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HEALTH FACILITIES COMMISSION
MARCH 26, 2024
APPLICATION REVIEW

NAME OF PROJECT: Baptist Memorial Hospital d/b/a Baptist Memorial Hospital
Fayette County

PROJECT NUMBER: CN2501-002

ADDRESS: Northwest corner of U.S. 64 and Warren Road
Somerville (Fayette County), TN 38068

LEGAL OWNER: Baptist Memorial Health Care Corporation
350 N. Humphreys Blvd
Memphis (Shelby County), TN 38120

OPERATING ENTITY: N/A

CONTACT PERSON: Arthur Maples, Director of Regulatory Planning and Policy,
Baptist Memorial Health Care Corporation
(901) 228-4137

DATE FILED: February 3, 2025

PROJECT COST: \$27,745,590

PURPOSE FOR FILING: Establishment of an acute care hospital.

Note to Commission 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 Health Facilities Commission Staff comments will be presented as a "Note to Commission members" in bold italic.

PROJECT DESCRIPTION:

This application is for the establishment of a new hospital that will include 8 inpatient acute care beds, imaging, emergency services, and laboratory services. The address of the project will be at the northwest corner of U.S. 64 and Warren Road, Somerville, Fayette County, Tennessee, 38068.

Executive Summary

- If approved, the applicant projects the proposed project will open for service in March 2027.
- The applicant is seeking to establish a new community hospital within Fayette County, Tennessee. The hospital will be licensed as a satellite location under Baptist Memorial Hospital – Memphis along with Baptist Memorial Hospital for Women, and Baptist Memorial Hospital Collierville. The facility will contain eight emergency department rooms and eight inpatient rooms, as well as CT, X-Ray, and Ultrasound capabilities.
- Fayette County has been without a licensed general hospital facility since the previous facility operated by Methodist Healthcare closed in 2015. Fayette County residents must travel and be transported by county EMS services to surrounding counties which require significant time to reach. The former Methodist Fayette hospital is owned by the Town of Somerville. It is primarily utilized as a campus of the University of Tennessee-Martin.
- The facility will be located on Highway 64 between the cities of Oakland (4 miles west) and Somerville (5 miles east). Patient admissions are projected to be almost entirely Fayette County residents due to the facility's central location.
- The applicant highlights the fact that 7,580 Fayette County residents' accessed emergency services in 2015 at Methodist Fayette, 145 of whom were admitted to inpatient care, and 101 were placed in observation status.
- The proposed hospital facility will be staffed to support emergency services, as well as low acuity inpatient care, and observation status patients.
- Patients requiring a higher level of care will be stabilized and transferred to a tertiary facility for further treatment.
- The applicant does not plan on providing obstetrical or surgical services or intend to seek designation as a Critical Access Hospital.
- The applicant states that it will be able to leverage telehealth consultative services to assess, diagnose, and monitor patients who present to Baptist Memorial Fayette who require specialty consults in Cardiology, Neurology, and Infectious Disease.
- The applicant highlights strong community and governmental support for the project, which is a collaboration between the applicant, Baptist Memorial Health Care Corporation, Fayette County, and the Fayette County Industrial Board.
- The applicant's owner, Baptist Memorial Health Care Corporation, operates 24 affiliate hospitals in West Tennessee, North and Central Mississippi and East Arkansas as well as a freestanding emergency department.
- The applicant states that it is the largest not-for-profit healthcare system in the region and provides the largest share of total Medicaid services.
- The applicant states that it contributed more than \$465 million in community benefit and uncompensated care to the communities it serves in FY2023.

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- The hospital's network includes a physician group with more the 1,100 providers, 5,400 affiliated physicians, a Cancer Center, home health, hospice, psychiatric care, walk-in and urgent care clinics, surgery services, rehabilitation and outpatient centers, and an education system – Baptist Health Sciences University and college of osteopathic medicine.
- The applicant highlights its many credentials and recognitions in response to Item 1E. of the application. Please see Page 6 which also includes the 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 construction of the facility will be a cooperative agreement between Baptist Memorial Health Care Corporation, Fayette County, and the Fayette County Industrial Board through which the land for the project site will be acquired from its current owner – Chickasaw Electric Cooperative (Parcel ID 088 028.00) by Fayette County Government. Fayette County will provide financing for the construction of the project and convey the property to the Fayette County Industrial Board to oversee construction of the project.
- When construction is completed, Baptist Memorial will lease the physical facility for 20 years. Baptist Memorial will equip, staff, and solely operate Baptist Memorial Fayette. At the end of the 20-year lease, and fulfillment of certain covenants, Baptist Memorial will have the option to purchase the facility from the Fayette County Industrial Development Board.
- Copies of the MOU between Baptist Memorial Health Care Corporation, Fayette County Government and the Fayette County Industrial Board are available as well as a copy of the draft Agreement of Purchase and Sale between Fayette County and the Chickasaw Electric Cooperative which is included as Attachment 9AR.
- The single-story hospital facility will consist of approximately 18,233 square feet of new construction built on a parcel of approximately 5.1 acres along with potential medical office building/physician space adjacent to the facility.
- The emergency department will have one emergency department room equipped to treat behavioral health patients.
- The inpatient pharmacy will be operational 24/7. During hours in which the pharmacist is not physically on site, a pharmacist will be on call and access to medications will be done via automated dispensing machines such as Omnicell.
- The CT scanner is a 128-slice GE Revolution.

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- See Attachment 10A – Floor Plan. The applicant states that the facility is not being designed to accommodate future vertical expansion. The only potential expansion would be for the medical office building adjacent to the hospital as identified on the Plot Plan (See Attachment 12A).
- While the applicant expects most patients to arrive by private vehicle there is public transportation available in Fayette County through the Delta Human Resources Agency ("DHRA") which provides low-cost roundtrip "door-to-door" transportation services to the residents of Fayette County.
- The applicant has not determined whether a helipad will be constructed at the facility but has identified a potential location should it determine one is appropriate.

Ownership

- The applicant, Baptist Memorial Hospital Fayette County ("Baptist Memorial Fayette") will be wholly-owned and operated by Baptist Memorial Health Care Corporation ("Baptist Memorial").

Project Cost Chart

- The total project cost is \$27,745,590. Of this amount, the highest line-item costs of the project are Facility Lease Costs which will include Construction Costs (\$18,063,605), IT Services (\$4,018,772), Moveable Equipment (\$2,309,914), Fixed Equipment (\$1,991,749), and Legal, Administrative and Consultant Fees (\$1,316,550).
- For additional information, please refer to the Project Cost Chart on Page 9 of the original application.

NEED

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

- **To improve access to healthcare service and reduce travel burdens for residents of Fayette County:** The applicant states that the approximately 45,000 residents of Fayette County are geographically isolated from hospital care and emergency care and are forced to travel between 17-35 miles in order to reach the closest facilities in the area – Saint Francis – Bartlett, Baptist Collierville, or Methodist Le Bonheur Germantown. The proposed facility will alleviate these challenges by being centrally located on a major thoroughfare between the two major population centers in the county.
- **To meet the needs identified by county residents and officials:** The applicant highlights this project as a response to a longstanding community need which has generated support from the local government officials, who believe that there is a substantial need to restore inpatient acute care and emergency services to their

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community. This is supported by the community's investment into the project. The project will also reduce the response burden on EMS in the county, which currently must transport patients' long distances for care. Fayette County operates the local EMS service for the county which includes four EMS stations in Somerville, Oakland, Rossville, and Collierville.

- **To increase consumer choice in the area:** The addition of a new community hospital facility will afford greater choice in healthcare services to residents of Fayette County. It will also support resident access to consults from and transportation to tertiary hospitals operated by the applicant in the region, improving the overall quality of care. The applicant also highlights its commitment to providing care to all patients regardless of race, ethnicity, income, or other socioeconomic factors. Additionally, the hospital will offer services to underinsured, uninsured, and low-income populations, including TennCare and charity care patients. The applicant does not expect the project to significantly impact the utilization of hospitals in eastern Shelby County, including Methodist Le Bonheur Germantown, or Saint Francis – Bartlett.
- **The project need is established according to the Acute Care Criteria:** There are no acute care beds in Fayette County. The need standard is satisfied for Fayette County. According to the 2023 Joint Annual Report Summary, 3,436 Fayette County residents were forced to out-migrate for inpatient hospital care in 2023. The applicant highlights the fact that 3,114 patients were admitted to inpatient care from Fayette County in 2015 which is 10% less that were admitted in 2023 when no hospital was available.

(For applicant discussion, see the main Application, Item 2.E.).

SPECIFIC CRITERIA AND STANDARD REVIEW

Acute Care Bed Need:

All applicable criteria and standards were met:

Service Area Demographics

- The service area includes Fayette County. (see Attachment 2N for a county level map).
- The target population is the total population of the service area. (See Attachment 3N).

Service Area County	2024 Population	2028 Population	% Change	Median Household Income	% Living Below Poverty Level	TennCare %
Fayette County	43,558	45,222	3.8%	\$84,764	10.8%	14.7%
Tennessee Total	7,125,908	7,331,859	2.9%	\$67,097	14.0%	19.9%

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

- Fayette County has a projected a 4-year growth rate of (3.8%) which is greater than the statewide rate of (2.9%). It also has a lower percentage of the population living below the poverty level (10.8% vs. 14.0%), a lower percentage of TennCare enrollees (14.7% vs. 19.9%) and a higher median household income (\$84,764 vs. \$67,097).

Service Area - Historical Utilization

- There are no hospitals in Fayette County. The applicant provides the following utilization data demonstrating the outmigration by Fayette County residents to other regional hospitals in 2023.

Fayette County Resident Outmigration 2023*

Hospital	County	Admissions	Patient Days	% Admissions	% Patient Days
Baptist Memorial Hospital	Shelby	752	4,716	22.3%	24.6%
Methodist Hospital - Germantown	Shelby	637	3,174	18.9%	16.6%
Saint Francis Hospital - Bartlett	Shelby	589	2,725	17.4%	14.2%
Baptist Memorial Hospital - Collierville	Shelby	484	2,514	14.3%	13.1%
Saint Francis Hospital	Shelby	200	1,173	5.9%	6.1%
Baptist Memorial Hospital for Women	Shelby	253	956	7.5%	5.0%
Regional One Health	Shelby	103	905	3.1%	4.7%
Lebonheur Children's Hospital	Shelby	48	848	1.4%	4.4%
Methodist Healthcare - Memphis Hospitals	Shelby	107	819	3.2%	4.3%
Jackson - Madison County General Hospital	Madison	81	520	2.4%	2.7%
Delta Medical Center	Shelby	19	319	0.6%	1.7%
Methodist Hospital - North	Shelby	66	305	2.0%	1.6%
Saint Jude Children's Research Hospital	Shelby	13	68	0.4%	0.4%
Methodist Hospital - South	Shelby	14	60	0.4%	0.3%
Baptist Memorial Hospital - Tipton	Tipton	11	52	0.3%	0.3%
TOTAL		3,377	19,154	100%	100%

Source: CN2501-002, Attachment 1N

*There were 59 admissions, and 355 total patients admitted to other hospitals in the state in 2024. Only four of those admissions were in West TN hospitals (3) at West Tennessee Healthcare Bolivar Hospital (Hardeman County) and (1) at Haywood County Community Hospital (Haywood County). The remainder were in Middle and East TN counties.

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- Approximately (43.0%) of patient days by Fayette County residents who out-migrated in 2023 were admitted to a Baptist affiliated facility.
- The largest number of patient days were represented by Baptist Memorial Hospital (24.6%); Methodist Hospital Germantown (16.6%); Saint Francis Hospital – Bartlett (14.2%); and Baptist Memorial Hospital – Collierville (13.1%).
- The applicant states that while it does not have access to Fayette County EMS's transport data, it can confirm based on its internal data that approximately (15%) of Fayette County residents who were transported by EMS to a Baptist facility came via EMS.

Applicant's Historical and Projected Utilization

- As a new hospital, there is not historical utilization to report. The applicant projects its utilization for the first two years (2028-2029) of the project in the table below:

Facility	Licensed/Staffed Beds	Bed Days Available	Year 1 (2028)	Year 2 (2029)	Occupancy	Occupancy
Baptist Memorial Fayette	8	2,920	730	730	25%	25%

Source: CN2501-002, Attachment 6N

- The applicant projects that the same number of patient days will be provided in both Year 1 and Year 2 of the project reaching 25% of both licensed and staffed occupancy at the hospital.
- The applicant's projections are based on an analysis of Fayette County residents who were admitted to Baptist Memorial affiliated hospital facilities in 2024. It reviewed admissions based on diagnostic related groups (DRGs) to determine acuity levels of those admissions, and then compared the admissions to the proposed service levels of the new Fayette County Hospital.
- The applicant also adjusted projections based on the assumption that residents residing north of Highway 64 will be more likely to utilize the new facility than those residing to the south who may be more likely to travel to Collierville for services.
- The applicant projects that it will serve 5,110 patients in its emergency department in Year 1. Approximately (15% - 767 patients) of those are projected to be for EMS drop-offs which will result in significant reductions in travel burden to county EMS services.
- Approximately (20%) of admissions the emergency department are projected to be converted to observation status resulting in an average daily census of 5 patients (2 inpatients and 3 observation patients).

- For its inpatient admissions, Baptist Memorial Fayette projects an average length of stay of 3.274 days for total inpatient patient days of 730 on the projected 223 inpatient admissions.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

Charges

In Year One and Two of the proposed project, the average patient charges per discharge for the proposed hospital are as follows:

	Projected Data Chart	
	Year 1 (2028)	Year 2 (2029)
Gross Charges	\$6,384.76	\$6,502.72
Deduction from Revenue	\$5,366.47	\$5,592.99
Average Net Charges	\$1,018.29	\$909.73

Source: CN2501-002, Application, Page 18

- The applicant's proposed average net charges are projected to decrease from \$1,018.29 in Year 1 (2028) to \$909.73 in Year 2 (2029) because of higher levels of contractual adjustments, charity care and bad debt accounting as deductions in revenue. The applicant's proposed total charges are listed on Page 18.
- Emergency services are included with outpatient revenue in response to Item 6C – Projected Data Chart.
- The applicant also expects that physicians will utilize the hospital's laboratory testing, radiology, and imaging services on an outpatient basis.

Project Payor Mix

The applicant's projected payor mix for Year 1 (FY2028) total gross operating revenue of \$42,669,348 is as follows:

	Percentage of Gross Operating Revenue					
	Medicare	Medicaid	Commercial	Self-Pay	Other	Charity Care
Year 1	32.8%	22.2%	31.0%	9.5%	4.5%	6.4%

Source: CN2501-002, Application, Page 19

- Medicaid (TennCare) and Medicare are projected to represent a combined (55.0%) of gross operating revenue for the project.
- The applicant projects that Charity Care will be equivalent to approximately (6.4%) of Gross Operating Revenue in Year 1 (2028) of the project. Please refer to Item 10C. in the Consumer Advantage section on Page 19 of the application for additional Payor Mix information.

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- The applicant plans to contract with all TennCare Managed Care Organizations including TennCare Select.
- A list of projected contracted commercial and managed care organizations is included in the applicant's response to Item 2.C.
- The applicant discusses the fact that some commercial plans are not in-network for Baptist facilities including Cigna and United Healthcare. However, it states that other health systems in Memphis / Shelby County such as Methodist are out of network with plans such as BlueCross.
- The applicant describes the Memphis / Shelby County insurance market networks as narrow and indicates that patients who are commercially insured in the area understand the limitation of the insurance networks and will generally choose the closest facility that is in-network when seeking care.
- The applicant states that it expects most patients who have historically been in-network for other health systems will continue to utilize those system's facilities.
- The applicant states that it will continue serving all patients in its emergency department regardless of their ability to pay consistent with EMTALA.

Agreements

- The applicant states that it will handle transfers among other Baptist affiliated facilities in Shelby County.
- The applicant states that patients in need of behavioral health treatment can be referred to local mental health providers in the area where they can either be discharged into an appropriate outpatient program or transferred for inpatient admission. The emergency department at the facility will have one room specially equipped for behavioral health patients.
- The applicant provides a list of all Fayette County medical facilities in response to Supplemental #1, Question #5, Pages 2 - 4.
- The applicant identifies several partnerships it maintains within the Fayette County Community including funding for local search and rescue, Fayette-Ware High School, United Way of the MidSouth, Fayette County Boy Scouts, Southwest TN Community College and Porter-Leath, which operates early childhood education programs in Fayette County. Baptist Memorial also included Fayette County in its Baptist Community Health Needs Assessment for 2013, 2016, 2019 and 2022. The Community Health Needs Assessment includes an emphasis on wellness programs, free health screenings, chronic disease prevention and management efforts.

Staffing

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

	Year One
Direct Patient Care Positions	17.8
Non-Patient Care Positions	6.05
Contractual Staff	0.0
Total	23.85

Source: CN2501-002, Application, Page 23.

- Direct Care positions include the following: Registered Nurses (8.4 FTEs); Paramedic (4.2 FTEs); Radiologic Technologist (4.2 FTEs); and a Physician (1.0 FTEs).
- Non-Patient Care positions include the following: Hospital Administrator (0.5 FTEs); Testing Coordinator (0.5 FTEs), APC (0.35 FTEs); Pharmacist (0.5 FTEs); and Registration Specialists (4.2 FTEs).
- There are no Contractual staff identified by the applicant.
- An ED physician will be onsite 24/7/365. The core clinical ED support staffing will also be available 24/7/365, including 1 ER-trained registered nurse, 1 paramedic, and 1 multi-modality radiology tech (for both X-Ray and CT). The applicant states that staffing will be scaled as necessary to properly manage the facility's ED volumes.
- The applicant highlights its affiliated training programs, specifically the Baptist Health Sciences University which includes a nursing program that graduates approximately 250 nurses per year.
- The applicant also operates its Center for Career Development which assists both future and current employees throughout West Tennessee, Eastern Arkansas, and North and Central Mississippi. This program includes a comprehensive range of services from career coaching and advising, to assistance with developing career and learning plans, education program search support and guidance.
- The applicant states that it will leverage its current employee assets to staff and recruit to the new facility and that it can successfully recruit the number of required staff by the facility's opening in 2028. The recruitment efforts will be led by the hospital administrator and other Baptist Memorial personnel.
- Please refer to Item 8Q. on Page 23 of the application for additional detail regarding project staffing.

QUALITY STANDARDS

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

Licensure	Certification	Accreditation
Health Facilities Commission	Medicare/TennCare	The Joint Commission

Source: CN2501-002, Application, Page 21.

- The applicant maintains Licensure through the Tennessee Health Facilities Commission, Certification through Medicare and TennCare, and Accreditation through The Joint Commission.
- The applicant states that it will adopt and implement a quality improvement and outcome evaluation process consistent with the policies and procedures of Baptist Memorial. Its quality improvement programs will include data reporting and process monitoring to ensure quality outcomes and efficiency.
- The applicant provides its CMS quality ratings as the host hospital – Baptist Memorial Memphis in Attachment 1N, Pages 2 & 3. Each of the measures is classified as either “Better than the National Benchmark” or “No Different than the National Benchmark” according to CMS with the exception Healthcare workforce influenza vaccinations which are slightly lower than the state and national averages.
- The applicant highlights the fact that seven of its affiliated Baptist Memorial hospitals in Arkansas, Mississippi and Tennessee were named to the 2024–2025 U.S. News & World Report Best Hospitals list with Baptist Memorial Hospital-Memphis (Memphis) and Mississippi Baptist Medical Center (Jackson, Mississippi) named as the top hospitals in their respective cities.
- Four Baptist Memorial hospitals also received "A's" from Leapfrog Group for providing safe care, and the Centers for Medicare & Medicaid Services awarded four Baptist Memorial hospital's four stars and Baptist Memorial Hospital-Leake five stars, its highest rating for quality.

Application Comments

Application Comments may be filed by the Department of Health, Department of Mental Health, and Substance Abuse Services, and the Department of Disability and Aging. The following department(s) filed comments with the Commission and are attached:

- ☐ Department of Health
- ☐ Department of Mental Health and Substance Abuse Services
- ☐ Department of Disability and Aging
- ☒ **No comments were filed**

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Should the Commission vote to approve this project, the CON would expire in **three** years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied or pending applications for this applicant.

Baptist Memorial Health Care Corporation has financial interests in this project and the following:

Outstanding Applications:

Project Name	Baptist Memorial Hospital - Carroll County CN2408-023A
Project Cost	\$736,119
Approval Date	October 23, 2024
Description	the initiation of hospital-based outpatient diagnostic cardiac catheterization services located at 155 Innovation Dr., Jackson (Madison County), Tennessee 38305. The cardiac catheterization lab will be based in an existing surgical facility which operates as a hospital outpatient department of Baptist Memorial Hospital-Carroll County. The service area consists of Madison, Gibson, Carroll, Henderson, Chester, Crockett, Hardeman, and McNairy Counties. The applicant is owned by Baptist Memorial Health Care Corporation.
Project Status	February 2025 Project Status Update: The project was recently approved, and Baptist anticipates the lab becoming operational in the next few months.
Expiration	December 1, 2027

Project Name	East Memphis Imaging Center, LLC, CN2211-046A
Project Cost	\$16,126,670
Approval Date	January 25, 2023
Description	The establishment of an Outpatient Diagnostic Center located at 4625 Poplar Avenue, Memphis (Shelby County), TN 38117. Imaging services to be provided are include a 1.5T MRI (adults only), CT, X-ray, Mammography, Fluoroscopy and Ultrasound. The proposed service area includes Shelby County, Tennessee. The project is owned by East Memphis Imaging Center, Holdco, LLC which is ultimately owned by Baptist Memorial Healthcare Corporation.
Project Status	February 2025 project status update - concerns about environmental factors associated with the selected site for the project have delayed implementation progress of this CON. Baptist Memorial understands that if additional time is needed to complete the project, a request must be made in writing with any additional extension filing fee prior to the expiration date of March 1, 2025
Expiration	March 1, 2025.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent, denied applications, pending applications, or Outstanding Certificates of Need for other health care organizations proposing a related service type.

TPP

(3/14/2025)

CRITERIA AND **STANDARDS**

<u>Hospital</u>	<u>Admissions</u>	<u>Patient Days</u>
Baptist Memorial	752	4716
Methodist Germantown	637	3174
Saint Francis Bartlett	589	2725
Baptist Collierville	484	2514
Saint Francis	200	1173
Baptist Women's	253	956
Regional One	103	905
Le Bonheur Children's Hospital	48	848
Methodist	107	819
WTH Jackson-Madison	81	520
Delta Medical	19	319
Methodist North	66	305
St. Jude Children's Research Hospital	13	68
Methodist South	14	60
Baptist Tipton	11	52
	3377	19154

Acute Care Bed Need Standards and Criteria

- 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.**

The Applicant has contacted the Tennessee Department of Health for a forecast of the hospital beds needed in Fayette County as determined by the State Health Plan's Acute Care Bed Need formula. Because there are currently no hospital beds in Fayette County, the Acute Care Bed Need formula (which relies on the current and projected ADC and licensed bed count) cannot be calculated.

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

There are no existing hospitals located in Fayette County.

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

There are not any outstanding CON projects for new acute care beds in Fayette County.

- iii. 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.**

Not applicable. The applicant is not an existing hospital.

- b. 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.**

According to the 2023 Joint Annual Report Summary, 3,436 Fayette County residents were admitted for hospital care in 2023 with 3,377 (98%) of those admissions occurring in hospitals in counties adjacent to Fayette County. Of those 3,377 admissions, approximately 44.4% visited Baptist-affiliated hospitals, 24.4% were admitted to Methodist facilities, and 23.4% were admitted to Saint Francis facilities. Those 3,377 admissions resulted in total patient days of 19,154.

With 19,154 total patient days in 2023, the Acute Care Bed Need formula would suggest a current need of 52.5 acute care beds necessary to treat Fayette County residents. This calculation does not include observation patients who also sought care at a hospital and were held for observation but not admitted to the hospital. Although Baptist Memorial Fayette only intends to treat a small subset of these patients, clearly sufficient demand exists to support the proposed facility.

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.

Baptist Fayette County is a new hospital and does not have an operating history. The applicant has provided the quality ratings for Baptist Memorial's Memphis campus, which is the largest single provider of hospital care to Fayette County.

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.	0.290	Better than the national benchmark
Central line associated blood stream infection (CLABSI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.897	No different than the national benchmark

Methicillin resistant staphylococcus aureus (MRSA)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.626	No different than the national benchmark
Clostridium difficile (C.diff.)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	0.555	Better than the national benchmark
Surgical Site Infections (SSI)				
SSI: Colon		Standardized infection ratio(SIR) national benchmark = 1.	1.30	No different than the national benchmark
SSI: Hysterectomy	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	1.112	No different than the national benchmark
		National Average	Tennessee Average	Hospital Percentage
Healthcare work influenza vaccinations	Hospital Compare: Timely & Effective Care – Preventive Care	80%	81%	75%

- 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 proposed service area for Baptist Memorial Fayette is Fayette County. As discussed elsewhere in this application, Baptist Memorial Fayette will be conveniently located on Highway 64 – the main thoroughfare that traverses Fayette County – and it will sit essentially equidistant between Oakland (4 miles) and Somerville (5 miles), the two largest cities in the county. The applicant projects that essentially all its admissions will be Fayette County residents.

- 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.**

There are no acute care beds in Fayette County. According to the 2023 Joint Annual Report Summary, 3,436 Fayette County residents were admitted for hospital care in 2023. This represents a 10% increase in hospital admissions since the closure of Methodist Fayette in 2015 (3,114 total). The proposed hospital will include 8 inpatient acute care beds, imaging (x-ray, ultrasound, and CT), 8 emergency rooms, and laboratory services. It will improve access to care for Fayette County residents, reducing the need for many residents to travel into Shelby County for both hospital admission, observation care, and emergency services. This will permit patients to receive care closer to home and reduce the costs to consumers necessitated by travel into Shelby County. It will also reduce EMS transports of Service Area patients out of the Service Area, which are having to travel significant distances with associated time out of the area. For patients requiring a higher level of care, the proposed hospital will have the ability to stabilize patients before transferring them to a tertiary facility in Shelby County.

As discussed below, utilization projections for the proposed hospital were derived by primarily analyzing the number and acuity of Fayette County residents currently traveling into Shelby County to be treated at Baptist facilities. Nevertheless, it is likely that some small number of Fayette County residents who are currently traveling to Methodist and Saint Francis facilities in Shelby County will also choose to access the more convenient option provided by Baptist Memorial Fayette. Given the limited number of such patients, it is not expected that the occupancy or utilization of either Methodist or Saint Francis will be meaningfully impacted.

- 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.**

According to the United States Census Bureau, 10.8% of Fayette County residents live below the federal poverty level and according to TennCare, 17.1% of residents are TennCare enrollees. Baptist Memorial is dedicated to providing compassionate, high-quality care for patients consistent with its faith-based mission. Baptist Memorial Fayette will provide care to all patients regardless of race, ethnicity, income, or other factors. In accordance with Baptist Memorial's system-wide policies, the applicant will provide services to underinsured, uninsured, and low-income populations, including TennCare. Baptist Memorial maintains robust charity care and financial assistance policies for allocating assistance to uninsured and underinsured patients.

- 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.**

Fayette County is an underserved geographic area that currently requires substantial travel in order to access inpatient acute care services and emergency services. There currently is no acute care hospital within Fayette County. Depending on a resident's location, travel times from certain parts of Fayette County can exceed 40-45 minutes depending on traffic patterns. The proposed Baptist Memorial Fayette will improve geographic access for the vast majority of Fayette County residents, providing an option for acute care and emergency services in their own community that has not existed since 2015.

- 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.**

Baptist Memorial Fayette will service equally all patients who present to its facility. As discussed above, the applicant believes that special consideration of this application is appropriate given the lack of available healthcare resources in Fayette County today.

- 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.**

Baptist Memorial is one of the largest privately-owned hospital systems in the nation, operating 24 hospitals in Arkansas, Memphis, and Tennessee and it has developed an innovative approach

for hiring, training and retaining necessary clinical staff. Since 1912, Baptist Memorial has operated the Baptist Health Sciences University, which offers many unique programs of study, including nursing programs, with the flexibility to attend class online or on nights and weekends. Annually, approximately 250 nurses graduate from Baptist University, many of whom take employment at a Baptist facility. Staff for the proposed facility will likely be combination of recent Baptist University graduates as well as staff recruited for their positions, both locally and Statewide.

In addition, Baptist Memorial also operates its Center for Career Development which assists both future and current employees throughout West Tennessee, Eastern Arkansas, and North and Central Mississippi. This program includes a comprehensive range of services from career coaching and advising, to assistance with developing career and learning plans, education program search support and guidance.

- 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.**

Attached as Attachment 1N.a is a letter from Baptist Memorial's CEO confirming Baptist Memorial's commitment and financial capability to operate Baptist Memorial Fayette.

- 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.**

Baptist Memorial Fayette agrees to provide the Department of Health and/or the Health Facilities Commission 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.

- 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.**

Baptist Memorial Fayette will adopt and implement a quality improvement and outcome evaluation process consistent with the policies and procedures of Baptist Memorial. As required by CMS Conditions of Participation, Baptist Memorial Fayette's QI activities will include data reporting and process monitoring to ensure quality outcomes and efficiency. As with any Baptist Memorial facility, outcomes will be reviewed by medical and clinical staff involving individual

review of adverse events, root cause analyses and QIC investigations. Baptist Memorial Fayette staff will maintain ongoing, formal quality improvement activities for all credentialed physicians and staff.

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.

The Applicant is a new hospital and does not have an operational history.

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.

As part of Baptist's mission to provide quality health care to all who need it, Baptist's Healthy Communities program partners with local non-profit organizations that share its dedication to providing effective, affordable health care to underserved, underinsured and uninsured members of our communities. Through programs, sponsorships and community events/activities, Baptist Memorial address the top health needs identified communities it serves. Baptist Memorial commits to continuing these programs in Fayette County to further help partner with the local government and physicians to improve the health of Fayette County residents.



Logan Grant, Executive Director
Tennessee Health Facilities Commission
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: **Baptist Memorial Hospital
d/b/a Baptist Memorial Hospital – Fayette County
Establishment of Affiliated Hospital**

Dear Mr. Grant,

As Chief Financial Officer of Baptist Memorial Health Care Corporation this letter will confirm that Baptist Memorial Hospital d/b/a Baptist Memorial Hospital -Fayette County has adequate financial reserves to establish and operate an affiliated hospital campus at the northwest corner of U.S. 64 and Warren Road in Fayette County Tennessee. As set forth in the Certificate of Need application, this project is a partnership with Fayette County to bring needed medical resources to that community.

We are available for questions.

Sincerely,

Kimberly O. Young
Executive Vice President/ Chief Financial Officer
Baptist Memorial Health Care Corporation

LETTER OF INTENT



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

LETTER OF INTENT

The Publication of Intent is to be published in The Fayette Falcon which is a newspaper of general circulation in Fayette County, Tennessee, on or before 01/15/2025 for one day.

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Baptist Memorial Hospital d/b/a Baptist Memorial Hospital Fayette County, a/an Hospital owned by Baptist Memorial Health Care Corporation with an ownership type of Corporation (Not-for-Profit) and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a new hospital that will include 8 inpatient acute care beds, imaging, emergency services, and laboratory services. The address of the project will be at the northwest corner of U.S. 64 and Warren Road, Somerville, Fayette County, Tennessee, 38068. The estimated project cost will be \$25,314,155.

The anticipated date of filing the application is 01/31/2025

The contact person for this project is Director, Regulatory Planning and Policy Arthur Maples who may be reached at Baptist Memorial Health Care Corporation - 350 N. Humphreys Blvd., Memphis, TN 38120 – Contact No. 901-227-4137.

Arthur Maples

01/10/2025

arthur.maples@bmhcc.org

Signature of Contact

Date

Contact's Email Address

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 next business day. 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 healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or

prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

PUBLICATION OF INTENT

The following shall be published in the “Legal Notices” section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Baptist Memorial Hospital d/b/a Baptist Memorial Hospital Fayette County, a/an Hospital owned by Baptist Memorial Health Care Corporation with an ownership type of Corporation (Not-for-Profit) and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a new hospital that will include 8 inpatient acute care beds, imaging, emergency services, and laboratory services. The address of the project will be at the northwest corner of U.S. 64 and Warren Road, Somerville, Fayette County, Tennessee, 38068. The estimated project cost will be \$25,314,155.

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The contact person for this project is Director, Regulatory Planning and Policy Arthur Maples who may be reached at Baptist Memorial Health Care Corporation - 350 N. Humphreys Blvd., Memphis, TN 38120 – Contact No. 901-227-4137.

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ORIGINAL **APPLICATION**



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

CERTIFICATE OF NEED APPLICATION

1A. Name of Facility, Agency, or Institution

Baptist Memorial Hospital d/b/a Baptist Memorial Hospital Fayette County

Name

at the northwest corner of U.S. 64 and Warren Road

Fayette County

Street or Route

County

Somerville

Tennessee

38068

City

State

Zip

<https://www.baptistonline.org/>

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

Arthur Maples

Director, Regulatory
Planning and Policy

Name

Title

Baptist Memorial Health Care Corporation

arthur.maples@bmhcc.org

Company Name

Email Address

350 N. Humphreys Blvd.

Street or Route

Memphis

Tennessee

38120

City

State

Zip

Employee

901-228-4137

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: 01/10/25

Date LOI was Published: 01/15/25

RESPONSE: See attachment 3A.

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

- ☒ Establish New Health Care Institution
- ☐ Relocation
- ☐ Change in Bed Complement
- ☐ Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- ☐ Initiation of MRI Service
- ☐ MRI Unit Increase
- ☐ Satellite Emergency Department
- ☐ Addition of Therapeutic Catheterization
- ☐ Positron Emission Tomography (PET) Service
- ☐ Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

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 1A, 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)*

- ☒ Hospital
- ☐ 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

Other -

Hospital -

General Medical and Surgical

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

Baptist Memorial Health Care Corporation

Name

350 N. Humphreys Blvd

800-422-7847

Street or Route**Phone Number**

Memphis

Tennessee

38120

City**State****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)

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: Baptist Memorial Hospital Fayette County ("Baptist Memorial Fayette") will be wholly-owned and operated by Baptist Memorial Health Care Corporation ("Baptist Memorial"). A copy of a corporate organizational chart for Baptist Memorial has been included with the application as Attachment 7A along with a certificate of corporate existence.

8A. Name of Management/Operating Entity *(If Applicable)***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.
 - ☒ Letter of Intent, or other document showing a commitment to lease the property - attach reference document
 - ☐ Other (Specify)
-

RESPONSE: This proposed project will be a cooperative effort between Baptist Memorial and the Fayette County government. Pursuant to the attached Memorandum of Understanding, Fayette County will acquire the land identified for the project and provide financing to construct the new Hospital. Fayette County will convey the land to the Fayette County Industrial Development Board, which will build the new Hospital. Upon completion of construction, Baptist Memorial will lease the physical facility for 20 years. Baptist Memorial will equip, staff, and solely operate Baptist Memorial Fayette. At the end of the 20 years and after the fulfillment of certain covenants, Baptist Memorial will have the option to purchase the facility from the Fayette County Industrial Development Board.

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: The Baptist Memorial Fayette will contain eight emergency department rooms and eight inpatient rooms. The hospital will also have CT, X-Ray, and Ultrasound capabilities. A copy of the floor plan identifying the areas of the hospital has been submitted 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 project will be located on the northwest corner of U.S. Highway 64 and Warren Road in Somerville, Fayette County, Tennessee. The location is approximately equidistant to the city-centers of both Oakland and Somerville. U.S. Highway 64 is the main thoroughfare in Fayette County connecting the citizens of Fayette County to Hardeman County to the east and Shelby County to the west. While there is no public transportation in Fayette County, the Delta Human Resources Agency ("DHRA") provides low cost roundtrip "door-to-door" transportation services to the residents of Fayette County. However, the applicant expects that most patients will arrive by private vehicle. The centrally located site is easily accessible by car, ambulance, and other ground transportation.

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.

(Attachment 12A)

RESPONSE: Baptist Memorial Fayette will consist of a 18,233 sq ft building located on a parcel of approximately 5.1 acres along with potential MOB/physician space adjacent to the facility. The hospital will be on the corner of Highway 64 and Warren Road. Please see the plot plan provided as Attachment 12A for the parcel.

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 (Provide signed USPS green-certified mail receipt card for each official notified.)
 - ☐ Notification in process, attached at a later date
 - ☒ Notification not in process, contact HFC Staff
 - ☐ 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 (Provide signed USPS green-certified mail receipt card for each official notified.)
 - ☐ Notification in process, attached at a later date
 - ☐ Notification not in process, contact HFC Staff
 - ☐ 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.

RESPONSE:

Baptist Memorial is proposing to establish a new rural community hospital to be centrally located in Fayette County, Tennessee. The proposed hospital will include 8 inpatient acute care beds, imaging (x-ray, ultrasound, and CT), 8 emergency rooms, and laboratory services.

Over the past decade, Fayette County has seen a dramatic reduction in the availability and access to healthcare services in its community. In 2015, Methodist Healthcare closed the only hospital located in Fayette County – Methodist Fayette. In the last full year of operation, 7,580 Fayette County residents visited the Methodist Fayette emergency department, 101 patients were placed in observation status, and 145 patients were admitted. Since Methodist Fayette’s closure, Fayette County residents, who had previously accessed the hospital in Fayette County, have been forced to travel significant distances into Shelby County to receive necessary healthcare.

The proposed Baptist Memorial Fayette will be appropriately staffed with physicians and nurses to support low acuity inpatient medical treatment, observation status as well as emergency services. The focus will be to provide improved convenience and accessibility for Fayette County residents, excellent patient experience and better clinical outcomes. If a patient presents to Baptist Memorial Fayette with a condition that exceeds the capabilities of the facility to care for, the patient will be properly stabilized and then transferred to a tertiary facility for further treatment.

It should be noted that beginning in July 2025, the proposed Baptist Memorial Fayette project will not require a CON because of the lack of a licensed hospital in Fayette County. Nevertheless, given the strong community and governmental support for the project, Baptist Memorial has chosen to move forward with this application to accelerate the construction of this much needed facility.

- Ownership structure

RESPONSE: Baptist Memorial Fayette will be solely-owned and operated by Baptist Memorial Health Care Corporation.

- Service Area

RESPONSE: The proposed service area for this project is Fayette County.

- Existing similar service providers

RESPONSE: None. Fayette County currently does not have any acute care hospitals.

- Project Cost

RESPONSE: Total estimated project costs are \$27,202,590.

- Staffing

RESPONSE: Baptist Memorial Fayette will require 23.85 FTEs. These positions will be filled either through existing Baptist Memorial resources or using Baptist Memorial’s extensive recruiting network.

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

RESPONSE: As described above, there is a current lack of reasonable access to hospital services in Fayette County, Tennessee. In 2015, Methodist Healthcare closed the only hospital located in Fayette County – Methodist Fayette. In the last full year of operation, 7,580 Fayette County residents visited the Methodist Fayette emergency department, 101 patients were placed in observation status, and 145 patients were admitted. Since the closure of Methodist Fayette, the population of Fayette County has grown by eleven percent – from approximately 39,000 residents in 2015 to over 45,000 today. In particular, the towns of Oakland and Somerville have seen rapid growth as residents of the greater Memphis area move into Fayette County. With no hospital in Fayette County, residents are geographically isolated from needed healthcare services. Today, residents of Somerville must travel between 26-35 miles to reach the three closest hospitals (Saint Francis Bartlett, Baptist Collierville or Methodist Le Bonheur Germantown). Residents of Oakland, Tennessee are approximately 17-25 miles from the closest hospitals. Baptist Memorial Fayette will be conveniently located on Highway 64 – the main thoroughfare that traverses Fayette County – and it will sit essentially equidistant between Oakland (4 miles) and Somerville (5 miles). The proposed Baptist Memorial Fayette will substantially reduce that travel burden for both communities and the majority of Fayette County residents. Patients will receive needed inpatient and emergency care in their community, allowing friends and families to be part of the patient's recovery process. Furthermore, as demonstrated by Fayette County's partnership in this project, Baptist Memorial Fayette has strong support from the local government officials, who believe that there is a substantial need to restore inpatient acute care and emergency services to their community.

- Quality Standards

RESPONSE: Baptist Memorial is one of the country's largest not-for-profit health care systems and the largest provider of Medicaid in the region. Consistently ranking among the top integrated health care networks in the country, Baptist Memorial comprises 24 affiliate hospitals in West Tennessee, North and Central Mississippi and East Arkansas; a freestanding emergency department; more than 5,400 affiliated physicians; Baptist Medical Group, a multispecialty physician group with more than 1,100 providers; Baptist Cancer Center; home, hospice and psychiatric care; walk-in and urgent care clinics; a network of surgery, rehabilitation and other outpatient centers; and an education system that includes Baptist Health Sciences University and a college of osteopathic medicine. Baptist employs more than 22,000 people, and in fiscal year 2023 contributed more than \$465 million in community benefit and uncompensated care to the communities it serves. Seven Baptist Memorial hospitals in Arkansas, Mississippi and Tennessee were named to the 2024–2025 U.S. News & World Report Best Hospitals list with Baptist Memorial Hospital-Memphis (Memphis) and Mississippi Baptist Medical Center (Jackson, Mississippi) named as the top hospitals in their respective cities. Four Baptist Memorial hospitals also received "A's" from Leapfrog Group for providing safe care, and the Centers for Medicare & Medicaid Services awarded four Baptist Memorial hospitals four stars and Baptist Memorial Hospital-Leake five stars, its highest rating for quality. As part of the Baptist Memorial system, Baptist Memorial Fayette will operate under the same quality standards as other Baptist Memorial hospitals. The hospital will be appropriately licensed and accredited by The Joint Commission. Baptist Memorial Fayette will also implement quality improvement and review procedures consistent with the policies of Baptist Memorial to ensure the highest quality of care for Fayette County residents.

- Consumer Advantage

○ Choice

RESPONSE: Baptist Memorial Fayette will be the only hospital in Fayette County, which is geographically isolated from other hospitals in adjacent counties. Currently, Fayette County residents have no choice in provider in their community. Their only option when they require emergency care or a hospital admission is to travel - either by EMS or car - 30-45 minutes into Shelby County.

○ Improved access/availability to health care service(s)

RESPONSE: Baptist Memorial Fayette will improve access to care by restoring acute care and emergency services to Fayette County that have been absent since the closure of Methodist Fayette in 2015. Baptist Memorial Fayette will reduce travel time for hospital services, reduce the need for Fayette County residents to out-migrate to surrounding counties for care, reduce EMS transports out of the county, and meet the community's demand for healthcare resources closer to their homes.

○ Affordability

RESPONSE: Baptist Memorial Fayette will provide care to all patients regardless of race, ethnicity, income, or other factors. Consistent with Baptist Memorial's system-wide policies, the applicant will provide services to underinsured, uninsured, and low-income populations, including TennCare. Baptist Memorial maintains a robust charity care and financial assistance policies for allocating assistance to uninsured and underinsured patients.

3E. **Consent Calendar Justification**

- ☐ Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- ☒ Consent Calendar NOT Requested

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.

4E. PROJECT COST CHART**A. Construction and equipment acquired by purchase:**

1. Architectural and Engineering Fees	\$0
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$1,316,550
3. Acquisition of Site	\$0
4. Preparation of Site	\$0
5. Total Construction Costs	\$0
6. Contingency Fund	\$0
7. Fixed Equipment (Not included in Construction Contract)	\$1,991,749
8. Moveable Equipment (List all equipment over \$50,000 as separate attachments)	\$2,309,914
9. Other (Specify): <u>I/T</u>	\$4,018,772

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	\$18,063,605
2. Building only	\$0
3. Land only	\$0
4. Equipment (Specify): <u>N/A</u>	\$0
5. Other (Specify): <u>N/A</u>	\$0

C. Financing Costs and Fees:

1. Interim Financing	\$0
2. Underwriting Costs	\$0
3. Reserve for One Year's Debt Service	\$0
4. Other (Specify): <u>N/A</u>	\$0

**D. Estimated Project Cost
(A+B+C)**

\$27,700,590

E. CON Filing Fee

\$45,000

**F. Total Estimated Project Cost
(D+E)****TOTAL**

\$27,745,590

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:

Baptist Memorial Fayette's responses to the Acute Care Beds Criteria and Standards are provided 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 proposed service area for Baptist Memorial Fayette is Fayette County. As previously discussed in this application, Baptist Memorial Fayette will be conveniently located on Highway 64 – the main thoroughfare that traverses Fayette County – and it will sit essentially equidistant between Oakland (4 miles) and Somerville (5 miles), the two largest cities in the county. Given the central location of the proposed facility in Fayette County and the lack of proposed specialty services, it is expected that substantially all of the patient admissions will be Fayette County residents. A copy of the county level map is provided as Attachment 2N.

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

PROJECTED UTILIZATION

Unit Type: ☐ Procedures ☐ Cases ☒ Patients ☐ Other _____		
Service Area Counties	Projected Utilization Recent Year 1 (Year = 2028)	% of Total
Fayette	223	100.00%
Total	223	100%

3N. A. Describe the demographics of the population to be served by the proposal.

RESPONSE:

See attachment 3N.

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>).

RESPONSE:

See attachment 3N.

- 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:

Fayette County is an underserved geographic area that currently requires substantial travel in order to access inpatient acute care services and emergency services. There currently is no acute care hospital within Fayette County. Depending on a resident's location, travel times from certain parts of Fayette County can exceed 40-45 minutes depending on traffic patterns. The proposed Baptist Memorial Fayette will improve geographic access for the vast majority of Fayette County residents, providing an option for acute care and emergency services in their own community that has not existed since 2015.

Moreover, according to the United States Census Bureau, 10.8% of Fayette County residents live below the federal poverty level and according to TennCare, 17.1% of residents are TennCare enrollees. Baptist Memorial is dedicated to providing compassionate, high-quality care for patients consistent with its faith-based mission. Baptist Memorial Fayette will provide care to all patients regardless of race, ethnicity, income, or other factors. Consistent with Baptist Memorial's system-wide policies, the applicant will provide services to underinsured, uninsured, and low-income populations, including TennCare. Baptist Memorial maintains a robust charity care and financial assistance policies for allocating assistance to uninsured and underinsured patients.

- 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 not any existing or approved but unimplemented acute care beds in Fayette County.

- 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:

The applicant is a new provider and does not have historical utilization for the previous three years. Projected utilization has been provided as attachment 6N.

Utilization was projected for the proposed facility by first analyzing the total number of patients from Fayette County who sought hospital admission at Baptist Memorial-affiliated facilities in 2024. These admissions were analyzed on a DRG level to evaluate the patients for acuity and compare those admission DRGs to the level of services to be offered at Baptist Memorial Fayette. These admissions were also evaluated based on geographic location within Fayette County as it was assumed that the population of northern Fayette County along the Highway 64 corridor will be more likely to access this facility than those in southern Fayette County (portions of southern Fayette County may continue to travel west into Collierville for care instead of north to Baptist Memorial Fayette.)

Although attachment 6N provides projected inpatient utilization, Baptist Memorial also projects that it will treat 5,110 patients through its emergency department during the first year of operation. Baptist Memorial further projects that approximately 20% of these patients will be converted to observation status, consistent with Baptist Memorial's experience at its other rural community hospitals. For the eight inpatient beds at the facility, Baptist Memorial projects that there will be an ADC of 5 - 2 inpatients and 3 observation patients.

- 7N.** Complete the chart below 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 the applicant, and the percentage of ownership that is shared with the applicant's owners.

RESPONSE:

Baptist Memorial is the parent company of two entities with unimplemented CON applications - Baptist Memorial Health Carroll County Outpatient Cardiac Catheterization Lab and East Memphis Imaging Center.

The Baptist-CC Cardiac Catheterization Lab was recently approved and Baptist anticipates the lab becoming operational in the next few months.

For CN2211-046, concerns about environmental factors associated with the selected site for the project have delayed implementation progress of this CON. Baptist Memorial understands that if additional time is needed to complete the project, a request must be made in writing with any additional extension filing fee prior to the expiration date of March 1, 2025

CON Number	Project Name	Date Approved	Expiration Date
CN2211-046	East Memphis Imaging Center	1/25/2023	1/23/2025
CN2408-023	Baptist Memorial Health Carroll County Outpatient Cardiac Catheterization Lab	10/23/2024	10/26/2026

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: Following approval and prior to operation, the applicant will establish transfer agreements with Baptist Memorial's hospitals in nearby Shelby County.

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

- ☒ Aetna Health Insurance Company
- ☒ Ambetter of Tennessee Ambetter
- ☒ Blue Cross Blue Shield of Tennessee
- ☒ Blue Cross Blue Shield of Tennessee Network S
- ☒ Blue Cross Blue Shiled of Tennessee Network P
- ☒ BlueAdvantage
- ☐ Bright HealthCare
- ☒ Cigna PPO
- ☒ Cigna Local Plus
- ☐ Cigna HMO - Nashville Network
- ☐

Cigna HMO - Tennessee Select

- ☐ Cigna HMO - Nashville HMO
- ☒ Cigna HMO - Tennessee POS
- ☐ Cigna HMO - Tennessee Network
- ☐ Golden Rule Insurance Company
- ☐ HealthSpring Life and Health Insurance Company, Inc.
- ☒ Humana Health Plan, Inc.
- ☒ Humana Insurance Company
- ☐ John Hancock Life & Health Insurance Company
- ☐ Omaha Health Insurance Company
- ☐ Omaha Supplemental Insurance Company
- ☐ State Farm Health Insurance Company
- ☒ United Healthcare UHC
- ☐ UnitedHealthcare Community Plan East Tennessee
- ☐ UnitedHealthcare Community Plan Middle Tennessee
- ☒ UnitedHealthcare Community Plan West Tennessee
- ☐ WellCare Health Insurance of Tennessee, Inc.
- ☒ Others

RESPONSE: Blue Cross Blue Shield of Tennessee Network L; Blue Cross Blue Shield of Tennessee Network E; Cigna Open Access Plans; Cigna State of Tennessee Open Access Plus; Aetna Ambetter of Tennessee; Employers Health Network; First Choice Health; First Health Network; Mississippi Physicians Care Network; Multiplan; NovaSys Health; Oscar Insurance Company PPO Plus; QualChoice; Shared Health; Humana TriCare; TriWest Healthcare VACCN

- 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:

The establishment of Baptist Memorial Fayette does not duplicate or impact any competition in the area. As previously stated, there are currently no acute care hospitals in Fayette County. This project will allow residents of Fayette County to receive medical treatment within their County in a more convenient location, close to their residence and support system.

- 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 establishment of Baptist Memorial Fayette will require 23.85 FTEs to operate the hospital. All positions will be filled by leveraging their current employee assets as well as through Baptist Memorial's recruiting relationships with regional medical and nursing programs, both locally and statewide. As volumes grow at the facility, there may be a need to hire additional full-time positions. These efforts will be led by the hospital administrator and other Baptist Memorial personnel.

- 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:

Baptist Memorial Fayette will seek licensure with the Health Facilities Commission's Department of Licensure and Regulation. Baptist Memorial Fayette will also apply to become certified to participate in CMS's Medicaid and Medicare programs and meet all requirements for certification. Baptist Memorial Fayette also plans to become accredited by the Joint Commission.

Baptist Memorial Fayette will adopt and implement a quality improvement and outcome evaluation process consistent with the policies and procedures of Baptist Memorial. As required by CMS Conditions of Participation, Baptist Memorial Fayette's QI activities will include data reporting and process monitoring to ensure quality outcomes and efficiency. As with any Baptist Memorial facility, outcomes will be reviewed by medical and clinical staff involving individual review of adverse events, root cause analyses and QIC investigation. Baptist Memorial Fayette staff will maintain ongoing, formal quality improvement activities for all credentialed physicians and staff.

PROJECTED DATA CHART

- ☒ Project Only
☐ Total Facility

Give information for the two (2) years following the completion of this proposal.

	Year 1	Year 2
	2028	2029
A. Utilization Data		
Specify Unit of Measure <u>Other : Adjusted Patient Days</u>	6683	6841
B. Revenue from Services to Patients		
1. Inpatient Services	\$5,110,027.00	\$5,314,428.00
2. Outpatient Services	\$36,559,321.00	\$39,170,701.00
3. Emergency Services	\$0.00	\$0.00
4. Other Operating Revenue (Specify) <u>Subsidy</u>	\$1,000,000.00	\$0.00
Gross Operating Revenue	\$42,669,348.00	\$44,485,129.00
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$32,159,270.00	\$34,308,506.00
2. Provision for Charity Care	\$2,772,133.00	\$2,957,397.00
3. Provisions for Bad Debt	\$932,724.00	\$995,753.00
Total Deductions	\$35,864,127.00	\$38,261,656.00
NET OPERATING REVENUE	\$6,805,221.00	\$6,223,473.00

- 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	Most Recent Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	\$0.00	\$0.00	\$6,384.76	\$6,502.72	0.00
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	\$0.00	\$0.00	\$5,366.47	\$5,592.99	0.00
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	\$0.00	\$0.00	\$1,018.29	\$909.73	0.00

- 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:

As a new provider, Baptist Memorial Fayette does not have current hospital charges. The proposed charge structure is consistent with Baptist Memorial's other community hospitals in the surrounding area and form the basis for the projected project data chart. The applicant anticipates contracting with commercial payors on similar terms to Baptist Memorial's existing reimbursement schedules.

- 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 currently no acute care hospitals in Fayette County. Accordingly, there is not a similar facility in the service area. The proposed charge structure for Baptist Memorial Fayette will be similar to that of other similar Baptist Memorial rural community hospitals located elsewhere in the surrounding region.

- 10C.** Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

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

**Applicant's Projected Payor Mix
Project Only Chart**

Payor Source	Year-2027		Year-2028	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$14,009,690.00	32.83	\$14,956,386.00	33.62
TennCare/Medicaid	\$9,456,460.00	22.16	\$10,095,474.00	22.69
Commercial/Other Managed Care	\$13,244,876.00	31.04	\$14,139,891.00	31.79
Self-Pay	\$4,037,954.00	9.46	\$4,310,816.00	9.69
Other(Specify)	\$1,920,368.00	4.50	\$982,562.00	2.21
Total	\$42,669,348.00	100%	\$44,485,129.00	100%
Charity Care	\$2,772,133.00		\$2,957,397.00	

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

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.

RESPONSE: Baptist Memorial is contracted with most TennCare MCOs, is certified by Medicare and participates in the Medicare program. Baptist Memorial Fayette will be operated consistent with Baptist Memorial's financial assistance and charity/indigent care policies. Financial relief is available to those patients who do not qualify for state or federal assistance and are unable to pay their balance. All self-pay patients will receive a discount similar to that offered to managed care insureds.

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.

☒ Yes

☐ No

- 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?

☒ Yes

☐ No

- Does the applicant commit to obtaining and maintaining all applicable state licenses in good standing?

☒ Yes

☐ No

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?

☒ Yes

☐ No

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 Facilities Commission/Licensure Division ☐ Intellectual & Developmental Disabilities ☐ Mental Health & Substance Abuse Services	Will Apply	
Certification	☒ Medicare ☒ TennCare/Medicaid ☐ Other _____	Will Apply Will Apply	
Accreditation(s)	TJC - The Joint Commission	Will Apply	

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

- ☐ AMERIGROUP COMMUNITY CARE- East Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - Middle Tennessee
- ☒ AMERIGROUP COMMUNITY CARE - West Tennessee
- ☐ BLUECARE - East Tennessee
- ☐ BLUECARE - Middle Tennessee
- ☒ BLUECARE - West Tennessee
- ☐ UnitedHealthcare Community Plan - East Tennessee
- ☐ UnitedHealthcare Community Plan - Middle Tennessee
- ☒ UnitedHealthcare Community Plan - West Tennessee
- ☒ TENNCARE SELECT HIGH - All
- ☒ TENNCARE SELECT LOW - All
- ☐ PACE
- ☐ KBB under DIDD waiver
- ☐ Others

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?

- ☒ 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.

- ☐ Yes
- ☐ No
- ☒ N/A

- 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.)

- ☐ Yes
☐ No
☒ N/A

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;
☐ Yes
☒ No
- Criminal fines in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- Civil monetary penalties in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- Administrative monetary penalties in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- 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;
☐ Yes
☒ No
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
☐ Yes
☒ No
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.
☐ Yes
☒ No

8Q. Provide the project staffing for the project in Year 1 and compare 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.

☒ Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs(enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
Registered Nurses	0.00	8.40
Paramedic	0.00	4.20
Radiologic Technologist	0.00	4.20
Physician	0.00	1.00
Total Direct Patient Care Positions	N/A	17.8

B. Non-Patient Care Positions		
Hospital Administrator	0.00	0.50
Testing Coordinator	0.00	0.50
APC	0.00	0.35
Pharmacist	0.00	0.50
Registration Specialist	0.00	4.20
Total Non-Patient Care Positions	N/A	6.05
Total Employees (A+B)	0	23.85

C. Contractual Staff		
Contractual Staff Position	0.00	0.00
Total Staff (A+B+C)	0	23.85

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 Commission, 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 HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

Phase	Days Required	Anticipated Date (Month/Year)
1. Initial HFC Decision Date		03/26/25
2. Building Construction Commenced	300	01/19/26
3. Construction 100% Complete (Approval for Occupancy)	700	02/23/27
4. Issuance of License	720	03/15/27
5. Issuance of Service	730	03/25/27
6. Final Project Report Form Submitted (Form HR0055)	730	03/25/27

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

PROOF OF PUBLICATION

STATE OF TENNESSEE
FAYETTE COUNTY

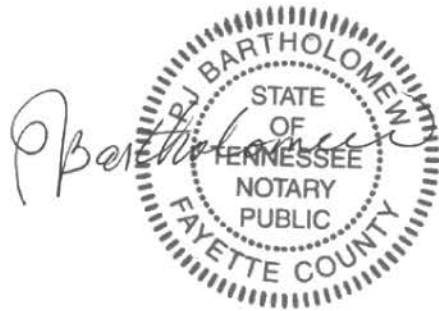
Personally appeared before me, the undersigned official of said county and state, Carolyn G. Rhea who makes oath in due form of law that she is the General Manager of The Fayette Falcon, a weekly newspaper published in Somerville, Fayette County, Tenn., and that the publication notice which is hereto attached was published in said paper to-wit:

January 15, 2025

Carolyn G. Rhea

Sworn to and subscribed before me this

30 day of **January** 2025.



My commission expires September 11, 2028.

This legal notice was published online at www.fayettefalcon.com and www.tnpublicnotice.com for the duration of the run dates listed above. This publication fully complies with Tennessee Code Annotated 1-3-120.

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NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Baptist Memorial Hospital d/b/a Baptist Memorial Hospital Fayette County, a/an Hospital owned by Baptist Memorial Health Care Corporation with an ownership type of Corporation (Not-for-Profit) and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a new hospital that will include 8 inpatient acute care beds, imaging, emergency services, and laboratory services. The address of the project will be at the northwest corner of U.S. 64 and Warren Road, Somerville, Fayette County, Tennessee, 38068. The estimated project cost will be \$25,314,155.

The anticipated date of filing the application is **01/31/2025**.

The contact person for this project is Director, Regulatory Planning and Policy Arthur Maples who may be reached at Baptist Memorial Health Care Corporation - 350 N. Humphreys Blvd., Memphis, TN 38120 - Contact No. 901-227-4137.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hdsa.staff@tn.gov.

01/15 1tp



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1601917

Oakland DRC and Planning approve Take 5 Oil Change's building elevations; tables adding event venue to the B-1 Neighborhood District

By: Carolyn Rhea,
Staff Writer

The Oakland Design Review Commission met on Tuesday, January 7, 2025. Present were Stephen Laskoski, Christina Hall, Mike Brown, Jack Poole, Mayor Adrian Wiggins, and Marilyn Austin, along with city planner Ed Courton.

The only item on the agenda was Take 5 Oil Change requesting design review approval for building elevations, trash enclosure, and landscaping for to a new +/- 1,680 SF building. The subject property is situated immediately to the east of the existing Sonic Drive-In restaurant addressed as 7026 Hwy 64. The property is zoned Highway Oriented Business (B-2) zoning district. The proposed development site is proposed to be +/- .9 acres. Access is proposed via Highway 64.

The lot has the existing Sonic on it on part of the same parcel. The developer will desegregate this into 2 lots. Ed Courton said I will give an overview on this but tonight it is about the elevations, trash enclosure, and landscaping.

Courton said next month they will submit this and

they can move forward without the lot separation but they need it for financing.

Jack Poole stated I see this is going out on Hwy 64 and asked where is the connectivity from Sonic which is already there. There's no room on the front there for the road to go. Courton said unless Sonic decided to remove parking spaces on that end, I don't see any connectivity. Jack said it's on their cut in. Courton said to the east when that develops or if that mall sometime in the future changes and did an improvement, there needs to be a connection point on that one. Next month will be the site plan.

Poole said we agreed to keep traffic off Hwy 64 as much as possible. We have to connect these businesses however we have to do it. It was commented that there is an empty lot on the other side of the Sonic.

Poole said it doesn't make sense to plan on something 20 years down the road when you have to have it 20 years ago. This committee is supposed to be planning out ahead. Laskoski told Poole I agree but we need to discuss this when it comes up at the planning commission meeting.

ing.

Brown moved to approve this with the recommendations from the staff. Marilyn Austin asked will the greenery that is along Hwy 64 cause any problems with power lines or views. She was told the trees are smaller and won't grow to that level. The motion passed and the meeting adjourned.

The Planning Commission met immediately following with the same members.

First was to elect a chairman, vice-chairman and secretary. Laskoski was chosen to serve as chairman, Mike Brown as vice-chairman, and Christina Hall as secretary.

Their only item was to discuss an ordinance to amend the text of the municipal zoning ordinance of the Town by amending Article 2, Definitions, to include Event Venue as a new land use and adding Event Venue to the B-1 Neighborhood Commercial District as a use permitted on appeal.

An applicant wants to purchase a church in the downtown area that was a bed and breakfast and turn it into a church for an event center and weddings. This would



Chairman Stephen Laskoski and Mayor Adrian Wiggins at the meetings.

be in B-1 that does not allow a wedding venue right now. The applicant has talked about having a tent in the back for receptions because there is no room inside the church.

The applicant had said the goal is to build something nice in the back but until he gets the cash flowing, a tent is a viable option.

Courton said the board or planning commission has to vote to change the code. If you want to move forward, you can. If you do, I recommend you remove the section that would give him the ability to have a tent.

Laskoski said I need a motion to table this for a

month and remove the part about the tent. It was made and seconded.

They had received a letter from the applicant that he may not be able to put up a tent due to a sewer easement. Laskoski said I think he can do a tent but he wanted to put up a building that he may not be able to. Christina Hall said we were not willing to let him keep the tent up permanently. The motion was passed.

Goals for Next Year

Courton asked if they had any specific issues to discuss. He is working to get the subdivision and zoning code clean and adopted by the planning commission.

He wants to put this online and make it available.

He is looking at a new fee schedule to increase fees on the time involved and costs associated. Courton would like to hold off the DRC guidelines until the summer to dig into it and maybe set up a committee on it.

Christina commented that we are a planning commission and none of us was involved with any of the sportsplex or the new town hall. I feel this is something the planning commission should be involved with. She asked how do we go about being involved. There is talk about a new fire station but I haven't heard much on it.

THE RULE OF LAW



Paul Summers

The Constituion-Backstories #27

I served four years active duty in the Air Force Judge Advocate General's Corps (JAG), prosecuting and defending courts-martial. I was a young lawyer, just having been licensed by the Tennessee Supreme Court. Under the Uniform Code of Military Justice (UCMJ), all accused personnel were entitled to counsel, at government expense, regardless of financial status. At the time, I thought all systems provided counsel for the accused. This had to be especially true if a defendant or accused could not afford a lawyer. After my active duty, I learned something in my new day job. I learned that **I was wrong**.

In 1979, I transferred to JAG as a Reserve Officer in the Tennessee Army National Guard. I was a young lawyer, age 29, with four years experience under my belt. Practicing law on the court square in my hometown in Fayette County, I was shocked. Tennessee had no public defender system. If a defendant was indigent, he or she was not entitled to counsel unless charged with

a felony. In General Sessions Court, poor defendants had no lawyer for misdemeanors. On felonies, the judge usually appointed the younger lawyers who were regular practitioners in that court. I recall being appointed to represent defendants on many felony charges, including first degree murder. Unless the client was indicted or charged by the grand jury and counsel reappointed, the lawyer was not paid by the state. Only on cases disposed of in Circuit or Criminal Court was the lawyer paid. The payment did not cover a fraction of the time she or he spent in defense of the accused, whether disposition was by jury, judge, or plea negotiation.

That system has changed now. Beginning around 1985, Tennessee now has a public defender (PD) system. Public Defenders run for election in the 32 Judicial Districts of Tennessee every eight years. They are on the ballot just like the District Attorney General (prosecutor). By virtue of several U.S. Supreme Court Cases, the 14th Amendment, and action by the Tennessee General Assembly, we have a constitutional system. Lawyers are appointed for indigent defendants facing jail or prison time if convicted, including appeals and post-conviction proceedings. Juveniles facing consequences in juvenile proceedings; parents facing termination of parental rights; persons facing mental health determination; and others—all may have counsel, if indi-

gent, due to constitutional and statutory provisions.

Amendment VI provides in part: "In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed;...and to have the assistance of counsel for his defence (sic)." These changes in Tennessee and other states all began with the 1963 unanimous decision by the U.S. Supreme Court in Gideon v. Wainwright. We knew that the Sixth Amendment applied to Federal Courts. But in that case, the Supreme Court applied the rule of counsel to all state cases where the defendant was facing jail or prison time for a felony. Later, cases augmented the rule to any case, misdemeanor or felony, where a defendant was facing incarceration. Now, many state statutes have applied the rule to situations where an accused is facing adverse consequences which are not criminal. Our system is much better and just.

We shall continue in the next article with the Seventh Amendment. Reading the Constitution is *time well spent*. Interpretations are those of the author. We encourage comments by readers.

Paul G. Summers, a lawyer, is a former appellate and senior judge, district attorney general, and the Attorney General of Tennessee. Raised in Fayette County, Judge Summers resides in Nashville and Holladay.

If it ain't broke,
don't fix it.



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NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Baptist Memorial Hospital d/b/a Baptist Memorial Hospital Fayette County, a/an Hospital owned by Baptist Memorial Health Care Corporation with an ownership type of Corporation (Not-for-Profit) and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a new hospital that will include 8 inpatient acute care beds, imaging, emergency services, and laboratory services. The address of the project will be at the northwest corner of U.S. 64 and Warren Road, Somerville, Fayette County, Tennessee, 38068. The estimated project cost will be \$25,314,155.

The anticipated date of filing the application is **01/31/2025**.

The contact person for this project is Director, Regulatory Planning and Policy Arthur Maples who may be reached at Baptist Memorial Health Care Corporation - 350 N. Humphreys Blvd., Memphis, TN 38120 - Contact No. 901-227-4137.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov.



Suzie Tidwell
Affiliate Broker

Office: (901) 260-4780
Cell: (901) 833-8732
E-Fax: (901) 653-2433

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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: BAPTIST MEMORIAL HOSPITAL

General Information

SOS Control #	000059948	Formation Locale:	TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed:	03/29/1924
	03/29/1924 4:30 PM	Fiscal Year Close	9
Status:	Active		
Duration Term:	Perpetual		
Public/Mutual Benefit:	Public		

Registered Agent Address
GREGORY M DUCKETT
350 N HUMPHREYS BLVD
MEMPHIS, TN 38120-2177

Principal Address
CHIEF LEGAL OFFICER
FL 5
350 N HUMPHREYS BLVD
MEMPHIS, TN 38120-2177

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

Date Filed	Filing Description	Image #
01/31/2025	Assumed Name	B1675-9621
	New Assumed Name Changed From: No Value To: Baptist Memorial Hospital - Fayette County	
12/09/2024	2024 Annual Report	B1652-3506
12/18/2023	2023 Annual Report	B1480-6414
07/05/2023	Assumed Name Renewal	B1420-7087
	Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL FOR WOMEN To: BAPTIST MEMORIAL HOSPITAL FOR WOMEN	
	Expiration Date Changed From: 08/14/2023 To: 07/05/2028	
12/16/2022	2022 Annual Report	B1309-8222
	Principal Address 3 Changed From: LAURIE CHRISTENSEN To: CHIEF LEGAL OFFICER	
12/15/2021	2021 Annual Report	B1135-6120
	Principal Address 3 Changed From: No value To: LAURIE CHRISTENSEN	
10/11/2021	Assumed Name Renewal	B1111-4718
	Assumed Name Changed From: Baptist Memorial Medical Education To: Baptist Memorial Medical Education	
	Expiration Date Changed From: 10/12/2021 To: 10/11/2026	
01/20/2021	Assumed Name Renewal	B0971-5929

Filing Information

Name: BAPTIST MEMORIAL HOSPITAL

Assumed Name Changed From: Spence and Becky Wilson Baptist Children's Hospital To: Spence and Becky Wilsor Baptist Children's Hospital

Expiration Date Changed From: 01/25/2021 To: 01/20/2026

12/14/2020 2020 Annual Report

B0955-6604

Principal Address 2 Changed From: No value To: FL 5

06/03/2020 Assumed Name Renewal

B0876-2534

Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE To: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE

Expiration Date Changed From: 06/26/2020 To: 06/03/2025

06/03/2020 Assumed Name Renewal

B0876-2471

Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-MEMPHIS To: BAPTIST MEMORIAL HOSPITAL MEMPHIS

Expiration Date Changed From: 06/26/2020 To: 06/03/2025

12/31/2019 2019 Annual Report

B0795-4371

09/23/2019 Articles of Amendment

B0754-5094

Registered Agent First Name Changed From: GREG To: GREGORY

Registered Agent Middle Name Changed From: No Value To: M

11/26/2018 2018 Annual Report

B0619-2057

08/14/2018 Assumed Name Renewal

B0584-3102

Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL FOR WOMEN To: BAPTIST MEMORIAL HOSPITAL FOR WOMEN

Expiration Date Changed From: 09/20/2018 To: 08/14/2023

11/02/2017 2017 Annual Report

B0452-2849

11/21/2016 2016 Annual Report

B0317-0110

Principal Address 1 Changed From: 6019 WALNUT GROVE RD To: 350 N HUMPHREYS BLVD

Principal Postal Code Changed From: 38120-2113 To: 38120-2177

10/12/2016 Assumed Name

B0307-4667

New Assumed Name Changed From: No Value To: Baptist Memorial Medical Education

02/01/2016 2015 Annual Report

B0192-0840

01/25/2016 Assumed Name

B0182-6847

New Assumed Name Changed From: No Value To: Spence and Becky Wilson Baptist Children's Hospital

08/07/2015 Assumed Name Cancellation

B0139-0864

Name Status Changed From: Active (Baptist Gastrointestinal Specialists Surgery Center) To: Inactive - Name Cancelled (Baptist Gastrointestinal Specialists Surgery Center)

06/26/2015 Assumed Name Renewal

B0114-8165

Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-MEMPHIS To: BAPTIST MEMORIAL HOSPITAL MEMPHIS

Expiration Date Changed From: 08/09/2015 To: 06/26/2020

Filing Information

Name: BAPTIST MEMORIAL HOSPITAL

06/26/2015	Assumed Name Renewal	B0114-8168
Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE To: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE		
Expiration Date Changed From: 08/09/2015 To: 06/26/2020		
09/24/2014	2014 Annual Report	B0008-6092
11/22/2013	2013 Annual Report	7251-3017
09/20/2013	Assumed Name Renewal	7242-1057
Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL FOR WOMEN To: BAPTIST MEMORIAL HOSPITAL FOR WOMEN		
Expiration Date Changed From: 10/09/2013 To: 09/20/2018		
01/15/2013	Assumed Name Cancellation	7131-3150
Name Status Changed From: Active (BMH-MEMPHIS) To: Inactive - Name Cancelled (BMH-MEMPHIS)		
01/15/2013	Assumed Name Cancellation	7131-3151
Name Status Changed From: Active (BMH-COLLIERVILLE) To: Inactive - Name Cancelled (BMH-COLLIERVILLE)		
01/15/2013	Assumed Name	7131-3152
New Assumed Name Changed From: No Value To: Baptist Gastrointestinal Specialists Surgery Center		
10/12/2012	2012 Annual Report	7103-0880
Principal Postal Code Changed From: 38120 To: 38120-2113		
09/23/2011	2011 Annual Report	6941-2675
10/15/2010	2010 Annual Report	6782-2906
08/09/2010	Assumed Name Renewal	6753-2741
Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-MEMPHIS To: BAPTIST MEMORIAL HOSPITAL MEMPHIS		
Expiration Date Changed From: 08/09/2010 To: 08/09/2015		
08/09/2010	Assumed Name Renewal	6753-2742
Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE To: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE		
Expiration Date Changed From: 08/09/2010 To: 08/09/2015		
08/09/2010	Assumed Name Renewal	6753-2743
Assumed Name Changed From: BMH-MEMPHIS To: BMH-MEMPHIS		
Expiration Date Changed From: 08/09/2010 To: 08/09/2015		
08/09/2010	Assumed Name Renewal	6753-2744
Assumed Name Changed From: BMH-COLLIERVILLE To: BMH-COLLIERVILLE		
Expiration Date Changed From: 08/09/2010 To: 08/09/2015		
10/20/2009	2009 Annual Report	6613-2030
11/07/2008	Assumed Name Change	6397-2378
10/23/2008	2008 Annual Report	6391-2716

Filing Information

Name: BAPTIST MEMORIAL HOSPITAL

10/09/2008	Assumed Name	6388-1626
08/08/2008	Merger	6361-0663
Merged Control # Changed From: 000407601		
Merged Control # Changed From: 000059948		
10/24/2007	2007 Annual Report	6150-0963
11/20/2006	2006 Annual Report	5892-0832
10/19/2005	2005 Annual Report	5587-0994
08/09/2005	Assumed Name	5529-0246
08/09/2005	Assumed Name	5529-0247
08/09/2005	Assumed Name	5529-0248
08/09/2005	Assumed Name	5529-0249
12/01/2004	2004 Annual Report	5291-1455
10/01/2003	2003 Annual Report	4924-0462
12/17/2002	2002 Annual Report	4677-0263
Principal Address Changed		
Registered Agent Physical Address Changed		
07/31/2002	Administrative Amendment	4565-1576
Mail Address Changed		
01/16/2002	2001 Annual Report	4395-2163
Mail Address Changed		
12/29/2000	2000 Annual Report	4074-1546
Registered Agent Changed		
11/10/1999	CMS Annual Report Update	3764-3500
Principal Address Changed		
06/06/1997	Merger	3346-2343
Merged Control # Changed From: 000059948		
Merged Control # Changed From: 000139755		
10/11/1996	Amended and Restated Formation Documents	3228-1590
Registered Agent Changed		
09/28/1995	Articles of Amendment	3059-1360
03/14/1995	CMS Annual Report Update	2974-1046
Fiscal Year Close Changed		
02/02/1991	Administrative Amendment	FYC/REVENUE
Fiscal Year Close Changed		
01/07/1991	Restated Formation Documents	2030-0514

Filing Information

Name: BAPTIST MEMORIAL HOSPITAL

Registered Agent Physical Address Changed

01/04/1991 Administrative Amendment 2026-1921

Fiscal Year Close Changed

06/16/1990 Administrative Amendment FYC/REVENUE

Fiscal Year Close Changed

08/03/1982 Articles of Amendment 307 01007

Name Changed

Principal Address Changed

07/30/1982 Restated Formation Documents 307 01007

03/29/1924 Initial Filing MB2P0123

Active Assumed Names (if any)

	Date	Expires
Baptist Memorial Hospital - Fayette County	01/31/2025	01/31/2030
Baptist Memorial Medical Education	10/12/2016	10/11/2026
Spence and Becky Wilson Baptist Children's Hospital	01/25/2016	01/20/2026
BAPTIST MEMORIAL HOSPITAL-MEMPHIS	08/09/2005	06/03/2025
BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE	08/09/2005	06/03/2025
BAPTIST MEMORIAL HOSPITAL FOR WOMEN	10/09/2008	07/05/2028



Department of State

Corporate Filings

312 Rosa L. Parks Avenue

6th Floor, William R. Snodgrass Tower

Nashville, TN 37243

ARTICLES OF AMENDMENT
TO THE CHARTER
(Nonprofit)

FILED

Corporate Control Number (If Known) 000059948

Pursuant to the provisions of section 48-60-105 of *The Tennessee Nonprofit Corporation Act*, the undersigned corporation adopts the following articles of amendment to its charter:

1. Please insert the name of the corporation as it appears of record:

Baptist Memorial Hospital

If changing the name, insert the new name on the line below:

2. Please check the block that applies:

☒ Amendment is to be effective when filed by the secretary of state.

☐ Amendment is to be effective, _____ (month, day, year)

(Not to be later than the 90th day after the date this document is filed.) If neither block is checked, the amendment will be effective at the time of filing.

3. Please insert any changes that apply:

a. Principal address:	350 North Humphreys Blvd.	Memphis	TN	38120
	(Street)	(City)	(State/County)	(Zip Code)
b. Registered agent:	Gregory M. Duckett			
c. Registered address:	350 North Humphreys Blvd.	Memphis	TN	38120
	(Street)	(City)	(State/County)	(Zip Code)
d. Other changes:	Listed the three campuses under the corporation and increased board members to 18.			

4. The corporation is a nonprofit corporation.

5. The manner (if not set forth in the amendment) for implementation of any exchange, reclassification, or cancellation of memberships is as follows:

6. The amendment was duly adopted on October 29, 2013 _____ (month, day, year)
by (please check the block that applies):

☐ The incorporators without member approval, as such was not required.

☒ The board of directors without member approval, as such was not required.

☐ The members

7. Indicate which of the following statements applies by checking the applicable block:

☒ Additional approval for the amendment (as permitted by §48-60-301 of the Tennessee nonprofit corporation act) was not required.

☐ Additional approval for the amendment was required by the charter and was obtained

Secretary

Signer's Capacity

9/18/19

Date

Signature

Gregory M. Duckett

Name of Signer (typed or printed)

**Charter of Baptist Memorial Hospital
Memphis, Tennessee
Revised October 29, 2013**

Pursuant to the provisions of Section 48-60-106 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following amended and restated Charter:

1. The name of the corporation is Baptist Memorial Hospital.
2. The duration of the corporation is perpetual.
3. The address of the principal office of the corporation in the State of Tennessee shall be 6019 Walnut Grove Road, Memphis, Tennessee 38120 (Shelby County).
4. The street address, zip code and County of the corporation's registered office is: 350 North Humphreys Boulevard, Memphis, Tennessee 38120, Shelby County. The name of the corporation's registered agent at that office is Gregory M. Duckett.
5. The corporation's purpose, for which it is formed, is to operate exclusively for charitable, religious, scientific, or educational purposes as described in Section 501(c)(3) of the Internal Revenue Code of 1986, more specifically described as follows:
 - (a) The corporation is a not-for-profit, public benefit corporation, which shall serve as an organization for carrying out a health care mission consistent with the traditional and on-going health care missions of the Arkansas, Mississippi and Tennessee Baptist Conventions and their affiliated Baptist churches with which the corporation shares common religious bonds and convictions. This mission includes prevention of illness, infirmity, injury, and disease as well as the care and treatment of persons who are ill, diseased, injured or infirmed. To this end, the corporation is authorized to acquire, own, lease, manage, operate, sell, construct, finance, provide services to, generally deal with, and affiliate with or be the parent organization of separately incorporated hospitals, clinics, home health care organizations, rehabilitation centers, health maintenance organizations, hospices, nursing homes, nursing and other schools, educational organizations and institutions, together with facilities, equipment and materials related thereto, and any other supporting business units, facilities, equipment and activities deemed to be appropriate in connection therewith and permitted by the Tennessee Nonprofit Corporation Act and to make contributions to organizations that qualify as exempt organizations under Section 501(c)(3) contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986.
 - (b) Notwithstanding any other provisions of this Charter, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Section 501(c)(3) contributions to which are deductible under Section 170(c)(2) of the Internal

Revenue Code of 1986 or corresponding provisions of any future United States Internal Revenue law.

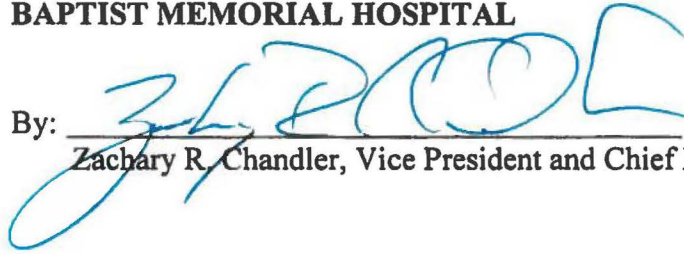
- (c) No part of the net earnings of the corporation shall inure to the benefit of or be distributable to any director, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation in connection with one or more of its purposes) and no director, officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporation's assets on dissolution of the corporation.
 - (d) No substantial part of the activities of the corporation shall involve carrying on propaganda or otherwise attempting to influence legislation or participating in or intervening (including the publishing or distributing of statements) in any political campaign on behalf of any candidate for public office; nor shall the corporation engage in any activities that are unlawful under applicable federal, state or local law.
 - (e) Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation to Baptist Memorial Health Care Corporation or its successor if such corporation is, at the time of dissolution, organized and operated exclusively for charitable, educational, religious, or scientific purposes and then qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding provisions of any future United States Internal Revenue Law, and if Baptist Memorial Health Care Corporation is not then so organized, operated, and qualified, then said assets shall be disposed of exclusively for the purposes of the corporation to such other organizations as the Board of Directors shall determine that are described in Section 8 below, that at the time of dissolution are organized and operated exclusively for charitable, educational, religious or scientific purposes and which then qualify as exempt organizations under Section 501(c)(3) of the said Internal Revenue Code, but if none of said organizations are then so organized, operated and qualified, then said assets remaining after paying or making provisions for the payment of the liabilities of the corporation shall be disposed of exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the said Internal Revenue Code, and as the Board of Directors shall determine.
6. The corporation shall operate a hospital institution in Memphis, Tennessee, located on three campuses and doing business as Baptist Memorial Hospital - Memphis, Baptist Memorial Hospital for Women and Baptist Memorial Hospital - Collierville.

7. The corporation shall have one member, Baptist Memorial Health Care Corporation.
8. The corporation shall be organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Baptist Memorial Hospital and such other organizations of which Baptist Memorial Health Care Corporation is the sole voting Member, or is the sole voting member of the entity which is in turn the sole voting member of such organizations, so long as such supported organizations are exempt from federal income tax under Section 501(c)(3), and are not private foundations under Sections 509(a)(1) or 509(a)(2), of the Internal Revenue Code of 1986 or corresponding provisions of any future United States Internal Revenue law. At least one of the members of the board of directors or an officer of each of the supported organizations shall also be a member of the board of directors or an officer of this corporation.
9. Subject to the express limitation that the corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status (a) as a corporation which is exempt from federal income taxation as an organization which is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, or (b) as a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, the corporation shall have and possess all powers and rights conferred upon not-for-profit corporations by the Tennessee General Corporation Act and any enlargement of such powers conferred by subsequent legislative act; and, in addition thereto, the corporation shall have and exercise all powers and rights not otherwise denied not-for-profit corporations by the laws of the State of Tennessee, as are necessary, suitable, proper, convenient, or expedient to the attainment of the purposes set forth in this Charter.
10. All references herein to provisions of the Internal Revenue Code of 1986 shall be deemed to include statutes which succeed such provisions (i.e., the corresponding provisions of future United States Internal Revenue laws).
11. The corporation's affairs shall be governed by a Board of Directors consisting of not less than three (3) nor more than eighteen (18) members. The election, removal, and replacement of directors and the filling of vacancies by the Board of Directors shall be as described in bylaws adopted by the Board of Directors.
12. Bylaws of the corporation shall be adopted by the Board of Directors and may be amended by resolution of the Board of Directors.
13. This Charter of Incorporation may be amended upon adoption by the Board of Directors of a resolution setting forth the amendment in the manner provided by law; provided, however, no amendment of the Charter may be adopted which changes or affects in any way the exempt status of the corporation as an organization existing exclusively for religious, charitable, educational, or scientific purposes as described in

Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding provisions of any future Internal Revenue law of the United States.

Dated: October 29, 2013

BAPTIST MEMORIAL HOSPITAL

By: 

Zachary R. Chandler, Vice President and Chief Executive Officer



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

LAURIE CHRISTENSEN, ESQ.
350 NORTH HUMPHREYS BLVD.
MEMPHIS, TN 38120

January 30, 2025

Request Type: Certificate of Existence/Authorization
Request #: 0622734

Issuance Date: 01/30/2025
Copies Requested: 1

Document Receipt

Receipt #: 009495575

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3890929752

\$20.00

Regarding: BAPTIST MEMORIAL HOSPITAL

Filing Type: Nonprofit Corporation - Domestic

Formation/Qualification Date: 03/29/1924

Status: Active

Duration Term: Perpetual

Business County: SHELBY COUNTY

Control #: 59948

Date Formed: 03/29/1924

Formation Locale: TENNESSEE

Inactive Date:

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

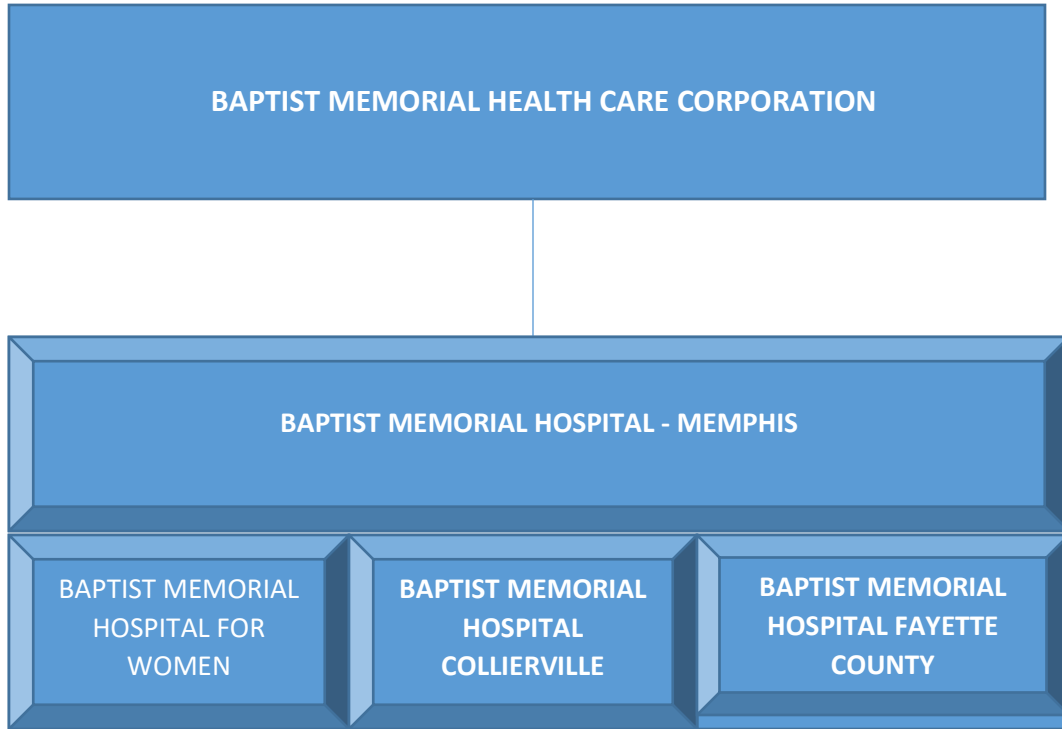
BAPTIST MEMORIAL HOSPITAL

- * is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- * has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- * has filed the most recent annual report required with this office;
- * has appointed a registered agent and registered office in this State;
- * has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 072492634

ORGANIZATION

(ONE LICENSE SEPARATE LOCATIONS)

Attachment 8A

This attachment is not applicable as the Applicant has not, and does not intend to, contract with a management company.

AGREEMENT OF PURCHASE AND SALE

This Purchase and Sale Agreement (together with all Exhibits and attachments, the "Agreement") is entered into as of _____, 2025 (the "Effective Date"), by and between **Chickasaw Electric Cooperative** a Tennessee Non-profit corporation ("Seller"); and **Fayette County, Tennessee**, a Governmental entity, or its assigns ("Buyer").

W I T N E S S E T H:

In consideration of the mutual covenants set forth herein, Seller and Buyer agree as follows:

1. Conveyance of Property

On the terms and subject to the conditions set forth in this Agreement, Seller shall sell, convey and assign to Buyer, and Buyer shall buy and accept from Seller, the fee simple title in approximately 5.10 acres, more or less, in Fayette County, Tennessee, as described on *Exhibit A*, (the "Property"). The Property shall be transferred to Buyer at Closing (as hereinafter defined) free and clear of all liens, claims and encumbrances except for the Permitted Encumbrances (as hereinafter defined). A description of the Property from a current survey is to be obtained by Buyer at Buyer's expense (the "Survey") and shall be deeded by general warranty deed to Buyer at Closing or to another entity upon Buyer's request.

Upon transfer of the Property to Buyer, Seller shall remain liable for all obligations of Seller in connection with the Property which are incurred, accrued or arose on or prior to the Closing Date, arising out of, by reason of, or in connection with the ownership, operation, management or maintenance of the Property for all periods prior to the Closing Date. After the Closing Date, Buyer shall be liable and responsible for all obligations of Buyer arising after the Closing Date in connection with the Property (other than roll-back taxes) and arising out of, by reason of, or in connection with the ownership, operation, management or maintenance of the Property after the Closing Date.

2. Purchase Price

The purchase price for the Property shall be Six Hundred Sixty-Three Thousand and no/100 Dollars (\$663,000.00) (the "Purchase Price"), to be paid at Closing in immediately available funds by wire transfer to the Seller or his agent. This purchase price is based per acre and will be specifically determined by the actual amount of acreage of the Property, as calculated at \$130,000.00 per acre based on a current or mutually acceptable survey. Seller shall pay all personal property taxes and real property taxes of the Property for any years or partial years prior to Closing including but not limited to, any roll back taxes which shall be assessed in the future as a result of this property no longer qualifying for greenbelt assessment.

3. Due Diligence

For a period of ninety (90) calendar days commencing on the Effective Date (the "Due Diligence Period"), Buyer or any person or entity authorized by Buyer shall have the right to enter upon the Property for purposes of undertaking tests, analysis, inspections, or evaluations of any kind in Buyer's sole and absolute discretion. Prior to the expiration of the Due Diligence Period, Buyer shall have the right to terminate this Agreement for any reason or proceed to close on this purchase in its sole discretion as further provided herein.

4. Title

Within seven (7) days of the Effective Date, Seller through its closing attorney shall deliver a commitment for title insurance covering the fee simple title in the Property (the "Title Commitment") setting forth the status of the title of the Property together with copies of documents that may be listed as exceptions in the Title Commitment.

For a period of twenty-one (21) days from the receipt of the Title Commitment, Buyer shall have the right to object in writing to any matters reflected by the Title Commitment. All matters to which Buyer so objects are hereinafter referred to as "Non-Permitted Encumbrances"; all matters reflected by the Title Commitment to which such objection is not made shall be deemed "Permitted Encumbrances". Seller, at its sole cost and expense, shall cure or remove all Non-Permitted Encumbrances on or before the Closing Date or either party may terminate this Agreement, and the Earnest Money, if any, shall automatically be returned to Buyer.

5. Representations and Warranties

Seller hereby represents and warrants to and covenants with Buyer that Seller is the sole owner of fee simple title to the Property and has good, merchantable and insurable fee simple title to the Property and that Seller has the full right, power, and authority to execute, deliver and perform this Agreement. From the date hereof until Closing, Seller shall maintain and operate the Property in a manner consistent with Seller's maintenance and operation thereof during the twelve (12) months preceding the Effective Date. Seller represents and warrants that to the best of Seller's knowledge there is no environmental condition on the Property as defined under applicable law nor lawsuits, claims, or condemnations threatened or filed against the Property.

All improvements and personal property, if any, are being sold "AS IS - WHERE IS" without warranty as to condition, functionality or suitability.

6. Closing

The closing ("Closing") of the sale of the Property by Seller to Buyer shall occur within sixty (60) days following the later to occur of the following:

- (i) Final approval of this Agreement by the Fayette County Commission, including the necessary funding needed to complete the closing on behalf of the Buyer; and

- (ii) Receipt of a Certificate of Need from the Tennessee Health Facilities Commission for a hospital to be built on the Property by Baptist Memorial Health Care Corporation or its designated entity.

Closing shall occur at the place and/or time as mutually agreed upon by the Seller and Buyer. Closing may also be extended by mutual written agreement of the parties.

On the date of closing of the sale of the Property, the Closing shall occur as follows, subject to the satisfaction of all of the terms and conditions of this agreement:

- (a) Each party shall deliver appropriate evidence to establish the authority of such party to enter into and close the transaction contemplated hereby.

(b) Seller shall convey to Buyer marketable fee simple title by general warranty deed, duly executed and in recordable form subject only to Permitted Exceptions (as defined herein). The Seller shall retain an option to repurchase the Property which may be exercised for failure of the Buyer to commence construction of a Hospital on the property on or before the fifth (5th) anniversary date of the Closing. The Repurchase Price shall be an amount equal to (i) the Purchase Price paid by the Buyer, plus (ii) the engineering costs paid by Buyer to Seller at the Closing, _____. The Repurchase Option shall expire upon the commencement of construction of the Hospital as certified by Baptist Memorial Health Care Corporation and the County Mayor of Fayette County, Tennessee at which time an acknowledgement of Commencement of Construction and Termination of Repurchase Option shall be filed of record in the Register's Office of Fayette County, Tennessee.

(c) Should Buyer complete construction of the Hospital and a Termination of Repurchase Option be filed as set forth herein above, Seller shall have a right of first refusal to purchase the Property if Buyer receives a bona fide offer from a third party (the "**Offer**") which would result in the property no longer being used as a healthcare facility, and decides to sell the Property by accepting the Offer. Within ten (10) calendar days from Buyer's receipt of such an Offer, Buyer shall provide Seller with written notice that Buyer has received an Offer that Buyer intends to accept (the "**Offer Notice**"). Seller shall have ten (10) calendar days after receipt of the Offer Notice to exercise Seller's right of first refusal by providing Buyer with written notice that Seller will purchase the Property upon the terms as are contained in the Offer Notice (the "**Acceptance Notice**"), at which time Buyer shall be obligated to sell the Property to Seller. Closing of any such sale shall take place within one hundred twenty (120) calendar days from Buyer's receipt of the Acceptance Notice. Buyer shall transfer the Property to Seller free and clear of any liens and/or encumbrances except for those non-monetary liens as may be approved by Seller at the commencement of this Agreement.

- (d) Seller shall deliver possession of the Property to Buyer at closing.
- (e) Seller shall deliver to Buyer a Seller's Affidavit on the title company's approved form.

(f) Seller shall deliver to Buyer an affidavit for purposes of Section 1445 of the Internal Revenue Code.

(g) Buyer and Seller shall execute any and all other documents as required by the title company or as is reasonable and customary in Fayette County, Tennessee except that Buyer will not sign any document that contains an indemnity and/or hold harmless provision as Tennessee law prohibits it from doing so.

At Closing, Buyer, at its sole cost and expense, shall deliver or cause to be delivered to Seller payment in accordance with Section 3 hereof and evidence satisfactory to Seller and the Title Company that the person executing the Closing Documents on behalf of Buyer has full right, power and authority to do so. Seller, at its cost and expense, shall deliver or cause to be delivered to Buyer a General Warranty Deed as above described, fully executed and acknowledged by Seller, conveying to Buyer good, merchantable and insurable fee simple title in the Property; and evidence satisfactory to Buyer and Title Company that the person or persons executing the Closing Documents on behalf of Seller have full right, power and authority to do so. At Closing, both parties will execute a closing statement, such affidavits or statements as may be required by any governmental agency relating to transfer and similar taxes; and any other instruments and documents which shall be reasonably necessary to complete the sale of the Property. Both Seller and Buyer agree that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement. Upon completion of Closing, Seller shall deliver to Buyer possession of the Property.

Each of Seller and Buyer shall pay its own legal fees incurred in connection with this Agreement; provided, however, that if a suit is filed by Buyer or Seller alleging a breach hereof or default hereunder, the non-prevailing party shall pay all reasonable legal fees and out-of-pocket expenses of the prevailing party resulting from such suit. The provisions of this paragraph shall survive Closing.

Buyer shall pay all sales taxes, transfer or documentary taxes payable in connection with the closing of this transaction. Buyer shall pay the premium for the Owner's Policy and Lender's Policy, if any. Buyer shall pay any fee charged by the Title Company for any endorsements or reinsurance required by the Buyer and for the deletion of the standard exception pertaining to discrepancies, conflicts or shortages in area. Seller shall pay for the Title Commitment and search and all costs of drafting conveyance documents to Buyer. The parties shall pro rate real property taxes as of the day of Closing. Buyer shall also reimburse Seller outside of closing the sum of \$_____ for additional engineering, geotechnical and planning fees and costs incurred by Seller related to the sale of the property. All other closing costs shall be paid in accordance with local custom.

7. Notices

Any notice or demand provided for or given pursuant to this Agreement shall be in writing and served on the parties at the addresses listed below. Any notice shall be sent by a nationally recognized overnight courier, in which case it shall be deemed delivered one (1) business day after

deposit with such courier. The addresses listed herein may be changed by written notice to the other parties. For purposes of notice, the addresses of the parties shall be as follows:

If to Seller:	Chickasaw Electric Cooperative Attn: Loyd Muncy, General Manager 17970 US Hwy 64 Somerville, TN 38068 Phone: 901 465-3591 Email: lmuncy@chickasaw.coop
With a copy to:	Minor & Johnson, PLLC Attn: Tom Minor 124 East Market Street, Somerville, TN 38068 Phone: 901-465-3117 Email: tom@mjdlawyers.com
If to Buyer:	Fayette County, Tennessee Rhea V. Taylor, IV, County Mayor 13095 N. Main Street Somerville, Tennessee 38068 Phone: 901 465-5205 Email: rhea.taylor@fayettecountyttn.gov
With a copy to:	Glankler Brown, PLLC Attn: B. Douglas Earthman 6000 Poplar Ave., Ste. 400 Memphis, TN 38119 901-576-1707 dearthman@glankler.com

8. Commissions

Except as provided in this Section, each party represents and warrants to the other party that neither party, nor anyone acting on the behalf of either party, has incurred any liability to any broker or finder in connection with the transaction contemplated by this Agreement. The representations, and warranties set forth in this Section shall survive Closing and/or termination of this Agreement for any reason.

9. Destruction, Damage or Taking Before Closing

In the event of a fire or other casualty or an eminent domain taking or the issuance of a notice of an eminent domain taking with respect to all or any substantial portion of the Property prior to the Closing Date, Buyer and Seller shall have the option to terminate this Agreement within thirty (30) days after Buyer's receipt of written notice from Seller (but in no event later than the

Closing Date) advising of such casualty or taking or proposed taking, which notice Seller hereby agrees to give promptly. If Buyer and Seller shall elect not to exercise their right to terminate this Agreement, Buyer shall be obligated to consummate this transaction for the full Purchase Price (subject to any deductible) and Buyer shall be entitled to receive all insurance proceeds or eminent domain awards and, to the extent the same may be necessary and appropriate, Seller shall assign to Buyer at Closing Seller's rights to such awards.

10. Termination and Remedies

If Buyer fails to consummate the purchase of the Property pursuant to this Agreement for any reason other than (i) Seller's failure to perform its obligations hereunder, or (ii) the termination of this Agreement pursuant to a right granted to Buyer herein, then Seller, as its sole and exclusive remedy (Seller expressly waiving all other remedies, including, without limitation, specific performance and the right to seek damages), shall have the right to terminate this Agreement by notifying Buyer thereof, in which event the Escrow Agent shall deliver to Seller, as liquidated damages, the Earnest Money, whereupon neither Buyer nor Seller shall have any further rights or obligations hereunder. If Buyer terminates this Agreement pursuant to a right granted herein then the Escrow Agent shall deliver the Earnest Money to Buyer whereupon neither party hereto shall have any further rights or obligations hereunder.

If Seller fails to consummate the purchase of the Property pursuant to this Agreement for any reason other than (i) Buyer's failure to perform its obligations hereunder, or (ii) the termination of this Agreement pursuant to a right granted to Seller herein, then Buyer, as its sole and exclusive remedy, shall have the right to (a) terminate this Agreement by notifying Seller thereof, in which event the Escrow Agent shall deliver to Buyer, as liquidated damages, the Earnest Money, if any, whereupon neither Buyer nor Seller shall have any further rights or obligations hereunder or (b) enforce the specific performance of this Agreement against Seller. The parties hereto waive the lack of mutuality of remedies.

Seller and Buyer hereby acknowledge and agree they have included the provision for payment of liquidated damages because, in the event of a breach by Buyer, the actual damages incurred by Seller can reasonably be expected to approximate the amount of liquidated damages, and because the actual amount of such damages would be difficult if not impossible to accurately measure.

11. Disclaimers

Notwithstanding anything to the contrary herein it is expressly understood and agreed that Buyer is purchasing the Property "as is" and "where is," and with all faults and that Seller is making no representations or warranties, whether express or implied, by operation of law or otherwise, with respect to the quality, physical condition or value of the Property, the income or expenses from or of the Property or the compliance of the Property with applicable laws or regulations, including specifically without limitation building and fire codes, or the performance capability or working status of any of the Improvements. Seller is making no representation or warranty concerning the accuracy or thoroughness of any reports delivered to Buyer, the information contained therein, or the methods of the parties which prepared any such reports. Purchaser has

inspected the Property and is relying solely upon its own judgment in this transaction. Without limiting the foregoing, it is understood and agreed that (a) Seller makes no warranty of habitability, suitability, merchantability or fitness for a particular purpose, and (b) to the extent that warranties of title are to be made, such warranties shall be set forth solely and expressly in this Agreement. Buyer agrees that Seller is not liable or bound by any guarantees, promises, statements, representations or information pertaining to the Property made or furnished by any real estate agent, broker, employee, servant or other person representing or purporting to represent Seller, except as and to the extent expressly set forth herein.

12. Modification

This Agreement, including the Exhibits, contains the entire agreement between Seller and Buyer pertaining to the subject matter hereof and fully supersedes all prior agreements and understanding between Seller and Buyer pertaining to such subject matter. This Agreement cannot, under any circumstances, be modified orally, and no agreement shall be effective to waive, change, modify or discharge this Agreement in whole or in part unless such agreement is in writing and is signed by both Seller and Buyer. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect. Section headings contained herein are for convenience only and shall not be considered in interpreting or construing this Agreement.

13. Applicable Law

This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee. The enforceability or invalidity of any one or more provisions hereby shall not affect the validity or enforceability of any other provision hereof.

14. Time

Time is of the essence for all matters in this Agreement.

15. Counterparts.

This Agreement may be executed in any number of counterparts, any one or all of which shall constitute the agreement of the parties.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the date first set forth next to their respective signatures.

BUYER:

Fayette County, Tennessee

By: Rhea Taylor, County Mayor

SELLER:

Chickasaw Electric Cooperative

By: Loyd Muncy, General Manager

EXHIBIT A

Property Description

MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN FAYETTE COUNTY, TENNESSEE, THE FAYETTE COUNTY INDUSTRIAL DEVELOPMENT BOARD OF FAYETTE COUNTY, TENNESSEE, AND BAPTIST MEMORIAL HEALTH CARE CORPORATION

WHEREAS, the only acute care hospital located in Fayette County, Tennessee, Methodist Fayette Hospital, closed in March of 2015;

WHEREAS, Fayette County, Tennessee, a governmental subdivision of the State of Tennessee (the "County"), has determined that it is vital to the health and welfare of its citizens and vital to the long-term success of the County that there be a hospital facility in the County;

WHEREAS, hospital facilities provide important health care services to citizens of a county, but they also serve as economic multipliers for rural communities. New hospital facilities bring well-paying jobs to a region and also serve an important role in a community's ability to attract economic development projects and support job growth in various industries;

WHEREAS, The Fayette County Industrial Development Board of Fayette County, Tennessee, a Tennessee non-profit corporation (the "Fayette IDB") was established by the County to promote job creation and economic development in the County;

WHEREAS, the County and the Fayette IDB believe having a hospital facility located in the County is critically important to their ability to attract jobs and economic development projects to the region;

WHEREAS, Baptist Memorial Health Care Corporation ("Baptist") is a Tennessee nonprofit corporation whose first hospital was founded in 1912 by the Southern Baptist Conventions of Arkansas, Mississippi, and Tennessee. Baptist is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Baptist is part of a network of hospitals and healthcare-related affiliates serving the Mid-South with hospitals in Tennessee, Arkansas, and Mississippi;

WHEREAS, the charitable purpose and faith-based mission of Baptist is the promotion of health, welfare, wellness, education, and research in the communities it serves by providing quality healthcare and related services, at reasonable costs;

WHEREAS, in furtherance of its charitable purpose and faith-based mission, Baptist wishes to establish a new acute care hospital in the County (the "New Hospital"); and

WHEREAS, the County and the Fayette IDB desire to facilitate the development of the New Hospital, by providing the funding for the acquisition and design and construction of the New Hospital and providing financial support for the initial year of the New Hospital's operations.

NOW, THEREFORE, the County, the Fayette IDB, and Baptist (each, a "Party" and collectively, the "Parties") desire to enter into this Memorandum of Understanding ("MOU") to set forth the terms and understanding among the Parties.

PART A – NON-BINDING TERMS

1. **Definitive Agreements.** This MOU is entered into by the Parties to serve as the basis for negotiation of a Development Agreement between the County, the Fayette IDB, and Baptist (the "Development Agreement"), a Lease Agreement between the Fayette IDB and Fayette County (the "Lease Agreement"), a Sublease Agreement between Fayette County and Baptist (the "Sublease Agreement"), a Financial Support Agreement between Baptist and the County (the "Financial Support Agreement"), and other definitive agreements necessary to effectuate the transactions described herein (together, the "Definitive Agreements"). Initial drafts of the Definitive Agreements will be prepared by the Fayette IDB Bond Counsel. Subject to prior written consent of the County and/or the Fayette IDB, which consent will not be unreasonably withheld, Baptist will have the right to assign the Definitive Agreements and its rights thereunder to a related entity which agrees to assume the Definitive Agreements and perform the covenants set forth therein so long as Baptist remains primarily liable to the County and Fayette IDB with respect to the covenants and agreements set forth in the Definitive Agreements.

2. **Development Agreement.** Upon the execution of this MOU, the County, the Fayette IDB, and Baptist will negotiate and enter into the Development Agreement. The Development Agreement will include the following terms related to the hospital design, site selection, approvals, construction, and financing:

(a) **Hospital Design and Planning.** Baptist will select an architect experienced in the design of acute care hospitals of this size and type and who is acceptable to the Fayette IDB. The Fayette IDB and Baptist will collaborate in the design development and construction of the New Hospital and establish a selection process for the selection of a qualified developer, contractor, and/or engineer for the New Hospital.

(b) **Selection of Site.** The County will option the real property on which the New Hospital will be constructed (the "Real Property"). The Real Property must be located in a location that is mutually acceptable to both the County and Baptist. The Option Agreement will be assigned to the Fayette IDB by the County.

(c) **Certificate of Need.** The establishment of a new hospital in Tennessee requires the grant of a Certificate of Need ("CON") by the Tennessee Health Facilities Commission pursuant to Tenn. Code Ann. §68-11-1601 et seq. Baptist will prepare and file a CON application for the New Hospital. Baptist will be responsible for the costs of the CON application fees and process.

(d) **Acquisition and Construction Financing.** The County has identified funds for the acquisition of the Real Property and \$18 Million dollars in funding (the "Hospital

Development Funds") to finance the construction of the New Hospital (the "New Hospital Project"). A portion of the Hospital Development Funds is anticipated to be a financing obtained by the Fayette IDB ("IDB Financing") pursuant to which the Hospital Development Funds will be assigned or otherwise be made available to the Fayette IDB as funding for the New Hospital and/or as a source of payment for the IDB Financing in order to acquire the Real Property and to construct the New Hospital. Upon completion of construction, the Fayette IDB will lease the Real Property and New Hospital to Fayette County and Fayette County will sublease the New Hospital to Baptist pursuant to the terms and conditions of the Sublease Agreement.

(e) Equipment Financing. Upon the completion of construction, Baptist will agree to equip the New Hospital at Baptist's expense.

3. Lease Agreement; Sublease Agreement. The Fayette IDB will enter into a Lease Agreement with Fayette County with respect to the New Hospital and the County will sublease the New Hospital to Baptist. Under the Lease Agreement, Fayette IDB will agree to use the Hospital Development Funds to acquire the Real Property and construct the New Hospital according to the terms, conditions and standards set forth therein. The initial term of the Lease Agreement will be a term, not to exceed twenty (20) years, that is necessary for the IDB Financing to be fully amortized from the sources available for such purposes. Baptist will covenant in the Sublease Agreement that the New Hospital will (i) provide uncompensated emergency care to eligible individuals who are unable to pay for their care, (ii) participate in Medicare, TennCare, and other governmental payor programs on a nondiscriminatory basis, and (iii) provide emergency care 24 hours a day, 7 days a week.

4. Hospital Conveyance to Baptist. The Sublease Agreement will also provide that upon repayment and retirement of the Fayette IDB Financing, Fayette IDB and Fayette County will convey to Baptist fee simple title in the Real Property and the New Hospital for a nominal fee of \$1,000 plus the expenses related to the closing and conveyance.

5. County Financial Support. Prior to the opening of the New Hospital, the County will enter into a Financial Support Agreement with Baptist whereby the County will agree to provide not-to-exceed \$1 Million dollars in addition to the Hospital Development Funds in financial support to Baptist to reimburse Baptist for operating losses during the New Hospital's initial year of operations.

PART B – BINDING TERMS

1. Public Announcements; Confidentiality. Each Party agrees to consult with the other Parties prior to issuing any press release or otherwise making any public statement with respect to the transactions contemplated by this MOU and will not issue any such release or make any such statement without the consent of the other Parties, except as required by law and provided that the County and Fayette IDB may issue public meeting notices and publish

agendas with respect to public meetings and hearings regarding its matters involving Baptist without any further consent of Baptist.

2. **Exclusive Negotiations.** Baptist contemplates the expenditure of substantial amounts of time and money in connection with legal, accounting, financial, and other work to be performed in conjunction with the transactions described in this MOU. For purposes of inducing Baptist to execute this MOU, from the date the County and the Fayette IDB approve this MOU until March 31, 2025. The County and the Fayette IDB shall not, directly or indirectly, without Baptist's prior written consent, enter into any agreement with any person or entity (other than Baptist) concerning the design, development, construction or operation of an acute care, medical surgical hospital, an ambulatory surgical treatment center, a freestanding emergency department, a rural emergency hospital, or an outpatient diagnostic center in the County.

3. **Expenses.** Each Party shall bear its own expenses in connection with the implementation of this MOU, regardless of whether the Definitive Agreements are executed. Neither the County, Fayette IDB, nor Baptist shall be obligated to pay for professional services of architects, contractors, realtors, or any other professional services with respect to the New Hospital Project except as set forth in the Definitive Agreements, which shall be consistent with Part A, Section 1 above.

4. **Governing Law.** This MOU and all agreements executed by the Parties in connection with the transactions contemplated by this MOU shall be governed by the laws of the State of Tennessee without regard to conflicts of laws principles.

5. **Termination.** This MOU shall terminate with the execution of the Definitive Agreements. The Definitive Agreements will contain the provisions outlined above in this MOU and representations, warranties, and other terms (including, without limitation, contingencies for all necessary regulatory approvals), all of which must be acceptable to the Parties in their sole discretion. If the Definitive Agreements are not executed by March 31, 2025, then this MOU shall terminate and none of the Parties shall have any obligation to the others pursuant to this MOU.

6. **Approval by County and Fayette IDB.** Although the County Mayor is executing this MOU for the purpose of establishing the terms and agreements negotiated with Baptist, the effectiveness of this MOU is contingent upon the approval by the respective governing bodies of the County and Fayette IDB at open public meetings as to which adequate public notice has been given and agendas have been made available to the public as required by law.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding to be effective as of the later to occur of (1) the date of the last signature below or (2) the date of the last approvals required pursuant to Part B, Section 6 above.

FAYETTE COUNTY, TENNESSEE

By: [Signature]
 Name: Anna Taylor
 Title: County Mayor
 Date: 10/14/24

**THE FAYETTE COUNTY INDUSTRIAL DEVELOPMENT
BOARD OF FAYETTE COUNTY, TENNESSEE**

By: [Signature]
 Name: Jason David Boyles
 Title: Chairman
 Date: 10-14-24

BAPTIST MEMORIAL HEALTH CARE CORPORATION

By: [Signature]
 Name: _____
 Title: _____
 Date: _____

[Signature Page to Memorandum of Understanding]

STATE OF TENNESSEE

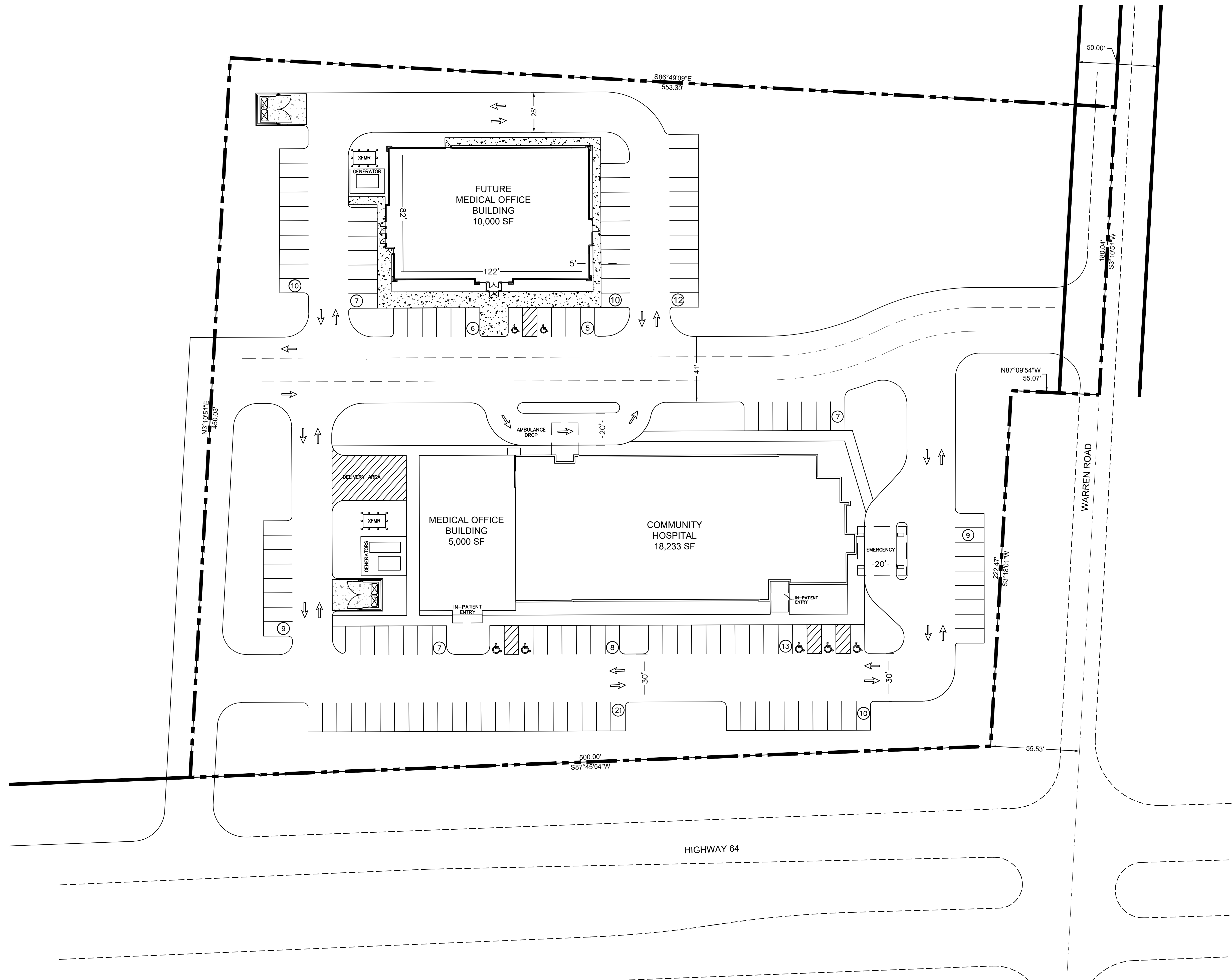
COUNTY OF FAYETTE

I, Hugh Davis, Jr., hereby certify that I am the duly elected and qualified Secretary of The Fayette County Industrial Development Board of Fayette County, Tennessee, and as such official I further certify that attached hereto is a true and correct copy of the Resolution entitled **"RESOLUTION AUTHORIZING THE CHAIRMAN TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH BAPTIST MEMORIAL HEALTH CARE CORPORATION AND FAYETTE COUNTY, TENNESSEE, TO COORDINATE THE DEVELOPMENT AND CONSTRUCTION OF A NEW HOSPITAL FOR FAYETTE COUNTY AND TO ACCEPT THE APPLICATION FOR BOND FINANCING FROM FAYETTE COUNTY, TENNESSEE"** adopted at the meeting of the Board of Directors of The Fayette County Industrial Development Board of Fayette County, Tennessee held on October 14, 2024.

WITNESS my signature and official seal this the 14 day of October 2024.

A handwritten signature in blue ink, reading "Hugh Davis Jr", is written over a horizontal line.

Hugh Davis, Jr., Secretary
The Fayette County Industrial Development Board
of Fayette County, Tennessee



February 4, 2025

VIA CERTIFIED MAIL

Reah Taylor
Fayette County Mayor
P.O. Box 218
13095 N. Main St.
Somerville, TN 38068

RE: Baptist Memorial Hospital d/b/a Baptist Memorial Hospital Fayette County
Certificate of Need No. CN2501-002

Dear Mr. Taylor:

This letter is submitted on behalf of Baptist Memorial Hospital. Tenn. Code Ann. §68-11-1607(c)(9)(B) requires that, “[i]f an [Certificate of Need] 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.”

Although Fayette County will not be the technical lessor of the Baptist Memorial Hospital Fayette County project, I am writing to notify you pursuant to Tenn. Code Ann. §68-11-1607(c)(9)(B) that Baptist Memorial has filed the above-referenced certificate of need application to establish a new eight (8) bed acute care hospital in Fayette County located at the northwest corner of U.S. 64 and Warren Road. A copy of the certificate of need application will be available once it enters the Health Facilities Commission’s review cycle.

Please do not hesitate to let me know if you have any questions.

Sincerely,

BUTLER SNOW LLP



Travis B. Swearingen

*The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201*

TRAVIS B. SWEARINGEN
615.651.6714
Travis.Swearingen@butlersnow.com

T 615.651.6700
F 615.651.6701
www.butlersnow.com

BUTLER SNOW LLP

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Reah Taylor
Fayette County Mayor
P.O. Box 218/13095 N. Main St
Somerville, TN 38068



9590 9402 8915 4064 4204 50

2. Article Number (Transfer from service label)**COMPLETE THIS SECTION ON DELIVERY****A. Signature****X**☐ Agent☐ Addressee**B. Received by (Printed Name)****C. Date of Delivery****D. Is delivery address different from item 1? ☐ Yes**If YES, enter delivery address below: ☐ No**3. Service Type**

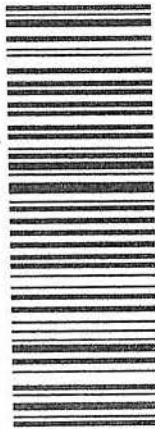
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|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☒ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Collect on Delivery Restricted Delivery | |
| ☐ Insured Mail | |
| ☐ Insured Mail Restricted Delivery (over \$500) | |

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

7022 0410 0002 8557 3101

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL®

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For delivery information, visit our website at www.usps.com®.**OFFICIAL USE****Certified Mail Fee**

\$4.85

Extra Services & Fees (check box, add fee as appropriate)☒ Return Receipt (hardcopy) \$4.10☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$**Postage**

\$0.69

\$

Total Postage and Fees

\$9.64

\$

Sent To

Reah Taylor Fayette County Mayor

Street and Apt. No., or PO Box No.

P.O. Box 218/13095 N. Main St

City, State, ZIP+4®

Somerville, TN 38068

Postmark
Here

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Attachment 4E

Equipment over \$50,000

EQUIPMENT	COST
Zoll Defibulator	54,055.55
Hospital Beds-8	60,000.00
GE OEC Elite Miniview Carm	78,829.00
Samsung GM85	80,486.80
Carescape monitor	86,840.84
SterisLight	108,920.49
Omnicell-2	166,780.34
PACS Equipment	176,095.04
Stryker Stretcher	189,101.04
GE Definmun 656	250,619.50
ED Monitors	320,105.55
GE Logiq E10	373,760.20
GE Revolution CT	1,208,053.60

TENNESSEE COUNTY MAP



Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population- Current Year 2024	Total Population- Projected Year 2028	Total Population-% Change	*Target Population- Current Year 2024	Target Population- Project Year 2028	Target Population- % Change	Target Population Projected Year 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
Fayette County	43,558	45,222	3.8%	43,558	45,222	3.8%	100%	47.2	\$84,764	4,564	10.8%	6,411	14.7%
Service Area Total	43,558	45,222	3.8%	43,558	45,222	3.8%	100%	47.2	\$84,764	4,564	1.08%	6,411	14.7%
State of TN Total	7,125,908	7,331,859	2.9%	7,125,908	7,331,859	2.9%	.6%	39.1	\$67,097	997,627	14%	1,421,926	19.9%

Item 6N - Applicant Projected Utilization (Year 1 and Year 2)

Facility	County	2028 Licensed Beds	Bed Days Available	Patient Days (Year 1 and Year 2 of the Project)		Licensed Occupancy (Year 1 and Year 2 of the Project)		% Change in Patient Days 2028-2029
				2028	2029	2028	2029	
Baptist Memorial Fayette	Fayette	8	2920	730	730	25%	25%	0%

Facility	County	2028 Staffed Beds	Bed Days Available	Patient Days (Year 1 and Year 2 of the Project)		Staffed Occupancy (Year 1 and Year 2 of the Project)		% Change in Patient Days 2028-2029
				2028	2029	2028	2029	
Baptist Memorial Fayette	Fayette	8	2920	730	730	25%	25%	0%



18,233 Square Foot
8 ED Rooms
8 IP Rooms
Imaging - CT, X-Ray & Ultrasound

Attachment – Bed Complement Data

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

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

Project Name : Baptist Memorial Hospital d/b/a Baptist Memorial Hospital Fayette County

Supplemental Round Name : 1

Due Date : 2/11/2025

Certificate No. : CN2501-002

Submitted Date : 2/4/2025

1. 7A. Type of Ownership of Control

Is the assumed name of the applicant - Baptist Memorial Hospital Fayette County registered with the TN Secretary of State at this time? If not, does the applicant intend to do so?

Response : Yes. Baptist Memorial Hospital – Fayette County was registered with the Tennessee Secretary of State’s office on January 1, 2025 as an assumed name of Baptist Memorial Hospital. A copy of the filing information for the new assumed name is attached as 7AR.

2. 9A. Legal Interest in the Site

It appears that the project site Parcel ID 088 028.00 is currently owned by Chickasaw Electric Cooperative which is an entity not referenced in the attached Memorandum of Understanding. Please provide documentation confirming the ability of the applicant to establish site control that includes the current owner of the property.

Response : A copy of the draft Agreement of Purchase and Sale between Fayette County and the Chickasaw Electric Cooperative is attached as 9AR.

3. 10A. Floor Plan

Does the applicant plan to include any shelled space for expansion beyond 8 beds at the facility in the future?

Response : No. The only potential planned expansion would be for additional medical office space as displayed on the submitted plot plan.

4. 13A. Notification Requirements

Please confirm that the applicant intends to provide signed USPS green-certified mail receipt cards for each official notified per TCA §68-11-1607(c)(9)(B) and whether it will meet the required timeframe of 10 days for notification.

Response : Because the lessor for the project is the Fayette County Industrial Board, and not Fayette County, the applicant does not believe the requirements of TCA §68-11-1607(c)(9)(B) are applicable to this project. Nevertheless, out of an abundance of caution, the applicant has submitted notice to the Fayette County mayor to comply with the notice requirements of TCA §68-11-1607(c)(9)(B). A copy of the letter and certified-mail green receipt card are attached hereto as attachment 13AR.

5. 2E. Rationale for Approval

What is the ownership and current use status of the former hospital facility?

Are there any urgent care clinics or affiliated primary or specialty care physicians' offices in Fayette County currently? Are any specifically planned at this point that the applicant can discuss?

Who operates the EMS service for Fayette County?

Where are those transports going to on a percentage basis?

What percentage of those transports does the applicant expect can be reduced due to the presence of the proposed facility?

Response What is the ownership and current use status of the former hospital facility?
:

The former Methodist Fayette hospital is owned by the Town of Somerville. It is primarily utilized as a campus of the University of Tennessee-Martin - <https://www.utm.edu/academics/somerville-center/>.

Are there any urgent care clinics or affiliated primary or specialty care physicians' offices in Fayette County currently? Are any specifically planned at this point that the applicant can discuss?

Yes. There are eight family and/or preventative medicine clinics in Fayette County. There is one urgent care provider and three specialty care offices. Below is a table of all medical establishments currently operating in Fayette County, according to an open-source web search.

Clinic	Treatment	Location	Distance to Proposed Baptist Memorial

			Fayette Location
Family First Primary Care	Holistic, non-emergency, family care	12995 US-64, Somerville, Tennessee 38068	1.7 miles
Fast Pace Health Urgent Care – Oakland, TN	Urgent, non-emergency/non-life-threatening injuries and illnesses	7400 US-64, Oakland, Tennessee 38060	4.0 miles
Saint Francis Medical Partners – Oakland	Primary care/Preventative medicine	7243 US-64, Oakland, Tennessee 38060	4.3 miles
McKnight Clinic	Primary care/Preventative medicine	25 Woodbridge Road A, Somerville, Tennessee 38068	4.6 miles
The Thrasher Clinic, LLC	Primary care/Family medicine	6685 US-64, Suite 4, Oakland, Tennessee 38060	4.7 miles
Elite Pediatric and Adolescent Medicine	Pediatric and adolescent primary care	201 Lakeview Road, Suite A, Somerville, Tennessee 38068	4.8 miles
Excelsior Podiatry Clinic	Podiatry	305 Lake Drive,	4.9 miles

	95	Somerville, Tennessee 38068	
Seaton Family Practice	Primary care/Preventative medicine	16530 US-64, Somerville, Tennessee 38068	5.2 miles
Rhea Clinic P.C.	Primary care/Preventative medicine	17310 US-64, Somerville, Tennessee 38068	5.9 miles
Dynamix Physical Therapy-Somerville	Physical Therapy	17760 US-64, Suite A, Somerville, TN 38068	6.5 miles
Moscow Family Medical, LLC	Primary care/Preventative medicine	13775 Highway 57, Suite 4, Moscow, Tennessee 38057	15.9 miles
Rossville Health Center, Inc.	Primary care/Preventative medicine	4940 Highway 57, Rossville, Tennessee 38066	17.7 miles

Who operates the EMS service for Fayette County?

Fayette County operates the local EMS service for the county which includes four EMS stations in Somerville, Oakland, Rossville, and Collierville.

Where are those transports going to on a percentage basis?

The applicant does not have access to Fayette County EMS transport data. As set forth in attachment 1N, according to the 2023 Joint Annual Report Summary, 3,436 Fayette County residents were admitted for hospital care in 2023 with 3,377 (98%) of those admissions occurring in hospitals in counties adjacent to Fayette County. Of those 3,377 admissions, approximately 44.4% visited Baptist-affiliated hospitals, 24.4% were admitted to Methodist facilities, and 23.4% were admitted to Saint Francis facilities.

On a per hospital basis, the leading providers of care to Fayette County were:

Hospital	Admissions	Percent of Total
Baptist Memorial	752	21.9%
Methodist Germantown	637	18.5%
Saint Francis Bartlett	589	17.1%
Baptist Collierville	484	14.1%
Baptist Women's Hospital	253	7.4%
Saint Francis	200	5.8%

What percentage of those transports does the applicant expect can be reduced due to the presence of the proposed facility?

While Baptist Memorial does not have access to detailed data on EMS transports, from its own internal data, Baptist knows that approximately 15% of Fayette County patients that presented to a Baptist Memorial-affiliated ED last year arrived by Fayette County EMS. The applicant projects that it will treat 5,110 patients through its emergency department during the first year of operation. Assuming the same 15% EMS-to-private vehicle ratio, the applicant projects approximately 767 EMS drop-offs at Baptist Memorial Fayette.

At 767 EMS drop-offs in Year 1, the facility will improve access to care for Fayette County residents, reducing the need for residents to travel into Shelby County for emergency services, It will also cause a material reduction in EMS time out of the area and improve EMS efficiency by reducing the number of trips EMS must make into Shelby County to deliver patients for care.

6. 4E. Project Cost Chart

If this is all being achieved through a lease agreement with the county, then project costs should be listed in Section B of the project cost chart unless they are being directly incurred by the applicant.

Response : The project cost chart has been amended.

7. 3N. Demographics

It appears that the following items in Attachment 3N require revision:

- Fayette County - Persons Below Poverty Level as a % of Total, TennCare Enrollees, TennCare Enrollees as % of Total (Please use December 2025 TennCare enrollment data for this table).
- Service Area Total - Persons Below Poverty Level as a % of Total, TennCare Enrollees, TennCare Enrollees as % of Total (Please use December 2025 TennCare enrollment data for this table).
- State of TN Total - Median Household Income, Persons Below Poverty Level as a % of Total, TennCare Enrollees, TennCare Enrollees as % of Total (Please use December 2025 TennCare enrollment data for this table).

Please revise and resubmit Attachment 3N (labeled as Attachment 3NR).

Response : Attachment 3N has been amended to include December 2024 TennCare enrollment data and resubmitted as Attachment 3NR. For the household income and poverty level information, 3NR accurately reflects the data reported by the United States Census Bureau.

8. 4N. Special Needs of Service Area

Will the emergency department have any behavioral health capacity, such as dedicated room or staffing?

Are there any additional service lines that are planned for the facility that the applicant can identify beyond general inpatient care based upon the applicant's historical analysis of DRGs of patients admitted to Baptist Hospitals?

Response : Will the emergency department have any behavioral health capacity, such as dedicated room or staffing?

The Baptist Memorial Fayette emergency department will have one ED room equipped to treat behavioral health patients. The room will be minimized for ligature risk and it will be in close proximity/view of the nurse station. Patients displaying behavioral health symptoms will be assessed on arrival to evaluate the urgency of their condition and will receive a medical screening to determine whether any underlying medical condition may be causing or exacerbating the patient's mental health symptoms. ED clinicians will evaluate the patient's risk of harm to themselves or others, will initiate appropriate interventions to manage the patient's condition and if risk of harm is present, the patient will be placed in 1:1 direct observation. Local mental health providers will be contacted and the patient will either discharged into an appropriate outpatient program or transferred for inpatient admission.

Are there any additional service lines that are planned for the facility that the applicant can identify beyond general inpatient care based upon the applicant's historical analysis of DRGs of patients admitted to Baptist Hospitals?

The current focus for the facility will be emergency, observation and inpatient care. The inpatient unit will have access to telehealth specialty consults in Cardiology, Neurology, and Infectious Disease.

9. 2C. Insurance Plans

Are there any large commercial plans covering the service area that are not accepted by the applicant?

Response : Memphis is a unique insurance market in that the insurance networks are “narrow” – insurance providers in Memphis generally do not have network contracts with all area hospital systems. Patients who are covered by BlueCross insurance, for instance, will be out-of-network if they use Methodist inpatient facilities. Patients covered by Cigna or United insurance will be out-of-network if they use Baptist inpatient facilities. Patients in Memphis are generally aware of their narrow network and will choose to access the closest facility that is in their insurance network.

Consistent with its EMTALA obligations, Baptist Memorial Fayette will treat all patients who present to its emergency department regardless of their ability to pay. However, as described in the application, the utilization projections for the proposed facility were generated by analyzing Fayette County residents currently utilizing Baptist (and thus those whose insurance is in network with Baptist). Considering the influence of narrow insurance networks on patient choice, patients who have historically utilized Methodist and Saint Francis will likely continue to use Methodist and Saint Francis facilities.

10. 4C. Accessibility to Human Resources

Any proposed use of telehealth for consultation services at the facility?

Please describe the recruiting relationships with regional medical and nursing programs that will support staffing of this project.

Response : Any proposed use of telehealth for consultation services at the facility?

Telehealth consultative services will be available to connect patients with physician providers at Baptist Memorial who will be able to assess, diagnose, and monitor patients who present to Baptist Memorial Fayette. The inpatient unit will also have access to telehealth specialty consults in Cardiology, Neurology, and Infectious Disease.

Please describe the recruiting relationships with regional medical and nursing programs that will support staffing of this project.

As set forth in response to Acute Care Criterion No. 8, Baptist Memorial operates Baptist Health Sciences University, which includes a nursing program that graduates hundreds of nursing students every year. In addition, Memphis is home to the Loewenberg College of Nursing at the University of Memphis, the University of Tennessee Health Sciences, Christian Brothers University nursing school, the Nursing Institute of the Mid South, and Southwest Tennessee Community College. Baptist Memorial has recruiting relationships with each of these nursing programs which will be utilized, as necessary, to recruit the staffing requirements for the Baptist Memorial Fayette hospital.

11. 5C. License/Certification

Does the applicant intend to pursue designation as a Critical Access Hospital?

Does the applicant intend to provide obstetrical or surgical services at the proposed facility?

Response : Does the applicant intend to pursue designation as a Critical Access Hospital?

No, Baptist Memorial Fayette does not plan on seeking a designation as a Critical Access Hospital.

Does the applicant intend to provide obstetrical or surgical services at the proposed facility?

No, Baptist Memorial Fayette does not plan on providing obstetrical or surgical services.

12. 6C. Historical/Projected Data Chart

Please provide additional detail related to basis for the projection of 6,683 adjusted patient days in response to Item 6C. and 223 projected Year 1 patients in response to Item 2N. This results in an average length of stay of approximately 30 days. Is this correct, or are there other days included for patient under observation status?

Please explain the projected breakdown of inpatient vs. outpatient revenue in the Projected Data Chart. Also, please confirm whether emergency services are included in the outpatient services category.

Response : Please provide additional detail related to basis for the projection of 6,683 adjusted patient days in response to Item 6C. and 223 projected Year 1 patients in response to Item 2N. This results in an average length of stay of approximately 30 days. Is this correct, or are there other days included for patient under observation status?

Adjusted patient days is used to standardize patient volume for both inpatient and outpatient utilization and is calculated by multiplying inpatient days * (gross patient revenue / gross inpatient revenue). Given the high ratio of outpatient and emergency services expected at the proposed facility, the use of adjusted patient days more meaningfully assesses the project's financial charge structure.

For inpatient admissions, Baptist Memorial Fayette projects an average length of stay of 3.274 days for total inpatient patient days of 730 on the projected 223 inpatient admissions.

Please explain the projected breakdown of inpatient vs. outpatient revenue in the Projected Data Chart. Also, please confirm whether emergency services are included in the outpatient services category.

Yes, emergency services are included with outpatient revenue. Outpatient revenue also includes observation patients, which the applicant projecting an ADC of approximately 3 observation patients per day in Year 1. Given the dearth of available medical resources in the community, the applicant also expects that physicians will utilize the hospital's laboratory testing, radiology, and imaging services on an outpatient basis.

13. 8Q. Staffing

How will emergency physician service be handled at the facility?

Response : An ED physician will be onsite 24/7/365. The core clinical ED support staffing will also be available 24/7/365, including 1 ER-trained registered nurse, 1 paramedic, and 1 multi-modality radiology tech (for both X-Ray and CT). Beyond this baseline model, staffing will be scaled up as necessary to properly manage the facility's ED volumes.

14. 1N. Criteria and Standards

Attachment 1N, Acute Care Criterion #2, Quality Considerations

Please explain where the 19,154 patient days figure is sourced from by detailing the facilities included in the total.

Response : Please see attachment 1NR. Patient days were pulled from pg. 32 of each individual facility's 2023 JAR which provides admissions and patient days by county.

15. 1N. Criteria and Standards

Attachment 1N, Acute Care Criterion #13, Community Linkage Plan

What partnerships with community health providers and services does the applicant currently have in place or plan to establish in Fayette County?

Response : Baptist Memorial Health Care has a robust community outreach program with established partnerships across more than 110 counties in TN, AR, and MS. In fiscal year 2023, Baptist contributed more than \$465 million in community benefit and uncompensated care to the communities it serves.

As to Fayette County, Baptist Memorial has worked with and funded the Fayette County Search and Rescue, Fayette-Ware High School, United Way of the MidSouth, Fayette County Boy Scouts, Southwest TN Community College and Porter-Leath, which operates early childhood education programs in Fayette County. Baptist Memorial also included Fayette County in its Baptist Community Health Needs Assessment for 2013, 2016, 2019 and 2022.

Baptist will continue to work with the Fayette community as part of its CHNA process to develop a strategic plan for how best to respond to the community's

needs. This focus will likely include wellness programs, free health screenings, chronic disease prevention and management including cancer, obesity and diabetes, behavioral health and maternal child health.

16. 1E. Overview

Are there plans for a helipad?

Will the pharmacy be open 24 hrs. per week?

Will the proposed hospital have the capability for vertical expansion.

What is the strength of the CT?

The initial HFC Decision in the Forecast Chart is 2/26/25. Please adjust to reflect a meeting date of March 28th.

Response : Are there plans for a helipad?

Baptist Memorial Fayette is still evaluating the construction of a helipad. On the northeast side of the property there is space for a 40'x40' concrete pad with lights and stripes that will allow for the minimum 75' clearance needed from parking, buildings and poles.

Will the pharmacy be open 24 hrs. per week?

Yes, the inpatient pharmacy will be operational 24/7. For hours in which the pharmacist is not physically on site, a pharmacist will be on call and access to medications will be done via automated dispensing machines such as Omnicell.

Will the proposed hospital have the capability for vertical expansion.

No, the hospital is not being designed to allow for vertical expansion.

What is the strength of the CT?

The CT is a 128-slice GE Revolution.

The initial HFC Decision in the Forecast Chart is 2/26/25. Please adjust to reflect a meeting date of March 28th.

The Forecast Chart has been amended.