

**HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
DECEMBER 15, 2021
APPLICATION REVIEW**

NAME OF PROJECT: Tennova Healthcare - Clarksville

PROJECT NUMBER: CN2109-027

ADDRESS: 16 Acres Located at 2275 Trenton Road
Clarksville (Montgomery County), TN 37040

LEGAL OWNER: Clarksville Health System, G.P.
4000 Meridian Boulevard
Franklin (Williamson County), TN 37067

OPERATING ENTITY: N/A

CONTACT PERSON: Jerry Taylor
(615) 716-2297

DATE FILED: October 1, 2021

PROJECT COST: \$57,745,000

PURPOSE FOR FILING: Establishment of a 12-bed satellite hospital facility with an emergency room.

Note to Agency members: This staff review is an analysis of the statutory criteria of Need, Consumer Advantage Attributed to Competition, and Quality Standards, including data verification of the original application and, if applicable, supplemental responses submitted by the applicant. Any HSDA Staff comments will be presented as a "Note to Agency members" in bold italic.

PROJECT DESCRIPTION:

This application is for the establishment of a 12-bed satellite hospital facility with emergency room services to be located on 16 acres which are part of a larger tract located at 2275 Trenton Road in Clarksville (Montgomery County), TN 37040. The proposed service area consists of Montgomery County.

**TENNOVA HEALTHCARE CLARKSVILLE
CN2109-027
DECEMBER 15, 2021**

Executive Summary

- Please see application Item 1E. on Page 6 for the applicant's executive summary overview that includes project description, ownership, service area, existing similar service providers, project cost, and staffing.

Consent Calendar: ☐ Yes ☒ No

- Executive Director's Consent Memo Attached: ☐ Yes ☒ Not applicable

Facility Information

- The proposed hospital will be licensed under the general hospital license of Tennova Healthcare Clarksville. The facility will be located approximately 4 miles west from the main hospital campus in Clarksville. The facility will have 12 inpatient beds and an emergency department with 14 diagnosis / treatment bays. The Emergency Department room configurations are detailed in Supplemental #1, Page 4, Question #5.
- The applicant through Clarksville Holdings, LLC has signed an Option to Purchase Agreement with Seay Wilson Properties for the 16-acre tract where the proposed 2-story 70,574 square feet facility will be a newly constructed. The facility will include additional shelled space for future development.

Ownership

The applicant will be owned by Clarksville Health Systems, G.P. which is a General Partnership with two partners - Clarksville Holdings, LLC (80%) and Vanderbilt Montgomery Holdings, LLC (20%). The ultimate parent entities for these partners are Community Health Systems, Inc. and Vanderbilt University Medical Center respectively.

Project Cost Chart

- The total project cost is \$57,745,000. Of this amount, the highest line item costs of the project are Construction Costs (\$30,630,000), Moveable Equipment (\$6,050,000), and Fixed Equipment (\$5,300,000).
- Please see the Project Cost Chart on Page 10 of the application.

NEED

The applicant provided the following supporting the need for the proposed project:

- The service area is experiencing rapid population growth, and the proposed facility will be located nearby major population centers such as Austin Peay State University and Ft. Campbell U.S. Army base.
- The proposed hospital will improve access for patients who reside in the higher density population centers of Clarksville.
- The project will allow the main hospital to address challenges related to single occupancy room capacity through the addition of 12 new single-occupancy rooms

at the new facility and a corresponding conversion of 12 double-occupancy rooms at the main hospital into single occupancy rooms.

Note to Agency members: The applicant responds to supplemental questions related to the capacity at the main Tennova Healthcare Clarksville hospital in Supplemental #1, Pages 6 & 7, Question #8.

(For applicant discussion, see the Original Application, Item 2.E., Pages 7 & 8)

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

All applicable criteria and standards appear to be met for **Acute Care Beds**:

Note to Agency members: The acute care bed-need projections provided by the Tennessee Department of Health show a surplus of 128 licensed beds and 46 staffed beds in Montgomery County. The applicant will reassign the 12 licensed acute care beds for the proposed facility from the main Tennova Healthcare Clarksville hospital. As a result, this project will not add acute bed capacity to the service area.

Please see attached for a full listing of the criteria and standards and the applicant's responses.

Service Area Demographics

- The proposed primary service area consists of Montgomery County (see Attachment 2N for a county level map).
- The target population is the entire population. (See Page 13 in the original application for more demographic detail.)

	2021 Population	2025 Population	% Change	TennCare %
Service Area	218,941	236,050	7.8%	20.9%
Tennessee Total	6,942,563	7,153,758	3.0%	23%

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

- Please see Item 4N., Page 13 in the application for special needs of the service area population including health disparities.

Service Area - Historical Utilization

- The applicant provides historical utilization data on Page 14R1 of the application for two facilities – TriStar Ashland City Medical Center and Northcrest Medical Center, which are not in the project service area of Montgomery County but were included within the application as they are the only facilities within a 35-mile radius of the proposed facility.

- The following table indicates the applicant's historical main hospital utilization.

Facility	Licensed Beds	Patient Days				Licensed Occupancy %		
	2020	2018	2019	2020	% Change 18-20	2018	2019	2020
Tennova Healthcare Clarksville	270	38,375	40,298	44,335	15.5%	39%	41%	45%

Source: CN2109-027, Supplemental #1, Page 14R1

Facility	Staffed Beds	Patient Days				Staffed Occupancy %		
	2020	2018	2019	2020	% Change 18-20	2018	2019	2020
Tennova Healthcare Clarksville	237	38,375	40,298	44,335	15.5%	53%	55%	51%

Source: CN2109-027, Supplemental #1, Page 14R1

- Please refer to Item 5N in the application Need Section for historical hospital utilization in the service area.
- The applicant provides historical emergency department and surgical suite utilization for Tennova Healthcare Clarksville in Supplemental Responses #1, Page 5, Question #7.

Applicant's Historical and Projected Utilization

The following tables indicate the applicant's historical and projected hospital utilization by county of patient residence.

- The applicant provides historical utilization data for Tennova Healthcare Clarksville.

Historical Utilization - Tennova Healthcare Clarksville

Service Area County	Historical Utilization (2021)	% Total Patients
Montgomery	5,335	82.5%
Stewart	272	4.2%
Robertson	104	1.6%
Other	758	11.7%
Total	6,469	100%

Source: CN2109-027, Original Application, Page 12

- The following tables reflect that applicant's projected utilization for the proposed satellite hospital facility only.

Projected Utilization - Tennova Healthcare Clarksville (Satellite Hospital Only)

Service Area County	Projected Utilization Year 1 (2026)	% Total Patients
Montgomery	845	82.5%
Stewart	43	4.2%
Robertson	16	1.6%
Other	120	11.7%
Total	1,024	100%

Source: CN2109-027, Original Application, Page 12

Projected Utilization – Tennova Healthcare Clarksville (Satellite Hospital Only)

Year	Admissions	Patient Days	Average Annual Occupancy
Year 1 (2025)	1,024	3,072	70%
Year 2 (2026)	1,101	3,302	75.4%

Source: CN2109-027, Original Application, Page 16

Projected Utilization – Tennova Healthcare Clarksville (Satellite Hospital Only)

Service Units	Year 1 (2026)	Year 2 (2027)	% Change
Inpatient Admissions	1,024	1,101	7.5%
Inpatient Days	3,072	3,302	7.5%
Surgical Cases	2,266	2,435	7.5%
ED Visited	9,000	9,675	7.5%

Source: CN2109-027, Supplemental #1. Acute Care Bed Criteria and Standards, Page 7

- The applicant is projecting a 7.5% increase in utilization from Year 1 (2026) to Year 2 (2027) across inpatient admissions, inpatient days, surgical cases and ED visits.
- Please refer to Supplemental #1, Pages 6 & 7, Question #8 for additional detail regarding historical and projected utilization data for the proposed facility.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

Charges

- The applicant's proposed charges are listed on Page 21. There are no other hospitals operating in the service area.

	Historical Data Chart			Projected Data Chart	
	Previous Yr. 1	Previous Yr. 2	Previous Yr. 3	Year 1	Year 2
Gross Charges	N/A	N/A	N/A	\$68,703	\$72,796
Deduction from Revenue	N/A	N/A	N/A	\$60,334	\$63,928
Average Net Charges	N/A	N/A	N/A	\$8,369	\$8,868

Source: CN2109-027, Original Application, Page 20.

Project Payor Mix

	Percentage of Gross Operating Revenue					
	Medicare	Medicaid	Commercial	Self-Pay	Other	Charity Care
Year 1	42.3%	15.9%	22.6%	5.6%	13.6%	0.5%

Source: CN2109-027, Original Application, Pages 20-21.

- Please refer to Item 10C. in the Consumer Advantage section on Pages 20-21 of the application for specific Payor Mix information.
- A full list of in-network payors is included as Item 2.C on Page 16.

Agreements

- The applicant states in Supplemental #1, Page 8, Question #10 that it does not intend to establish any transfer agreements with other inpatient facilities.

Staffing

The applicant's Year One proposed direct patient care staffing includes the following:

	Year One
Direct Patient Care Positions	143.16
Non-Patient Care Positions	75.59
Contractual Staff	0.0
Total	218.75

Source: CN2109-027, Original Application, Page 23R2.

- Please refer to Item 8Q. on Page 23R2 in the Quality Section and Supplemental #1, Page 9, Question #12 of the application for specific staffing information.

QUALITY STANDARDS

The applicant commits to obtaining and/or maintaining the following:

Licensure	Medicare/TennCare	Certification	Accreditation
X	X	X	The Joint Commission

Source: CN2109-027, Supplemental #1, Page 23R.

- The applicant maintains Licensure through the Tennessee Department of Health, Certification through Medicare and TennCare, and Accreditation through the Joint Commission for the hospital and Knee and Hip Replacement Center, and the American College of Cardiology for its accredited Chest Pain Center.
- The applicant addresses a Corporate Integrity Agreement which occurred in the past 5 years in response to Supplemental #1, Page 10, Question #15.

LICENSING AGENCY COMMENTS

Licensing Agency: ☒ Department of Health

- ☐ Department of Mental Health and Substance Abuse Services
☐ Intellectual and Developmental Disabilities

Licensing Agency Comments Attached: ☐ Yes ☒ No

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are the following Letters of Intent, denied applications, pending applications, or outstanding Certificates of Need on file for this applicant.

Outstanding Certificates of Need

Project Name	Metro Knoxville HMA, LLC d/b/a Tennova Healthcare North Knoxville Medical Center, CN1812-051A
Project Cost	\$1,938,825
Approval Date	2/27/2019
Description	The relocation of 18 of 30 inpatient rehabilitation beds from Physicians Regional Medical Center (PRMC) located at 900 E. Oak Hill Avenue, Knoxville (Knox County), TN to the former Tennova Hospice House located at 7447 Andersonville Pike, Knoxville (Knox County), TN.
Project Status	This project has been reported not to be implemented. They are allowing it to expire.
Expiration	4/1/2022

Project Name	Middlebrook ASC, LLC, CN1911-045A
Project Cost	\$15,901,599
Approval Date	2/26/2020
Description	The establishment of a multi-specialty Ambulatory Surgical Treatment Center (ASTC) with three (3) operating rooms and associated services in approximately 15,000 square feet of leased space within a larger medical office building at an unaddressed site located at Middlebrook Pike and Old Weisgarber Road in Knoxville, Tennessee (Knox County).
Project Status	The requested update for this project has not been provided at the time of posting.
Expiration	4/1/2022

Project Name	Knoxville Center for Behavioral Medicine, LLC-CN1911-047A
Project Cost	\$28,400,000
Approval Date	2/26/2020
Description	The establishment of a 64-bed mental health hospital (24 adult psychiatric beds, and 24 adult co-occurring beds, and 16 geriatric psychiatric beds) located at an unaddressed site at Middlebrook Pike and Old Weisbarger Road, Knoxville (Knox County), TN. The proposed service area consist of Knox, Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Loudon, Monroe, Morgan, Roane, Scott, Sevier, and Union Counties. The applicant is owned by National Healthcare Corporation (60%), Tennova Healthcare/Knoxville HMA Holdings, LLC (15%), University of Tennessee Medical Center (15%), and Reliant Healthcare (10%).
Project Status	Construction is approximately 60% complete and is on-schedule to receive Certificate of Occupancy February 2022.
Expiration	4/1/2023

Pending Applications

Project Name	Vanderbilt Rutherford Hospital, CN2109-026
Project Cost	\$144,276,600
Agency Meeting Date	12/15/2021
Description	The establishment of a 42-bed full-service acute care hospital to be located at an unaddressed site on Veterans Parkway in the southeastern quadrant of the intersection of Veterans Parkway and S.R. 840 in Murfreesboro (Rutherford County), TN. The project also seeks to initiate cardiac catheterization services. The proposed service area consists of Rutherford County. The applicant, Vanderbilt Rutherford Hospital is owned by Vanderbilt University Medical Center.

Denied Applications

Project Name	Cleveland Tennessee Hospital Company, LLC d/b/a Tennova Healthcare - Cleveland, CN1803-015D
Project Cost	\$12,081,195
Denial Date	6/27/2018
Description	Project was denied at the June 27, 2018 Agency meeting for the establishment of a satellite emergency department facility with 8 treatment rooms at 680 Stuart Road NE, Cleveland (Bradley County), TN.
Reason for Denial	The project did not meet the following statutory criteria: 1) Need – There was minimal evidence of need given the capacity of the applicant’s main hospital emergency department 3 miles away, and 2) If approved, the project would have an impact on other facilities in the surrounding area, particularly the Starr facility.

Project Name	Metro Knoxville HMA, LLC d/b/a Tennova Healthcare North Knoxville Medical Center, CN2001-002D
Project Cost	\$11,953,821
Denial Date	4/22/2020
Description	Project was denied at the April 22, 2020 Agency meeting for the establishment of a Freestanding Emergency Department (“FSED”) with eight (8) treatment rooms providing emergency services, and will include a medical laboratory, CT, X-ray, and ultrasound medical equipment. The FSED would have been a satellite Emergency Department of Tennova Healthcare North Knoxville Medical Center located at an unaddressed site located at Middlebrook Pike and Old Weisgarber Road, Knoxville (Knox County), TN.
Reason for Denial	The project did not meet the following statutory criteria: 1) Need – There was a lack of need as evidenced by the net increase of treatment rooms that have occurred over the marketplace since the closure of PRMC (Physicians Regional Medical Center) and the representative decline in ED (Emergency Department) visits in the market of 6.2%.

Project Name	Vanderbilt Rutherford Hospital, CN2004-012D
Project Cost	\$134,344,227
Denial Date	8/26/2020
Description	Project was denied at the August 26, 2020 Agency meeting for the establishment of a 48-bed full service acute care hospital, the initiation of diagnostic and therapeutic cardiac catheterization, and the initiation of neonatal intensive care services at an unaddressed site on Veterans Parkway located southeast of the intersection of Veterans Parkway and S.R. 840 in Murfreesboro, (Rutherford County), TN.
Reason for Denial	The project did not meet the following statutory criteria: 1) Need – There was minimal evidence of need with the existing hospital beds in the service area reporting approximately 50%, and 2) If approved, the project would have an impact on other facilities in the four-county service area.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent or denied applications for other entities proposing this type of service.

TPP (11/16/2021)

CRITERION AND **STANDARDS**

Original Application

NOTE: Supplemental responses to criterion and standards follows in the supplemental attachments.

ATTACHMENT 1N

RESPONSES TO

STANDARDS AND CRITERIA FOR ACUTE HOSPITAL BED SERVICES

- 1. Determination of Need: The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year.**

Using the latest utilization and patient origin data from the Joint Annual Report of Hospitals and the most current populations projection series from the Department of Health, both by county, calculate need based on the following:

The bed need calculation table from the Department of Health is attached as Attachment Section B, Need, Standards and Criteria, 1. The calculated need for Montgomery County is -128. However, the bed need formula calculation is not relevant to this project, because no new licensed beds are sought. The 12 beds in the new satellite hospital will come from the licensed bed complement of Tennova Healthcare-Clarksville.

- a. New hospital beds can be approved in excess of the “need standard for a county” if the following criteria are met:**

N/A. No new licensed beds are sought. The 12 beds in the new satellite hospital will come from the licensed bed complement of Tennova Healthcare-Clarksville.

- i. All existing hospitals in the proposed service area have an occupancy level greater than or equal to 80 percent for the most recent Joint Annual Report. Occupancy should be based on the number of staffed beds for two consecutive years.**

N/A. No new licensed beds are sought. The 12 beds in the new satellite hospital will come from the licensed bed complement of Tennova Healthcare-Clarksville.

- 1. In order to provide adequate information for a comprehensive review, the applicant should utilize data from the Joint Annual report to provide information on the total number of licensed and staffed beds in the proposed service area. Applicants should provide an explanation to justify any differences in staffed and licensed beds in the applicant’s facility or facilities. The agency board should take into consideration the ability of the applicant to staff existing unstaffed licensed beds prior to approving the application for additional beds.**

The following table should be utilized to demonstrate bed capacity for the most recent year.

Total Beds			
Total Licensed Beds	Staffed beds set up and in use on a typical day	Licensed beds not staffed	Licensed beds that could not be used within 24-48 hours
270	237	33	24

- i. All outstanding CON projects for new acute care beds in the proposed service area are licensed.

There are no approved but unlicensed medical acute inpatient beds in the service area. The Health Services and Development Agency may give special consideration to applications for additional acute care beds by an existing hospital that demonstrates (1) annual inpatient occupancy for the twelve (12) months preceding the application of 80 percent or greater of licensed beds and (2) that the addition of beds without a certificate of need as authorized by statute will be inadequate to reduce the projected occupancy of the hospital's acute care beds to less than 80 percent of licensed bed capacity.

N/A.

- b. In accordance with Tennessee Code Annotated 68-11-14607 (g), "no more frequently than one time every three years, a hospital, rehabilitation facility, or mental health hospital may increase its total number of licensed beds in any category by ten percent or less of its licensed capacity at any one campus over any period of one year for any services it purposes it is licensed to perform without obtaining a certificate of need". These licensed beds that were added without a certificate of need should be considered as part of the determination of need formula by the agency.
- i. Applicants should include information on any beds that have been previously added utilizing this statute.

N/A

- c. Applicants applying for acute care beds in service area counties where there is no hospital, and thus no bed occupancy rate numbers to provide for the need formula, should provide any relevant data that supports its claim that there is a need for acute care beds in the county or counties. Data may include, for example, the number of residents of the county or counties who over the previous 24 months have accessed acute care bed services in other counties.

N/A

Data: Applicants should utilize population data from the University of Tennessee, Tennessee State Data Center, Boyd Center for Business & Economic Research (UTCEBER) for determination of need calculations. These data are made publicly available at the following link:

<http://tndata.utk.edu/sdcpopulationprojections.htm>

The Department of Health bed need projections rely on that source for population projections.

Department of Health Acute Care Bed Need Projections are available upon request at the following link under “Submit a Request”:

<https://tn.gov/health/section/statistics>

The bed need calculation table from the Department of Health is attached as Attachment 1N(1).

Note: A Critical Access Hospital (CAH) that has Centers for Medicare and Medicaid Services (CMS) approval to furnish swing bed services may use any acute care bed within the CAH for the provision of swing bed services, with the following exceptions: within their IPPS-excluded rehabilitation or psychiatric distinct part unit, in an intensive care-type unit, and for newborns.

See:

<https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/SwingBedFactsheet.pdf> N/A

- 2. Quality Considerations: Applicants should utilize Centers for Disease Control & Prevention’s (CDC) National Healthcare Safety Network (NHSN) measures. Applicants must provide data from the most recent four quarters utilizing the baseline established by the NHSN within the dataset.**

Data Source: Hospital Compare <https://www.medicare.gov/hospitalcompare/search.html?>

Applicants should utilize the following table to demonstrate the quality of care provided at the existing facility.

CENTERS FOR DISEASE CONTROL & PREVENTION'S (CDC) NATIONAL HEALTHCARE SAFETY NETWORK (NHSN) MEASURES				
MEASURE	SOURCE	NATIONAL BENCHMARK	HOSPITAL STANDARDIZED INFECTION RATIO (SIR)	HOSPITAL EVALUATION (ABOVE, AT, OR BELOW NATIONAL BENCHMARK)
Catheter associated urinary tract infection (CAUTI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.687	Below
Central line associated blood stream infection (CLABSI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	2.19	Above
Methicillin resistant staphylococcus aureus (MRSA)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.0	Below
Clostridium difficile (C.diff.)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.737	Below
Surgical Site Infections (SSI)				

SSI: Colon	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	1.219	Above
SSI: Hysterectomy	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.721	Below
		National Average	Tennessee Average	Hospital Percentage
Healthcare workers given influenza vaccinations	Hospital Compare: Timely & Effective Care – Preventive Care	91%	93%	88%

Applicants should provide the above metrics and any improvement plans that are in place to improve the hospital's performance on these metrics.

Tennova Healthcare-Clarksville is accredited by the Joint Commission. This accreditation includes on-going quality and performance assessment and improvement protocols.

In addition to the above metrics, the applicant should list, or briefly summarize, any significant quality accreditations, certifications, or recognitions that might be appropriate for Agency consideration (i.e. Joint Commission, TDH/BLHCF survey results, CMS standing, and/or clinical quality awards).

TH—C holds the following accreditations:

The Joint Commission
American College of Cardiology
The Joint Commission

Entire hospital
Accredited Chest Pain Center
Accredited Knee and Hip Replacement Center

The above metrics should serve as a guide for the Agency to better understand the quality of care that is provided by the applicant at the existing facility. National and state averages serve as an indicator by which the board may evaluate the applicant.

No response is called for.

Note: In the event quality data is unavailable for an applicant's existing facility, the applicant should provide data from a comparable, existing facility owned by the applicant. If no comparable data is available, the absence of such information should not disadvantage the applicant over another with available quality data.

N/A

3. Establishment of Service Area: The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant.

The Primary Service Area is Montgomery County. In 2021 Montgomery County residents accounted for 82.5% of the admissions to TH-C. The proposed satellite hospital is approximately 4 miles due west of the main campus, so its PSA is projected to be the same.

The site of the proposed satellite hospital is in an area that has a denser population than that of the main campus, the latter of which is located immediately adjacent to I-24 in eastern Montgomery County. See Attachment 2E(2). The proposed site also has excellent road access. It is located just off Highway 374, known as 101st Airborne Division Parkway, within a mile or so of its intersection with Highway 79, known as Wilma Rudolph Parkway. Both highways are major vehicular traffic thoroughfares with very high traffic counts. See Attachment 2E(3).

4. Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall include the likely impact of the proposed increase in acute care beds on existing providers in the proposed service area and shall include how the applicant's services may differ from these existing services. The agency should consider if the approval of additional beds in the service area will result in unnecessary, costly duplication of services. This is applicable to all service areas, rural and others.

The following tables should be utilized to demonstrate existing services in the proposed service area.

There are no acute care hospitals in the PSA other than TH-C. Therefore, the response to this question is technically "N/A."

There are two hospitals barely within a 35-mile radius of the site of the proposed satellite hospital. These hospitals have standing to oppose the project, but neither is likely to experience any significant impact from the proposed satellite hospital. For information purposes only, the following data is provided as to these hospitals.

Facility	County & Distance from Satellite Hospital Site	2019 Licensed Beds	Patient Days			Licensed Occupancy			% Change in Patient Days 2017-2019
			2019	2018	2017	2019	2018	2017	
Ashland City Medical Center	Cheatham 30.4 miles	12	2130	2224	1874	48.6%	50.7%	42.8%	13.6%
Northcrest Medical Center	Robertson 30 miles	109	9183	10,796	11,388	23%	27%	28.6%	-19.4%
Total		121	11,313	13,020	13,262	25.6%	29.5%	30%	-14.7%

Rural: Additional acute care beds should only be approved in a rural service area if the applicant can adequately demonstrate the proposed facility will not have a significant negative impact on existing rural facilities that draw patients from the proposed service area.

N/A

- 5. Services to High-Need and Underserved Populations: Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including uninsured, low-income, and underserved geographic regions, as well as other underserved population groups.**

The proposed satellite hospital will serve high-needs and/or underserved populations.

(1). TennCare enrollees will be a significant portion of the population served. The projected TennCare payor mix is 26%.

(2). Tennova Healthcare-Clarksville is in a unique position due to community demographics. Montgomery County is home to Ft. Campbell U.S. Army base (the base straddles the state line; one portion of it is in Tennessee and the other portion is in Kentucky) and to Austin Peay State University. Both of these special population groups often require hospital services.

The Ft. Campbell community – including those living on-base and off-base – has a population of approximately 200,000. Soldiers have the option of receiving care on-base, but many choose to go to TH-C instead. Many of these families have insurance coverage under Tri-Care. TH-C serves a good number of these military families, and its Tri-Care payor mix is approximately 14%. TH-C is currently making arrangements with Blanchfield Hospital (the Army base hospital at Ft. Campbell) whereby the U.S. Army surgeons will rotate through the TH-C surgical department to perform cases and thereby

maintain proficiencies in their specialties. This is needed for the surgeons due to the relatively lower number of surgical cases performed at Blanchfield Hospital. The additional TH-C surgical department facilities at the proposed satellite hospital will provide additional OR capacity, thereby benefitting the military community as well as the civilian community.

The Austin Peay full-time enrollment is over 12,000 and it is Tennessee's fastest-growing university. The University's strategic plan calls for enrollment to reach 15,000 by 2025. (Source: <https://www.apsu.edu/about-apsu/fast-facts-about-apsu.php>). This is mostly a young population, but the students and faculty still require hospital services (emergency as well as inpatient).

- 6. Relationship to Existing Applicable Plans; Underserved Area and Population: The proposal's relationship to underserved geographic areas and underserved population groups shall be a significant consideration.**

The response to the immediately preceding questions is responsive to this item as well, to the extent a response is called for.

- 7. Access: The applicant must demonstrate an ability and willingness to serve equally all of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is a limited access in the proposed service area.**

The proposed satellite hospital will serve all segments of the population seeking services offered by TH-C. TennCare enrollees will be a significant portion of the population served. The projected TennCare payor mix is 16%.

The new satellite hospital will provide a choice for consumers for a smaller, perhaps more convenient facility which is closer to their homes.

Providing consumers with a choice of the satellite hospital or the main hospital also improves access to health care. The availability of the satellite hospital located closer to more densely populated residential and business areas may be especially important for emergency situations, or urgent situations after hours. The main hospital will still be available and the appropriate choice for those who have more acute care needs which may require an ICU bed, or for a service such as OB, which will not be offered at the satellite hospital. The satellite hospital facility will also have room for future addition of beds as the need arises, to keep up with the rapidly growing population of Clarksville and Montgomery County.

- 8. Adequate Staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed service area.**

The satellite hospital will approximately 143 FTE positions for direct patient care and approximately 76 FTE positions for non-direct patient care, for a total of 223 FTE positions in Year 1. It will always be staffed to a level sufficient to meet patient needs and all licensing and accreditation standards.

9. **Assurance of Resources:** The applicant shall document that it will provide the resources necessary to properly support the applicable level of services. Included in such documentation shall be a letter of support from the applicant's governing board of directors, Chief Executive Officer, or Chief Financial Officer documenting the full commitment of the applicant to develop and maintain the facility resources, equipment, and staffing to provide the appropriate services. The applicant shall also document the financial costs of maintaining these resources and its ability to sustain them.

Letters of commitment from the CEO and CFO of Tennova Healthcare-Clarksville are attached as Attachment 1N(2).

10. **Data Requirements:** Applicants shall agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

The applicant agrees to do this.

11. **Quality Control and Monitoring:** The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

The satellite hospital will operate under the hospital license of Tennova Healthcare Clarksville. Tennova Healthcare-Clarksville is licensed in good standing by the Tennessee Department of Health and holds the following accreditations.

The Joint Commission	Entire hospital
American College of Cardiology	Accredited Chest Pain Center
The Joint Commission	Accredited Knee and Hip Replacement Center

These accreditations include on-going quality and performance assessment and improvement protocols.

12. **Licensure and Quality Considerations:** Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH. The applicant shall also demonstrate its accreditation status with the Joint Commission or other applicable accrediting agency.

TH-C is licensed by the Tennessee of Department of Health and maintains compliance with all applicable licensing standards. It is accredited by The Joint Commission and is in good standing.

13. Community Linkage Plan: The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care.

Tennova Healthcare-Clarksville is the hub of the healthcare delivery system in Montgomery County and the surrounding area. It is the only medical acute care hospital in the area. It operates two emergency department facilities – the main campus facility with 38 bays, and an FSED with 8 bays approximately 9 miles away adjacent to I-24. Both emergency facilities stay constantly busy. TH-C also operates outpatient services, and its campus includes a medical office building with physician offices and outpatient clinics.

TH-C sponsors or operates community outreach and education programs on an on-going basis. During the COVID pandemic, the hospital offered COVID testing, and cooperated with the TDOH in establishing an additional testing site in Montgomery County.

TH-C is currently making arrangements with Blanchfield Hospital (the Army base hospital at Ft. Campbell) whereby the U.S. Army surgeons will rotate through the TH-C surgical department to perform cases and thereby maintain proficiencies in their specialties. This is needed for the surgeons due to the relatively lower number of surgical cases performed at Blanchfield Hospital. The additional TH-C surgical department facilities at the proposed satellite hospital will provide additional OR capacity, thereby benefitting the military community as well as the civilian community.

ACUTE-CARE BED NEED PROJECTIONS FOR <pop2> AND <pop3>, BASED ON FINAL <pop1> HOSPITAL JARS

COUNTY	2019		CURRENT NEED	SERVICE AREA POPULATION			PROJECTED LIC BEDS		PROJECTED STAFF BEDS		2019 ACTUAL BEDS		SHORTAGE/SURPLUS	
	INPATIENT DAYS	ADC		2019	2021	2025	ADC-2021	NEED 2025	ADC-2021	NEED 2025	LICENSED	STAFFED	LICENSED	STAFFED
Anderson	45,217	124	155	88,555	89,220	90,264	125	156	126	158	301	210	-145	-52
Beford	3,033	8	15	8,435	8,624	8,985	8	15	9	16	60	49	-45	-33
Benton	1,276	4	8	1,822	1,828	1,831	4	8	4	8	25	8	-17	0
Bledsoe	2,041	6	11	2,378	2,419	2,491	6	11	6	12	25	25	-14	-13
Blount	47,793	131	164	92,455	94,108	97,076	133	167	137	172	304	199	-137	-27
Bradley	39,704	109	136	81,647	82,888	85,205	110	138	114	142	351	183	-213	-41
Campbell	12,456	34	48	13,723	13,704	13,618	34	48	34	47	120	85	-72	-38
Cannon	5,388	15	24	1,914	1,934	1,966	15	24	15	24	60	30	-36	-6
Carroll	6,646	18	28	7,983	7,951	7,869	18	28	18	28	70	35	-42	-7
Carter	16,215	44	60	29,831	29,775	29,562	44	60	44	59	121	81	-61	-22
Cheatham	2,054	6	11	1,345	1,358	1,379	6	11	6	11	12	8	-1	3
Chester	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Claiborne	3,788	10	18	8,627	8,650	8,663	10	18	10	18	85	33	-67	-15
Clay	2,586	7	13	2,179	2,190	2,202	7	13	7	13	33	33	-20	-20
Cocke	7,594	21	31	14,652	14,754	14,893	21	32	21	32	74	36	-42	-4
Coffee	15,302	42	57	35,746	36,174	36,956	42	58	43	59	184	114	-126	-55
Crockett	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Cumberland	19,618	54	71	40,701	41,508	42,895	55	72	57	74	189	85	-117	-11
Davidson	879,247	2,409	3,011	1,675,086	1,716,590	1,794,861	2,469	3,086	2,581	3,226	3,930	3,489	-844	-263
Decatur	807	2	6	1,692	1,693	1,688	2	6	2	6	40	5	-34	1
DeKalb	1,412	4	9	3,290	3,338	3,421	4	9	4	9	71	18	-62	-9
Dickson	22,494	62	80	44,452	45,211	46,587	63	81	65	83	157	101	-76	-18
Dyer	16,925	46	62	32,814	32,841	32,824	46	62	46	62	225	115	-163	-53
Fayette	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Fentress	.	.	.	.	.	.	.	.	.	.	75	25	.	.
Franklin	15,010	41	56	30,611	30,726	30,893	41	56	41	56	152	146	-96	-90
Gibson	1,862	5	10	3,495	3,505	3,521	5	10	5	10	70	28	-60	-18
Giles	7,844	22	32	13,318	13,325	13,301	22	32	21	32	95	38	-63	-6
Grainger	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Greene	16,153	44	60	36,120	36,328	36,609	45	60	45	61	167	71	-107	-10
Grundy	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Hamblen	30,558	84	105	62,881	63,468	64,466	84	106	86	107	167	115	-61	-8
Hamilton	352,160	965	1,206	644,085	654,385	673,706	980	1,225	1,009	1,261	1,674	1,380	-449	-119
Hancock	691	2	5	1,008	999	978	2	5	2	5	10	3	-5	2
Hardeman	514	1	4	1,543	1,535	1,518	1	4	1	4	25	12	-21	-8
Hardin	4,362	12	20	14,126	14,151	14,155	12	20	12	20	58	41	-38	-21
Hawkins	2,953	8	15	6,231	6,234	6,215	8	15	8	15	50	16	-35	-1
Haywood	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Henderso	971	3	7	3,036	3,051	3,075	3	7	3	7	45	27	-38	-20
Henry	17,159	47	63	34,980	35,063	35,126	47	63	47	63	142	86	-79	-23
Hickman	571	2	5	348	352	359	2	5	2	5	15	8	-10	-3
Houston	616	2	5	1,129	1,138	1,151	2	5	2	5	25	15	-20	-10

Attachment IN(1)

ACUTE-CARE BED NEED PROJECTIONS FOR <pop2> AND <pop3>, BASED ON FINAL <pop1> HOSPITAL JARS

COUNTY	2019		CURRENT NEED	SERVICE AREA POPULATION			PROJECTED LIC BEDS		PROJECTED STAFF BEDS		2019 ACTUAL BEDS		SHORTAGE/SURPLUS	
	INPATIENT DAYS	ADC		2019	2021	2025	ADC-2021	NEED 2025	ADC-2021	NEED 2025	LICENSED	STAFFED	LICENSED	STAFFED
Humphreys	1,022	3	7	1,604	1,610	1,618	3	7	3	7	25	25	-18	-18
Jackson	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Jefferson	9,420	26	38	19,083	19,330	19,756	26	38	27	39	58	32	-20	7
Johnson	63	0	1	211	211	210	0	1	0	1	2	2	-1	-1
Knox	430,932	1,181	1,476	848,749	862,224	886,848	1,199	1,499	1,234	1,542	2,311	1,686	-812	-144
Lake	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Lauderdale	1,353	4	8	1,548	1,547	1,544	4	8	4	8	25	10	-17	-2
Lawrence	6,782	19	29	15,129	15,216	15,338	19	29	19	29	99	80	-70	-51
Lewis	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Lincoln	3,541	10	17	14,841	14,958	15,160	10	17	10	17	49	49	-32	-32
Loudon	8,667	24	35	15,917	16,284	16,945	24	36	25	37	50	30	-14	7
McMinn	14,122	39	53	23,687	23,916	24,298	39	54	40	54	190	81	-136	-27
McNairy	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Macon	3,602	10	17	6,487	6,632	6,903	10	18	11	18	25	25	-7	-7
Madison	152,759	419	523	278,378	278,679	278,793	419	524	419	524	792	632	-268	-108
Marion	4,256	12	20	336	336	334	12	20	12	20	70	28	-50	-8
Marshall	407	1	4	1,009	1,029	1,066	1	4	1	4	25	12	-21	-8
Maury	49,593	136	170	111,864	113,915	117,668	138	173	143	179	255	208	-82	-29
Meigs	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Monroe	9,275	25	37	16,206	16,417	16,767	26	38	26	38	59	59	-21	-21
Montgomery	39,922	109	137	114,248	118,716	127,538	114	142	122	153	270	199	-128	-46
Moore	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Morgan	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Obion	8,060	22	33	22,806	22,720	22,504	22	33	22	33	137	63	-104	-30
Overton	11,115	31	43	17,682	17,859	18,149	31	44	31	44	114	82	-70	-38
Perry	3,174	9	16	2,899	2,916	2,945	9	16	9	16	53	40	-37	-24
Pickett	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Polk	.	.	.	.	.	.	.	.	.	.	111	222	.	.
Putnam	62,940	172	216	118,573	120,562	124,150	175	219	181	226	247	243	-28	-17
Rhea	2,199	6	12	6,139	6,220	6,364	6	12	6	12	25	25	-13	-13
Roane	9,580	26	38	19,123	19,196	19,271	26	38	26	38	54	52	-16	-14
Robertson	9,095	25	37	21,039	21,560	22,550	26	37	27	39	109	68	-72	-29
Rutherford	134,182	368	460	309,934	321,959	345,893	382	477	410	513	622	550	-145	-37
Scott	979	3	7	3,805	3,817	3,828	3	7	3	7	25	10	-18	-3
Sequatchie	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Sevier	13,366	37	51	40,137	41,165	43,083	38	52	39	54	79	77	-27	-23
Shelby	820,494	2,248	2,810	1,283,743	1,291,425	1,304,697	2,261	2,827	2,285	2,856	4,129	3,112	-1,302	-256
Smith	5,595	15	24	7,480	7,584	7,759	16	25	16	25	35	35	-10	-10
Stewart	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Sullivan	168,690	462	578	313,684	316,573	321,633	466	583	474	592	1,056	709	-473	-117
Sumner	56,592	155	194	138,681	142,847	150,851	160	200	169	211	326	263	-126	-52
Tipton	3,105	9	15	13,152	13,258	13,433	9	15	9	16	100	50	-85	-34

ACUTE-CARE BED NEED PROJECTIONS FOR <pop2> AND <pop3>, BASED ON FINAL <pop1> HOSPITAL JARS

COUNTY	2019		CURRENT NEED	SERVICE AREA POPULATION			PROJECTED LIC BEDS		PROJECTED STAFF BEDS		2019 ACTUAL BEDS		SHORTAGE/SURPLUS	
	INPATIENT DAYS	ADC		2019	2021	2025	ADC-2021	NEED 2025	ADC-2021	NEED 2025	LICENSED	STAFFED	LICENSED	STAFFED
Trousdale	911	3	6	1,132	1,151	1,184	3	6	3	6	25	12	-19	-6
Unicoi	1,576	4	9	3,012	3,026	3,042	4	9	4	9	10	4	-1	5
Union	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Van Buren	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Warren	11,003	30	43	17,960	18,048	18,185	30	43	30	43	125	40	-82	3
Washington	132,075	362	452	212,141	213,951	216,880	365	456	370	462	581	535	-125	-73
Wayne	1,605	4	9	3,141	3,126	3,088	4	9	4	9	80	25	-71	-16
Weakley	724	2	5	2,784	2,776	2,758	2	5	2	5	100	38	-95	-33
White	4,411	12	20	4,429	4,492	4,603	12	20	13	21	60	24	-40	-3
Williamson	33,472	92	115	115,992	121,180	131,410	96	120	104	130	185	185	-65	-55
Wilson	23,929	66	84	37,933	39,436	42,345	68	87	73	93	245	72	-158	21

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

12/21/20

Hospital Data from Final JAR-Hospitals Schedules F and G.

Projections and estimates for TN border states obtained from those respective states.

TN Projections Source: Boyd Center for Business and Economic Research, University of Tennessee, Knoxville

Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment

Note: Totals may not match due to rounding. (TN_CoPopProj_2018 series)

LETTER OF INTENT



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 Email: hsda.staff@tn.gov

LETTER OF INTENT

The Publication of Intent is to be published in The Leaf-Chronicle which is a newspaper of general circulation in Montgomery County, Tennessee, on or before September 14, 2021 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Tennova Healthcare-Clarksville, a licensed general hospital, owned by Clarksville Health System, G.P with an ownership type of general partnership and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a satellite hospital to be located on an unaddressed tract which is part of a larger tract located at 2275 Trenton Road, Clarksville, Tennessee. The satellite hospital will provide acute inpatient medical and surgical services and will have 12 inpatient beds. The satellite hospital will have an emergency department with 14 diagnosis and/or treatment bays. The satellite hospital will operate under the general hospital license of Tennova Healthcare-Clarksville, which license is issued by the Tennessee Board for Licensing Health Care Facilities. The total estimated project cost is \$58,000,000.00.

The anticipated date of filing the application is October 1, 2021.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Thompson Burton, PLLC, One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, TN 37067, 615-716-2297.

 Signature of Contact	9/14/21 Date	jtaylor@thompsonburton.com Contact's Email Address
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The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the preceding business day. File this form at the following email address: hsda.staff@tn.gov. Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at prior to the consideration of the application by the Agency.

ORIGINAL **APPLICATION**

CERTIFICATE OF NEED APPLICATION
FOR
TENNOVA HEALTHCARE - CLARKSVILLE

The Establishment of a
12-Bed Satellite Hospital

Montgomery County, Tennessee

October 1, 2021

Contact Person:

Jerry W. Taylor, Esq.
Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, Tennessee 37067
615-716-2297

**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 Email: hsda.staff@tn.gov**CERTIFICATE OF NEED APPLICATION****1A. Name of Facility, Agency, or Institution**

Tennova Healthcare – Clarksville

Name

16 acres which are part of a larger tract located at 2275 Trenton Rd.

Montgomery

Street or Route**County**

Clarksville

Tennessee

37040

City**State****Zip**www.tennovaclarksville.com**Website Address**

Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

2A. Contact Person Available for Responses to Questions

Jerry W. Taylor

Attorney

Name**Title**

Thompson Burton, PLLC

jtaylor@thompsonburton.com**Company Name****Email Address**

6100 Tower Circle, Suite 200

Street or Route

Franklin

Tennessee

37027

City**State****Zip**

Attorney

615-716-2297

Association with Owner**Phone Number****3A. Proof of Publication**

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

Date LOI was Submitted: September 14, 2021**Date LOI was Published:** September 14, 2021**RESPONSE:** A Publisher's Affidavit is attached as Attachment 3A.

4A. Purpose of Review (Check appropriate box(es) – more than one response may apply)

X Establish New Health Care Institution

- ☐ Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- ☐ Change in Bed Complement
- ☐ Initiation of Health Care Service as Defined in §TCA 68-11-1607(3) Specify: _____
- ☐ Relocation
- ☐ Initiation of MRI Service
- ☐ MRI Unit Increase
- ☐ Satellite Emergency Department
- ☐ Addition of ASTC Specialty
- ☐ Initiation of Cardiac Catheterization
- ☐ Addition of Therapeutic Catheterization
- ☐ Establishment/Initiation of a Non-Residential Substitution Based Opioid Treatment Center
- ☐ Linear Accelerator Service
- ☐ Positron Emission Tomography (PET) Service

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1 A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

5A. Type of Institution (Check all appropriate boxes – more than one response may apply)

X Hospital (Specify): General Acute (Satellite)

- ☐ Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- ☐ Home Health
- ☐ Hospice
- ☐ Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- ☐ Nursing Home
- ☐ Outpatient Diagnostic Center
- ☐ Rehabilitation Facility
- ☐ Residential Hospice
- ☐ Nonresidential Substitution Based Treatment Center of Opiate Addiction
- ☐ Other (Specify): _____

6A. Name of Owner of the Facility, Agency, or Institution

Clarksville Health System, G.P.

Name

4000 Meridian Blvd.

Street or

Route

Franklin

City

Tennessee

State

931-502-1000

Phone Number

37067

Zip

7A. Type of Ownership of Control (Check One)

- ☐ Sole Proprietorship
☒ **Partnership**
☐ Limited Partnership
☐ Corporation (For Profit)
☐ Corporation (Not-for-Profit)
☐ Government (State of TN or Political Subdivision)
☐ Joint Venture
☐ Limited Liability Company
☐ Other (Specify): _____

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

RESPONSE: In Tennessee general partnerships are registered with the Secretary of State but are not required to file organizational documents or other documentation with the Secretary of state. Proof of Clarksville Health System, G.P.'s registration and Active status with the Tennessee Secretary of State is attached as Attachment 7A. Also attached are the first several pages of the Partnership Agreement and the signature page. The parties prefer the details of their business arrangements not be made public unless it is absolutely necessary.

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

RESPONSE: The applicant is a Tennessee General Partnership with two general partners: Clarksville Holdings, LLC (80%) and Vanderbilt Montgomery Holdings, LLC (20%). The ultimate parent of Clarksville Holdings, LLC, through a number of affiliated entities, is Community Health Systems, Inc. Vanderbilt Montgomery Holdings, LLC, is a Tennessee limited liability company and affiliate of Vanderbilt University Medical Center, a Tennessee nonprofit corporation. An organization chart is included in Attachment 7A.

8A. Name of Management/Operating Entity (If Applicable)

N/A

Name

Street or Route

County

City

State

Zip

Website Address

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- ☐ Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
- ☐ Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☒ **Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.**
- ☐ Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
- ☐ Other (Specify) _____

RESPONSE: Currently, Clarksville Holdings, LLC, which holds the majority of the general partnership interests of Clarksville Health System, G.P. d/b/a Tennova Healthcare – Clarksville, is the buyer listed on a contract to purchase the land. However, Clarksville Holdings, LLC has granted an option to the applicant, Clarksville Health System, G.P. d/b/a Tennova Healthcare – Clarksville (Optionee) pursuant to an Option Agreement whereby Optionee has the legal right to take assignment of contract and then close on the purchase the land. Copies of the executed Purchase Agreement and Option Agreement are attached as Attachment 9A.

10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

RESPONSE: A floor plan for each of the two floors is attached as Attachment 10A.

11A. Public Transportation Route

Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. (Attachment 11A)

RESPONSE: The site is located just off Highway 374, a/k/a 101st Airborne Division Parkway, within a mile or so of its intersection with Highway 79, a/k/a Wilma Rudolph Boulevard. Both highways are major vehicular traffic thoroughfares. The site is not directly on the public bus route. Clarksville Transit System Route B runs down Highway 374 where it crosses Trenton Road, which is approximately ¾ of a mile from the site.

12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres);
- Location of structure on the site;
- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

RESPONSE: A plot plan is attached as Attachment 12A.

13A. Notification Requirements

- TCA §68-11-1607(c)(9)(B) states that “... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested.” Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

☐ Notification Attached **X Not Applicable**

- TCA §68-11-1607(c)(9)(A) states that “... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.”

☐ Notification Attached **X Not Applicable**

EXECUTIVE SUMMARY**1E. Overview**

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.
- Ownership structure
- Service Area
- Existing similar service providers
- Project Cost
- Staffing

RESPONSE:**Description:**

The applicant proposes to establish a new satellite hospital operating under the license of Tennova Healthcare-Clarksville ("TH-C"). The proposed satellite hospital will be in Clarksville, Montgomery County, approximately 4 miles from the current TH-C campus.

The new satellite hospital will offer general acute inpatient medical and surgical services. It will have 12 inpatient beds, which will be taken from the existing licensed beds of Tennova Healthcare-Clarksville. It will have an emergency department with 14 diagnosis and/or treatment bays.

The satellite hospital facility will be newly constructed and is designed to be a 2-story structure. The inpatient beds will be located on the second floor. Part of the second floor will consist of shelled space which can be utilized in the future when the demand justifies its use.

Ownership Structure:

The applicant, Clarksville Health Systems, G.P. is a General Partnership with two general partners: Clarksville Holdings, LLC (80%) and Vanderbilt Montgomery Holdings, LLC (20%). The ultimate parent of Clarksville Holdings, LLC, through a number of affiliated entities, is Community Health Systems, Inc. Vanderbilt Montgomery Holdings, LLC, is a Tennessee limited liability company and affiliate of Vanderbilt University Medical Center, a Tennessee nonprofit corporation.

Service Area:

The primary service area for the new satellite hospital is Montgomery County. Montgomery County residents accounted for 82.5% of the inpatient admissions to Tennova Healthcare-Clarksville in 2021 (YTD through June).

Existing similar service providers:

There are no general acute care hospitals in the service area other than Tennova Healthcare-Clarksville.

Project Cost:

The estimated project cost is \$57,700,000 exclusive of filing fees.

Staffing:

The satellite hospital will require approximately 143 FTE positions for direct patient care and approximately 76 FTE positions for non-direct patient care, for a total of 223 FTE positions. These estimates are based on full occupancy.

2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed **ONE PAGE** (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need
- Quality Standards
- Consumer Advantage
 - Choice
 - Improved access/availability to health care service(s)
 - Affordability

RESPONSE:Need:

Tennova Healthcare-Clarksville is a 270 licensed-bed general acute care hospital located in Clarksville, Montgomery County. Clarksville and Montgomery County is an area of exceptionally fast growth. The hospital runs seasonally high occupancy rates on its inpatient beds, particularly its single occupancy, general med-surg beds. See Attachment 2E (1). It has an extremely busy and crowded emergency department, which includes the main hospital as well as an FSED located in the Sango community, approximately 7 miles due south of the hospital, right off Interstate 24. Both the main hospital E.D. and the FSED experience a number of visits per bed in excess of recommended standards.

Clarksville is one of the fastest growing cities in America. In 2010, Clarksville's population was just over 130,000 residents. Its size has since grown to 161,247, a 20.8% increase. A 10-year total population change of 27,764 residents ranks 14th most of all midsize cities in the United States. See: <https://clarksvillenow.com/local/study-ranks-clarksville-14th-in-nation-for-population-growth-over-the-last-decade>.

Approximately 10 miles by road to the Northwest of the proposed satellite hospital site is U.S. Army base Ft. Campbell. It straddles the Tennessee and Kentucky state lines, and the Tennessee portion is in Montgomery County. Ft. Campbell is home to approximately 200,000 individuals, living both on and off the base. Ft. Campbell has a hospital located on the base, Blanchfield Hospital. Blanchfield Hospital is an extremely important resource to the Ft. Campbell population, but there are many who choose to or need to go to TH-C for inpatient care.

Austin Peay State University ("APSU") is located in Clarksville approximately 4 miles from the satellite hospital site. APSU is the fastest growing state university in Tennessee with an enrollment of approximately 12,000 and expected to reach 15,000 in the next few years. See: <https://www.apsu.edu/about-apsu/fast-facts->

about-apsu.php. The APSU population is relatively young on average, but its students, faculty, and families nevertheless utilize hospital services at TH-C -- both emergency services and inpatient services.

TH-C's greatest need in terms of bed capacity is a need for more single occupancy beds/rooms. The applicant does not seek new licensed beds for the satellite hospital, but instead will use 12 beds from its current licensed beds complement. Almost half of the med surg beds at TH-C are in rooms designed for double occupancy. At high volume times, it has no choice but to put some inpatients in double occupancy beds/rooms. This causes capacity issues for several reasons and results in the hospital having substantially fewer than its licensed capacity of beds actually available. This need is discussed in more detail in response to Question 6N. The satellite hospital will result in TH-C having 24 more single occupancy beds/rooms available for inpatients (12 in the satellite hospital and 12 in the main hospital) without adding any new beds to its licensed bed complement.

In addition to the need for more capacity to serve this large and rapidly growing population there is a need for a geographically separate hospital site. The main hospital is located just off I-24 in eastern Montgomery County. This is very accessible to Interstate traffic, but the satellite hospital will be located in closer proximity to more densely populated residential areas to the west, and areas closer to APSU, downtown, and Ft. Campbell. A population density map reflecting this is attached as Attachment 2E (2). The new satellite hospital will also be located on very heavily traveled traffic thoroughfares such as 101st Airborne Parkway and Wilma Rudolph Boulevard. A traffic count map reflecting the high volume of traffic in the areas surrounding the satellite hospital site is attached as Attachment 2E (3). The proposed satellite hospital would be a closer and more accessible hospital facility for the large population residing, working, and traveling in this part of Montgomery County.

The executive leadership of TH-C is working with the military leadership of Ft. Campbell on a cooperative venture whereby surgeons at Blanchfield Hospital will rotate through the surgical department of TH-C performing surgical cases. The purpose is to allow the surgeons to perform more surgeries than that which the surgical volume at Blanchfield Hospital would provide, in order to maintain surgical proficiencies. The satellite hospital would provide additional ORs to perform these cases, and also a location geographically closer to Ft. Campbell. This proposed satellite hospital would therefore benefit not only civilian consumers, but military personnel as well.

Quality Standards:

The satellite hospital will operate under the hospital license of Tennova Healthcare-Clarksville. Tennova Healthcare-Clarksville is licensed and in good standing with the Tennessee Department of Health, and holds the following accreditations:

The Joint Commission	Entire hospital
American College of Cardiology	Accredited Chest Pain Center
The Joint Commission	Accredited Knee and Hip Replacement Center

Consumer Advantage:

Choice: The new satellite hospital will provide a choice for consumers for a smaller, perhaps more convenient facility for their families and other to park and "navigate, and one which is closer to their homes

Improved access to health care: Providing consumers with a choice of the satellite hospital or the main hospital also improves access to health care. The availability of the satellite hospital located closer to more densely

populated residential and business areas may be especially important for emergency situations, or urgent situations after hours. The main hospital will still be available and the appropriate choice for those who have more acute care needs which may require an ICU bed or for a service such as OB, neither of which will be offered at the satellite hospital. The satellite hospital facility will also have room for future addition of beds as the need arises, to keep up with the rapidly growing population of Clarksville and Montgomery County.

Affordability: The satellite hospital will have no direct effect on charges to consumers. Tennova Healthcare-Clarksville strives to provide health care to consumers in a cost-efficient manner.

3E. Consent Calendar Justification

☐ Consent Calendar Requested (Attach rationale)

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency's Executive Director at the time the application is filed.

X Consent Calendar NOT Requested

4E. PROJECT COST CHART**PROJECT COST CHART**

A. Construction and equipment acquired by purchase:		
1. Architectural and Engineering Fees		\$ 2,367,000.00
2. Legal, Administrative, Consultant Fees		\$ 200,000.00
3. Acquisition of Site		\$ 3,040,000.00
4. Preparation of Site		\$ 3,900,000.00
5. Total Construction Costs		\$ 30,630,000.00
6. Contingency Fund		\$ 2,128,000.00
7. Fixed Equipment (Not included in Construction Contract)		\$ 5,300,000.00
8. Moveable Equipment (List all equipment over \$50,000.00) (See attached for >\$50,000)		\$ 6,050,000.00
9. Other (Specify)	Misc IT/IS equipment and furnishings	\$ 2,060,000.00
B. Acquisition by gift donation, or lease:		
1. Facility (Inclusive of building and land)		\$ -
2. Building Only		\$ -
3. Land Only		\$ -
4. Equipment (Specify)		\$ -
5. Other (Specify)		\$ -
C. Financing Costs and Fees:		
1. Interim Financing		\$ 2,025,000.00
2. Underwriting Costs		
3. Reserve for One Year's Debt Service		
4. Other (Specify)		
D. Estimated Project Cost (A+B+C)		\$ 57,700,000.00
E. CON Filing Fee		\$ 45,000.00
F. Total Estimated Project Cost (D + E)	TOTAL	\$ 57,745,000.00

Equipment > \$50,000

Qty	Description	Manufacturer	Model	A/C	Unit Cost	Total Cost
1	MRI Unit, 3.0T, Wide Bore with Table Top Coils	HPG Contract Vendor - Imaging	TBD	1	\$1,500,000.00	\$1,500,000.00
1	CT Scanner, Multi-Slice, 64 Slice	HPG Contract Vendor - Imaging	TBD	1	\$475,000.00	\$475,000.00
1	X-Ray Unit, General Radiography, Digital	HPG Contract Vendor - Imaging	TBD	1	\$300,000.00	\$300,000.00
1	Monitor, Central Station, Telemetry, General	HPG Contract Vendor - Patient Monitoring	TBD	1	\$250,000.00	\$250,000.00
2	Allowance, Surgical Instruments	Specialty Surgical Instrumentation	Budget	2	\$100,000.00	\$200,000.00
2	Allowance, Video System, Surgical	Olympus America Inc - Scientific	TBD	2	\$100,000.00	\$200,000.00
1	Allowance, Surgical Instruments	Stryker Instruments	Power Tools	2	\$200,000.00	\$200,000.00
3	UPS System	HPG Contract Vendor - Imaging	TBD	1	\$60,000.00	\$180,000.00
1	X-Ray Unit, Mobile, Digital	HPG Contract Vendor - Imaging	TBD	2	\$175,000.00	\$175,000.00
1	Microscope, Operating, General	Carl Zeiss Meditec, Inc	Tivato 700	2	\$150,000.00	\$150,000.00
1	Ultrasound, Imaging, Multipurpose	HPG Contract Vendor - Imaging	TBD	2	\$145,000.00	\$145,000.00
1	X-Ray Unit, C-Arm Mobile	HPG Contract Vendor - Imaging	TBD	2	\$143,756.00	\$143,756.00
1	Sterilizer, Hydrogen Peroxide	STERIS Corporation	Amsco V-PRO MAX Sgl Dr (Cabinet) VP30002101	2	\$135,000.00	\$135,000.00
1	Washer / Disinfector, Cart, Pass-Thru, Pit Mounted	STERIS Corporation	Vision 1327 (480V)	1	\$134,285.61	\$134,285.61
1	Workstation, GI Charting and Documentation	TBD	TBD	1	\$125,000.00	\$125,000.00
2	Anesthesia Machine, General	HPG Contract Vendor - Anesthesia	TBD	2	\$60,000.00	\$120,000.00
1	Allowance, Video System, Surgical	Olympus America Inc - Scientific	TBD	2	\$120,000.00	\$120,000.00
1	Table, Surgical, Orthopedic	Mizuho OSI	hana Hip and Knee	2	\$90,000.00	\$90,000.00
1	Allowance, Installation, Monitors, Telemetry	Mindray North America	5000-CS-WMTS-02/03	3	\$87,000.00	\$87,000.00
1	X-Ray Unit, C-Arm, Mini	GE Healthcare Surgery OEC	OEC Elite MiniView	2	\$84,853.80	\$84,853.80
1	Interface, EMR E-Gateway	Mindray North America	E-Gateway	1	\$75,000.00	\$75,000.00
1	Sterilizer, Steam, Recessed	STERIS Corporation	Amsco 400 Prevac 26x37.5x60 1dr (RH hinge) 480V	1	\$68,769.34	\$68,769.34
1	Monitor, Physiologic, MRI	Invivo Corp.	Precess Patient Monitoring System w/Cart	2	\$66,612.00	\$66,612.00
1	Allowance, Casework, Pharmacy, Modular	TBD	TBD	1	\$65,000.00	\$65,000.00
1	Washer / Disinfector, Steam	STERIS Corporation	FH05042 Reliance Vision Single Chamber (480V)	1	\$56,146.44	\$56,146.44
1	Ultrasonic Cleaner, Floor	STERIS Corporation	CRP1172081 Caviwave Pro 17 gal	2	\$55,754.93	\$55,754.93
1	PACS, Cardiac Archive System	Epiphany	TBD	2	\$55,000.00	\$55,000.00
1	Sterilizer, Steam, Cabinet	STERIS Corporation	Amsco 400 16x16x26 Prevac Cabinet	1	\$54,398.00	\$54,398.00
1	Ultrasound, Imaging, Multipurpose	HPG Contract Vendor - Imaging	TBD	2	\$50,000.00	\$50,000.00

GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with TCA §68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers.” In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

- 1N. Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. <https://www.tn.gov/hsda/hsda-criteria-and-standards.html> (Attachment 1N)

RESPONSE: Responses to the Criteria and Standards for Acute Hospital Bed Services are attached as Attachment 1N.

- 2N. Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

RESPONSE: The primary service area for the new satellite hospital is Montgomery County. Montgomery County residents accounted for 82.5% of the inpatient admissions to Tennova Healthcare-Clarksville in 2021 (YTD through June). A map of the service area is attached as Attachment 2N.

Complete the following utilization tables for each county in the service area, if applicable.

Service Area Counties	Historical Utilization-County Residents – Most Recent Year (Through June, 2021)	Percent of Total Patients
Montgomery	5,335	82.5%
Stewart	272	4.2%
Robertson	104	1.6%
All Other (each < 1%)	758	11.7%
Total	6,469	100%

Service Area Counties	Projected Utilization-County Residents – Year 1 (2025)	Percent of Total Patients
Montgomery (PSA)	845	82.5%
Stewart	43	4.2%
Robertson	16	1.6%
All Other (each < 1%)	120	11.7%
Total	1,024	100%

- 3N. A. Describe the demographics of the population to be served by the proposal.
- B. Provide the following data for each county in the service area:
- Using current and projected population data from the Department of Health. (www.tn.gov/health/health-program-areas/statistics/health-data/population.html);
 - the most recent enrollee data from the Division of TennCare (<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>),
 - and US Census Bureau demographic information (<https://www.census.gov/quickfacts/fact/table/US/PST045219>).

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population- Current Year: 2021	Total Population- Projected Year: 2025	Total Population-% Change	*Target Population- All Ages Current Year: 2021	Target Population- Project Year: 2025	Target Population- % Change	Target Pop. Projected Yr. as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Montgomery Co.	218,941	236,050	7.8%	218,941	236,050	7.8%	N/A	N/A	\$57,541	26,273	12%	45,704	20.9%
Service Area Total	218,941	236,050	7.8%	218,941	236,050	7.8%	N/A	N/A	\$57,541	26,273	12%	45,704	20.9%
State of TN Total	6,942,653	7,153,758	3.0%	6,942,653	7,153,758	3.0%	N/A	N/A	\$53,320	965,029	13.9%	1,596,949	23.0%

** Target Population is population that project will primarily serve. For example, nursing home, home health agency, and hospice agency projects typically primarily serve the Age 65+ population. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2022, then default Projected Year is 2026.*

Be sure to identify the target population, e.g. Age 65+, the current year and projected year being used.

RESPONSE: The target population is All Ages. The current year is 2021 and the projected year is 2025.

- 4N. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly those who are uninsured or underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE: Tennova Healthcare-Clarksville provides services to all of the populations referenced above. The emergency department stabilizes and/or treats everyone who presents in the E.D., regardless of income or payor source, including the uninsured. TH-C contracts with all of the TennCare MCOs, and its TennCare mix is 16%. TH-C also provides services to a large number of military personnel and their families and participates in Tri-Care. The Tri-Care and V.A. payor mix is approximately 14%.

- 5N. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g. cases, procedures, visits, admissions, etc. **This does not apply to projects that are solely relocating a service.**

RESPONSE: There are no approved but unimplemented CONs for acute care hospitals or acute care beds in the service area. There are no acute care hospitals in the PSA other than TH-C. Therefore, the response to this question is technically "N/A."

There are two hospitals barely within a 35-mile radius of the site of the proposed satellite hospital. These hospitals have standing to oppose the project, but neither is likely to experience any significant impact from the proposed satellite hospital, especially in light of the fact no new beds are being added to the licensed bed complement. Patients who are leaving Montgomery County to go to a hospital in Cheatham County or Robertson County are doing so for a reason. The most like reasons are insurance or physician selections and/or the out-of-county facility is closer to their homes. These hospital selection patterns are not likely to change as a result of the new satellite hospital. For information purposes only, the following data is provided as to these hospitals.

Facility	County & Distance to Satellite Hospital Site	2020 Licensed Beds	Patient Days			Licensed Occupancy			% Change in Patient Days 2018-2020	# Patients from PSA and # Total Patients in 2020	Patients from PSA as % Total in 2020
			2020	2019	2018	2020	2019	2018			
Ashland City Medical Center	Cheatham 30.4 miles	12	651	2130	2224	14.9%	48.6%	50.8%	-70.7%	PSA: 5 Total: 65	7.7%
Northcrest Medical Center	Robertson 30 miles	109	10,402	9,183	10,796	26%	23%	27%	-3.8%	PSA: 239 Total: 2465	9.7%
Total		121	11,053	11,313	13,020	26%	25.6%	29.5%	-11.6%	244/2530	9.6%

Source: Joint Annual Reports

- 6N.** Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE: Relevant aspects of the inpatient utilization of TH-C since 2018 are discussed below. The average annual occupancy rates of licensed beds and staffed from data in the Joint Annual Reports, are reflected in the table below. The average occupancy rates are shown including observation days and not including observation days.

Year	Total Licensed Beds	Avg. Staffed Beds	Adm.	Pat. Days	Obs. Days	Avg. Lic. Occ. w/ Obs.	Avg. Lic. Occ. w/o Obs.	Avg. Staffed Occ. w/ Obs.	Avg. Staffed Occ. w/o Obs.	% Chg. In Pat. Days 2018-2020
2020	270	237	10,406	44,335	3,945	48.99%	45.0%	55.81%	51.25%	15.53%
2019	270	199	10,672	40,298	4,517	45.47%	40.9%	61.70%	55.48%	N/A
2018	270	199	10,210	38,375	3,467	42.46%	38.9%	57.61%	52.83%	N/A

Source: 2020 Joint annual Report, Schedule F, (pg. 26); Schedule G, (pp. 30, 31, 36).

The average annual occupancy rates on all licensed and/or staffed beds is not an accurate reflection of the actual utilization at TH-C for several reasons. Like many hospitals, TH-C experiences fluctuations in admissions causing peaks and valleys of bed usage. The average occupancy means that during certain times of the year there is plenty of bed availability (below the average number), and at certain other times there is limited or no immediate bed availability.

To the hospital administration with limited bed availability during a “peak” time, the fact that statistics show there will be plenty of beds available at some other time is of no help.

An additional problem specific to TH-C is the fact that many of the beds are in rooms designed for double occupancy. Patients in general med-surg beds (not in ICU for example) want to have a single occupancy room.

For that reason, TH-C does not start putting patients in double-occupancy rooms unless and until there are no more single occupancy beds/rooms available. This means that there are many fewer beds realistically available for general med-surg patients than would be the case if all the beds were in single occupancy rooms. Below is a roster of the med-surg beds, broken down into the maximum number of beds available in single occupancy and the maximum number of beds available in double occupancy. Med-surg beds exclude ICU, NICU, Step-Down, and Rehab beds.

TENNOVA HEALTHCARE-CLARKSVILLE MED-SURG BEDS BY CLASSIFICATION		
Unit/Bed Type	Single Occupancy Max. Beds	Double Occupancy Max. Beds*
Gen. med-surg unit	18	35
Ortho-joint center	15	23
COVID med-surg (normally Oncology med-surg)	18	27
Cardiovascular med-surg	18	35
COVID med-surg	15	21
Total	84	141

* Not all beds are in rooms designed for double occupancy, so it is not just a 2x calculation for each bed.

Please see the table below. Analyzing the occupancy of the med-surg single occupancy beds, which is always the greatest bed need at TH-C, the need for more single occupancy beds is apparent. Average occupancy on these beds has increased dramatically 2018-2021, and that trend will continue. This means that every day the hospital administration and admissions staff struggle to find a single occupancy bed for new admissions.

MED-SURG OCCUPANCY ON SINGLE OCCUPANCY BEDS			
Year	Single occupancy Beds	ADC	Avg. Occupancy
2021 (through July)	84	82	97.6%
2020	84	77	91.6%
2019	84	71	84.5%
2018	84	61	72.6%

Double occupancy beds/rooms cause capacity problems for an acute care hospital for several reasons. First, consumers want and deserve single occupancy beds/rooms. Virtually no new hospitals have double occupancy rooms, and most older hospitals have managed to minimize their use. Second, there is a problem with assuring same-gender room assignments. Only in the most dire of circumstances would any hospital want to have mixed-gender, unrelated occupants in a double occupancy room. And third, and by far not the least important reason for avoiding double occupancies in a hospital, is infection control. For these reasons, a lower average occupancy rate in a hospital with a substantial number of double occupancy beds, such as TH-C, does not mean there are actually plenty of beds available.

The new satellite hospital will allow TH-C to take 12 beds currently housed in double occupancy rooms, and put those in the new single occupancy rooms in the satellite hospital. That will likewise increase by 12 the number

of single occupancy beds/rooms in the main hospital. Taken as a whole, the new satellite hospital will result in 24 more single occupancy beds/rooms being available at TH-C, without adding any new beds to the licensed bed inventory.

The projected utilization of the satellite hospital is shown below.

PROJECTED UTILIZATION – SATELLITE HOSPITAL (12 BEDS)			
Year	Admissions	Patient Days	Average Annual Occupancy
Year 1 (2025)	1,024	3,072	70%
Year 2 (2026)	1,101	3,302	75.4%

The applicant used a combination of Real Estate Strategies (RES) data, Stratason data and historical information for TH-C to determine the projections. RES data and analyses were used to determine the healthcare demand (which is based on payor data from area providers) in the targeted area, and Stratason data to determine internally lost inpatient market share.

7N.

<u>CON Number</u>	<u>Project Name</u>	<u>Date Approved</u>	<u>Expiration Date</u>

Complete the above chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

- Describe the current progress and status of each applicable outstanding CON and how the project relates to them.

RESPONSE: N/A

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

1C. List all transfer agreements relevant to the proposed project.

RESPONSE: N/A.

2C. List all commercial private insurance plans contracted or plan to be contracted by the applicant.

RESPONSE: As a satellite hospital operating under the license of Tennova Healthcare-Clarksville, the satellite will be in network with the same health plans. The following is a list of those plans as of 2021:

Aetna Coventry
Ambetter
American Health Plan
Amerigroup Medicare
Amerigroup TennCare
BCBST NET E

BCBST NET P
 BCBST NET S
 Beach Street PPO
 BlueCare TennCare
 Blue Cover TN
 Bluegrass Family Health
 Center Care Network
 Cigna IFP/Connect
 Cigna HMO-PPO-Local Plus
 Corvel Corcare PPO
 First Health
 Great West One Hlth
 HealthSmart
 Healthspring
 Humana Choice care
 Humana Medicare Gold
 Humana Market Exchange
 Metracomp
 Multiplan
 Novanet
 NHC ADV MCR
 Medicare HMO
 Oscar Agreement
 PHCS PPO
 Prime Health Services Comp
 Ryan White Med SVCS
 Signature Health
 TBCSP
 TennCare Select
 Tricare
 Triwest
 UHC Community Plan
 United Health Compass
 United Health HMO/PPO
 USAMCO-USA Hlth NTWK
 Winsor Mediciare
 Workers Comp
 Traditional Medicare

- 3C.** Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

RESPONSE: There is no other acute care hospital in the service area, so this proposal does not represent competition between two or more hospitals. It is also not duplication of services or facilities because the new satellite hospital will be a new, separately standing facility located in a very accessible, well-populated and well-traveled area of Montgomery County.

This project does increase consumer choice and improves access to health care services. The new satellite hospital will provide a choice for consumers for a smaller, perhaps more convenient facility for their families and other to park and “navigate, and one which is closer to their homes

Providing consumers with a choice of the satellite hospital or the main hospital also improves access to health care. The availability of the satellite hospital located closer to more densely populated residential and business areas may be especially important for emergency situations, or urgent

situations after hours. The main hospital will still be available and the appropriate choice for those who have more acute care needs which may require an ICU bed or for a service such as OB, neither of which will be offered at the satellite hospital. The satellite hospital facility will also have room for future addition of beds as the need arises, to keep up with the rapidly growing population of Clarksville and Montgomery County.

The satellite hospital will have no direct effect on charges to consumers. Tennova Healthcare-Clarksville strives to provide health care to consumers in a cost-efficient manner.

- 4C.** Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

RESPONSE: The satellite hospital will require approximately 143 FTE positions for direct patient care and approximately 76 FTE positions for non-direct patient care, for a total of 223 FTE positions, based on full occupancy. TH-C will always maintain staffing at a level necessary to meet patient needs, and to meet or exceed all applicable standards and regulations.

- 5C.** Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

RESPONSE: The satellite hospital will operate under the hospital license of Tennova Healthcare-Clarksville. Tennova Healthcare-Clarksville is licensed and in good standing with the Tennessee Department of Health, and holds the following accreditations:

The Joint Commission	Entire hospital
American College of Cardiology	Accredited Chest Pain Center
The Joint Commission	Accredited Knee and Hip Replacement Center

TH-C will always maintain compliance with all licensing standards and will assure that all accreditations and certifications are renewed and are maintained in good standing.

6C. See INSTRUCTIONS to assist in completing the following tables.

HISTORICAL DATA CHART			
		☐ Project Only ☒ Total Facility	
		2020	2019
A.	Utilization Data (Specify unit of measure)		2018
	Admissions	10,406	10,672
	Adjusted Admissions	22,147	21,858
B.	Revenue from Services to Patients		
	1. Inpatient Services	\$ 617,812,540.00	\$ 571,289,862.00
	2. Outpatient Services	\$ 558,621,199.00	\$ 547,633,824.00
	3. Emergency Services	\$ 159,786,092.00	\$ 134,341,357.00
	4. Other Operating Revenue	\$ 718,685.00	\$ 1,123,488.00
	Specify: Cafeteria Sales		
	Gross Operating Revenue	\$ 1,336,938,516.00	\$ 1,284,335,458.00
C.	Deductions from Operating Revenue		
	1. Contract Deductions	\$ 1,129,015,641.10	\$ 1,075,466,493.00
	2. Provision for Charity Care	\$ 6,594,387.90	\$ 9,822,522.00
	3. Provision for Bad Debt	\$ 30,356,384.00	\$ 22,346,700.00
	Total Deductions	\$ 1,165,966,413.00	\$ 995,078,368.00
	NET OPERATING REVENUE	\$ 170,972,103.00	\$ 154,032,093.00

PROJECTED DATA CHART			
		☐ Project Only ☒ Total Facility	
		Year 1	Year 2
A.	Utilization Data (Specify unit of measure)		
	Admissions	1,024	1,101
	Adjusted Admissions	2,744	2,951
B.	Revenue from Services to Patients		
	1. Inpatient Services	\$ 70,355,968.00	\$ 80,170,625.00
	2. Outpatient Services	\$ 75,613,994.00	\$ 86,162,146.00
	3. Emergency Services	\$ 42,551,280.00	\$ 48,487,183.00
	4. Other Operating Revenue (Specify)	\$ -	\$ -
	Gross Operating Revenue	\$ 188,521,242.00	\$ 214,819,954.00
C.	Deductions from Gross Operating Revenue		
	1. Contractual Adjustments	\$ 161,991,414.29	\$ 184,589,216.25
	2. Provision for Charity Care	\$ 1,018,014.71	\$ 1,160,027.75
	3. Provisions for Bad Debt	\$ 2,546,977.00	\$ 2,902,280.00
	Total Deductions	\$ 165,556,406.00	\$ 188,651,524.00
	NET OPERATING REVENUE	\$ 22,964,836.00	\$ 26,168,430.00

- 7C. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

Project Only Chart

	Previous Year to Most Recent Year Year 2019	Most Recent Year Year 2020	Year One Year 2025	Year Two Year 2025	% Change (Year 1 to Year 2)
Gross Charge (<i>Gross Operating Revenue/Adjusted Admissions*</i>)	N/A	N/A	\$68,703	\$72,796	5.9%
Deduction from Revenue (<i>Total Deductions/Adjusted Admissions</i>)	N/A	N/A	\$60,334	\$63,928	5.9%
Average Net Charge (<i>Net Operating Revenue/ Adjusted Admissions</i>)	N/A	N/A	\$8,369	\$8,868	5.9%

*Adjusted admissions is a metric used by the hospital in certain financial analyses which takes into account emergency department visits and treatments, in addition to inpatient admissions.

- 8C. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

RESPONSE: The average proposed charges are reflected above. These are based on Adjusted Admissions, which take into account ED visits and revenues as well as inpatient admissions. This project will have no impact on existing patient charges.

- 9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE: There are no hospitals other than TH-C in the service area. The hospitals in adjoining area are not comparable facilities to the proposed satellite hospital and a comparison of average charges would not be helpful. For example, TriStar Ashland City medical Center is a Critical Access Hospital which has different Medicare reimbursement schedule than general acute hospitals. The chargemaster of actual charges for TH-C is massive in volume and it is not practical to include it in this application.

- 10C. Discuss the project's participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Applicant's Projected Payor Mix Project Only Chart

Payor Source	Year 1		Year 2	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$79,744,485	42.3%	\$90,868,841	42.3%
TennCare/Medicaid	\$29,974,878	15.9%	\$34,156,373	15.9%
Commercial/Other Managed Care	\$42,605,801	22.6%	\$48,549,310	22.6%

Self-Pay	\$10,557,190	5.6%	\$12,029,917	5.6%
Other (Tri-Care and VA)	\$25,638,889	13.6%	\$29,215,514	13.6%
Total*	\$188,521,242	100%	\$214,819,954	100%
Charity Care	\$1,018,014.71		\$1,160,027.75	

**Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

QUALITY STANDARDS

- 1Q.** Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

RESPONSE: The applicant will do so.

- 2Q.** The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?
- Does the applicant commit to obtaining and maintaining all applicable state licenses in good standing?
- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?

RESPONSE: The applicant's answer to each of the above questions is "yes."

- 3Q.** Please complete the chart below on accreditation, certification, and licensure plans.
Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	☒ Health ○ Intellectual & Developmental Disabilities ○ Mental Health & Substance Abuse Services	Active	License No. 090
Certification	☒ Medicare ☒ TennCare/Medicaid ○ Other: _____	Active Active	44-0035 10000156
Accreditation(s)	The Joint Commission	Active	N/A

- 4Q.** If checked "TennCare/Medicaid" box, please list all Managed Care Organization's currently or will be contracted.

RESPONSE: TH-C contracts with the following TennCare MCOs:

Amerigroup
BlueCare TennCare
TennCare Select

UHC Community Plan

- 5Q.** Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

X Yes ☐ No

- 6Q.** For an existing healthcare institution applying for a CON:

➤ Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.

RESPONSE: TH-C has maintained substantial compliance with all such regulatory authorities. It has not been subject to any of the corrective actions processes mentioned.

➤ Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

RESPONSE: No, TH-C has not been decertified.

- 7Q.** Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

Has any of the following:

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;
- Criminal fines in cases involving a Federal or State health care offense;
- Civil monetary penalties in cases involving a Federal or State health care offense;
- Administrative monetary penalties in cases involving a Federal or State health care offense;
- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.

RESPONSE: The applicant, whose ultimate parent is Community Health Systems, is subject to the Corporate Integrity Agreement (“CIA”) between CHS and the U.S. Office of Inspector General dated July 28, 2014.

- 8Q. Provide the project staffing for the project in Year 1 and compare it to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

RESPONSE: The proposed staffing chart is provided below the following page. This level of staffing is based on full occupancy at the satellite hospital.

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
Nursing	N/A	58.95
Telemetry/EKG staff	N/A	8.42
Clerk	N/A	4.21
Techs	N/A	8.42
Nurse Mgnt	N/A	12.63
ED clerk	N/A	4.21
Lab Staff	N/A	10.53
ED tech	N/A	4.21
Phlebotomy	N/A	6.32
X-Ray/CT	N/A	12.63
Rehab	N/A	4.21
Resp Therapy	N/A	8.42
Total Direct Patient Care Positions	N/A	143.16
B. Non-Patient Care Positions		
Housekeeping	N/A	14.74
Registration	N/A	12.63
PBX Operator	N/A	4.21
Pharm	N/A	6.32
Medical Records	N/A	4.21
Food/Nutrition	N/A	12.63
Administration	N/A	2.00
IT	N/A	2.00
Cent. Sterile	N/A	4.21
Plant Ops	N/A	2.11
Security	N/A	8.42
BioMed	N/A	2.11
Total Non-Patient Care Positions	N/A	75.59
Total Employees (A+B)	N/A	218.75
C. Contractual Staff	N/A	0
Total Staff (A+B+C)	N/A	218.75

DEVELOPMENT SCHEDULE

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A certificate of Need authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the “good cause” for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1 below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

Phase	Days Required*	Anticipated Date (Month/Year)
1. Initial HSDA Decision Date	N/A	December 2021
2. Building Construction Commenced	240	August 2022
3. Construction 100% Complete (Approval for Occupancy)	900	June 2024
4. Issuance of License	960	August 2024
5. Issuance of Service	960	August 2024
6. Final Project Report Form Submitted (Form HR0055)	1,020	November 2024

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

ATTACHMENT 1N**RESPONSES TO****STANDARDS AND CRITERIA FOR ACUTE HOSPITAL BED SERVICES**

- 1. Determination of Need: The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year.**

Using the latest utilization and patient origin data from the Joint Annual Report of Hospitals and the most current populations projection series from the Department of Health, both by county, calculate need based on the following:

The bed need calculation table from the Department of Health is attached as Attachment N1(1). The calculated need for Montgomery County is -128. However, the bed need formula calculation is not relevant to this project, because no new licensed beds are sought. The 12 beds in the new satellite hospital will come from the licensed bed complement of Tennova Healthcare-Clarksville.

- a. New hospital beds can be approved in excess of the “need standard for a county” if the following criteria are met:**

N/A. No new licensed beds are sought. The 12 beds in the new satellite hospital will come from the licensed bed complement of Tennova Healthcare-Clarksville.

- i. All existing hospitals in the proposed service area have an occupancy level greater than or equal to 80 percent for the most recent Joint Annual Report. Occupancy should be based on the number of staffed beds for two consecutive years.**

N/A. No new licensed beds are sought. The 12 beds in the new satellite hospital will come from the licensed bed complement of Tennova Healthcare-Clarksville.

- 1. In order to provide adequate information for a comprehensive review, the applicant should utilize data from the Joint Annual report to provide information on the total number of licensed and staffed beds in the proposed service area. Applicants should provide an explanation to justify any differences in staffed and licensed beds in the applicant’s facility or facilities. The agency board should take into consideration the ability of the applicant to staff existing unstaffed licensed beds prior to approving the application for additional beds.**

The following table should be utilized to demonstrate bed capacity for the most recent year.

Total Beds			
Total Licensed Beds	Staffed beds set up and in use on a typical day	Licensed beds not staffed	Licensed beds that could not be used within 24-48 hours
270	Fluctuates	Fluctuates	None

- ii. All outstanding CON projects for new acute care beds in the proposed service area are licensed.

There are no approved but unlicensed medical acute inpatient beds in the service area.

The Health Services and Development Agency may give special consideration to applications for additional acute care beds by an existing hospital that demonstrates (1) annual inpatient occupancy for the twelve (12) months preceding the application of 80 percent or greater of licensed beds and (2) that the addition of beds without a certificate of need as authorized by statute will be inadequate to reduce the projected occupancy of the hospital's acute care beds to less than 80 percent of licensed bed capacity.

N/A.

- b. In accordance with Tennessee Code Annotated 68-11-14607 (g), “no more frequently than one time every three years, a hospital, rehabilitation facility, or mental health hospital may increase its total number of licensed beds in any category by ten percent or less of its licensed capacity at any one campus over any period of one year for any services it purposes it is licensed to perform without obtaining a certificate of need”. These licensed beds that were added without a certificate of need should be considered as part of the determination of need formula by the agency.

- i. Applicants should include information on any beds that have been previously added utilizing this statute.

N/A

- c. Applicants applying for acute care beds in service area counties where there is no hospital, and thus no bed occupancy rate numbers to provide for the need formula, should provide any relevant data that supports its claim that there is a need for acute care beds in the county or counties. Data may include, for example, the number of residents of the county or counties who over the previous 24 months have accessed acute care bed services in other counties.

N/A

Data: Applicants should utilize population data from the University of Tennessee, Tennessee State Data Center, Boyd Center for Business & Economic Research (UTCEBER) for determination of need calculations. These data are made publicly available at the following link:

<http://tndata.utk.edu/sdcpopulationprojections.htm>

The Department of Health bed need projections rely on that source for population projections.

Department of Health Acute Care Bed Need Projections are available upon request at the following link under “Submit a Request”:

<https://tn.gov/health/section/statistics>

The bed need calculation table from the Department of Health is attached following this response.

Note: A Critical Access Hospital (CAH) that has Centers for Medicare and Medicaid Services (CMS) approval to furnish swing bed services may use any acute care bed within the CAH for the provision of swing bed services, with the following exceptions: within their IPPS-excluded rehabilitation or psychiatric distinct part unit, in an intensive care-type unit, and for newborns.

See:

<https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/SwingBedFactsheet.pdf> N/A

- 2. Quality Considerations: Applicants should utilize Centers for Disease Control & Prevention's (CDC) National Healthcare Safety Network (NHSN) measures. Applicants must provide data from the most recent four quarters utilizing the baseline established by the NHSN within the dataset.**

Data Source: Hospital Compare <https://www.medicare.gov/hospitalcompare/search.html?>

Applicants should utilize the following table to demonstrate the quality of care provided at the existing facility.

CENTERS FOR DISEASE CONTROL & PREVENTION'S (CDC) NATIONAL HEALTHCARE SAFETY NETWORK (NHSN) MEASURES				
MEASURE	SOURCE	NATIONAL BENCHMARK	HOSPITAL STANDARDIZED INFECTION RATIO (SIR)	HOSPITAL EVALUATION (ABOVE, AT, OR BELOW NATIONAL BENCHMARK)
Catheter associated urinary tract infection (CAUTI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.687	Below
Central line associated blood stream infection (CLABSI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	2.19	Above

Methicillin resistant staphylococcus aureus (MRSA)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.0	Below
Clostridium difficile (C.diff.)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.737	Below
Surgical Site Infections (SSI)				
SSI: Colon	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	1.219	Above
SSI: Hysterectomy	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.721	Below
		National Average	Tennessee Average	Hospital Percentage
Healthcare workers given influenza vaccinations	Hospital Compare: Timely & Effective Care – Preventive Care	91%	93%	88%

Applicants should provide the above metrics and any improvement plans that are in place to improve the hospital's performance on these metrics.

Tennova Healthcare-Clarksville is accredited by the Joint Commission. This accreditation includes on-going quality and performance assessment and improvement protocols.

In addition to the above metrics, the applicant should list, or briefly summarize, any significant quality accreditations, certifications, or recognitions that might be appropriate for Agency consideration (i.e. Joint Commission, TDH/BLHCF survey results, CMS standing, and/or clinical quality awards).

TH—C holds the following accreditations:

The Joint Commission	Entire hospital
American College of Cardiology	Accredited Chest Pain Center
The Joint Commission	Accredited Knee and Hip Replacement Center

The above metrics should serve as a guide for the Agency to better understand the quality of care that is provided by the applicant at the existing facility. National and state averages serve as an indicator by which the board may evaluate the applicant.

No response is called for.

Note: In the event quality data is unavailable for an applicant's existing facility, the applicant should provide data from a comparable, existing facility owned by the applicant. If no comparable data is available, the absence of such information should not disadvantage the applicant over another with available quality data.

N/A

3. Establishment of Service Area: The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant.

The Primary Service Area is Montgomery County. In 2021 Montgomery County residents accounted for 82.5% of the admissions to TH-C. The proposed satellite hospital is approximately 4 miles due west of the main campus, so its PSA is projected to be the same.

The site of the proposed satellite hospital is in an area that has a denser population than that of the main campus, the latter of which is located immediately adjacent to I-24 in eastern Montgomery County. See Attachment 2E(2). The proposed site also has excellent road access. It is located just off Highway 374, known as 101st Airborne Division Parkway, within a mile or so of its intersection with Highway 79, known as Wilma Rudolph Parkway. Both highways are major vehicular traffic thoroughfares with very high traffic counts. See Attachment 2E(3).

4. Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall include the likely impact of the proposed increase in acute care beds on existing providers in the proposed service area and shall include how the applicant's services may differ from these existing services. The agency should consider if the approval of additional beds in the service area will result in unnecessary, costly duplication of services. This is applicable to all service areas, rural and others.

The following tables should be utilized to demonstrate existing services in the proposed service area.

There are no acute care hospitals in the PSA other than TH-C. Therefore, the response to this question is technically "N/A."

There are two hospitals barely within a 35-mile radius of the site of the proposed satellite hospital. These hospitals have standing to oppose the project, but neither is likely to experience any significant impact from the proposed satellite hospital. For information purposes only, the following data is provided as to these hospitals.

Facility	County & Distance from Satellite Hospital Site	2019 Licensed Beds	Patient Days			Licensed Occupancy			% Change in Patient Days 2017-2019
			2019	2018	2017	2019	2018	2017	
Ashland City Medical Center	Cheatham 30.4 miles	12	2130	2224	1874	48.6%	50.7%	42.8%	13.6%
Northcrest Medical Center	Robertson 30 miles	109	9183	10,796	11,388	23%	27%	28.6%	-19.4%
Total		121	11,313	13,020	13,262	25.6%	29.5%	30%	-14.7%

Rural: Additional acute care beds should only be approved in a rural service area if the applicant can adequately demonstrate the proposed facility will not have a significant negative impact on existing rural facilities that draw patients from the proposed service area.

N/A

- 5. Services to High-Need and Underserved Populations: Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including uninsured, low-income, and underserved geographic regions, as well as other underserved population groups.**

The proposed satellite hospital will serve high-needs and/or underserved populations.

(1). TennCare enrollees will be a significant portion of the population served. The projected TennCare payor mix is 16%.

(2). Tennova Healthcare-Clarksville is in a unique position due to community demographics. Montgomery County is home to Ft. Campbell U.S. Army base (the base straddles the state line; one portion of it is in Tennessee and the other portion is in Kentucky) and to Austin Peay State University. Both of these special population groups often require hospital services.

The Ft. Campbell community – including those living on-base and off-base – has a population of approximately 200,000. Soldiers have the option of receiving care on-base, but many choose to go to TH-C instead. Many of these families have insurance coverage under Tri-Care. TH-C serves a good number of these military families, and its Tri-Care payor mix is approximately 14%. TH-C is currently making arrangements with Blanchfield Hospital (the Army base hospital at Ft. Campbell) whereby the U.S. Army surgeons will rotate through the TH-C surgical department to perform cases and thereby maintain proficiencies in their specialties. This is needed for the surgeons due to the relatively lower number of surgical cases performed at Blanchfield Hospital. The additional TH-C surgical department facilities at the proposed satellite hospital will provide additional OR capacity, thereby benefitting the military community as well as the civilian community.

The Austin Peay full-time enrollment is over 12,000 and it is Tennessee's fastest-growing university. The University's strategic plan calls for enrollment to reach 15,000 by 2025. (Source: <https://www.apsu.edu/about-apsu/fast-facts-about-apsu.php>). This is mostly a young population, but the students and faculty still require hospital services (emergency as well as inpatient).

- 6. Relationship to Existing Applicable Plans; Underserved Area and Population: The proposal's relationship to underserved geographic areas and underserved population groups shall be a significant consideration.**

The response to the immediately preceding questions is responsive to this item as well, to the extent a response is called for.

- 7. Access: The applicant must demonstrate an ability and willingness to serve equally all of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is a limited access in the proposed service area.**

The proposed satellite hospital will serve all segments of the population seeking services offered by TH-C. TennCare enrollees will be a significant portion of the population served. The projected TennCare payor mix is 16%.

The new satellite hospital will provide a choice for consumers for a smaller, perhaps more convenient facility which is closer to their homes.

Providing consumers with a choice of the satellite hospital or the main hospital also improves access to health care. The availability of the satellite hospital located closer to more densely populated residential and business areas may be especially important for emergency situations, or urgent situations after hours. The main hospital will still be available and the appropriate choice for those who have more acute care needs which may require an ICU bed, or for a service such as OB, which will not be offered at the satellite hospital. The satellite hospital facility will also have room for future addition of beds as the need arises, to keep up with the rapidly growing population of Clarksville and Montgomery County.

- 8. Adequate Staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed service area.**

The satellite hospital will approximately 143 FTE positions for direct patient care and approximately 76 FTE positions for non-direct patient care, for a total of 223 FTE positions in Year 1. It will always be staffed to a level sufficient to meet patient needs and all licensing and accreditation standards.

- 9. Assurance of Resources: The applicant shall document that it will provide the resources necessary to properly support the applicable level of services. Included in such documentation shall be a letter of support from the applicant's governing board of directors, Chief Executive Officer, or Chief Financial Officer documenting the full commitment of the applicant to develop and maintain the facility resources, equipment, and staffing to provide the appropriate services. The applicant shall also document the financial costs of maintaining these resources and its ability to sustain them.**

Letters of commitment from the CEO and CFO of Tennova Healthcare-Clarksville are attached immediately following the response to these Standards and Criteria.

- 10. Data Requirements: Applicants shall agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.**

The applicant agrees to do this.

11. Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

The satellite hospital will operate under the hospital license of Tennova Healthcare Clarksville. Tennova Healthcare-Clarksville is licensed in good standing by the Tennessee Department of Health and holds the following accreditations.

The Joint Commission	Entire hospital
American College of Cardiology	Accredited Chest Pain Center
The Joint Commission	Accredited Knee and Hip Replacement Center

These accreditations include on-going quality and performance assessment and improvement protocols.

12. Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH. The applicant shall also demonstrate its accreditation status with the Joint Commission or other applicable accrediting agency.

TH-C is licensed by the Tennessee Department of Health and maintains compliance with all applicable licensing standards. It is accredited by The Joint Commission and is in good standing.

13. Community Linkage Plan: The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care.

Tennova Healthcare-Clarksville is the hub of the healthcare delivery system in Montgomery County and the surrounding area. It is the only medical acute care hospital in the area. It operates two emergency department facilities – the main campus facility with 38 bays, and an FSED with 8 bays approximately 9 miles away adjacent to I-24. Both emergency facilities stay constantly busy. TH-C also operates outpatient services, and its campus includes a medical office building with physician offices and outpatient clinics.

TH-C sponsors or operates community outreach and education programs on an on-going basis. During the COVID pandemic, the hospital offered COVID testing, and cooperated with the TDOH in establishing an additional testing site in Montgomery County.

TH-C is currently making arrangements with Blanchfield Hospital (the Army base hospital at Ft. Campbell) whereby the U.S. Army surgeons will rotate through the TH-C surgical department to perform cases and thereby maintain proficiencies in their specialties. This is needed for the surgeons due to the relatively lower number of surgical cases performed at Blanchfield Hospital. The additional TH-C surgical department facilities at the proposed satellite hospital will provide additional OR capacity, thereby benefitting the military community as well as the civilian community.

LIST OF ATTACHMENTS

TENNOVA HEALTHCARE CLARKSVILLE

Publisher's Affidavit	<u>Attachment 3A</u>
Partnership organizational documents and ownership organization chart	<u>Attachment 7A</u>
Purchase Agreement and Option Agreement	<u>Attachment 9A</u>
Floor plan	<u>Attachment 10A</u>
Plot plan	<u>Attachment 12A</u>
Occupancy rates on med-surg beds	<u>Attachment 2E (1)</u>
Population density map	<u>Attachment 2E (2)</u>
Traffic count map	<u>Attachment 2E (3)</u>
Responses to the Criteria and Standards for Acute Hospital Bed Services	<u>Attachment 1N</u>
Bed need calculation table from the TDOH	<u>Attachment 1N(1)</u>
Commitment letters from CEO & CFO	<u>Attachment 1N(2)</u>
Map of the service area	<u>Attachment 2N</u>

AFFIDAVIT OF PUBLICATION

0004907956

Newspaper Leaf Chronicle

State of Tennessee

Account Number NAS-0000003032

Advertiser SCOPPECHIO

SCOPPECHIO
400 W MARKET ST STE 1400
LOUISVILLE, KY
40202

**TEAR SHEET
ATTACHED**

Jackie Cooper

Sales Assistant for the above mentioned newspaper,

hereby certify that the attached advertisement appeared in said newspaper on the following dates:

09/14/21

Jackie Cooper

Subscribed and sworn to before me this

14th day of September, 2021

Donna Walker

Notary Public



Affidavits Requested:

1

STATE OF TENNESSEE HEALTH SERVICES AND DEVELOPMENT

Attachment 3A



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

**NOTIFICATION OF INTENT TO APPLY
FOR A CERTIFICATE OF NEED**

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A., §68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Tennova Healthcare-Clarksville, a licensed general hospital, owned by Clarksville Health System, G.P with an ownership type of general partnership and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a satellite hospital to be located on an unaddressed tract which is part of a larger tract located at 2275 Trenton Road, Clarksville, Tennessee. The satellite hospital will provide acute inpatient medical and surgical services and will have 12 inpatient beds. The satellite hospital will have an emergency department with 14 diagnosis and/or treatment bays. The satellite hospital will operate under the general hospital license of Tennova Healthcare-Clarksville, which license is issued by the Tennessee Board for Licensing Health Care Facilities. The total estimated project cost is \$58,000,000.00. The anticipated date of filing the application is October 1, 2021.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Thompson Burton, PLLC, One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, TN 37067, 615-716-2297.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for a hearing should be sent to:

Health Services and Development Agency Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **Clarksville Health System, G.P.**

General Information

000645301

Filing Type: General Partnership - Domestic
11/29/2010 10:50 AM

Status: Active

Duration Term: Expires: 10/27/2025

4000 MERIDIAN BLVD
FRANKLIN, TN 37067

THE PARTNERSHIP INTERESTS CREATED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SUCH ACTS. EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, THE INTERESTS MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION UNDER SUCH ACTS OR AN OPINION OF COUNSEL THAT SUCH TRANSFER MAY BE LEGALLY EFFECTED WITHOUT SUCH REGISTRATION. ADDITIONAL RESTRICTIONS ON TRANSFER AND SALE ARE SET FORTH IN THIS AGREEMENT.

**SECOND AMENDED AND RESTATED
PARTNERSHIP AGREEMENT**

OF

**CLARKSVILLE HEALTH SYSTEM, G.P.
(a Delaware General Partnership)**

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EXHIBITS

- Exhibit A – Allocations of Profit and Loss and Other Tax Matters
- Exhibit B – Capital Contributions; Units
- Exhibit C – Partnership Conflict of Interest Policy
- Exhibit D – VUMC Grandfathered Facilities
- Exhibit E – Approved Initial Operating Budget
- Exhibit F – Partnership Indigent Care Policies
- Exhibit G – Option to Sell (Put)
- Exhibit H – Option to Purchase (Call) Based Upon Sharing Percentages

**SECOND AMENDED AND RESTATED
PARTNERSHIP AGREEMENT
OF
CLARKSVILLE HEALTH SYSTEM, G.P.
(a Delaware General Partnership)**

This Second Amended and Restated Partnership Agreement (the “Agreement”) is entered into and effective as of the 1st day of January, 2021 (the “Effective Date”) by and between **VANDERBILT MONTGOMERY HOLDINGS, LLC**, a Tennessee limited liability Company (“VUMC Partner”), and **CLARKSVILLE HOLDINGS, LLC**, a Delaware limited liability company (“CHS Partner”). VUMC Partner and CHS Partner are sometimes referred to herein, individually, as a “party” and, together, as the “parties.”

WITNESSETH

WHEREAS, Clarksville Health System, G.P., a Delaware general partnership (the “Partnership”), was formed on September 19, 2005 and is governed by an Amended and Restated Partnership Agreement dated February 1, 2006 (the “A&R Partnership Agreement”); and

WHEREAS, pursuant to the terms, and subject to the conditions, of that certain Unit Purchase Agreement dated as of September 30, 2020, as amended, among GHS Holdings, LLC (“GHS”), Clarksville Volunteer Health, Inc., and VUMC (and CHS Partner with respect to certain provisions), VUMC Partner purchased 2,000 Units of partnership interest in the Partnership from GHS, constituting all of GHS’s Units of partnership interest in the Partnership and a 20% Sharing Percentage in the Partnership (the “Transferred Interest”); and

WHEREAS, CHS Partner and VUMC Partner desire to amend and restate the A&R Partnership Agreement and recognize the transfer of the Transferred Interest to VUMC Partner and the admission of VUMC Partner as a Partner in the Partnership and to make certain other amendments; and

WHEREAS, the Partners desire to enhance and improve the delivery of cost effective, quality health care services in Clarksville, Tennessee, to provide health care services to the indigent, and to offer more services to an increased population more efficiently and cost effectively.

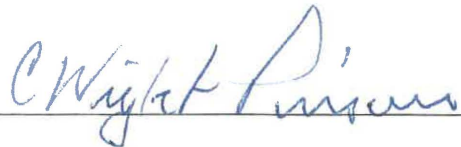
NOW, THEREFORE, in consideration of the mutual promises, covenants and undertakings hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the A&R Partnership Agreement is hereby amended and restated in its entirety to read as follows:

I. DEFINITIONS. As used herein, including Exhibit A attached hereto, the following terms have the following meanings:

1.1 “Act” means the Delaware Revised Uniform Partnership Act, as amended from time to time.

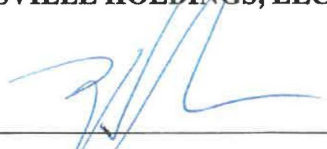
IN WITNESS WHEREOF, the Partners have entered into this Agreement as of the date first written above.

**VANDERBILT MONTGOMERY HOLDINGS,
LLC**

By: 

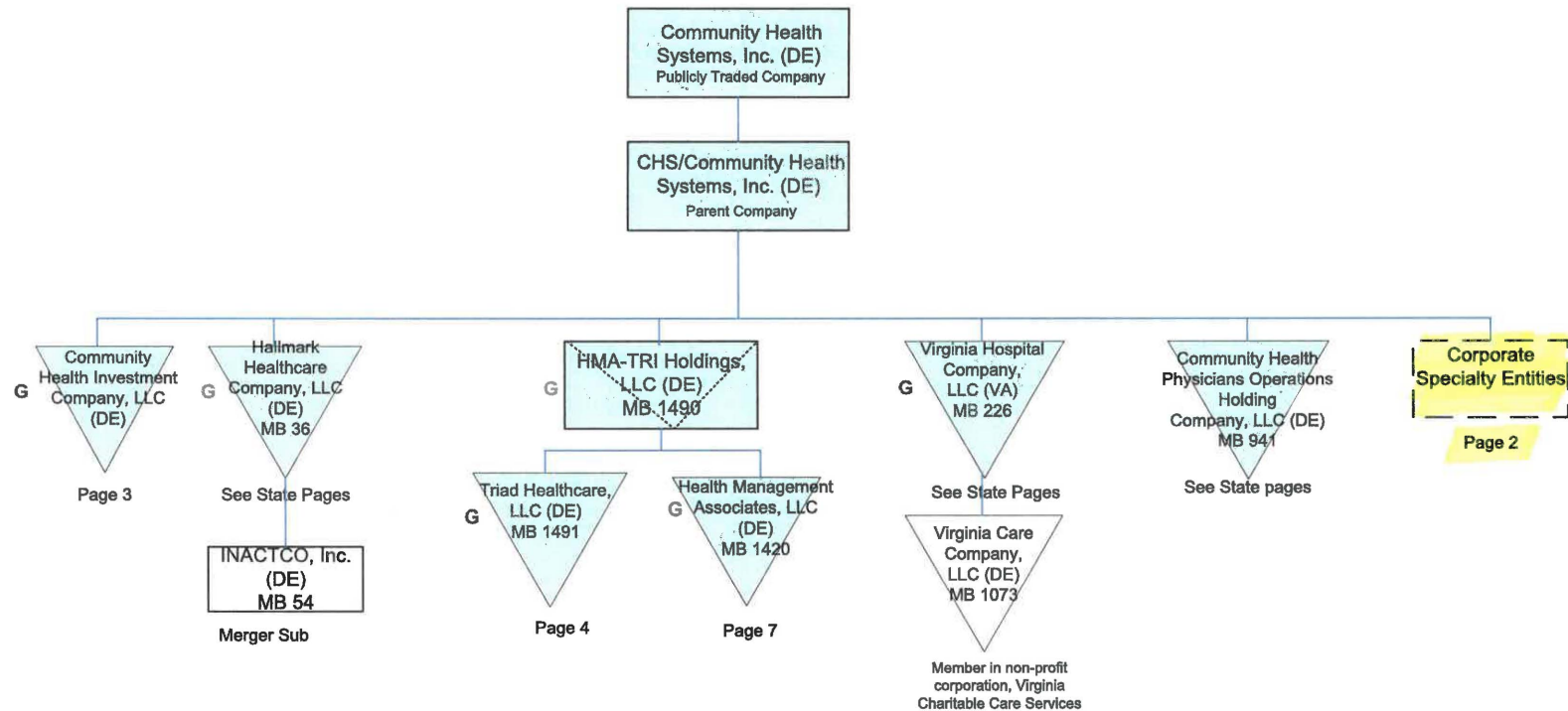
Name: C. Wright Pinson, MD, MBA

Its: President

CLARKSVILLE HOLDINGS, LLCBy:  _____Name: Terry H. HendonIts: Vice President

Community Health Systems

Organizational Chart



G = Guarantor under CHS/Community Health Systems, Inc. Credit Agreement and Community Health Systems, Inc. Indenture

Taxable Entity Key:



Rectangles represent legal entities treated as corporations for tax purposes.



Dashed upside down triangles inside solid rectangle represent single owner entities electing to be a taxable association for tax purposes



Upside down triangles represent disregarded (single owner) entities for tax purposes.



Regular triangles represent partnerships. If no percentage owned is indicated, the partnership is disregarded for tax purposes.

Color-Coding Key:



= Hospital



= Clinics/Physicians



= Surgery Centers



= Parent or Holdings Cos.



= QHR and related

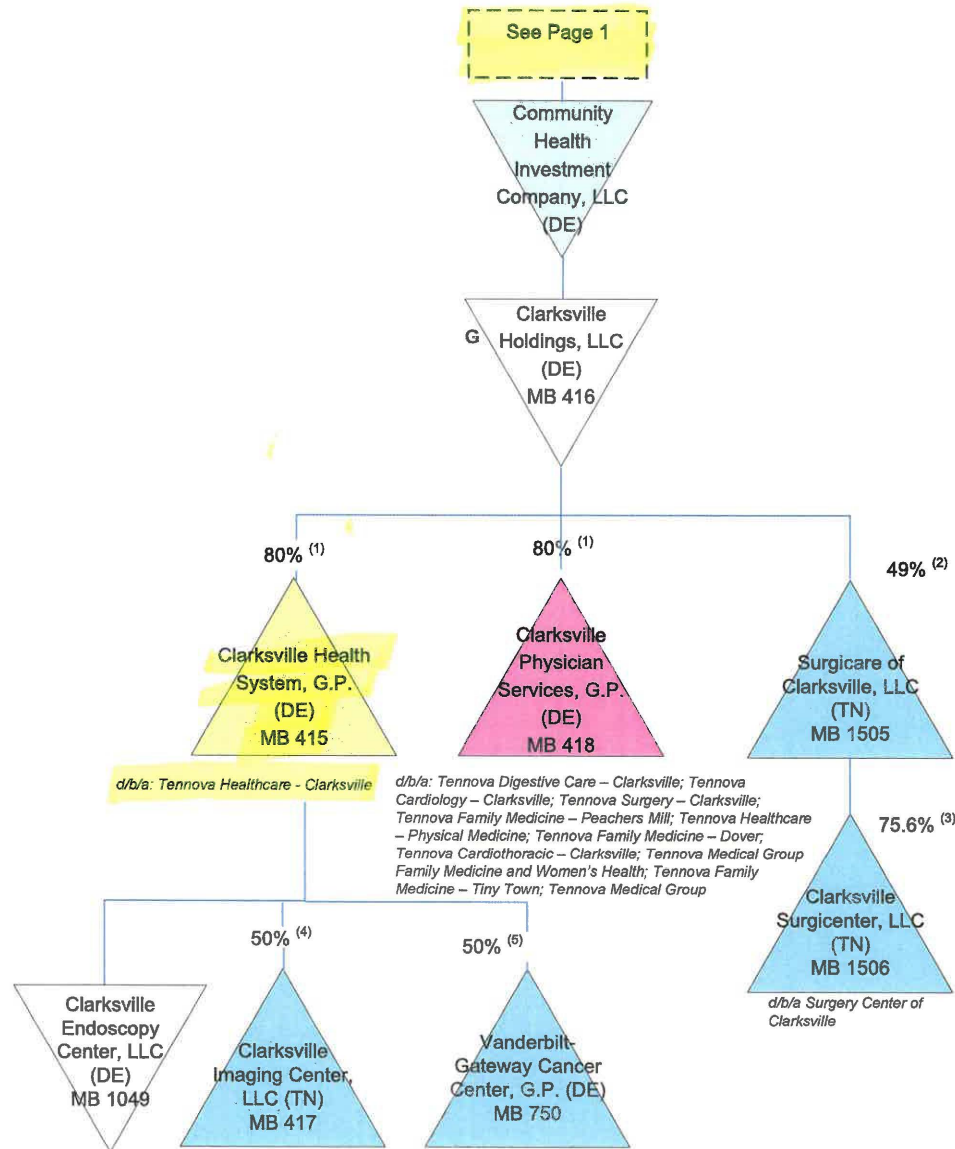


= 50% or less ownership (non-consolidating)



= Home Health/Hospice (non consolidating)

TENNESSEE Clarksville



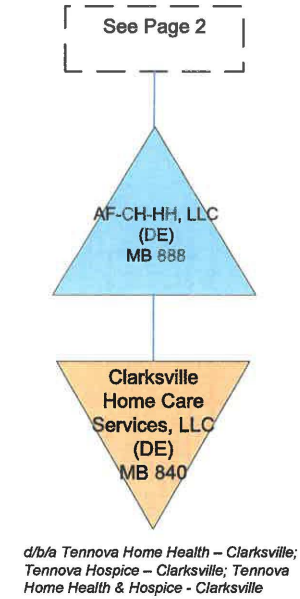
⁽¹⁾ Remaining Interest held by Vanderbilt Montgomery Holdings, LLC (VUMC)

⁽²⁾ Remaining Interest held by Medical Care America, LLC (HCA)

⁽³⁾ Remaining interest held by physician investors

⁽⁴⁾ Remaining interest held by Clarksville Imaging Holdings, LLC (Premier Radiology)

⁽⁵⁾ Remaining interest held by Vanderbilt Health Services, Inc.



OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Agreement") is made and entered into as of the 29 day of September, 2021 (the "Effective Date"), by and between CLARKSVILLE HOLDINGS, LLC, a Delaware limited liability company ("Optionor"), and CLARKSVILLE HEALTH SYSTEM, G.P., a Delaware general partnership ("Optionee").

WITNESSETH:

WHEREAS, Optionor is the buyer under that certain Purchase Agreement, dated as of July 15, 2021, by and between Optionor, as buyer, and Seay Wilson Properties, a Tennessee general partnership, as seller, of the approximately 16 acres of real property located as part of a larger tract at 2275 Trenton Road, Clarksville, Montgomery County, Tennessee 37040 with parcel number 041-03900-000 as depicted on Exhibit A, including, without limitation, all rights, interests, easements, tenements and hereditaments appurtenant thereto, but solely to the extent included in the transaction contemplated by the Purchase Agreement (collectively, the "Property"); and

WHEREAS, Section 10.3 of the Purchase Agreement states that the Optionor may assign its rights and interests under the Purchase Agreement without obtaining the consent or approval of the seller; provided no such assignment shall release the buyer from its obligations and liabilities under the Purchase Agreement; and

WHEREAS, Optionor has agreed to grant Optionee an option to assume the Purchase Agreement for the Property upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, for the covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Optionor and Optionee agree as follows:

ARTICLE I. OPTION

I.1. Option. Optionor hereby grants to Optionee the exclusive right and option (the "Option") to assume the Purchase Agreement for the Property. The term of the Option (the "Option Term") shall commence on the date of this Agreement and expire upon the closing, expiration, or termination of the Purchase Agreement. In the event Optionee desires to exercise the Option, it shall so notify Optionor, in writing, prior to the expiration of the Option Term. If Optionee does not exercise the Option during the Option Term, then this Agreement shall terminate automatically and be of no further force or effect.

I.2. Covenants and Conditions. After assuming the obligations under the Purchase Agreement, the Optionee shall comply with all of the terms and conditions under the Purchase Agreement.

I.3. No Assignment. Neither party may assign this Agreement, without the prior written consent of the other party provided such consent will not be unreasonably withheld, conditioned or delayed.

ARTICLE II.

DEFAULT AND REMEDIES

II.1. Optionor's Failure to Close/Optionee's Remedies. If Optionor fails to assign the Purchase Agreement for the Property to Optionee and such failure constitutes a default under this Agreement, then, unless Optionor cures such failure within fifteen (15) days after Optionee gives it written notice thereof, Optionee, as its sole and exclusive remedy, may either: (i) obtain specific performance of this Agreement and recover all damages it suffers as a result of such default from Optionor, or (ii) terminate this Agreement and recover all damages it suffers as a result of such default from Optionor (including, but not limited to, the loss of the benefit of its bargain hereunder).

II.2. Optionee's Failure to Close/Optionor's Remedies. If Optionee determines not to purchase the Property pursuant to the Purchase Agreement and such failure constitutes a default under this Agreement, then, Optionor may demand the Optionee assign the Purchase Agreement back to the Optionor promptly upon receipt of such notice.

II.3. Other Defaults/Remedies. Except as otherwise provided in Sections 2.1 and 2.2 above, if Optionor or Optionee defaults under any of the terms of this agreement, then, unless such default is cured within fifteen (15) days after the non-defaulting party gives the defaulting party written notice thereof, the non-defaulting party shall have the right to obtain all remedies available at law or in equity, including, without limitation, injunctive relief. Further, the defaulting party shall indemnify, defend and hold harmless the non-defaulting party from any claims or damages arising from a default under this Agreement or the Purchase Agreement. Notwithstanding anything to the contrary, in no event shall either party be liable for exemplary or punitive damages as a result of its default under this Agreement.

ARTICLE III. GENERAL PROVISIONS

III.1. Notices. All notices, consents, approvals and other communications (collectively, "Notices") which may be or are required to be given by either Optionor or Optionee under this Agreement shall be properly made only if in writing and sent to the address of Optionor or Optionee, as applicable, set forth below by hand delivery, U.S. Certified Mail (Return Receipt Requested), nationally recognized overnight delivery service or facsimile.

Optionor: Clarksville Holdings, LLC
4000 Meridian Boulevard
Franklin, TN 37067
Attention: General Counsel
Facsimile:

Optionee: Clarksville Health System
4000 Meridian Boulevard
Franklin, Tennessee 37067
Attention: General Counsel
Facsimile:

Notices shall be deemed received: (i) if delivered by hand, on the date of delivery, (ii) if sent by U.S. Mail or overnight delivery service, on the date the same is deposited with the applicable carrier, and (iii) if sent facsimile, on the date of transmission with computer confirmation of successful delivery without errors. Either party may change its address for Notices by giving written notice to the other party in accordance with this provision.

III.2. Brokers. Optionor and Optionee each represents and warrants to the other that it has not dealt with any broker, brokerage firm, listing agent or finder in connection with the transaction contemplated by this Agreement, and each party hereto agrees to indemnify, defend and hold harmless the other party from and against any claims for a fee or other compensation made by a broker, brokerage firm, listing agent or finder with whom it has dealt. The provisions of this section shall survive the termination of this Agreement.

III.3. Entire Agreement. This Agreement (i) constitutes the entire agreement and understanding of Optionee and Optionor with respect to the subject matter hereof, and (ii) may be amended only by a written instrument executed by Optionee and Optionor.

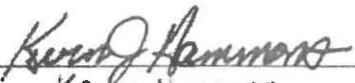
III.4. Miscellaneous. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. In the event any provision of this Agreement shall be prohibited by or invalidated under applicable law, the remaining provisions of this Agreement shall remain fully effective. This Agreement shall be governed by and construed under the laws of the State of Tennessee (excluding any conflict of law rules that may direct interpretation to the laws of any other state). This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Agreement shall be construed according to its fair meaning and not strictly for or against any of the parties hereto. Optionor and Optionee have both agreed to the particular language of this Agreement, and any question regarding the meaning of any provision of this Agreement shall not be resolved by a rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. For purposes of this Agreement, time shall be considered of the essence. In the event any legal proceeding is commenced related to this Agreement, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees, costs and expenses of litigation from the non-prevailing party therein. If any date set forth in this Agreement for the performance of an obligation, the giving of a notice, or the expiration of a time period falls on a Saturday, Sunday, or bank holiday, then this Agreement shall be deemed to be automatically revised so that such date falls on the next occurring business day.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

OPTIONOR

CLARKSVILLE HOLDINGS, LLC

By: 
Name: Kevin Hammons
Title: Executive Vice President

OPTIONEE

CLARKSVILLE HEALTH SYSTEM, G.P.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

OPTIONOR

CLARKSVILLE HOLDINGS, LLC

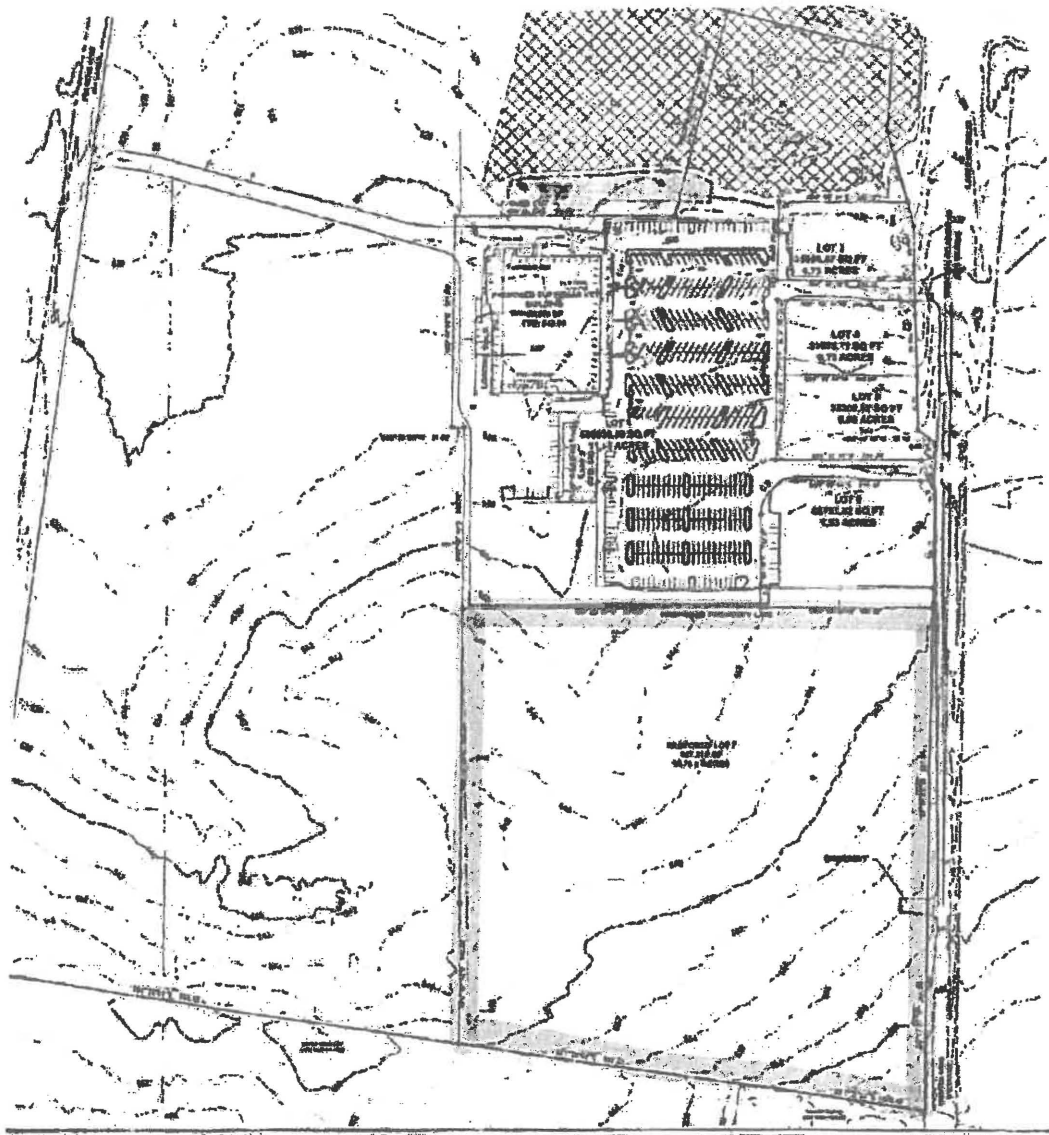
By: _____
 Name: _____
 Title: _____

OPTIONEE

CLARKSVILLE HEALTH SYSTEM, G.P.

By: Kevin J. Hammons
 Name: Kevin Hammons
 Title: Executive Vice President

Exhibit A

DESCRIPTION OF PROPERTY

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is entered into as of the 15th day of July, 2021, by and between Seay Wilson Properties, a Tennessee general partnership ("Seller"), and Clarksville Holdings, LLC, a Delaware limited liability company ("Buyer").

WITNESSETH:

FOR TEN AND NO/100 DOLLARS (\$10.00) paid Seller by Buyer, the covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE I. DEFINITIONS

When used herein (with an initial capital letter), each of the following terms shall have the meaning set forth below.

1.1. "Agricultural Lease" means the current leasehold interest held by Mark Luttrull, who is a local farmer.

1.2. "Agricultural Lease Expiration Date" means the date upon which the Agricultural Lease expires, which is currently November 30, 2021.

1.3. "Closing" means the closing and consummation of the transaction contemplated by this Agreement.

1.4. "Closing Date" means the date of the Closing.

1.5. "Entity" means any person, partnership, limited partnership, joint venture, corporation, limited liability company, trust, governmental authority or other entity.

1.6. "Evidence of Authority" means evidence reasonably satisfactory to Buyer or Seller, as applicable, that the other is duly authorized and empowered to execute this Agreement and perform all of its obligations hereunder, including, but not limited to, resolutions, secretary's certificates, incumbency certificates and Certificates of Good Standing/Existence.

1.7. "Hazardous Substances" means all hazardous wastes, hazardous substances, extremely hazardous substances, hazardous constituents, hazardous materials and toxic substances that are regulated under any Legal Requirements pertaining to health, safety or the environment, whether solids, liquids or gases, including, but not limited to, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq., (ii) the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. § 5101 et seq., (iii) the Resource, Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901 et seq., (iv) the Clean Water Act, as amended, 33 U.S.C. § 1251 et seq., (v) the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq., (vi) the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., and (vii) any so-called "superfund" or "superlien" law. Without limiting the generality of the foregoing, Hazardous Substances shall specifically include polychlorinated biphenyl (commonly known as PCBs), asbestos (friable and non-friable), radon, urea formaldehyde, gasoline, diesel fuel and other petroleum products.

1.8. "Inspection Period" means the period commencing on the Effective Date and ending on the date that is one hundred twenty (120) days after the Effective Date.

1.9. "Intangible Property" means all intangible property owned by Seller that is related to the Real Property or its operation and including, but not limited to, development rights, utility capacity reservations, entitlements, claims and Seller's interest under the Permits.

1.10. "Legal Requirements" means all applicable governmental laws, statutes, codes, ordinances, rules, regulations, orders, judgments and decrees, including, but not limited to, the terms of all Permits.

1.11. "Monetary Liens" means all liens, mortgages, deeds of trust, financing statements and other security interests encumbering the Property.

1.12. "Owner's Title Policy" means an Owner's Policy of Title Insurance issued pursuant to the Title Commitment, which (i) contains all endorsements reasonably required by Buyer, (ii) insures that Buyer has a good and marketable fee simple absolute estate in the Real Property, (iii) has liability limits equal to the Purchase Price, and (iv) contains exceptions only for Permitted Encumbrances.

1.13. "Permits" means all governmental permits, licenses and approvals related to the Real Property, including, but not limited to, certificates of occupancy, environmental permits, variances and conditional use permits.

1.14. "Permitted Encumbrances" means (i) the lien securing the payment of the Property Taxes for the year in which the Closing takes place and subsequent years to the extent the same are not paid at or before the Closing, and (ii) easements and other encumbrances shown on the Title Commitment that are approved or waived by Buyer in accordance with the process set forth in Section 3.3, but specifically excluding Monetary Liens and the standard exceptions (i.e. the "gap" exception, the exception for the lien for unpaid taxes and assessments, the survey exception, the parties in possession exception, and the mechanic's and materialmen's lien exception).

1.15. "Property" means the Real Property and the Intangible Property.

1.16. "Property Taxes" means the real estate taxes and assessments (general and special, public and private) levied against the Property.

1.17. "Real Property" means the land, consisting of approximately 16 acres located as part of a larger tract at 2275 Trenton Road, Clarksville, Montgomery County, Tennessee 37040 with parcel number 041-03900-000, as more particularly set forth on Exhibit A, and incorporated herein by reference, including all rights, privileges, interests and easements appurtenant to said real property, and all of Seller's interest, if any, in the roads, streets, alleys, highways and right-of-ways adjoining said real property.

1.18. "Title Commitment" means the Commitment for an ALTA Owner's Extended Coverage Policy of Title Insurance (2006) issued by the Title Company that shows the status of title to the Real Property.

1.19. "Title Company" means Land Services USA, Inc. or another title insurance company selected by Buyer.

ARTICLE II. PURCHASE AND SALE

2.1. Sale and Purchase. Subject to and in accordance with the terms of this Agreement, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller. The purchase

price for the Property shall be Three Million Forty Thousand and No/100 Dollars (\$3,040,000.00), subject to adjustment as set forth below (the "Purchase Price"). At the Closing, Buyer shall pay the Purchase Price to Seller, in immediately available funds, less the amount of all credits and adjustments provided for in this Agreement. Buyer and Seller acknowledge the Purchase Price is calculated as One Hundred Ninety Thousand and 00/100 Dollars (\$190,000.00) per acre. At Closing, the Purchase Price will be adjusted for the actual acreage purchased based upon the Survey obtained by Buyer at the above price.

2.2. Earnest Money. Within five (5) business days after the Effective Date, Buyer shall deposit Ten Thousand and No/100 Dollars (\$10,000.00) with the Title Company, which amount, plus all interest earned thereon, if any, is referred to as the "Earnest Money." The Earnest Money shall be credited against the Purchase Price at the Closing. If this Agreement is terminated for any reason other than a default by Buyer hereunder pursuant to Section 9.2, then the Earnest Money shall be refunded to Buyer.

ARTICLE III. INSPECTION

3.1. Inspection and Approval. During the Inspection Period, Buyer shall conduct its inspection of the Property. Buyer may terminate this Agreement for any reason, as determined by Buyer in its sole and absolute discretion, by giving written notice to Seller on or before the date the Inspection Period expires. Upon such termination Buyer shall receive a refund of the Earnest Money.

3.2. Entry & Access. While this Agreement remains in effect, Buyer and its agents, employees, contractors and representatives shall have the right to: (i) enter upon the Property for purposes of performing inspections, tests, surveys, site planning, physical condition assessments, feasibility studies and other similar activities; and (ii) review the books, records and other information related to the Property which is in Seller's possession or control. If this Agreement is terminated, Buyer shall repair all material damage to the Property resulting from Buyer's exercise of its rights under this section. In addition, Buyer shall indemnify, defend and hold harmless Seller from and against all third party claims and associated liabilities arising as a result of Buyer's activities on the Property prior to the Closing, except to the extent caused by the negligence or willful misconduct of Seller or any of its agents, employees, contractors, representatives or tenants. Buyer's obligations under this section shall survive the termination of this Agreement.

3.3. Title and Survey. Buyer shall, at Buyer's sole expense, obtain a Title Commitment for Title Insurance, showing the status of title to the Property according to the Title Company and committing to issue an owner's title policy to Buyer. Buyer may, at Buyer's sole expense, obtain an ALTA/ACSM survey of the Real Property or an update of any existing survey (the "Survey"). If (i) any exceptions appear in the Title Commitment that affect the Real Property that are unacceptable to Buyer, or (ii) the Survey shows any matter affecting the Real Property that may have an adverse effect on the Buyer's contemplated use of the Property, then in such event Buyer shall, within twenty (20) calendar days after receipt of the Title Commitment and Survey, notify Seller in writing of such fact and the reasons therefor ("Buyer's Property Objections", or each an "Objection"). Within five (5) days after receipt of Buyer's Property Objections, Seller may either (1) notify Buyer that it shall endeavor to satisfy or correct said Objections or (2) notify Buyer that Seller will not correct such Objections. In the event Seller elects to endeavor to cure said Objections, such cure shall be completed no later than the Closing Date. In the event that Seller notifies Buyer that Seller has elected not to cure or satisfy any of Buyer's Property Objections, then within five (5) business days after Buyer's receipt of such written notice, Buyer shall, by written notice to Seller, elect one of the following: (i) to waive said Objections and to close the transaction in accordance with the terms of this Agreement; or (ii) to cancel this Agreement and to have the Earnest Money returned to Buyer, in which event neither Seller nor Buyer shall have any further duties or obligations under this Agreement. For purposes of this subsection 3.3, Seller's failure to

respond to Buyer's Property Objections or any individual Objection within the five (5) day period set forth herein shall be deemed notice to Buyer that Seller has elected not to cure such Buyer's Property Objections.

3.4. Due Diligence Materials. Within five (5) business days after the Effective Date, Seller shall furnish Buyer with a true, accurate and complete copy of the following, to the extent in Seller's possession or control: (i) property tax statements for the Property, (ii) any prior title insurance policies, (iii) any prior surveys, environmental reports or other due diligence reports relating to the Property.

3.5. Extension of Inspection Period. Buyer shall have the right to extend the Inspection Period for a period of sixty (60) days provided that on or before the expiration of the Inspection Period Buyer delivers written notice of such extension to Seller and delivers to the Title Company an additional Five Thousand and No/100 Dollars (\$5,000.00) (the "Additional Deposit"). The Additional Deposit, together with all interest earned thereon, shall be deemed a part of the Earnest Money for all purposes under this Agreement.

3.6. Termination Right for Agricultural Lease. If the Agricultural Lease has not terminated and the tenant fully vacated the Real Property by November 30, 2021, then the Buyer may terminate this Agreement. Upon such termination, Buyer shall receive a refund of the Earnest Money.

ARTICLE IV. SELLER'S COVENANTS

4.1. Management. Prior to the Closing, (i) Seller shall maintain, manage and operate the Property in the customary course of business, exercising the practices of a commercially prudent property owner, (ii) Seller shall not make or permit any material changes, alterations or improvements to the Property, except for maintenance, repairs and replacements required under this Agreement, and (iii) Seller shall not encumber or permit the encumbrance of the Property in any manner.

4.2. Monetary Liens. Seller shall cause all Monetary Liens to be released at or prior to the Closing. If any of the Monetary Liens are not released at or prior to the Closing, then, in addition to any other remedy available hereunder, Buyer may take all steps necessary to release the same and deduct the costs it incurs in connection therewith from the Purchase Price, including, but not limited to, reasonable attorneys' fees.

4.3. Updates. Seller shall immediately notify Buyer, in writing, if Seller learns of: (i) any event which has or is likely to have a material adverse effect on the operation or physical condition of the Property; (ii) any violation or alleged violation of Legal Requirements or the Permitted Encumbrances related to the Property; (iii) any legal action or governmental action, investigation or proceeding related to the Property; (iv) any damage to or destruction of the Property by fire or other casualty; or (v) an actual, pending or threatened taking of any portion of the Property or any areas serving the Property by condemnation or eminent domain.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

5.1. Seller's Representations and Warranties. Seller represents and warrants to Buyer, as of the Effective Date and the Closing, that:

(i) the execution, delivery and performance of this Agreement by Seller (A) has been duly and validly authorized, (B) does not conflict with or result in a violation of any judgment, order

or decree of a court or arbiter which is binding upon Seller or the Property, and (C) does not constitute a default under any contract, agreement or other instrument by which Seller or the Property is bound;

(ii) Seller has a good and marketable fee simple absolute estate in the Real Property;

(iii) neither Seller nor any of its affiliates (A) has filed or threatened to file any voluntary petition in bankruptcy or sought to reorganize its affairs under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors, (B) been adjudicated as bankrupt or insolvent, or (C) had an involuntary petition filed against it under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors;

(iv) (A), there are no pending or threatened lawsuits which would have an adverse effect upon the Property or upon Seller's ability to fulfill its obligations under this Agreement, and (B) there are no pending or, to Seller's knowledge, threatened governmental investigations, actions or proceedings involving the Property or areas serving the Property, including, but not limited to, condemnation or eminent domain proceedings;

(v) no company that has issued insurance covering the Real Property has indicated that it may not renew such insurance or that the premiums for such insurance may be increased because of the condition of the Real Property;

(vi) (A) the Real Property complies with Legal Requirements and the Permitted Encumbrances, (B) the Real Property is zoned in a manner that permits the present use thereof, without reliance on any variance, "grandfathering," "non-conforming use" or similar exception, (C) there are no pending or threatened changes in the zoning of the Real Property, and (D) there is no pending or threatened action to revoke or suspend any of the Permits;

(vii) no Hazardous Substances have been discharged, disbursed, released, stored, treated, generated, disposed of, incorporated into or allowed to escape on, under or about the Real Property in violation of Legal Requirements or in quantities that could require investigation, monitoring, clean-up, removal or remediation under Legal Requirements by Seller or, to Seller's knowledge, by any third party, (B) to Seller's knowledge, no storage tanks (above ground or below ground) used to hold Hazardous Substances are or have been located on, under or about the Real Property, (C) no investigation, administrative order, agreement, claim, litigation or settlement related to Hazardous Substances located (or allegedly located) on, under or about the Real Property is proposed, anticipated, in existence or, to Seller's knowledge, threatened, and (D) the Real Property has not previously been used as a landfill or a dump;

(viii) (A) there are no additional assessments against the Real Property (general or special, public or private) pending or contemplated, and (B) there are no pending contests or appeals related to the amount of any Property Taxes, including, but not limited to, any contest or appeal of the assessed value of the Property;

(ix) Seller is not and will not become a person or entity with whom U.S. persons are prohibited from doing business with under Legal Requirements, including, without limitation, the regulations of the Office of Foreign Assets Control ("OFAC") of the Department of Treasury (e.g. OFAC's Specially Designated and Blocked Persons list), Executive Order 13224, and the USA Patriot Act;

(x) any Entity who is, or may be entitled to, assert a mechanic's, materialmen's or other lien against the Property on account of work, labor, materials, equipment, supplies or services furnished to Seller has or will be paid in full prior to the Closing;

(xi) No portion of the Real Property constitutes wetlands and no portion of the Real Property has been used as a cemetery, burial grounds or other site for the internment, burial or location of the remains of any deceased person; and

(xii) The Agricultural Lease expires on November 30, 2021. The Seller has not amended, modified, or extended the Agricultural Lease without the prior written notice to the Buyer. The Seller has notified the Buyer of any and all defaults or potential defaults under the Agricultural lease.

Seller shall immediately notify Buyer, in writing, if Seller determines that it will be unable to make any of the representations and warranties set forth in this section as of the Closing, which notice shall describe (in reasonable detail) the reasons why Seller cannot make such representation or warranty. Unless Buyer has actually received a written notice from Seller to the contrary, it shall be presumed that all of the representations and warranties set forth in this section are true and accurate as of the Closing.

5.2. Buyer's Representations and Warranties. Buyer represents and warrants to Seller, as of the Effective Date and the Closing, as follows:

(i) the execution, delivery and performance of this Agreement by Buyer (A) has been duly and validly authorized, (B) does not conflict with or result in a violation of any judgment, order or decree of a court or arbiter which is binding on Buyer, and (C) does not constitute a default under any contract, agreement or other instrument by which Buyer is bound;

(ii) Buyer has not (A) filed any voluntary petition in bankruptcy or sought to reorganize its affairs under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors, (B) been adjudicated as bankrupt or insolvent, or (C) had an involuntary petition filed against it under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors; and

(iii) Buyer and its Affiliates are not and will not become a person or entity with whom U.S. persons are prohibited from doing business with under Legal Requirements, including, without limitation, the regulations of OFAC of the Department of Treasury (e.g. OFAC's Specially Designated and Blocked Persons list), Executive Order 13224 and the USA Patriot Act.

5.3. Survival. The representations and warranties set forth in this section shall survive the Closing.

ARTICLE VI. CLOSING

6.1. Closing Conditions.

(a) Buyer's obligation to purchase the Property from Seller pursuant to this Agreement is contingent upon all of the following conditions being satisfied at the time the Closing is scheduled to take place:

(i) Seller not being in default under this Agreement, and all of the representations and warranties made by Seller in this Agreement being true, accurate and complete;

(ii) No material adverse change occurring in the physical condition of Property between the Effective Date and the Closing, including, but not limited to, any change in the environmental condition of the Property;

(iii) The Agricultural Lease has terminated, and the tenant under such lease has fully vacated the Real Property.

(iv) Buyer shall have obtained all governmental approvals Buyer deems necessary for Buyer's intended use and development of the Property;

(v) Buyer shall have obtained all amendments to and consents under any covenants, conditions and restriction or similar recorded documents encumbering the Property as Buyer deems necessary for Buyer's intended use and development of the Property;

(vi) Buyer being able to obtain the Owner's Title Policy or a "marked up" version of the Title Commitment which irrevocably and unconditionally commits to issue the Owner's Title Policy;

(vii) no lawsuit or similar proceeding which is adverse to the Property or Buyer's intended use thereof having been instituted or threatened, and no governmental investigation, action or proceeding that is adverse to the Property, any areas serving the Property or Buyer's intended use of the Property having been adopted, proposed or threatened, including, but not limited to, any moratorium, zoning change or taking by condemnation or eminent domain; and

(viii) Seller shall have made the deliveries required to be made by it under Section 6.3 hereof.

In the event any of the foregoing conditions is not satisfied at the time the Closing is scheduled to take place, Buyer may, in addition to any remedy available hereunder, terminate this Agreement by giving written notice to Seller and receive a refund of the Earnest Money or waive the unsatisfied conditions and proceed with the Closing. In addition, if any such unsatisfied condition is due to or the result of Seller's default under this Agreement, Buyer may postpone the Closing until such default is cured, in which case the provisions of this section shall continue to apply.

(b) Seller's obligation to sell the Property to Buyer pursuant to this Agreement is contingent upon all of the following conditions being satisfied at the time of the Closing scheduled to take place:

(i) Buyer not being in default under this Agreement, and all of the representation and warranties made by Buyer in this Agreement being true, accurate and complete;

(ii) Buyer shall have made the deliveries required to be made by it under Section 6.3 hereof.

In the event any of the foregoing conditions is not satisfied at the time the Closing is scheduled to take place, Seller may, in addition to any remedy available hereunder, terminate this Agreement by written notice to Buyer or waive the unsatisfied conditions and proceed with the closing. In addition, if any such unsatisfied condition is due to or the result of Buyer's default under this Agreement, Seller may postpone the Closing until such default is cured, in which case the provisions of this section shall continue to apply.

6.2. Closing. Subject to the other terms of this Agreement, the Closing shall take place on the date which is thirty (30) days following the expiration of the Inspection Period or such other date as the parties may mutually designate in writing.

6.3. Closing Deliveries.

(a) Deed. At the Closing, Seller shall convey a good and marketable fee simple absolute estate in the Real Property to Buyer by a duly executed and recordable warranty deed in a form mutually acceptable to Buyer and Seller (the "Deed"), subject only to the Permitted Encumbrances.

(b) Assignment of Certain Intangible Property. At the Closing, Seller shall assign the Intangible Property, to Buyer by a duly executed agreement in a form mutually acceptable to Buyer and Seller. To the extent any Permit cannot be validly assigned to Buyer, Seller shall cause the same to be issued in Buyer's name at or immediately following the Closing.

(c) 1445 Certificate. At the Closing, Seller shall execute and deliver to Buyer a properly completed certificate in a form mutually acceptable to Buyer and Seller stating that Seller is not (i) a "foreign person" as defined in Section 1445 of the Internal Revenue Code and the regulations thereunder, or (ii) a "disregarded entity" as such term is defined in Section 1.1445-2(b)(2)(iii) of the Code of Federal Regulations.

(d) Owner's Affidavit. At the Closing, Seller shall execute and deliver to Buyer an owner's affidavit which is sufficient to cause the Title Company to delete the so called "gap" exception (i.e. the exception for matters arising after the effective date of the Title Commitment), the parties in possession exception, and the mechanics' and materialmen's liens exception from the Title Commitment and the Owner's Title Policy.

(e) Closing Statement. At the Closing, Seller and Buyer shall execute a written statement that sets forth the Purchase Price, all credits against the Purchase Price provided for in this Agreement, all amounts being prorated between the parties pursuant to this Agreement, and all disbursements to be made at the Closing on their behalf.

(f) Closing Submission Items. At the Closing, (A) Seller shall deliver to Buyer: (i) recorded or recordable instruments validly releasing all Monetary Liens; (ii) current Evidence of Authority; (iii) any other items reasonably required by the Title Company; and (iv) original copies of all books, records and other information related to the Property, including, but not limited to, the Permits and (B) Buyer shall deliver to Seller any items reasonably required by the Title Company.

(g) Possession. Upon the completion of the Closing, Seller shall deliver possession of the Real Property, subject only to the Permitted Encumbrances to Buyer.

6.4. Closing Costs. At the Closing, Buyer shall pay, the premium for the Owner's Title Policy (together with any costs associated with the Commitment), and the Seller will pay the cost of recording the instruments releasing the Monetary Liens. At the Closing, Buyer shall pay the cost of recording the Deed, transfer tax and the cost of Buyer's inspections of the Property. Each of the parties shall pay the attorneys' fees it incurs in connection with the transaction contemplated by this Agreement.

ARTICLE VII. PRORATIONS, CREDITS AND ADJUSTMENTS

7.1. Calculation. All prorations to be made under this section "as of the Closing Date" shall be made as of 11:59 P.M. local time on the date immediately preceding the Closing Date, with the effect

that Seller shall pay the portions of the expenses and receive the portions of the income to be prorated under this Agreement which are allocable to periods prior to the Closing Date and Buyer shall pay the portions of such expenses and receive the portions of such income which are allocable to periods from and after the Closing Date.

7.2. Property Taxes. Property Taxes for the year in which the Closing takes place shall be prorated between Seller and Buyer as of the Closing Date and paid at the Closing, and Seller shall also pay any unpaid Property Taxes allocable to prior years at such time. If any such Property Taxes cannot be paid at the Closing, Buyer shall receive a credit against the Purchase Price equal to Seller's share thereof, and Buyer shall thereafter be responsible for tendering the amount of such credit to the taxing authorities. Notwithstanding the foregoing, the Seller shall be responsible for all rollback taxes.

7.3. No Assumption. Buyer's acquisition of the Property shall in no way be construed as an assumption of any liability, debt or obligation related thereto, known or unknown, which is allocable to periods prior to the Closing.

7.4. Unknown Amounts. In the event any amount to be prorated between the parties or credited to either of the parties under the terms of this Article VII is not known with certainty as of the Closing, the parties shall use an estimate of such amount at the Closing. If more current information is not available, such estimates shall be based upon the prior operating history of the Property and the most recent prior bills. As such estimated amounts become finally known, Seller and Buyer shall make any payments necessary to cause Seller and Buyer to pay the amounts it is responsible for under this Article VII, but no more.

7.5. Survival. The provisions of this Article VII shall survive the Closing.

ARTICLE VIII. CONDEMNATION

If there is a taking prior to the Closing, Buyer may terminate this Agreement by giving written notice to Seller and receive a refund of the Earnest Money. Seller shall not reach a settlement or agreement related to any taking of the Real Property by condemnation or eminent domain, unless Buyer consents to the settlement or agreement, in writing. Unless this Agreement is terminated pursuant to this section, Seller shall transfer to Buyer, at the Closing, all amounts paid or payable on account of any taking of the Real Property by condemnation or eminent domain occurring between the Effective Date and the Closing, provided if such transfer would impair recovery, the Purchase Price shall be reduced by the amount of the such condemnation awards and Seller shall retain the same.

ARTICLE IX. DEFAULT/REMEDIES

9.1. Default by Seller. If Seller breaches this Agreement and Seller does not cure such breach within five (5) days after it is notified of the same by Buyer, in writing, then Buyer may, as its sole and exclusive remedy, either: (i) obtain specific performance of this Agreement and recover any damages it suffers as a result of such breach from Seller; or (ii) terminate this Agreement, receive a refund of the Earnest Money and recover its damages from Seller.

9.2. Default by Buyer. If Buyer breaches this Agreement by wrongfully failing to purchase the Property and Buyer does not cure such breach within five (5) days after it is notified of the same by Seller, in writing, then Seller may, as its sole and exclusive remedy terminate this Agreement and receive the Earnest Money as full and liquidated damages for such default.

**ARTICLE X.
MISCELLANEOUS**

10.1. Notices. All notices, consents, approvals, deliveries and other communications (collectively, "Notices") which may be or are required to be given by either Seller or Buyer under this Agreement shall be properly given only if made in writing and sent by hand delivery, U.S. Certified Mail, Return Receipt Requested, or nationally recognized overnight delivery service (such as Federal Express or UPS), with all delivery charges paid by the sender and addressed to the Buyer or Seller, as applicable, as follows:

If to Seller:	<u>Seay Wilson Properties</u> <u>2050 Queens Bluff Way</u> <u>Clarksville, Tennessee</u> <u>seayweed@aol.com</u>
If to Buyer:	 <u>4000 Meridian Boulevard</u> <u>Franklin, TN 37067</u> <u>Attn: Real Estate Counsel</u> <u>david_ratton@chs.net</u>

Either party may change its address for Notices by giving written notice to the other party in accordance with this provision. Notices shall be deemed to have been duly given if delivered by hand, on the date of delivery, one (1) day following with an overnight carrier, or five (5) days after such notice is mailed, by registered or certified mail, postage prepaid, return receipt requested.

10.2. Brokers. Seller and Buyer each represents and warrants to the other that, except for Caldwell, Banker, Conroy, and Holleman, attention Mark Holleman, and Hadley/Crye-Leike (collectively, the "Brokers"), neither party has dealt with any broker, brokerage firm, listing agent or finder in connection with the transaction contemplated by this Agreement, and each party hereto agrees to indemnify, defend and hold harmless the other party from and against any claims for a commission or other compensation made by a broker, brokerage firm, listing agent or finder, other than the Brokers, with whom it has dealt or allegedly dealt. The Seller shall be responsible for the Brokers commission in the amount of ten percent (10%) of the Purchaser Price split equally by the above Brokers. The provisions of this section shall survive the termination of this Agreement or the Closing, as applicable.

10.3. Assignment & Successors. Buyer may assign its rights and interests under this Agreement, without obtaining the consent or approval of Seller; provided no such assignment shall release Buyer from its obligations and liabilities hereunder. The terms of this Agreement shall be binding on Seller, Buyer and their respective successors-in-interest.

10.4. Miscellaneous. This Agreement contains the final, complete and entire agreement of Seller and Buyer with respect to the matters contained herein, and no prior agreement or understanding pertaining to such matters shall be effective for any purpose. This Agreement may only be amended by a written instrument signed by Buyer and Seller. This Agreement shall be governed by and construed under the laws of the State of Tennessee, without regard any conflict of law principles that might dictate that the laws of another jurisdiction should be applied. If Seller or Buyer is made up of more than one (1) party, then all of the parties comprising Seller or Buyer, as applicable, shall be jointly and severally liable hereunder. This Agreement may be executed in separate counterparts. It shall be fully executed when each party whose signature is required has signed at least one (1) counterpart even though no one (1) counterpart contains the signatures of all of the parties to this Agreement. No waiver of any provision of this Agreement shall be deemed to have been made unless it is expressed in writing and signed by the party charged with making the waiver. No delay or omission in the exercise of any right or remedy accruing upon a breach of this Agreement shall impair such right or remedy or be construed as a waiver of such breach. The waiver of any breach of this Agreement shall not be deemed to be a waiver of any other breach hereof. This Agreement is intended to be performed in accordance with and only to the extent permitted by applicable law. If any provisions of this Agreement is invalid or unenforceable, the remainder of this Agreement shall not be affected thereby. The covenants, representations, warranties, indemnities and other terms of this Agreement shall survive the Closing and not merge into any deed or other instruments. The prevailing party in any legal proceeding related to this Agreement shall be entitled to recover the reasonable court costs, litigation expenses and attorneys' fees that it incurs in connection with such legal proceeding from the non-prevailing party therein.

10.5. Interpretation. FOR PURPOSES OF THIS AGREEMENT, TIME SHALL BE CONSIDERED OF THE ESSENCE. The titles, captions and section headings in this Agreement are for convenience only and shall not define, limit or expand the scope of any provision hereof. Seller and Buyer have agreed to the particular language of this Agreement, and any question regarding its meaning shall not be resolved by any rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. In the event any words or phrases in this Agreement are stricken out or otherwise eliminated, whether or not any other words or phrases are added in their place, this Agreement shall be construed as though such words or phrases were never included herein and no inference shall be drawn therefrom. Unless the context indicates otherwise, (i) the terms "hereof", "hereunder" and "herein" refer to this Agreement as a whole, (ii) the singular includes the plural and the masculine gender includes the feminine and neuter, and (iii) all references to articles, sections and subsections refer to the articles, sections and subsections of this Agreement.

10.6. Business Days. If any date specified in this Agreement for the performance of an obligation, the delivery of an item, the giving of a notice or the expiration of a time period falls on a day other than a business day, then this Agreement shall be automatically revised so that such date falls on the next occurring business day.

10.7. Waiver of Jury Trial. SELLER AND BUYER HEREBY EXPRESSLY WAIVE THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIM (I) ARISING UNDER THIS AGREEMENT OR ANY INSTRUMENT EXECUTED PURSUANT HERETO, OR (II) CONNECTED WITH OR RELATED TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING. SELLER OR BUYER MAY FILE AN ORIGINAL OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE FOREGOING WAIVER.

10.8. Further Assurances. Seller and Buyer agree to execute and deliver any other documents reasonably required to carry out the transaction contemplated by this Agreement. This Section shall survive the Closing.

10.9. Effective Date. The Effective Date shall be the date that this Agreement is executed by Seller or Buyer, whichever is later.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the day and year first appearing above.

Seller:

Seay Wilson Properties

By: Ronald Seay

Printed Name: RONALD SEAY

Title: Managing Partner Seay Wilson Properties

Date: 7-8-2021

Buyer:

Clarksville Holdings, LLC

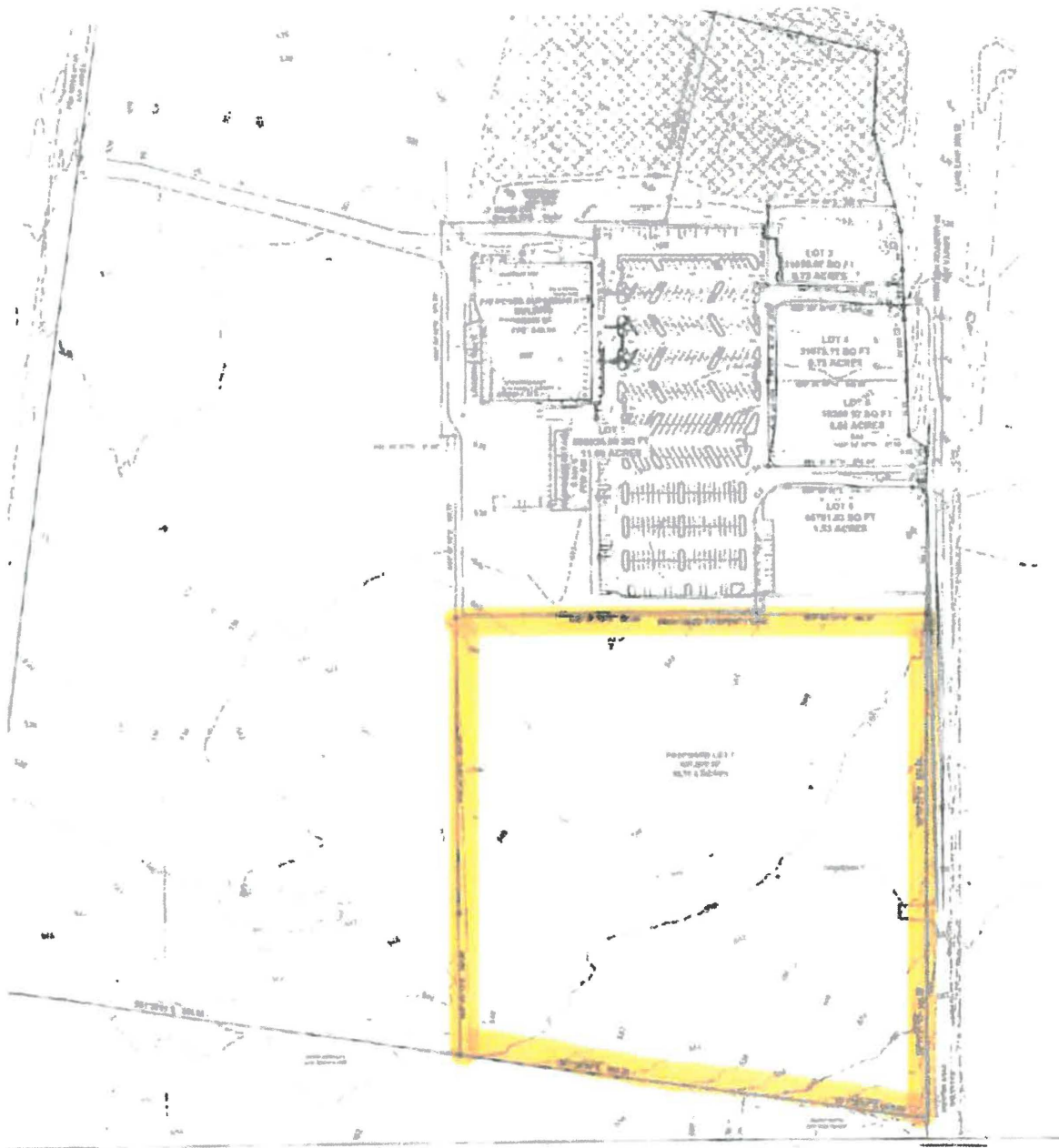
By: Kevin Hammons

Printed Name: Kevin Hammons

Title: Executive Vice President

Date: 7/14/2021

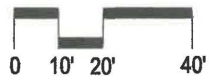
EXHIBIT A
REAL PROPERTY DESCRIPTION



09-24-2021

1st Floor: 43,868 GSF
2nd Floor: 19,338 GSF
Canopies: 3,543 GSF
Power Plant: 3,825 GSF

TOT. AREA: 70,574 GSF
TOT. BEDS: 12 Beds


$$1'' = 40'-0''$$


**MICROHOSPITAL
TENNOVA HEALTH
CLARKSVILLE, TN**

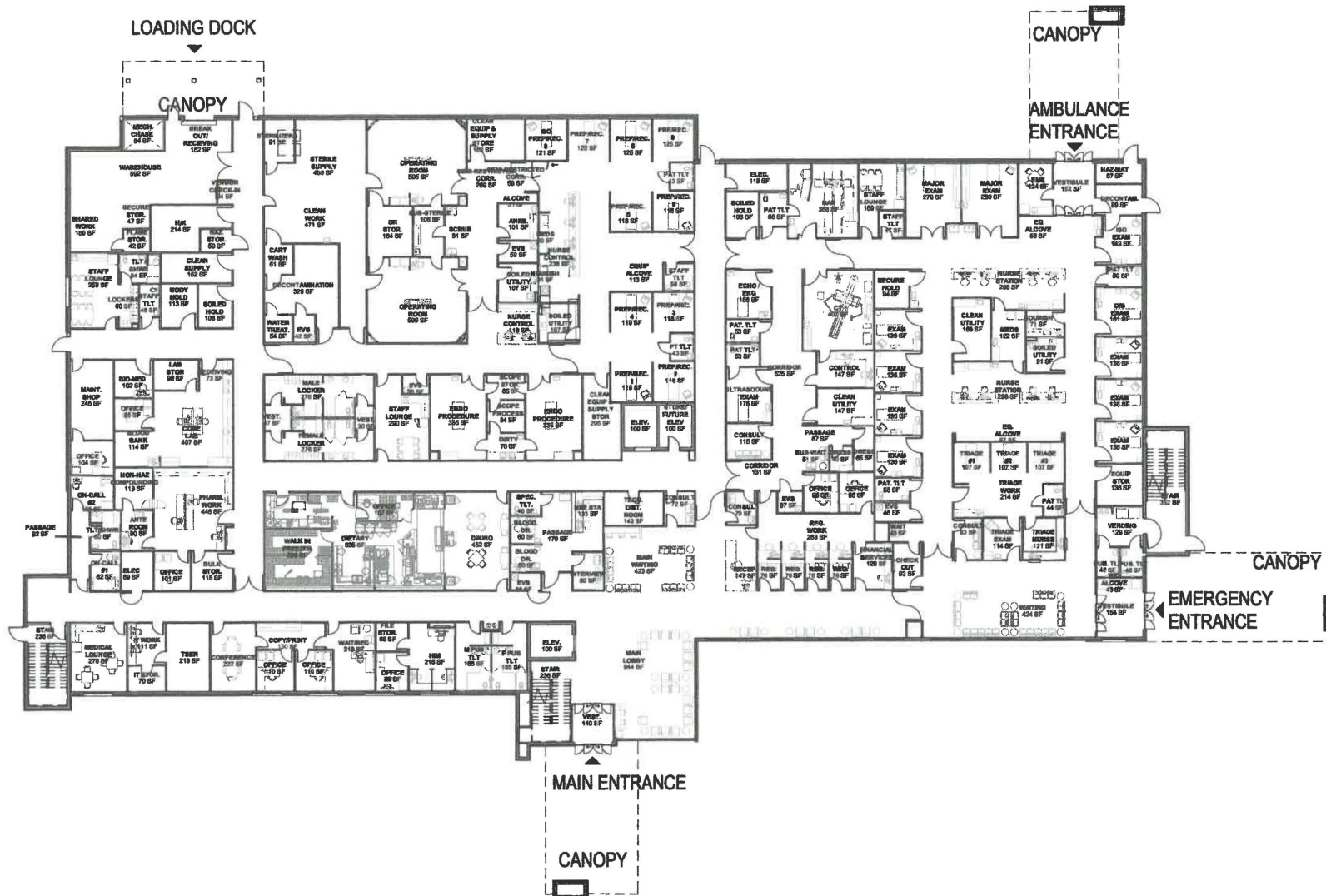
**FIRST FLOOR
OVERALL PLAN**

09-24-2021

**GROSS BUILDING
AREA:**

1st Floor: 43,868 GSF
2nd Floor: 19,338 GSF
Canopies: 3,543 GSF
Power Plant: 3,825 GSF

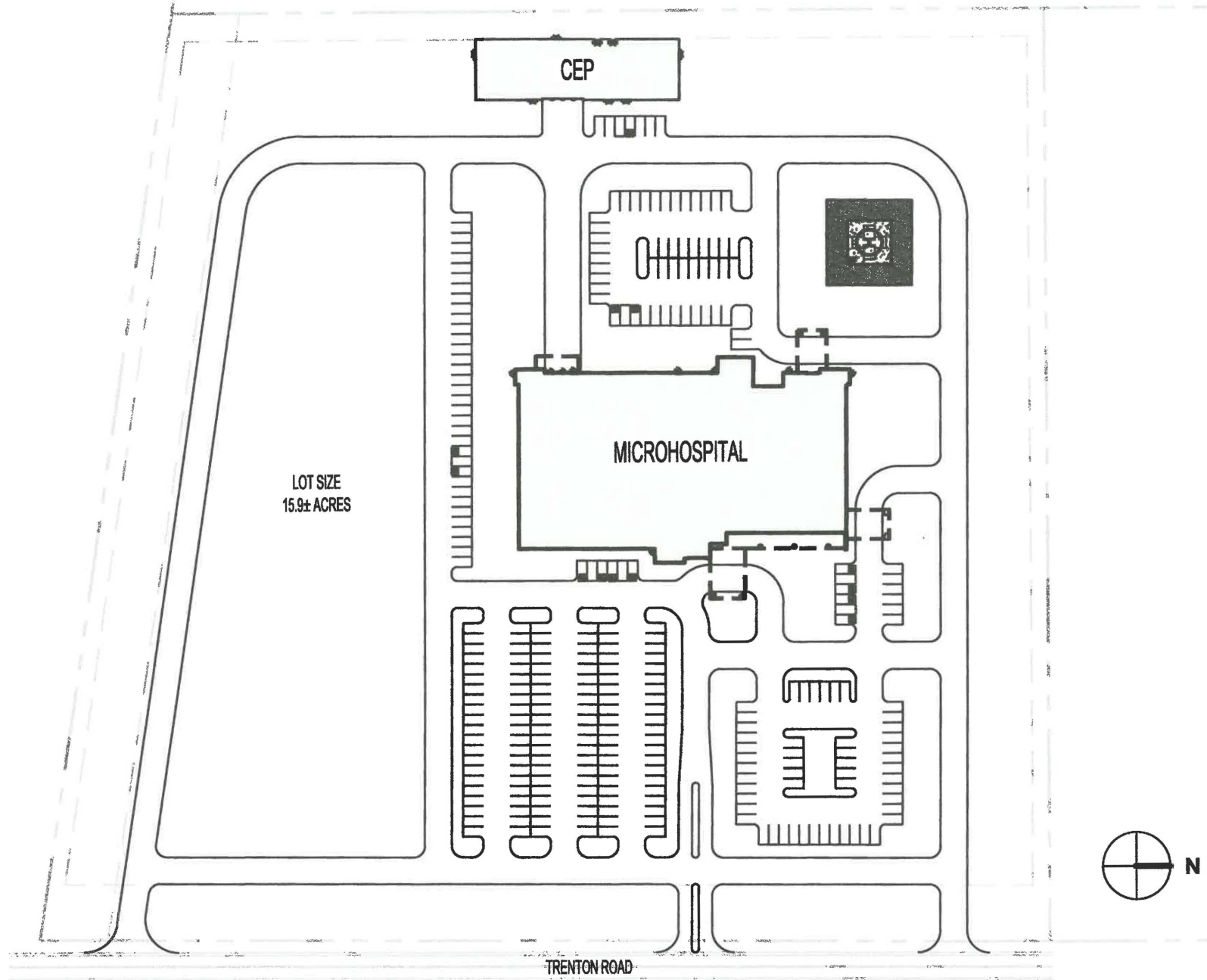
TOT. AREA: 70,574 GSF
TOT. BEDS: 12 Beds



FIRST FLOOR OVERALL PLAN

1" = 40'-0"



MICROHOSPITAL**Tennova Health-Clarksville
Clarksville, TN****CONCEPT SITE
PLAN****08-17-2021**



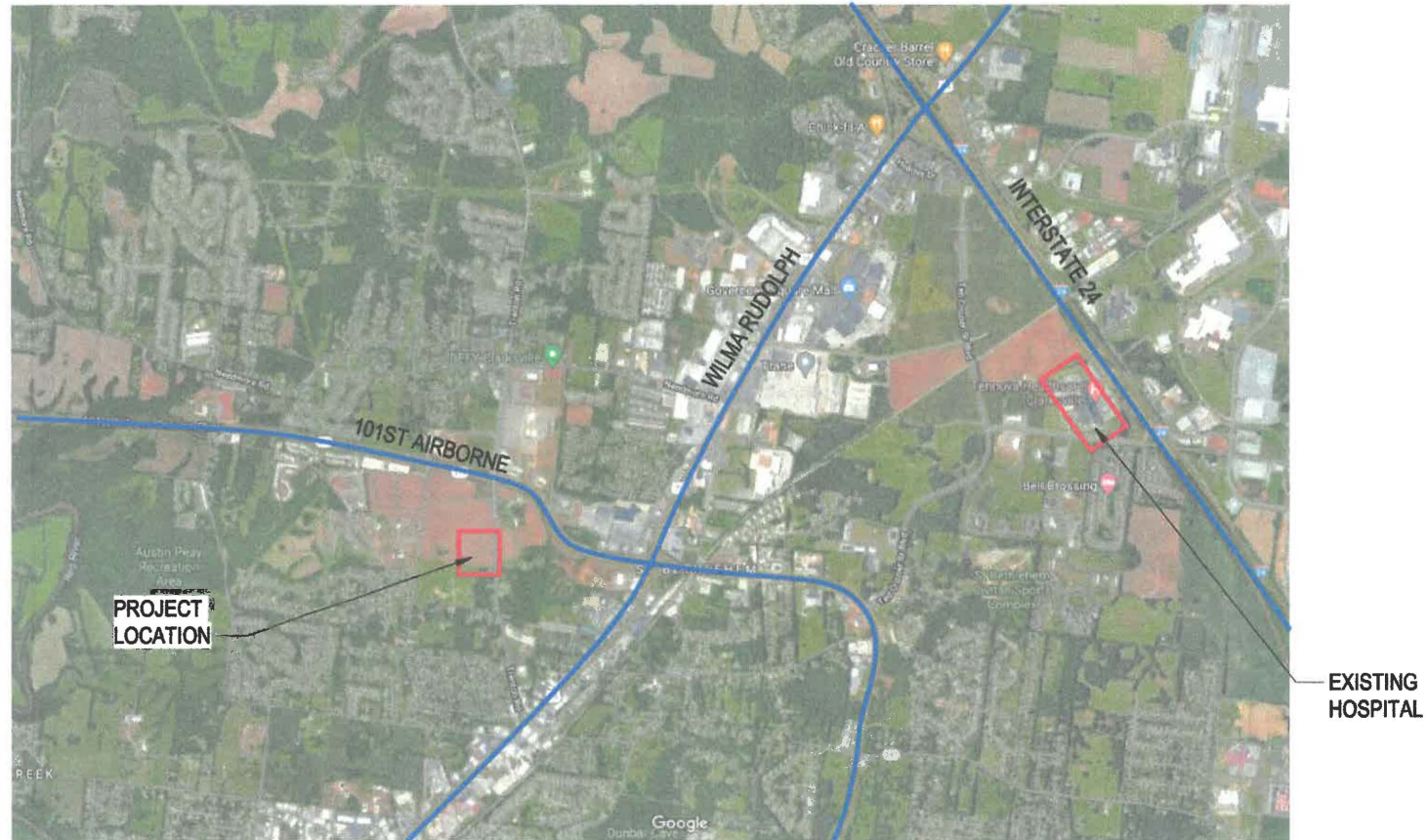
MICROHOSPITAL

TENNOVA HEALTH

CLARKSVILLE, TN

Location Map

09-24-2021



LOCATION MAP

NTS



ATTACHMENT 2(E)(1)

TENNOVA HEALTHCARE-CLARKSVILLE MED-SURG BEDS BY CLASSIFICATION		
Unit/Bed Type	Single Occupancy Max. Beds	Double Occupancy Max. Beds*
Gen. med-surg unit	18	35
Ortho-joint center	15	23
COVID med-surg (normally Oncology med-surg)	18	27
Cardiovascular med-surg	18	35
COVID med-surg	15	21
Total	84	141

MED-SURG OCCUPANCY ON SINGLE OCCUPANCY BEDS			
Year	Single occupancy Beds	ADC	Avg. Occupancy
2021 (through July)	84	82	97.6%
2020	84	77	91.6%
2019	84	71	84.5%
2018	84	61	72.6%



101

Attachment 2E(2)
Guthrie Hwy

Hampton
Station

Site @ 101st Airborne
Division Pkwy.
& Trenton Rd.

Tennova
HC-Clarksville
H

Population Density Persons/Square Mile

0.000001 - 8.84051

8.84052 - 13.2165

13.2166 - 15.3826

15.3827 - 19.7587

19.7588 - 28.5992

28.5993 - 46.4589

46.459 - 82.5394

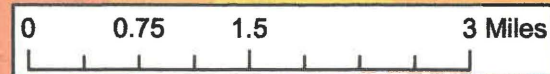
82.5395 - 155.43

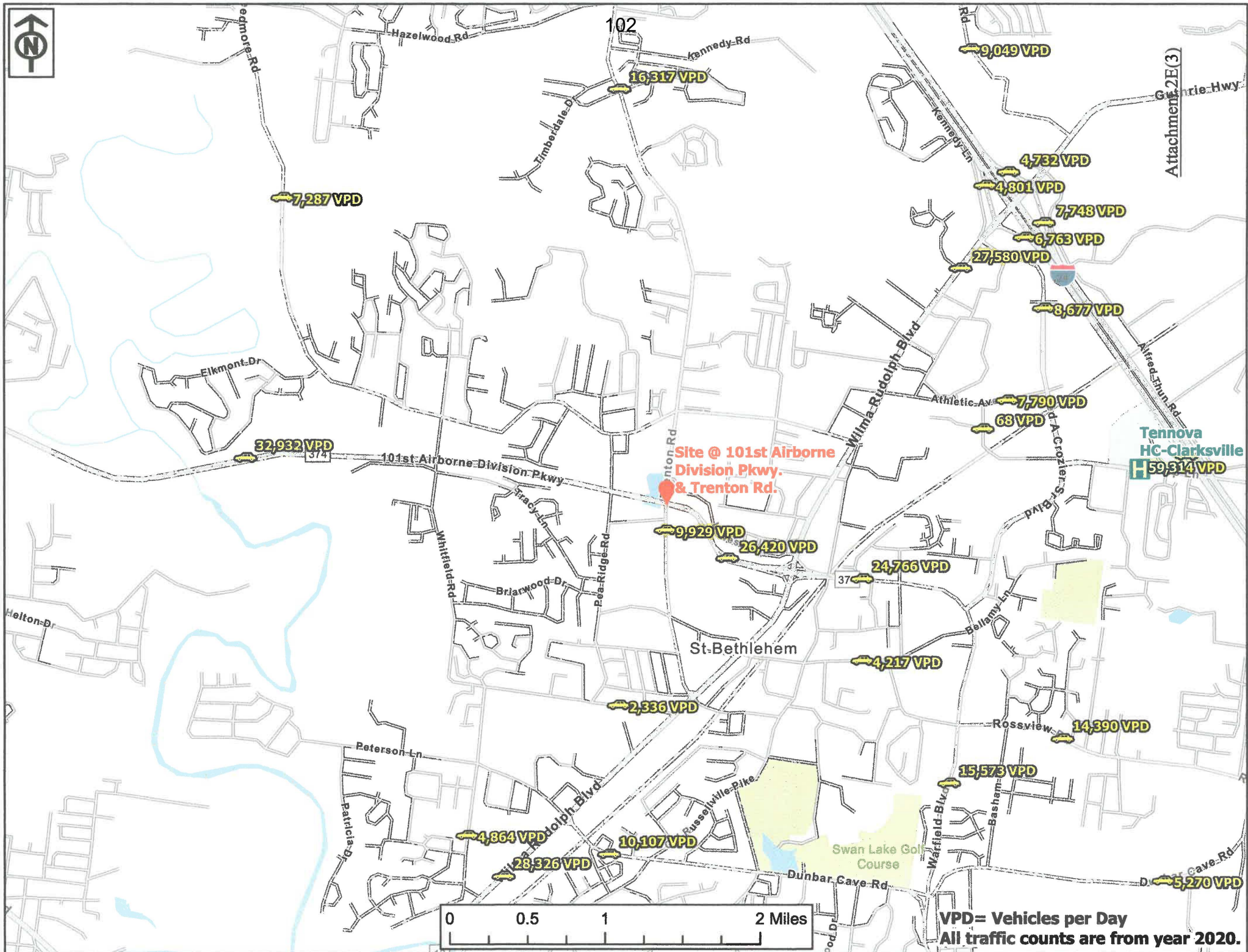
155.431 - 302.684

302.685 - 600.17

600.171 - 1,201.15

1,201.16 - 2,415.27







September 7, 2021

To Whom It May Concern:

Regarding the proposed Tennova Healthcare - Clarksville Satellite Campus Project on Trenton Road in Clarksville, Tennessee, it is my intention to fully support the satellite location with the appropriate and adequate resources for safe and adequate patient care to the best of my ability.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alex Villa", written over a horizontal line.

Alex Villa, CEO



September 7, 2021

To Whom It May Concern:

Regarding the proposed Tennova Healthcare - Clarksville Satellite Campus Project on Trenton Road in Clarksville, Tennessee, it is my intention to fully support the satellite location with the appropriate and adequate resources for safe and adequate patient care to the best of my ability.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paige Adkins", written over a horizontal line.

Paige Adkins, CFO

A map of Tennessee showing all 95 counties. Montgomery County is highlighted in a darker shade of gray. The counties are labeled with their names: Stewart, Montgomery, Robertson, Sumner, Macon, Clay, Pickett, Hancock, Sullivan, Johnson, Obion, Weakley, Henry, Houston, Cheatham, Trousdale, Jackson, Overton, Fentress, Scott, Campbell, Claiborne, Hawkins, Washington, Carter, Dyer, Gibson, Carroll, Benton, Humphreys, Davidson, Wilson, Smith, Putnam, Morgan, Anderson, Union, Grainger, Hamblen, Greene, Unicoi, Dickson, Williamson, De Kalb, White, Cumberland, Knox, Jefferson, Cocke, Sevier, Blount, Loudon, Rhea, Bledsoe, Meigs, McMinn, Monroe, Warren, Van Buren, Cannon, Rutherford, Hickman, Maury, Perry, Lewis, Chester, Madison, Henderson, Haywood, Tipton, Lauderdale, Crockett, Shelby, Fayette, Hardeman, McNairy, Hardin, Wayne, Lawrence, Giles, Lincoln, Franklin, Marion, Hamilton, Bradley, Polk, Grundy, Coffee, Bedford, Marshall, Moore, and Macon.

AFFIDAVITSTATE OF TNCOUNTY OF MontgomeryAlex Villa

, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and TCA §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

IOKEET, CEO
SIGNATURE/TITLE

Sworn to and subscribed before me this 29 day of September 2021 a Notary
(Month) (Year)

Public in and for the County/State of Montgomery / TN.

Taryn S
NOTARY PUBLIC

My commission expires July 17, 2024.
(Month/Day) (Year)



SUPPLEMENTAL RESPONSES

CERTIFICATE OF NEED APPLICATION

FOR

TENNOVA HEALTHCARE – CLARKSVILLE

PROJECT NO. CN2109-027

The Establishment of a

12-Bed Satellite Hospital

Montgomery County, Tennessee

October 13, 2021

Contact Person:

Jerry W. Taylor, Esq.
Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, Tennessee 37067
615-716-2297

Responses to Supplemental Questions
Tennova Healthcare-Clarksville
CN2109-027

1. General Information Section, Item 4.A., Purpose of Review

Is the applicant planning on initiating MRI services for patients aged 14 and under for this project? If so, please respond to the MRI criteria and standards. If the applicant does not intend to service patients aged 14 and under (more than 5), please indicate where pediatric patients admitted to the proposed facility will be referred to for these imaging services.

RESPNSDE: Any patient regardless of age who presents to the E.D. of the satellite hospital and needs an MRI scan will be transported to the main hospital facility for that service unless he or she requests a different destination facility, and/or it is clinically appropriate or necessary to go elsewhere. Elective admissions to the satellite hospital would have any necessary MRI scan performed at the location the patient's choice prior to admission. There will be no MRI unit or service at the satellite hospital at this time.

2. General Information Section, Item 6.A., Name of Owner

The ownership address does not match the Secretary of State registration - 4000 Meridian Blvd, Franklin, TN 37067.

The phone number for the owner is incomplete.

Please revise and resubmit page 2 (labeled as page 2R).

RESPONSE: A Replacement Page 2 with the necessary revisions is attached following this response.

Responses to Supplemental Questions
Tennova Healthcare-Clarksville
CN2109-027

3. General Information Section, Item 6.A., Type of Ownership

Please attach Secretary of State confirmation of Vanderbilt Montgomery Holdings, LLC.

RESPONSE: It is attached following this response.



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **Vanderbilt Montgomery Holdings, LLC**

General Information

SOS Control #	001136008	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	10/09/2020
	10/09/2020 7:01 PM	Fiscal Year Close	6
Status:	Active	Member Count:	1
Duration Term:	Perpetual		
Business Type:	Non-Profit Limited Liability Company		
Managed By:	Member Managed		

Registered Agent Address

NATIONAL REGISTERED AGENTS, INC.
300 MONTVUE RD
KNOXVILLE, TN 37919-5546

Principal Address

1161 21ST AVENUE SOUTH D-3300 MEDICAL CENTER
NASHVILLE, TN 37232-0001

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
09/30/2021	2021 Annual Report	B1099-3664
02/23/2021	Administrative Amendment	B0987-1012
10/09/2020	Initial Filing	B0937-3516

Active Assumed Names (if any)

Date	Expires
-------------	----------------

Responses to Supplemental Questions
Tennova Healthcare-Clarksville
CN2109-027

4. General Information Section, Item 9.A., Legal Interest in Site

Please attach a copy of the deed for the project site.

RESPONSE: It is attached following this response.

Prepared by: Matthew J. Ellis, Attorney, BATSON NOLAN, PLC, 121 South Third Street, Clarksville,
TN 37040, without the benefit of a full title examination and no liability is assumed for any status in title
or matters which would be disclosed by such title examination.

FREDA MORRISON

TO: QUITCLAIM DEED

SEAY WILSON PROPERTIES

THIS QUITCLAIM DEED OF REALTY, executed as of the 21st day of January,
2016, by Grantor, **FREDA MORRISON**, to Grantee, **SEAY WILSON PROPERTIES**, a
Tennessee General Partnership, Witnesseth:

That Grantor does hereby release her Life Estate interest, and quitclaims and conveys
unto Grantee, all of Grantor's right, title and interest, in and to the following realty, situated in
the Sixth (6th) Civil District of Montgomery County, Tennessee, and more particularly described
as follows:

Begins at Wathal's northwest corner on the Trenton road and runs south 2 ½ west
passing Wathal's southwest corner at 164.80 poles, continuing with Cherry's line
114 poles more, or in all 278-8/10 poles, to Jeff Johnson's corner; thence with
Johnson, Bradley and Whitfield north 87 ½ west 171 poles to center of Trenton
road; thence along said road as follows; north 2 ½ east 100 ½ poles, north 5 west
66 ½ poles to Sam Bourne's southwest corner; thence with his line south 89 east
64 poles to a stake; thence north 9 east 33-8/10 poles to a stake, Mrs. L.C.
Whitfield's southwest corner; thence with her line south 86 east 29 ½ poles to a
stake, her southwest corner; thence with her line again north 2 ½ east 62-8/10
poles to a point in the Trenton road; thence along said road south 87 ½ east 80
poles to the beginning, containing by survey 250 acres, and being composed of
tracts 4, 5 and 6 of real estate.

BEING the Life Estate interest granted to Freda Morrison in the home located at
2501 Trenton Rd, Clarksville, Tennessee 37040, by Executor's Deed dated
December 22, 2010, of record in Official Record Book Volume 1365, Page 908;
and by reference in the deed of record in Official Record Book Volume 1365,
Page 921, Register's Office for Montgomery County, Tennessee.

This quitclaim deed is being recorded to terminate/abolish any and all interest of
Freda Morrison in and to the home located at 2501 Trenton Road, Clarksville,
Tennessee 37040.

IN WITNESS WHEREOF, Grantor has executed this quitclaim deed of realty as of the date written first herein.

Freda Morrison
FREDA MORRISON Grantor

STATE OF TENNESSEE

COUNTY OF MONTGOMERY

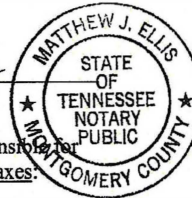
Personally appeared before me, the undersigned, a Notary Public in and for the State and County aforesaid, Freda Morrison, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purposes therein contained.

Witness my hand and seal at office this the 21 day of January, 2016.

My Commission Expires:

10/15/16

Matthew J. Ellis
Notary Public



Property Owners Name
and Address:

SEAY WILSON PROPERTIES
2275 Trenton Road
Clarksville, TN 37040

Person or Entity Responsible for
Payment of Property Taxes:

SAME / OWNER

Property Address:

2501 Trenton Road
Clarksville, TN 37040

Map and Parcel No.

041 039.00 001

THIS TRANSFER IS EXEMPT FROM TRANSFER TAX PURSUANT TO T.C.A. § 67-4-409(3)(c) AS A RELEASE OF A LIFE ESTATE TO THE BENEFICIARIES OF THE REMAINDER INTEREST.

J:\deed\morrison.seaywilson\qcd\jo

Connie E. Gunnett, Register
Montgomery County Tennessee

Rec #:	346064	Instrument #:	1070924
Rec'd:	10.00	Recorded	
State:	0.00	1/21/2016 at 2:21 PM	
Clerk:	0.00	in Volume	
Other:	2.00	1657	
Total:	12.00	Pgs 2633-2634	

2

RONALD WAYNE SEAY and DEBORAH J. WILSON

TO: QUITCLAIM DEED

SEAY WILSON PROPERTIES

THIS QUITCLAIM DEED OF REALTY, executed as of the 22 day of

December, 2010, by Grantors, RONALD WAYNE SEAY and DEBORAH J.

WILSON, to Grantee SEAY WILSON PROPERTIES, a Tennessee General Partnership

comprised of RONALD WAYNE SEAY and DEBORAH J. WILSON, Witnesses;

That Grantors do hereby quitclaim and convey unto Grantee, all of Grantor's right, title

and interest, in and to the following realty, situated in Montgomery County, Tennessee, and more

particularly described as follows:

**Tract One - 164 acres +/- Tylertown Rd, Map and Parcel No. 8-4
25 acres +/- Todd County, KY, Map and Parcel No. 19-9**

Beginning at the southeast corner of a tract of land called "Woodstock" recorded in Will Book N, page 31, County Court Clerk's Office at Elkton, Todd County, Kentucky, and in Deed Book 57, page 455, Register's Office at Clarksville, Montgomery County, Tennessee, said corner to Jim Ferguson, and is a stake in the center line of the Millers Mill Road or the State Lane Road, thence with said Ferguson's line north 2-5/8 degrees east 272-1/5 poles to a rock in the line of the Hickman tract of land, later W. H. Phipps, and now Davenport, thence South 85-12 degrees west 94-3/5 poles to an iron stake, thence south 10 degrees west 37-3/25 poles to an iron stake beside a large red oak, thence south 31 degrees west 35-1/2 to an iron stake, thence South 89 degrees 50 minutes west 39 poles to an iron stake, thence South 2 degrees 10 minutes west 167-1/2 poles to the said Millers Mill or State Lane Road, thence South 86-5/8 degrees east 152-2/5 poles along the center line of this road to the beginning, and containing 220.7 acres, more or less.

Rec #: 224624
 County Tennessee
 Montgomery
 Conline W. Ball, Registrar
 Recorded
 12/22/2010 at 3:22 PM
 1365
 Pgs 921-925

This being the same property, a portion of which lies in Todd County, KY and was conveyed James Lee Walker in Deed Book 77, page 322, Register's Office for Todd County, KY and being designated as Map and Parcel No. 19-9 on the maps of the Todd County, KY Property Valuation Administrator, and the remaining portion of this property lies in Montgomery County, TN and was conveyed to Irl Walker and wife, Flora Walker in Deed Book 104, page 23, Register's Office for Montgomery County, TN. Irl Walker died September 24, 1950, intestate, leaving, his wife, Flora Walker and his son, James Lee Walker as his sole heirs at law. Flora Walker died testate on the 27th day of November, 1983 and by her will of record in Will Book 2, page 213, Chancery Court for Montgomery County, Tennessee, Probate Division, devised her property to her son, James Lee Walker. This property is designated as Map and Parcel No. 8-4 on the maps of the Montgomery County Assessor of Property

INCLUDED BUT EXPRESSLY EXCLUDED from the above tract is deed of record in ORBV 1224, page 1187, Register's Office for Montgomery County, Tennessee. This is the same realty conveyed to Grantors herein by deed of record in Official Record Book 1365, Page 904 in the Register's Office for Montgomery County, Tennessee.

Tract Two – 56 acres +/-, Tracy Ln, p/o Map and Parcel No. 41-40

BEGINNING at a point in the center of the Trenton Road and the east line of the intersection of a new public road, Kennedy's west boundary line; runs thence along the center line of the Trenton Road, Kennedy and Earl Walker's property north 2 1/2 east 129 1/2 poles to a point in the center of said Trenton Road, the southeast corner of the W. H. Bourne property; runs thence with the south line of W. H. Bourne property and a fence north 87 1/2 west 82 poles to a stone, Tucker's northeast corner; runs thence along Tucker's east line and with and with a fence south 7 1/2 east 60 poles to a stone, formerly a black oak, the southeast corner of Tucker's property; runs thence along the south line of Tucker's property and a fence north 87 1/2 west 27 poles to the center of a new county road, formerly the L. & N. Railroad property; runs thence along the center line of said county road south 39 3/4 east 67 poles to a point in said road; continuing along the center line of said road south 28 east 22 poles to a point in said road, Davenport's north boundary line; thence leaving the old L. & N. Railroad property, but continuing with the south line of said new county road and Davenport's north boundary line south 87 1/2 east 41 1/2 poles to the beginning and containing 56 acres, more or less, according to survey made by J. K. Dickson, County Surveyor, on December 27, 1945.

This is the same realty conveyed to the Grantors herein from Bud Edward Leavell by deed of record in Official Record Book Volume 1365, Page 918 in the Register's Office for Montgomery County, Tennessee.

Tract Three - 113.4 acres +/-, 2275 Trenton Rd., Map and Parcel No. 41-39.00

Begins at Wathal's northwest corner on the Trenton road and runs south 2 ½ west passing Wathal's southwest corner at 164.80 poles, continuing with Cherry's line 114 poles more, or in all 278-8/10 poles, to Jeff Johnson's corner, thence with Johnson, Bradley and Whitfield north 87 ½ west 171 poles to center of Trenton road; thence along said road as follows: north 2 ½ east 100 ½ poles, north 5 west 66 ½ poles to Sam Bourne's southwest corner; thence with his line south 89 east 64 poles to a stake; thence north 9 east 33-8/10 poles to a stake, Mrs. L.C. Whitfield's southwest corner; thence with her line south 86 east 29 ½ poles to a stake, her southwest corner; thence with her line again north 2 ½ east 8-10 poles to a point in the Trenton road; thence along said road south 87 ½ east 80 poles to the beginning, containing by survey 250 acres, and being composed of tracts 4, 5 and 6 of real estate.

This being the same property conveyed to Irl Walker in Deed Book 83, page 11, Register's Office for Montgomery County, TN, and is identified as "First Tract" on said deed. Irl Walker died September 24, 1950, intestate, leaving, his wife, Flora Walker and his son, James Lee Walker as his sole heirs at law. Flora Walker died testate on the 27th day of November, 1983 and by her will of record in Will Book 2, page 213, Chancery Court for Montgomery County, Tennessee, Probate Division, devised her property to her son, James Lee Walker. This property is designated as Map and Parcel No. 41-39.00 on the maps of the Montgomery County Assessor of Property.

Parcel One is subject to a Life Estate granted to Freda Morrison in the home located at 2501 Trenton Rd, with the remainder to Ronald Wayne Seay and Deborah J. Wilson, their heirs and assigns. The Grantees, as holders of the remainder interest, shall have the right to sell the home, pursuant to and subject to the requirements of the Last Will and Testament of James Lee Walker.

Tract Four – 22.91 acres +/-, Needmore Rd, Map and Parcel No. 41-39.01

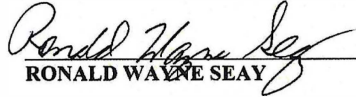
Beginning in center of Clarksville and Trenton road at Hefflin's southeast corner, and runs with his line north 82 west 101 poles to Pollard's southwest corner and in J. A. Pollard's line; thence with Pollard's south 4 west 53 1/2 poles to a stone, Pollard's corner, thence with Pollard's and Mrs. Whitfield's line south 86 east 74 poles to a large stone, Mrs. Whitfield's northeast corner in line of Spring Creek Baptist Church lot; thence with the line of said lot north 3 east 6.8 poles to a large stone, the northwest corner of said church lot; thence with north boundary line of said church lot north 86 east 25 poles to center of above mentioned road; thence along said north 4 east 41 poles to the beginning, containing by survey 30-2/3 acres.

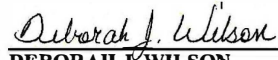
This being the same property conveyed to Irl Walker in Deed Book 83, page 11, Register's Office for Montgomery County, TN, and is identified as "Second Tract" on said deed. Irl Walker died September 24, 1950, intestate, leaving, his wife, Flora Walker and his son, James Lee Walker as his sole heirs at law. Flora Walker died testate on the 27th day of November, 1983 and by her will of record in Will Book 2, page 213, Chancery Court for Montgomery County, Tennessee, Probate Division, devised her property to her son, James Lee Walker. This property is designated as Map and Parcel No. 41-39.01 on the maps of the Montgomery County Assessor of Property.

INCLUDED BUT EXPRESSLY EXCLUDED from the above tract are deeds of record in Deed Book 102, page 131; Deed Book 141, page 186; Deed Book 141, page 13; ORBV 585, page 952; ORBV 659, page 307; ORBV 758, page 2498, ORBV 1014, page 1842, ORBV 1014, page 1845, ORBV 1094, page 292, ORBV1120, page 367; and ORBV 1179, page 1510, Register's Office for Montgomery County, Tennessee

This is the same realty conveyed to Ronald Wayne Seay and Deborah J. Wilson by deed of record in Official Record Book Volume 1365, Page 908 in the Register's Office for Montgomery County, Tennessee.

IN WITNESS WHEREOF, Grantor has executed this quitclaim deed of realty as of the date written first herein.


RONALD WAYNE SEAY


DEBORAH J. WILSON

GRANTORS

118

STATE OF TENNESSEE

COUNTY OF MONTGOMERY

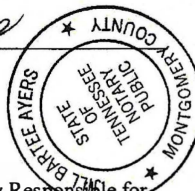
STATE OF TENNESSEE MONTGOMERY COUNTY
I or we hereby swear of affirm that the actual
consideration of the transfer of the value of the property
transferred, whichever is greater is \$ 0
which amount is equal to or greater than the amount
which the property transferred would command at a fair
voluntary sale. AFFIANT SEAY WILSON
Subscribed and sworn before me this the 22nd
day of December, 2010
Kunkel, J. L. Deputy Register

Personally appeared before me, the undersigned, a Notary Public in and for the State and
County aforesaid, **RONALD WAYNE SEAY and DEBORAH J. WILSON**, the within named
bargainors, with whom I am personally acquainted (or proved to me on the basis of satisfactory
evidence), and who acknowledged that he executed the within instrument for the purposes
therein contained.

Witness my hand and seal at office this the 22 day of
December, 2010.

My Commission Expires: 7-17-13

Notary Public



Property Owners Name
and Address:

Person or Entity Responsible for
Payment of Property Taxes:

Seay Wilson Properties
Ronald Wayne Seay and Deborah Jane Wilson
2275 Trenton Road
Clarksville, TN 37040

SAME

STATE OF TENNESSEE, MONTGOMERY COUNTY

The actual consideration given for this conveyance is \$-0-

Ronald Wayne Seay
Affiant

Subscribed and sworn to before me this the 22 day of December, 2010

J. L. Kunkel
Notary Public (Register of Deeds
Montgomery County, Tennessee)

My Commission Expires: 7-17-13

G:\BARTEE\PROBATE\Walker, James L.\Quitclaim Deed.Doc

Responses to Supplemental Questions
Tennova Healthcare-Clarksville
CN2109-027

5. General Information Section, Item 1.E. Overview Project Description

Please provide detail on the Emergency Department Room configurations in the following chart:

**Tennova Healthcare Clarksville Hospital
ED Proposed Room Configurations**

Patient Care Areas other than Ancillary Services	# Proposed ED
Exam/Treatment Rooms:	
Multipurpose	9
Gynecological	1
Holding/Secure/Psychiatric*	1
Isolation	1
Orthopedic	0
Trauma	0
Total	12
Triage Stations	4
Decontamination Rooms/Stations	2
Useable SF	2,466

Various parts of the application may refer to 14 exam/treatment rooms. This is an approximate number, and the actual counts depends upon how certain area such as triage and holding areas are counted. The above represents the actual count as of now and it will not change significantly in the final construction plans.

How many operating rooms with the hospital have?

RESPONSE: The satellite hospital will have two multi-purpose ORs and two endoscopy ORs.

6. Executive Summary Section, Item 1.E. Bed Compliment Data

Please attach a bed compliment chart for the proposed facility. It can be located on the HSDA website under Forms – CON Application – Attachment Bed Count.

RESPONSE: A completed Bed Complement Chart is attached following this response.

Attachment – Bed Complement Data

	<u>Current Licensed</u>	<u>Beds Staffed</u>	<u>Beds Proposed</u>	<u>*Beds Approved</u>	<u>**Beds Exempted</u>	<u>TOTAL Beds at Completion</u>
1) Medical (includes surgical)	217	_____	0	_____	_____	217
2) Surgical	_____	_____	_____	_____	_____	_____
3) ICU/CCU	21	_____	0	_____	_____	21
4) Obstetrical	_____	_____	_____	_____	_____	_____
5) NICU	12	_____	0	_____	_____	12
6) Pediatric	_____	_____	_____	_____	_____	_____
7) Adult Psychiatric	_____	_____	_____	_____	_____	_____
8) Geriatric Psychiatric	_____	_____	_____	_____	_____	_____
9) Child/Adolescent Psychiatric	_____	_____	_____	_____	_____	_____
10) Rehabilitation	20	_____	0	_____	_____	20
11) Adult Chemical Dependency	_____	_____	_____	_____	_____	_____
12) Child/Adolescent Chemical Dependency	_____	_____	_____	_____	_____	_____
13) Long-Term Care Hospital	_____	_____	_____	_____	_____	_____
14) Swing Beds	_____	_____	_____	_____	_____	_____
15) Nursing Home – SNF (Medicare only)	_____	_____	_____	_____	_____	_____
16) Nursing Home – NF (Medicaid only)	_____	_____	_____	_____	_____	_____
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	_____	_____	_____	_____	_____	_____
18) Nursing Home – Licensed (non-certified)	_____	_____	_____	_____	_____	_____
19) ICF/IID	_____	_____	_____	_____	_____	_____
20) Residential Hospice	_____	_____	_____	_____	_____	_____
TOTAL	270	199	0	_____	_____	270

Beds approved but not yet in service**Beds exempted under 10% per 3 year provision*

Staffed beds - both the numbers and types of beds - fluctuate.

"Proposed Beds" are new licensed beds.

Responses to Supplemental Questions
Tennova Healthcare-Clarksville
CN2109-027

7. General Criteria Section - Need, Item 5.N. Historical Utilization

Please complete the following tables demonstrating Historical Emergency Department and Historical Surgical Suite utilization for the service area:

Historical Emergency Department Utilization 2018-2020

County	Facility	2018 Total Cases	2019 Total Cases	2020 Total Cases	'18-'20 % Change
Montgomery	Tennova Healthcare Clarksville	76,297	85,451	77,580	1.7%
TOTAL		76,297	85,451	77,580	1.7%

Historical Surgical Suite Utilization 2018-2020

County	Facility	2018 Total Cases	2019 Total Cases	2020 Total Cases	'18-'20 % Change
Montgomery	Tennova Healthcare Clarksville	7,853	8,699	8,871	13.0%
TOTAL		7,853	8,699	8,871	13.0%

The data submitted in the table appear to represent 2017-2019 Joint Annual Report Data instead of the 2018-2020 data as labeled. Please update the chart with 2018-2020 data.

Please revise and resubmit page 14 (labeled as page 14R).

RESPONSE: The revisions were made on Replacement Page 14 which is attached following this response.

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8. General Criteria Section - Need, Item 6.N. Projected Utilization

Please provide utilization data for Tennova Healthcare Clarksville which includes staffed beds, staffed bed occupancy, and the percentage change in patient days from 2018-2020.

Please present occupancy rates both with and without observation days included for reference.

RESPONSE: The requested information is included in the table below:

Year	Total Licensed Beds	Avg. Staffed Beds	Adm.	Pat. Days	Obs. Days	Avg. Lic. Occ. w/ Obs.	Avg. Lic. Occ. w/o Obs.	Avg. Staffed Occ. w/ Obs.	Avg. Staffed Occ. w/o Obs.	% Chg. In Pat. Days 2018-2020
2020	270	237	10,406	44,335	3,945	48.99%	44.99%	55.81%	51.25%	15.53%
2019	270	199	10,672	40,298	4,517	45.47%	40.89%	61.70%	55.48%	N/A
2018	270	199	10,210	38,375	3,467	42.46%	38.94%	57.61%	52.83%	N/A

This table is also included on Replacement Page 14, provided in response to the preceding question.

The single bed vs. double bed occupancy data is noted. Can the applicant provide a monthly occupancy chart that demonstrates the fluctuations and peak periods of occupancy both with and without observation beds for 2019 - 2021?

RESPONSE: The requested information for 2018 and 2019 appears below. This is not data the hospital keeps in the normal course of business, and the needed data for YTD 2021 was not available.

**MONTHLY AVERAGE STAFFED OCCUPANCY AT
TENNOVA HEALTHCARE-CLARKSVILLE 2019 & 2020**

2020 Including Obs											
Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
73%	76%	66%	54%	61%	65%	70%	64%	68%	70%	70%	75%
2020 Excluding Obs											
Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
65%	68%	59%	50%	56%	58%	64%	57%	61%	63%	64%	70%
2019 Including Obs											
Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
63%	62%	60%	63%	64%	64%	62%	66%	71%	66%	70%	74%
2019 Excluding Obs											
Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
58%	56%	54%	56%	58%	57%	56%	58%	64%	58%	62%	67%

Please note: the 2020 staffed occupancy was calculated on 199 staffed beds. Although 237 staffed beds were reported on the 2020 JAR, that entry is believed to have been from a less

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reliable internal hospital source. The 199 staffed beds figure was reported on both the 2018 and 2019 JARs.

In lieu of monthly data, please identify specific periods when peak occupancy has been reached and what the peak occupancy level has been.

RESPONSE: Peak occupancy occurs annually during the winter month during flu season. During the COVID pandemic there have been other peak occupancy periods, which fluctuate with the general trends of the outbreaks.

How often has the hospital been on diversion status in the past 24 months?

RESPONSE: None.

Please provide projections for the hospital's utilization in Year 1 and Year 2 of the project in the tables below:

Tennova Healthcare Clarksville Projected Utilization by Service – Satellite Only

Service Units	FY2025	FY2026	'25-'26 % Change
Inpatient Admissions	1024	1101	7.5%
Inpatient Days	3072	3302	7.5%
Surgical Cases	2266	2435	7.5%
ED Visits	9000	9675	7.5%

Tennova Healthcare Clarksville Projected Utilization by Service Comprehensive

Service Units	FY2025	FY2026	'25-'26 % Change
Inpatient Admissions	13,224	13,545	2.4%
Inpatient Days	53,731	54,975	2.3%
Surgical Cases	12,402	12,774	3.0%
ED Visits	103,407	105,970	2.5%

Which types and how many beds will be changed to single-bed rooms at the main hospital?

RESPONSE: 12 general medical/surgical beds/rooms which are currently double occupancy will be changed to single occupancy.

Which types of med/surg beds e.g. general, orthopedic, COVID, cardiovascular, oncology, etc., are being utilized most often to drive the average occupancy of the 84 single-occupancy beds up?

RESPONSE: COVID, general med/surg and cardiovascular are the biggest drivers of higher occupancy on single occupancy beds.

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Please provide additional detail regarding what specific Stratasan data are being utilized to support the applicant's utilization projections.

RESPONSE: The Stratasan data focused primarily on where patients in certain census tracts are going for inpatient and emergency hospital services.

What, if any, types of patients are expected to shift from the main hospital to the new facility?

RESPONSE: General medical surgical and emergency room patients are the most likely to utilize the new satellite hospital.

9. General Criteria Section - Need, Item 7.N. Outstanding CONs

Please provide an update on the Annual Progress Report for Tennova Healthcare North Knoxville Medical Center (CN1812-051) – relocation of 18 rehab beds.

RESPONSE:

In the most recent Annual Progress Report dated April 1, 2021, the CON holder stated: "At this time we will not implement the CON for this project. Instead, we are moving forward with CN1903-007A, Knoxville Rehabilitation Hospital, LLC."

Knoxville Rehabilitation Hospital opened June 22, 2021. The current ADC of 16.7 is ahead of the first-year projected volume of 14.3.

10. General Criteria Section – Consumer Advantage 1.C. Transfer Agreements

Does Tennova Healthcare Clarksville maintain any transfer agreements with other hospital facilities in the region?

RESPONSE: Transfer agreements with other inpatient facilities have not been necessary. TH-C does have three local transport agreements in place.

11. General Criteria Section – Consumer Advantage 3.C. Effects of Competition and/or Duplication

How will the applicant provide outreach and education to community partners about the new facility, specifically around which emergency patients are appropriate to served vs. those that are more appropriately served at the main hospital facility?

RESPONSE: TH-C engages in on-going community outreach concerning a variety of issues and developments at the hospital which positively impact the community. This is accomplished through several means, including news publications, social media, town hall meetings, and speaking engagements by the staff and employees.

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12. General Criteria Section – Consumer Advantage 4.C. Human Resources

What percentage of the 223 FTE positions are projected to be newly hired staff vs. staff who are reassigned from another area facility to this new facility?

RESPONSE: It was assumed for the projections that 100% of the FTEs for the satellite hospital will be new hires. There could be some current staff who wishes to relocate to the satellite facility site, and those requests will be considered and accommodated if appropriate.

If a sizable percentage is expected to come from the main hospital or freestanding emergency department staff, how will the staffing at those facilities be impacted by the transfer and how will the staffing need at existing facilities be addressed?

RESPONSE: Please see the preceding response.

As a minority owner of the project, will any VUMC clinical or administrative staff be available to staff the new facility?

RESPONSE: That is not a part of the partnership arrangement with the Vanderbilt affiliate. However, independent Vanderbilt providers will have privileges at the satellite hospital.

13. General Criteria Section – Consumer Advantage 6.C. Projected Data Chart

There appears to be a calculation error in the Projected Data Chart in the Year 1 and Year 2 Total Deductions which also results in an error in Net Operating Revenue.

Please revise and resubmit page 19 (labeled as page 19R)

RESPONSE: There was an error in the amount of the Contractual Adjustments entered for each year. The Total Deductions and Net Operating Revenues were correctly reflected on the Projected Data Chart. A revised Replacement Page 19 is attached following this response.

14. General Criteria Section – Consumer Advantage 7.C. Charges

Please revise the response to 7.C. for Average Deduction from Revenue and Average Net Charge in Year 1 and Year 2 of the project. Please revise and resubmit page 20 (labeled as page 20R)

RESPONSE: Since the Total Deductions and Net Operating Revenue amounts were correct on the Projected Data Chart, the Average Deductions and Average Net Charges shown on page 20 are correct.

Responses to Supplemental Questions
Tennova Healthcare-Clarksville
CN2109-027

15. General Criteria Section – Quality Standards, 7.Q. Regulatory Actions

What is the nature of the Corporate Integrity Agreement and when does it expire?

RESPONSE: The Corporate Integrity Agreement's (CIA) expiration date was September 20, 2021. The TH-C legal team is currently working with the Office of Inspector General on the process for releasing or renewing the CIA. The CIA's focus is on corporate compliance with applicable federal laws including, Stark and the Anti-Kickback Statute.

16. General Criteria Section – Quality Standards, 8.Q. Staffing

There appears to be a calculation error in the Total Staff line of the staffing chart. Please revise and resubmit page 23 (labeled as page 23R).

RESPONSE: This error has been corrected on Replacement Page 23 which is attached following this response.

17. Service Specific Criteria (Acute Care Beds) 1.a.i.1.

Please provide a response in the Total Beds Table that reflects what has been submitted in the Joint Annual Report – Schedule F for Tennova Healthcare Clarksville in 2020.

RESPONSE: Those numbers are used in the table shown on Revised Attachment 1N(R)1, which is attached following this response.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF MontgomeryNAME OF FACILITY: Tennova Healthcare - Clarksville

I, Bryan Cavitt, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Bryan Cavitt, COO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 12th day of October, 2021,
witness my hand at office in the County of Montgomery, State of Tennessee.

Sherril G. Wood
NOTARY PUBLIC

My commission expires 12-24-2024

HF-0043

Revised 7/02



SECOND SUPPLEMENTAL RESPONSES

CERTIFICATE OF NEED APPLICATION

FOR

TENNOVA HEALTHCARE – CLARKSVILLE

Project No. CN2109-027

The Establishment of a
12-Bed Satellite Hospital

Montgomery County, Tennessee

October 14, 2021

Contact Person:

Jerry W. Taylor, Esq.
Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, Tennessee 37067
615-716-2297

Second Supplemental Responses
Tennova Healthcare-Clarksville
CN2109-027

1. General Information Section, Item 4.A., Purpose of Review

The applicant's response stating that there will be no MRI unit or service at the satellite hospital at this time is noted. However, the equipment list provided on page 11 of the application includes a 3.0 Tesla MRI unit. Please explain this discrepancy and revise the project cost chart to remove the MRI unit from the total project costs if necessary.

RESPONSE: That attachment was from earlier draft. The MRI entry should not have been included on the equipment list. The cost of the MRI was not included in the Project Costs Chart. Replacement Page 11 is attached following this response.

Equipment > \$50,000						
Qty	Description	Manufacturer	Model	A/C	Unit Cost	Total Cost
1	CT Scanner, Multi-Slice, 64 Slice	HPG Contract Vendor - Imaging	TBD	1	\$475,000.00	\$475,000.00
1	X-Ray Unit, General Radiography, Digital	HPG Contract Vendor - Imaging	TBD	1	\$300,000.00	\$300,000.00
1	Monitor, Central Station, Telemetry, General	HPG Contract Vendor - Patient Monitoring	TBD	1	\$250,000.00	\$250,000.00
2	Allowance, Surgical Instruments	Specialty Surgical Instrumentation	Budget	2	\$100,000.00	\$200,000.00
2	Allowance, Video System, Surgical	Olympus America Inc - Scientific	TBD	2	\$100,000.00	\$200,000.00
1	Allowance, Surgical Instruments	Stryker Instruments	Power Tools	2	\$200,000.00	\$200,000.00
3	UPS System	HPG Contract Vendor - Imaging	TBD	1	\$60,000.00	\$180,000.00
1	X-Ray Unit, Mobile, Digital	HPG Contract Vendor - Imaging	TBD	2	\$175,000.00	\$175,000.00
1	Microscope, Operating, General	Carl Zeiss Meditec, Inc	Tivato 700	2	\$150,000.00	\$150,000.00
1	Ultrasound, Imaging, Multipurpose	HPG Contract Vendor - Imaging	TBD	2	\$145,000.00	\$145,000.00
1	X-Ray Unit, C-Arm Mobile	HPG Contract Vendor - Imaging	TBD	2	\$143,756.00	\$143,756.00
1	Sterilizer, Hydrogen Peroxide	STERIS Corporation	Amsco V-PRO MAX Sgl Dr (Cabinet) VP30002101	2	\$135,000.00	\$135,000.00
1	Washer / Disinfector, Cart, Pass-Thru, Pit Mounted	STERIS Corporation	Vision 1327 (480V)	1	\$134,285.61	\$134,285.61
1	Workstation, GI Charting and Documentation	TBD	TBD	1	\$125,000.00	\$125,000.00
2	Anesthesia Machine, General	HPG Contract Vendor - Anesthesia	TBD	2	\$60,000.00	\$120,000.00
1	Allowance, Video System, Surgical	Olympus America Inc - Scientific	TBD	2	\$120,000.00	\$120,000.00
1	Table, Surgical, Orthopedic	Mizuho OSI	hana Hip and Knee	2	\$90,000.00	\$90,000.00
1	Allowance, Installation, Monitors, Telemetry	Mindray North America	5000-CS-WMTS-02/03	3	\$87,000.00	\$87,000.00
1	X-Ray Unit, C-Arm, Mini	GE Healthcare Surgery OEC	OEC Elite MiniView	2	\$84,853.80	\$84,853.80
1	Interface, EMR E-Gateway	Mindray North America	E-Gateway	1	\$75,000.00	\$75,000.00
1	Sterilizer, Steam, Recessed	STERIS Corporation	Amsco 400 Prevac 26x37.5x60 1dr (RH hinge) 480V	1	\$68,769.34	\$68,769.34
1	Monitor, Physiologic, MRI	Invivo Corp.	Precess Patient Monitoring System w/Cart	2	\$66,612.00	\$66,612.00
1	Allowance, Casework, Pharmacy, Modular	TBD	TBD	1	\$65,000.00	\$65,000.00
1	Washer / Disinfector, Steam	STERIS Corporation	FH05042 Reliance Vision Single Chamber (480V)	1	\$56,146.44	\$56,146.44
1	Ultrasonic Cleaner, Floor	STERIS Corporation	CRP1172081 Caviwave Pro 17 9al	2	\$55,754.93	\$55,754.93
1	PACS, Cardiac Archive System	Epiphany	TBD	2	\$55,000.00	\$55,000.00
1	Sterilizer, Steam, Cabinet	STERIS Corporation	Amsco 400 16x16x26 Prevac Cabinet	1	\$54,398.00	\$54,398.00
1	Ultrasound, Imaging, Multipurpose	HPG Contract Vendor - Imaging	TBD	2	\$50,000.00	\$50,000.00

Second Supplemental Responses
Tennova Healthcare-Clarksville
CN2109-027

2. General Information Section, Item 6.A., Name of Owner

The ownership address does not match the Secretary of State registration. The address appears to contain a typo.

Please revise and resubmit page 2R (labeled as page 2R2).

RESPONSE: A Replacement Page 2R2 with the typo corrected is attached following this response.

Second Supplemental Responses
Tennova Healthcare-Clarksville
CN2109-027

3. General Criteria Section - Need, Item 5.N. Historical Utilization

The charts provided in response to supplemental #1, question #7 are noted. However, it appears that the emergency department utilization reported in the Joint Annual Reports for Tennova Healthcare Clarksville in 2019 and 2020 does not match the data submitted in the applicant's supplemental response. Please submit revised tables to reflect the Total Number Treated in Tennova Healthcare Clarksville's On Campus and Freestanding Emergency Departments in 2018 – 2020.

The surgical suite utilization does not need to be revised.

RESPONSE: The revised table is shown below.

County	Facility	2020 Total Cases	2019 Total Cases	2018 Total Cases	'18-'20 % Change
Montgomery	Tennova Healthcare Clarksville	70,355	78,209	69,534	1.7%
TOTAL		70,355	78,209	69,534	1.7%

4. General Criteria Section – Quality Standards, 8.Q. Staffing

There appears to be a calculation error in the Total Staff line of the staffing chart. Please revise and resubmit page 23R (labeled as page 23R2).

RESPONSE: Replacement Page 23R2 is attached following this response.

Second Supplemental Responses
Tennova Healthcare-Clarksville
CN2109-027

5. Service Specific Criteria (Acute Care Beds) 1.a.i.1.

The Total Beds Table provided in response to supplemental #1, question #7 is noted. However, there appears to be a discrepancy between the 2020 Joint Annual Report data and the data provided in the applicant's response for the Staffed beds set up and in use on a typical day. Please revise and resubmit Attachment 1N(R)1 (labeled as 1N(R)2).

RESPONSE: Revised Attachment 1N(R)2 is attached following this response.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF MontgomeryNAME OF FACILITY: Tennova Healthcare - Clarksville

I, Bryan Covitt, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Bryan Covitt, COO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 14th day of October, 2021,
witness my hand at office in the County of Montgomery, State of Tennessee.

Sherril G. Wood
NOTARY PUBLIC

My commission expires 12. 24, 2024.

HF-0043

Revised 7/02

