75	1	$ 9,393,796.00	2	$ 3,672,610.00	9	$ 42,681,614.79
Denied	0	$ -	0	$ -	0	$ -			0	
Revoked	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -
Surrender	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -

ALL APPLICATIONS - FISCAL YEAR TO DATE

	Hospitals		Nursing Homes		TDMH/DD Applications		Other Applications		Total	
	# APPS	COST	# APPS	COST	# APPS	COST	# APPS	COST	# APPS	COST
Approved	5	$ 26,413,020.04	1	$ 3,202,188.75	1	$ 9,393,796.00	2	$ 3,672,610.00	9	$ 42,681,614.79
Denied	0	$ -	0		0	$ -	2		2	$ -
Revoked	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -
Surrender	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -