

GENERAL COUNSEL'S REPORT

February 24, 2016

- A. Ave Maria Home, Bartlett (Shelby County), TN – CN1312-048A
Request for an 18 month extension of expiration date and reduction of project cost by approximately \$1,000,000.

The project was unanimously approved on April 23, 2014 for the replacement of 35 of the existing 75 nursing home beds and the addition of 30* new Medicare skilled beds, at an estimated project cost of \$7,999,960.00. All of the replacement and new beds will be housed in 6 newly constructed Green House Homes at 2805 and 2840 Charles Bryan Road in Bartlett. All 105 nursing home beds will be housed in Green House Homes.

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Ave Maria

2805 CHARLES BRYAN ROAD • BARTLETT, TENNESSEE 38134 • TELEPHONE (901) 386-3211 • FAX (901) 405-3783

January 6, 2016

Mr. Jim Christoffersen
General Counsel
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CN1312-048

Dear Mr. Christoffersen:

Ave Maria Home respectfully requests an extension of up to 18 months from the date of the expiration of the above Certificate of Need (CN1312-048). Since its approval in April of 2014, Ave Maria Home has been in the process of seeking approvals from the City of Bartlett. In December 2015, the City of Bartlett granted final approvals of the above project by both the Planning Commission and the Design Review Board.

Ave Maria Home has modified the project through cost containment strategies with our architect and construction company. The project which the City of Bartlett has approved is 5-12 bed Green House homes to be located on the same sites as was submitted to the Health Services and Development Agency. This modification in the project will save Ave Maria Home approximately \$1,000,000. Ave Maria Home is in the final stage of securing financing so that the project can begin by April 1st.

If there are any additional filing fees or required information, please do not hesitate to contact me at Ave Maria Home, 901-405-3797.

Sincerely,



Frank J. Gattuso, Jr.
Executive Director



State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

ANNUAL PROGRESS REPORT
ANNUAL REVIEW FOLLOWING CERTIFICATION

Project Name: Ave Maria Home Certificate of Need #: CN1312-048A

Legal Owner: Ave Maria Home, Inc. Approval Date: April 23, 2014

Expiration Date: June 1, 2016

Project Description:

See attachment!

******PLEASE SUBMIT EVIDENCE TO SUPPORT EACH ANSWER******

In a brief narrative, please describe the current stage of completion for the project (use another sheet of paper if necessary). Please note that this report will not be considered complete without this information.

A. CONSTRUCTION PROJECTS

1. Anticipated date of project completion, July 1, 2019
2. Provide written confirmation from the contractor documenting the stage of construction at the current time.
3. If proposed construction costs have increased over ten (10%) percent please provide information as an attachment to this form. Please note that such an overrun could require additional action before the Agency.

B. NON-CONSTRUCTION PROJECTS

1. Anticipated date of service implementation, acquisition or operation of the facility or equipment as certified.

2. Provide written confirmation from the institutional representative verifying the occupancy/opening date for the service, equipment, or facility.

Frank J. Battino, Jr.

Signature of Authorized Agent or Chief Operating Officer

5/27/15

Date



May 22, 2015

Mr. Frank Gattuso
Ave Maria Home
2805 Charles Bryan Road
Bartlett, TN 38134

Dear Frank –

Please let this letter serve as a status update to the Ave Maria Greenhouse project.

The 6 greenhouses (3 on the east side of Charles Bryan Road and 3 on the west side) were approved by both the Planning Commission and Board of Mayor and Alderman of the City of Bartlett, Tennessee for both content, rezoning, and the special use permit allowing the use of assisted living buildings on the two sites.

Since the approvals have happened, design has started on both the civil engineering (site) and the architectural, mechanical, plumbing, fire protection and electrical components of the building. The drawings are currently in the design development stage, and are nearing 100% in this phase. We anticipate sending the documents to the State Health Department for review by the end of June 2015 and the 100% complete construction documents will be completed at the end of July 2015. The building pad (dirt and utility work) could start as early as July 2015, and the buildings should start going vertical in August or September of 2015.

Currently, our soils analysis engineers are taking soil borings to test for the bearing pressure of the sites to determine what, if any, additional site preparation might need to be done prior to the start of construction.

If you need any additional information, please do not hesitate to contact me.

Sincerely,

FLEMING ASSOCIATES ARCHITECTS, P.C.

A handwritten signature in black ink, appearing to read "Steve Landwehr", written over a horizontal line.

Steve Landwehr, AIA
Principal

**STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY
ANNUAL PROGRESS REPORT ATTACHMENT**

PROJECT DESCRIPTION:

The Ave Maria Home Green House Project is to replace 35 existing Medicare/Medicaid beds in the facilities west wing which was constructed in 1970 and also add 25 additional Medicare/Medicaid beds bringing the total number of Medicare/Medicaid beds at Ave Maria Home to 100.

Presently, the project received approval from the City of Bartlett in November 2014, to rezone the property and in December the City of Bartlett Board of Mayor and Alderman approved the special use permit for the construction and addition of the 6 Green House Homes. Since January 2015, Ave Maria Home has been working with our architect, Fleming and Associates and our construction company to finalize the plans for the development and construction. It appears that construction will begin on the Green House Homes between July 1st and August 1st.

Attached is a letter from our architect, Steve Landwehr of Fleming and Associates describing the progress of the work. Ave Maria Home anticipates requesting an extension for the project in early 2016.



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

April 23, 2014

Frank J. Gattuso, Jr., Executive Director
Ave Maria Home
2805 Charles Bryan Road
Bartlett, TN 38134

RE: Ave Maria Home - Certificate of Need No. CN1312-048A

Dear Mr. Gattuso:

On April 23, 2014, The Tennessee Health Services and Development Agency met in regular session to consider your application. The application proposed the following:

The replacement of 35 of the existing 75 nursing home beds and the addition of 30* new Medicare skilled beds. All of the replacement and new beds will be housed in 6 newly constructed Green House Homes at 2805 and 2840 Charles Bryan Road in Bartlett. If approved, all 105* nursing home beds will be housed in Green House Homes. The estimated project cost is \$7,999,960.00.

**These beds are subject to the 2013-2014 Nursing Home Bed Pool. Only 25 beds are available from the 2013-2014 pool. If all 25 beds are approved, the facility's licensed bed count would increase to 100 beds.*

This letter is to advise you that the Agency voted to **approve** the Certificate of Need for the **replacement of 35 existing beds and addition of 25 new Medicare beds to be housed in 6 newly constructed Green House Homes at the specified site. The new beds will be dually certified.**

Per T.C.A. § 68-11-1609(3)(b) the Agency found the application should be approved because the action proposed in the application is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of adequate and effective health care facilities or services.

Agency members made this decision after full consideration of all the information provided to them including but not limited to the original application and supplemental responses; staff summary and reviewing agency report; support and opposition letters, if applicable; consideration of the criteria and standards and all other applicable parts of the State Health Plan; Agency Rules; and all additional evidence gathered during the presentation of the application. The HSDA maintains a publically available detailed written record that fully documents the factual and legal basis for this decision.

In accordance with T.C.A. § 68-11-1609(g)(1) (as amended by Public Chapter 780, Acts of 2002), the applicant or any person who filed directly with the Agency a prior objection to the granting of a Certificate of Need may petition the Agency in writing for a hearing. To be timely

filed, the petition must be filed within fifteen (15) days from the date of the Agency's meeting at which the challenged action was taken. You are encouraged to review T.C.A. § 68-11-1610(a) and the Agency Rules so that you may fully understand your rights.

Your Certificate of Need will be issued to you within the next thirty (30) days and transmitted under separate letter. Please note that the Certificate of Need has an expiration date on its face, after which time the Certificate is null and void. The expiration date is strictly enforced, and the certification period can only be extended by the Agency upon written application and for good cause shown, as defined by Agency Rules.

T.C.A. § 68-11-1611 requires that the Agency review annual progress of each project. Agency Rules require that within ninety (90) days after completion of a project that a Final Project Form be submitted to this office. The Annual Progress Report form is available on the Agency website at http://www.tn.gov/hsda/forms/Annual_Progress_Report.pdf. The Final Project Form, which shall include completion date, final costs, and other relevant information, is also available on the Agency website at http://www.tn.gov/hsda/forms/Final_Progress_Report.pdf. These forms may be filled-in, printed, and submitted with any applicable supporting documentation to this office. You can also obtain these forms by contacting us at the phone number or address above.

If you have questions or require additional information, please feel free to contact this office.

Sincerely,



Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA
Ann R. Reed, TDH/HCF
Bill Harmon, TDH/HCF
J. Martin Regan, Esq., Lewis Thomason Law Firm

STATE OF TENNESSEE
Health Services and Development Agency



Certificate of Need No. CN1312-048A is hereby granted under the provisions of T.C.A. § 68-11-1601, *et seq.*, and rules and regulations issued thereunder by this Agency.

To: Ave Maria Home
2805 Charles Bryan Road
Bartlett, TN 38134

For: Ave Maria Home

This Certificate is issued for: The replacement of thirty-five (35) of the existing seventy-five 75 beds and the addition of twenty-five (25)* new Medicare skilled beds from the nursing home bed pool. All of the replacement beds will be housed in six (6) newly constructed Green House Homes located at 2805 and 2840 Charles Bryan Road, Bartlett (Shelby County), TN. The new beds will be dually certified Medicare and Medicaid..

* These beds are subject to the 2013-2014 Nursing Home Bed Pool.

On the premises located at: 2805 & 2840 Charles Bryan Road
Bartlett (Shelby County), TN 38134

For an estimated project cost of: \$7,999,960.00

The Expiration Date for this Certificate of Need is

June 1, 2016

or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.

Date Approved: April 23, 2014

D. Lynn Johnson
Chairman

Date Issued: May 28, 2014

Melanne McHale
Executive Director

