

# **LETTER OF INTENT**



**State of Tennessee  
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9<sup>th</sup> Floor, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

[hsda.staff@tn.gov](mailto:hsda.staff@tn.gov)

**LETTER OF INTENT**

The Publication of Intent is to be published in The Nashville Tennessean which is a newspaper of general circulation in Sumner County, Tennessee, on or before 05/15/2026 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 Ascension Saint Thomas Sumner Rehabilitation Hospital, a/an Rehabilitation Facility owned by Sumner Healthcare Operation, LLC with an ownership type of Limited Liability Company and to be managed by CHC Management Services, LLC intends to file an application for a Certificate of Need for Ascension Saint Thomas Sumner Rehabilitation Hospital, owned by Sumner Healthcare Operation, LLC, (a limited liability company that is a joint venture of Saint Thomas Health, a Tennessee non-profit corporation and LPNT IRF Development 89, LLC) to establish a 40-bed inpatient rehabilitation facility (IRF).. The address of the project will be Unaddressed site: NW quadrant of Big Station Camp Blvd and Vietnam Veterans Blvd intersection, near Highpoint Health-Sumner Station, Gallatin, Sumner County, Tennessee, 37066. The estimated project cost will be \$89,496,217.

The anticipated date of filing the application is 05/29/2026

The contact person for this project is Vice President Business and Market Planning Andrea Cameron who may be reached at Lifepoint Health - 330 Seven Springs Way, Brentwood, TN 37027 – Contact No. 503-449-1950.

Andrea Cameron

05/15/2026

[andrea.cameron@lifepointhealth.net](mailto:andrea.cameron@lifepointhealth.net)

**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](mailto:hsda.staff@tn.gov) .



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## **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.**

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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 Ascension Saint Thomas Sumner Rehabilitation Hospital, a/an Rehabilitation Facility owned by Sumner Healthcare Operation, LLC with an ownership type of Limited Liability Company and to be managed by CHC Management Services, LLC intends to file an application for a Certificate of Need for Ascension Saint Thomas Sumner Rehabilitation Hospital, owned by Sumner Healthcare Operation, LLC, (a limited liability company that is a joint venture of Saint Thomas Health, a Tennessee non-profit corporation and LPNT IRF Development 89, LLC) to establish a 40-bed inpatient rehabilitation facility (IRF).. The address of the project will be Unaddressed site: NW quadrant of Big Station Camp Blvd and Vietnam Veterans Blvd intersection, near Highpoint Health-Sumner Station, Gallatin, Sumner County, Tennessee, 37066. The estimated project cost will be \$89,496,217.

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# **CRITERIA AND** **STANDARDS**



STATE OF TENNESSEE

## STATE HEALTH PLAN

CERTIFICATE OF NEED STANDARDS AND CRITERIA

*FOR*

### Comprehensive Inpatient Rehabilitation Services

The Health Services Development Agency (HSDA) may consider the following standards and criteria for applicants seeking to establish Inpatient Rehabilitation Services. Rationale statements are provided for standards to explain the Division of Health Planning's underlying reasoning. Additionally, these rationale statements may assist stakeholders in responding to these Standards and may assist the HSDA in its assessment of certificate of need (CON) applications. Existing Inpatient Rehabilitation programs are not affected by these Standards and Criteria unless they take action that requires a new CON for such services.

These Standards and Criteria are effective immediately upon approval and adoption by the Governor. However, applications to provide Inpatient Rehabilitation Services that are deemed complete by the HSDA prior to the approval and adoption of these Standards and Criteria shall be considered under the Guidelines for Growth, 2000 Edition.

The Certificate of Need Standards and Criteria serve to uphold the Five Principles for Achieving Better Health set forth by the State Health Plan. Utilizing the Five Principles for Achieving Better Health during the development of the CON Standards and Criteria ensures the protection and promotion of the health of the people of Tennessee. The State Health Plan's Five Principles for Achieving Better Health are as follows:

1. **Healthy Lives:** The purpose of the State Health Plan is to improve the health of Tennesseans.
2. **Access:** Every citizen should have reasonable access to health care.
3. **Economic Efficiencies:** The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system.
4. **Quality of Care:** Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.
5. **Workforce:** The state should support the development, recruitment and retention of a sufficient and quality health care workforce.

## **Standards and Criteria**

1. **Determination of Need:** The need for comprehensive inpatient rehabilitation beds shall be determined by applying the guideline of one bed per 1,000 applied to the age 65+ population in the service area of the proposal.

The need shall be based upon the current year's population and projected four years forward. Population statistics from the Department of Health should be used for the calculation.

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

### **Response:**

There is a demonstrated numeric need for the proposed project. The age 65+ population within the three-county service area of Sumner, Macon, and Trousdale Counties is estimated at 46,212 in 2026 and is projected to grow by approximately 10.7% over the next four years, reaching 51,149 by 2030. Applying the State Health Plan guideline of one comprehensive inpatient rehabilitation bed per 1,000 population age 65 and older results in a projected need for approximately 51 inpatient rehabilitation beds within the service area by 2030. Currently, the market includes 17 licensed inpatient rehabilitation beds operated as an acute

rehabilitation unit (“ARU”) at Sumner Regional Medical Center, which is owned by an entity that shares common ownership with the applicant, Sumner Healthcare Operations, LLC. The ARU will be closed upon the opening of the proposed facility. Accordingly, the projected net need at the time of project implementation will be 51 inpatient rehabilitation beds, supporting the establishment of the proposed 40-bed freestanding inpatient rehabilitation hospital. Looking further ahead, the age 65+ population within the service area is projected to increase by nearly 23% by 2036, further demonstrating the long-term need for expanded access to comprehensive inpatient rehabilitation services within the region. For reference, please see the table below:

	A	B	C	D	E	F	G	H	I
1	County	State	2026 Population	2030 Population	2026 65+ Pop	2030 65+ Pop	2036 65+ Pop	% Change Target Pop 2026 to 2030	% Change Target Pop 2026 to 2036
2	Sumner	TN	219,021	232,956	39,783	44,202	49,207	11.1%	23.7%
3	Macon	TN	27,738	29,126	4,688	5,051	5,420	7.7%	15.6%
4	Trousdale	TN	12,620	13,025	1,741	1,896	2,065	8.9%	18.6%
5	<b>Total TN</b>	TN	259,379	275,107	46,212	51,149	56,692	10.7%	22.7%

2. **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.

**Response:**

The proposed service area includes Sumner, Macon, and Trousdale Counties in Tennessee. These three counties were selected based on their proximity to the proposed site, with drive times generally ranging from approximately 5 to 55 minutes for the substantial majority of the service area population, as well as their established utilization patterns and shared reliance on Gallatin and Sumner County as a regional healthcare hub. The proposed service area represents a cohesive and contiguous geographic region that balances population density with reasonable access to inpatient rehabilitation services.

The age 65+ population within the three-county service area is projected to grow from 46,212 in 2026 to 51,149 by 2030, representing an increase of approximately 10.7% over the next four years. Looking further ahead, the age 65+ population is projected to increase by nearly 23% by 2036, demonstrating sustained long-term demand for inpatient rehabilitation services throughout the region. This projected growth is particularly significant given the rural nature of portions of Macon and Trousdale Counties, where residents often have limited local access to specialized inpatient rehabilitation services and may otherwise be required to travel outside the service area for care.

Together, Sumner, Macon, and Trousdale Counties represent a reasonable and well-defined service area with a clear and growing need for accessible inpatient rehabilitation services that are responsive to the healthcare needs of the region’s rapidly aging population.

3. **Minimum Bed Requirements:** Inpatient rehabilitation units should have a minimum size of 20 beds.

Freestanding rehabilitation hospitals should have a minimum size of 50 beds.

**Response:**

The proposed 40-bed freestanding inpatient rehabilitation hospital reflects a modern, right-sized approach based on current projections and real-world conditions in the market. This bed count has been carefully chosen to balance anticipated demand with operational efficiency and sustainability. A 40-bed configuration aligns with Lifepoint's national best practices for freestanding IRFs, enabling flexible staffing, effective delivery of specialized programs such as the planned acquired brain injury unit, and the ability to accommodate variations in volume.

Notably, recent approvals by the Tennessee Health Services and Development Agency demonstrate a clear pattern of support for freestanding inpatient rehabilitation hospitals with bed complements at or near 40 beds. For example, Rebound, LLC d/b/a Encompass Health Rehabilitation Hospital of Chattanooga at Cleveland was approved as a 40-bed facility in May 2025 (CON #CN2503-007), and CSH/LP Behavioral Health and Rehabilitation TN, LLC was approved as a 40-bed facility in December 2024 (CON #CN2409-027). Earlier precedent includes St. Thomas Rehabilitation Hospital, LLC, which was approved as a 40-bed facility in August 2019 (CON #CN1905-019). Additionally, East Tennessee Physical Rehabilitation JV was approved in June 2025 with a 29-bed configuration (CON #CN2504-014), further reflecting the Agency's recognition that appropriately sized rehabilitation hospitals may vary based on market-specific demand.

These approvals reflect an evolution in the State's approach toward right-sized, purpose-built inpatient rehabilitation hospitals that are designed to meet community need without overbuilding capacity. The proposed 40-bed facility is consistent with these recent approvals and represents an appropriate and well-supported response to the demonstrated need within the service area.

4. **Relationship to Existing Similar Services in the Area:** The proposal shall discuss what similar services are available in the service area and the latest reported three-year trends in occupancy and utilization of those services. This discussion shall include the likely impact of the proposed increase in rehabilitation 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.

Additional inpatient rehabilitation beds, units, or freestanding hospitals should not be approved by the HSDA unless all existing units or facilities in the proposed service area are utilized at the following levels:

10-30 bed unit ~ 75%

31-50 bed unit/facility ~ 80%

51 bed plus unit/facility ~ 85%

**Response:**

The only existing inpatient rehabilitation provider within the proposed three-county service area is the 17-bed rehabilitation unit located at Sumner Regional Medical Center. Based on recent reported utilization data, the unit operated at occupancy levels below the applicable State Health Plan threshold when calculated using total licensed beds, with occupancy reported at 34.4% in 2022, 43.4% in 2023, and 43.2% in 2024. However, when evaluated based on staffed bed capacity, utilization was substantially higher. In 2023 and 2024, occupancy based on 10 staffed beds was approximately 74%, and more recent 2025 data reflects an average daily census of 7.8 patients on 10 staffed beds, representing approximately 78% occupancy. This level of utilization is consistent with, and slightly above, the applicable 75% benchmark for a 10–30 bed rehabilitation unit and more accurately reflects the unit’s functional operating capacity.

The applicant believes that the difference between licensed and staffed bed utilization, as well as overall occupancy levels, reflects a combination of structural and operational factors commonly experienced by smaller hospital-based acute rehabilitation units (“ARUs”). As a hospital-based unit, the existing program operates within the physical and operational constraints of an acute care hospital environment, which can limit opportunities for program expansion, specialization, and patient throughput when compared to a modern freestanding inpatient rehabilitation hospital. These constraints may include limitations in care model flexibility, therapy space, and program differentiation, as well as challenges in efficiently managing fluctuating patient acuity levels.

In addition, certain operational factors may further impact available capacity and utilization, including alignment of nursing resources with available bed capacity, physician practice model and admission processes that may affect admission throughput, and the inherent limitations of an older, space-constrained unit not originally designed to support modern rehabilitation care models at full scale. Payer contracting limitations previously affected patient access and referral patterns. Collectively, these factors can constrain throughput and census growth, even in the presence of underlying demand for inpatient rehabilitation services within the region.

Importantly, the proposed project is not expected to create unnecessary duplication of inpatient rehabilitation services within the service area. The ARU (with the existing 17 rehabilitation beds) at Sumner Regional Medical Center is expected to close upon opening of the proposed facility. As a reminder, the existing ARU beds are owned by an entity that shares common ownership with the applicant, Sumner Healthcare Operations, LLC. As a result, the proposed project will effectively transition the existing inpatient rehabilitation capacity into a purpose-built 40-bed freestanding inpatient rehabilitation hospital designed to better meet the growing needs of the service area’s aging population. Unlike the existing ARU, the proposed hospital will offer expanded rehabilitation capacity, state-of-the-art rehabilitation equipment, and the service area’s first specialized Acquired Brain Injury (ABI) unit, significantly enhancing the scope and sophistication of inpatient rehabilitation services available within Sumner, Macon, and Trousdale Counties.

Given the projected growth of the age 65+ population within the service area, the limited availability of inpatient rehabilitation services locally, and the planned closing of the existing ARU, the proposed project represents an appropriate modernization and expansion of inpatient rehabilitation services rather than an unnecessary duplication of existing resources.

<b>Table 1N-C: Utilization of Existing Inpatient Rehabilitation Beds in the Service Area (Sumner Regional Medical Center Rehabilitation Unit)</b>					
<b>Year</b>	<b>Admissions</b>	<b>Licensed/(Staffed) Beds</b>	<b>Patient Days Capacity</b>	<b>Patient Days</b>	<b>Occupancy</b>
2022	161	17	6,205	2,134	34.4%
2023	220	17 (10 staffed)	6,205 (3,650)	2,692	43.4% (73.8%)
2024	227	17 (10 staffed)	6,205 (3,650)	2,678	43.2% (73.4%)
2025*	261	17 (10 staffed)	6,205 (3,650)	2,895	46.6% (79%)

Source: JAR Data 2022-2024

\*Internal operational report

5. **Quality Considerations:** Applicants should use the Centers for Medicare & Medicaid Services (CMS) required measures for inpatient rehabilitation facilities. As of fall 2019, these measures are as follows:
  - a. Pressure ulcers,
  - b. Catheter associated urinary tract infection (CAUTI),
  - c. Healthcare worker influenza vaccinations,
  - d. 30-day post-discharge readmissions,

- e. Clostridium difficile (C. diff),
- f. Falls with injury, and
- g. Functional outcome measures – mobility, self-care.

Applicants should use the following table to demonstrate the quality of care provided at the existing unit or units.

<b>Measure</b>	<b>National Average</b>	<b>Unit</b>
Pressure ulcers		
Catheter associated urinary tract infection (CAUTI),		
Healthcare worker influenza vaccinations		
30-day post-discharge readmissions		
Clostridium difficile (C. diff)		
Falls with injury		
Functional outcome measures – mobility, self-care		

Data Source: Inpatient Rehabilitation Facility Compare

<https://www.medicare.gov/inpatientrehabilitationfacilitycompare/>

Because these measures change over time, applicants should use the measures that are in place at the time of the application. Applicants should provide data from the most recent four quarters from existing facilities operated by the applicant.

For applicants with no existing facility or service line, quality data from the most recent four quarters would be unavailable and not required for the application.

**Response:**

Although the applicant is a new facility, LifePoint has previously joint ventured with Ascension Saint Thomas and Baptist Memorial for rehabilitation facilities. See below for the relevant tables related to LifePoint’s existing facilities with Saint Thomas and Baptist Memorial. The applicant intends to utilize a similar management structure.

**Lifepoint/Saint Thomas Rehabilitation Hospital, Nashville**

<b>Measure</b>	<b>National Average</b>	<b>Unit</b>
Pressure ulcers	0.90%	0.36%
Catheter associated urinary tract infection (CAUTI),	1.041	N/A
Healthcare worker influenza vaccinations	77.1%	80.5%
30-day post-discharge readmissions	9.21%	8.31%
Clostridium difficile (C. diff)	0.317	0.00
Falls with injury	0.15%	0.0%
Functional outcome measures – mobility, self-care	65.67%	87.14%

**Lifepoint/Baptist Memorial Rehabilitation Hospital, Memphis**

<b>Measure</b>	<b>National Average</b>	<b>This Unit</b>
Pressure ulcers	0.90%	1.00%
Catheter associated urinary tract infection (CAUTI),	1.041	0.940
Healthcare worker influenza vaccinations	77.1%	93.5%
30-day post-discharge readmissions	9.21%	9.73%
Clostridium difficile (C. diff)	0.317	0.663
Falls with injury	0.15%	0.23%
Functional outcome measures – mobility, self-care	65.67%	79.32%

**Knoxville Rehabilitation Hospital**

<b>Measure</b>	<b>National Average</b>	<b>Unit</b>
Pressure ulcers	0.90%	0.59%
Catheter associated urinary tract infection (CAUTI),	1.041	1.901
Healthcare worker influenza vaccinations	77.1%	85.8%
30-day post-discharge readmissions	9.21%	9.94%
Clostridium difficile (C. diff)	0.317	0.00
Falls with injury	0.15%	0.08%
Functional outcome measures – mobility, self-care	65.67%	86.17%

6. **Licensure and Quality Considerations:** Any existing applicant for this CON service category shall be in compliance with the appropriate rules of TDH. Additionally, the applicant shall demonstrate certification by CMS for existing facilities.

**Response:**

As a new facility, the applicant is not yet certified by CMS. However, the applicant is committed to complying with the appropriate rules of TDH and seeking certification by CMS. The applicant will also seek accreditation with the Center for Improvement in Healthcare Quality (CIHQ).

In addition, Lifepoint Health, is the joint venture and management partner for the existing IRFs of three tertiary Tennessee health systems: Baptist Memorial Healthcare based in Memphis; UT Medical Center and Tennova Healthcare in Knoxville, and Ascension Saint Thomas in Nashville. Each of which fully comply with the rules of the Tennessee Department of Health and are certified by CMS for Medicare and Medicaid/TennCare participation.

7. **Adequate Staffing:** The applicant must document the availability of adequate professional staff, as per licensing and Centers for Medicare & Medicaid Services (CMS) requirements, to deliver all designated services in the proposal.

**Response:**

In the first year of operations, the applicant will recruit a total of 85.8 full-time equivalents (FTEs) for Ascension Saint Thomas Sumner Rehabilitation Hospital, including 51.2 clinical FTEs dedicated to direct patient care. Staffing projections, based on an initial average daily census of 20.6, are outlined in the body of the application. The staffing numbers represent the first year of operation and as the facility matures and volume increases, the clinical staffing will increase. Clinical roles will include Registered Nurses, Licensed Practical Nurses, Nursing Assistants, Physical Therapists and Physical Therapist Assistants, Occupational Therapists and Occupational Therapist Assistants, Therapy Technicians and Aides, Speech-Language Pathologists, and Respiratory Therapists.

Recruitment will be supported by the hospital's proximity to a number of nursing and allied health programs in the Northern and Middle Tennessee area, where Saint Thomas Health maintains strong academic partnerships through its tertiary hospitals. Lifepoint brings a proven track record in successfully staffing inpatient rehabilitation facilities through its joint ventures in Memphis, Nashville, and Knoxville, all of which meet or exceed CMS licensure and quality standards. Lifepoint's most recently approved IRF joint ventures in the Hamilton County, Rutherford County, and Montgomery, are also expected to achieve similarly strong recruitment results.

8. **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.

**Response:**

Ascension Saint Thomas Sumner Rehabilitation Hospital will serve elderly and low-income patients who are enrolled in Medicare and in TennCare and will also provide uninsured low-income and indigent patients with charity care estimated at 1% of gross revenues. Medicare and TennCare patients are projected to be almost 79% of the hospital's payer mix. The hospital will pursue contracts with at least the largest three MCO's in Middle Tennessee. Service to other MCOs' enrollees will be negotiated on a case-by-case basis so that patients will have multiple options for care.

9. **Access to Services in the Proposed Service Area:** 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. Factors influencing access to services in the proposed service area may include drive time to obtain care.

**Response:**

Ascension Saint Thomas Sumner Rehabilitation Hospital is committed to providing inpatient rehabilitation services to residents throughout the proposed three-county service area of Sumner, Macon, and Trousdale Counties. The proposed facility's location on the existing healthcare campus at 225 Big Station Camp Boulevard in Gallatin offers convenient regional access, with drive times generally ranging from approximately 5 to 55 minutes for the service area population. This centralized location within Middle Tennessee will improve access to inpatient rehabilitation services for both urban and rural communities, particularly residents of Macon and Trousdale Counties who currently have limited local access to specialized rehabilitation care.

Although the service area is currently served by a hospital-based rehabilitation unit, the proposed project will establish the service area's first freestanding inpatient rehabilitation hospital. The proposed facility will significantly expand the availability and sophistication of inpatient rehabilitation services through a purpose-built environment designed specifically for intensive rehabilitative care. In addition to increased bed capacity, the hospital will feature advanced rehabilitation technologies, interdisciplinary treatment programs, and specialized clinical services tailored to patients recovering from stroke, brain injury, spinal cord injury, orthopedic trauma, and other medically complex conditions.

Most notably, Ascension Saint Thomas Sumner Rehabilitation Hospital will include the service area's first dedicated Acquired Brain Injury unit, providing a level of specialized rehabilitation

service currently unavailable within the proposed service area. The ABI program will utilize an interdisciplinary treatment model integrating physical therapy, occupational therapy, speech-language pathology, rehabilitation nursing, case management, neuropsychology, and social services to support patients with complex neurological injuries throughout the rehabilitation continuum. The proposed project will therefore improve access not only through geographic proximity, but also through the introduction of specialized rehabilitation services that are currently unavailable to residents of Sumner, Macon, and Trousdale Counties.

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.

**Response:**

The applicant agrees 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.

**ORIGINAL**  
**APPLICATION**



**State of Tennessee  
Health Facilities Commission**

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## CERTIFICATE OF NEED APPLICATION

### 1A. Name of Facility, Agency, or Institution

Ascension Saint Thomas Sumner Rehabilitation Hospital

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#### Name

Unaddressed site: NW quadrant of Big Station Camp Blvd and Vietnam Veterans Blvd intersection, near Highpoint Health-Sumner Station

Sumner County

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#### Street or Route

County

Gallatin

Tennessee

37066

City

State

Zip

N/A

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#### 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

Andrea Cameron

Vice President, Business  
and Market Planning

Name

Title

Lifepoint Health

[andrea.cameron@lifepointhealth.net](mailto:andrea.cameron@lifepointhealth.net)

Company Name

Email Address

330 Seven Springs Way

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#### Street or Route

Brentwood

Tennessee

37027

City

State

Zip

Employee

503-449-1950

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: 05/15/26

RESPONSE: See Attachment 3A

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**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 -

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Hospital -

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

Sumner Healthcare Operation, LLC

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**Name**

330 Seven Springs Way

615-920-7000

**Street or Route**

**Phone Number**

Brentwood

Tennessee

37027

**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:** See Attachment 7A. The proposed Ascension Saint Thomas Sumner Rehabilitation Hospital will be owned by the applicant, Sumner Healthcare Operation, LLC. That limited liability company is a joint venture of Saint Thomas Health (a Tennessee non-profit corporation that owns 51% of the LLC) and LPNT IRF Development 89, LLC (Lifepoint Health’s wholly owned subsidiary, established solely to own 49% of the applicant LLC).

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

CHC Management Services, LLC

**Name**

330 Seven Springs Way

Davidson

**Street or Route**

**County**

Brentwood

Tennessee

37027

**City**

**State**

**Zip**

Lifepointhealth.net

**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:** See attachment 9A for applicable documents. Sumner Regional Medical Center, LLC owns the 24.58-acre site, as evidenced in the attached deed. Upon receiving the Certificate of Need (CON) approval for the Ascension Saint Thomas Sumner Rehabilitation Hospital, Sumner Regional Medical Center, LLC anticipates leasing approximately 8-10 acres of the land to a yet-to-be-identified third-party developer who will finance and construct the facility. The developer is expected to lease the land to the applicant for the hospital and building site. Sumner Healthcare Operation, LLC will be responsible for equipping, licensing, and operating the facility.

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## 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:** See Attachment 10A for Floor Plans of this 1-story rehabilitation hospital. The proposed Ascension Saint Thomas Sumner Rehabilitation Hospital will be constructed on an 8-10 acre site of undeveloped land, located in close proximity to Highpoint Health Sumner Station. The proposed rehabilitation hospital will be a leased and independently licensed one-story facility with ~51,000 gross square feet of space, all of which will be occupied by the applicant, with no other tenants. It will have 40 licensed rehabilitation beds, all of them in private rooms. The hospital will have 28 general rehabilitation beds and a 12-bed Acquired Brain Injury unit with its own dining room, physical therapy gym, and private therapy room. The floor will contain a physical therapy gym, a dining room to include dietary services, and therapy work rooms, among other spaces. There will be a covered outdoor therapy courtyard accessible from the therapy rooms and the staff lounge.

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## 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:** See Attachment 11A. The proposed project will be located on the vacant portion of the existing healthcare campus currently addressed as 225 Big Station Camp Boulevard, Gallatin, Sumner County, Tennessee 37066, at the intersection of Big Station Camp Boulevard and State Route 386 (Vietnam Veterans Boulevard). The facility will be constructed on the same parcel that houses Highpoint Health – Sumner Station and will benefit from existing healthcare

infrastructure, roadway access, and an established medical campus setting. The site is strategically located within the rapidly growing Station Camp corridor between Gallatin and Hendersonville. State Route 386 is a four-lane divided highway built to interstate standards that connects the area to Interstate 65 and State Route 109, providing efficient regional access throughout Middle Tennessee. Existing campus ingress and egress will support convenient access for patients, staff, visitors, ambulances, and non-emergency medical transportation services. Although no fixed-route public transit currently serves the campus, inpatient rehabilitation patients are typically transferred directly from acute care hospitals by arranged medical transport, making the proposed location well-suited to support timely access to care throughout the service area.

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### 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:** See attachment 12A

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### 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:**

The applicant is Ascension Saint Thomas Sumner Rehabilitation Hospital. The proposed project is a one-story, 40-bed freestanding inpatient rehabilitation facility (IRF) in Sumner County, TN, in proximity to both Sumner Regional Medical Center and Highpoint Health - Sumner Station. The facility will provide intensive, hospital-level rehabilitative care for patients recovering from illness, injury, or surgery. It addresses the current gap in service availability and meets projected demand growth driven by the region's aging population.

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- Ownership structure

**RESPONSE:** Sumner Healthcare Operation, LLC will own and operate the proposed facility. That limited liability company is a joint venture of Saint Thomas Health (a Tennessee non-profit corporation that owns 51% of the LLC) and LPNT IRF Development 89, LLC (Lifepoint Health's wholly owned subsidiary, established solely to own 49% of the applicant LLC). Following CON approval, the applicant will partner with a third-party developer to construct the facility on land near the intersection of Big Station Camp Blvd and Vietnam Veterans Blvd in Gallatin, TN. Sumner Healthcare Operation, LLC will enter into a long-term lease for the building and land, and will be responsible for equipping, licensing, and operating the facility.

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- Service Area

**RESPONSE:** The service area, which includes Sumner, Macon, and Trousdale counties in Tennessee, is located within a 5 to 55-minute drive of the proposed site.

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- Existing similar service providers

**RESPONSE:** Currently, the only provider of inpatient rehabilitation services within the proposed primary service area is the 17-bed rehabilitation unit operated at Sumner Regional Medical Center, which is owned by an entity that shares common ownership with the applicant, Sumner Healthcare Operation, LLC. No freestanding inpatient rehabilitation hospital currently operates within the proposed service area. Sumner Regional Medical Center intends to close its existing Acute Rehabilitation Unit, consisting of 17 inpatient rehabilitation beds, in connection with the development and opening of the proposed 40-bed Ascension Saint Thomas Sumner Rehabilitation Hospital. As a result, once the proposed freestanding inpatient rehabilitation hospital is operational and the existing rehabilitation unit is closed, there will be no other inpatient rehabilitation providers operating within the proposed primary service area.

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- Project Cost

**RESPONSE:** The total project cost is estimated at \$89,496,217, including over \$84,901,217 million in lease payments over 15 years. The remaining costs are for equipping and preparing the facility for operations. This investment reflects Lifepoint and Ascension's commitment to improving rehabilitative care access in the region.

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- Staffing

**RESPONSE:** The facility will employ 85.8 full-time equivalent (FTE) staff in year one, including 51.2 clinical FTEs (nurses, therapists, and assistants) and 34.6 non-clinical FTEs (management, dietary, housekeeping, pharmacy, and

case management). This staffing supports high-quality, patient-centered rehabilitative care. The staffing numbers represent the first year of operation and as the facility matures and volume increases, the clinical staffing will increase.

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## 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:** The demand for inpatient rehabilitative services is rising steadily across the Primary Service Area. By 2030, the three-county service area is projected to have a 65+ population of approximately 51,149, generating a need for around 51 inpatient rehabilitation beds based on the state’s guideline of one bed per 1,000 age 65+ individuals. With the closure of the existing ARU, consisting of 17 licensed beds, this represents a need for the full projected need of 51 beds. Looking ahead, the 65+ population is projected to grow nearly 23% by 2036, further increasing the demand for inpatient rehabilitative care. The addition of 40 beds will help close this growing gap and ensure access to high-quality local rehabilitation services for years to come.

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- Quality Standards

**RESPONSE:** The proposed rehabilitation hospital will be licensed by the State of Tennessee, certified by CMS for Medicare and TennCare participation, and will seek accreditation from The Center for Improvement in Healthcare Quality (CIHQ). Its quality will be supported by the strong track record of its owners: Ascension Saint Thomas Health, which operates two tertiary hospitals in Nashville and was recently approved for a new community hospital in Clarksville, and Lifepoint, a nationally recognized leader in inpatient rehabilitation. Ascension Saint Thomas Health was named the #2 hospital in Tennessee and earned “Best” honors in US New & World Report’s 2025-2026 Best Hospital rankings. The system has received TJC Stroke Certifications at Saint Thomas West (Comprehensive), Midtown (Advanced Primary) and Rutherford (Thrombectomy Capable), and the programs have achieved the highest honors from the American Heart Association for eight consecutive years. In 2025, 31 Lifepoint IRFs were named among Newsweek’s top rehabilitation hospitals, including 10 that ranked first in their state. These recognitions underscore the partners’ proven ability to deliver exceptional, patient-centered rehabilitative care.

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- Consumer Advantage

- Choice

**RESPONSE:** The three-county service area is currently served by only one inpatient rehabilitation provider, which intends to close its existing rehabilitation unit upon the approval and opening of the proposed facility. The proposed project will establish a modern freestanding inpatient rehabilitation hospital featuring state-of-the-art equipment and the region’s first specialized acquired brain injury unit. As a result, residents of the service area will gain access to enhanced inpatient rehabilitation services designed to improve patient access, expand specialized treatment capabilities, and support better clinical outcomes through more comprehensive and tailored rehabilitative care.

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

**RESPONSE:** The proposed rehabilitation hospital will improve access and availability of inpatient rehabilitation services across the three-county service area through its strategic location on the existing healthcare campus at 225 Big Station Camp Boulevard in Gallatin, Tennessee, with convenient access to Vietnam Veterans Boulevard (State Route 386) and proximity to Interstate 65. The proposed facility will expand the availability of comprehensive inpatient rehabilitation services within Sumner, Macon, and Trousdale Counties, particularly for residents in rural communities who currently have limited local access to freestanding inpatient rehabilitation hospitals and specialized rehabilitative programs. By increasing inpatient rehabilitation capacity and offering specialized services, including the region’s first acquired brain injury unit, the proposed project will allow patients to receive

high-quality rehabilitative care closer to home, improving accessibility, supporting greater family involvement, and enhancing continuity of care throughout the recovery process.

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○ Affordability

**RESPONSE:** Nearly 79% of the hospital's patients are expected to be covered by Medicare or TennCare, which reimburse inpatient rehabilitation at standardized rates. As a result, provider charges have minimal impact on affordability for most patients. Ascension Saint Thomas Sumner Rehabilitation Hospital will still maintain competitive rates to ensure affordability for commercially insured and self-pay patients.

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**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		\$50,000
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)		\$4,500,000
8. Moveable Equipment (List all equipment over \$50,000 as separate attachments)		\$0
9. Other (Specify): _____		\$0
B. Acquisition by gift, donation, or lease:		
1. Facility (inclusive of building and land)		\$84,901,217
2. Building only		
3. Land only		
4. Equipment (Specify): _____		
5. Other (Specify): _____		
C. Financing Costs and Fees:		
1. Interim Financing		
2. Underwriting Costs		
3. Reserve for One Year's Debt Service		
4. Other (Specify): _____		
D. Estimated Project Cost (A+B+C)		\$89,451,217
E. CON Filing Fee		\$45,000
F. Total Estimated Project Cost (D+E)	<b>TOTAL</b>	\$89,496,217

## **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:**

See Attachment 1N for responses to the State Health Plan’s criteria for reviewing proposed new Inpatient Rehabilitation Facilities.

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- 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:**

See Attachment 2N for the required map and a more in-depth discussion of the proposed service area’s reasonableness. The proposed service area includes three Tennessee counties: Sumner, Macon, and Trousdale.

The service area was derived both by evaluating the location of existing providers and analyzing the improvement in access the proposed facility would provide.

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

**PROJECTED UTILIZATION**

Unit Type: <input type="checkbox"/> Procedures <input type="checkbox"/> Cases <input type="checkbox"/> Patients <input checked="" type="checkbox"/> Other <u>Patient Days</u>		
<b>Service Area Counties</b>	<b>Projected Utilization Recent Year 1 (Year = 2029)</b>	<b>% of Total</b>
Macon	749	9.90%
Sumner	6,540	86.41%
Trousdale	280	3.70%
Total	7,569	100%

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

**RESPONSE:**

See Attachment 3N for this demographic table.

From CY2026 to CY2030, the total population of the proposed three-county service area of Sumner, Macon, and Trousdale Counties is projected to increase by approximately 5.7%. More significantly, the target population age 65 and older, the population most likely to utilize inpatient rehabilitation services, is projected to grow by approximately 10.7% during the same period. By 2030, individuals age 65 and older are projected to represent almost 1/5 of the total service area population, underscoring the increasing demand for inpatient rehabilitation services associated with aging-related conditions such as stroke, orthopedic injury, neurological disorders, and other medically complex diagnoses.

The demographic trends within the service area also demonstrate meaningful differences among the counties that further support the need for expanded local rehabilitation capacity. Sumner County, which serves as the population and healthcare hub of the region, is projected to grow by approximately 6.0% overall and by more than 11% among the age 65+ population by 2030. At the same time, the more rural counties within the service area, particularly Macon and Trousdale Counties, have substantially higher poverty rates and TennCare enrollment levels than Sumner County and, in some cases, higher than statewide averages. For example, approximately 16.0% of Macon County residents live below the federal poverty level, and nearly 24% are enrolled in TennCare. These socioeconomic characteristics may create additional barriers to accessing specialized rehabilitation services located outside the immediate region, particularly for elderly and medically vulnerable patients who require frequent family involvement and coordinated post-acute care.

Additionally, the service area’s age 65+ population growth rate of 10.7% substantially exceeds the projected statewide growth rate of 6.3% for Tennessee during the same period. Looking longer term, the age 65+ population within the service area is projected to increase by nearly 23% by 2036, further demonstrating the sustained and growing need for accessible inpatient rehabilitation services within Middle Tennessee. These demographic and socioeconomic trends strongly support the development of a modern freestanding inpatient rehabilitation hospital capable of serving the region’s growing elderly population closer to home.

**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](http://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

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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:**

Ascension Saint Thomas Sumner Rehabilitation Hospital will be accessible to the uninsured and underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low-income groups. It will serve elderly and low-income patients who are enrolled in Medicare and in TennCare. It will assist low-income uninsured patients with enrollment in TennCare. It will also provide uninsurable low-income and indigent patients with charity care estimated at 1.0% of gross patient care revenues. Medicare and TennCare patients are projected to be 78.8% of the hospital's payer mix, a very high level of service to elderly and low-income patients. The hospital will pursue contracts with several Middle Tennessee MCOs that have large enrollments—such as Bluecare, United Community Health Plan, and Wellpoint (formerly Amerigroup). Service to other MCOs' enrollees will be negotiated on a case-by-case basis so that patients will have multiple options for care.

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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:**

The proposed three-county service area is currently served by one inpatient rehabilitation provider, the 17-bed inpatient rehabilitation unit operated at Sumner Regional Medical Center. The hospital is owned by Highpoint Health and operates as a hospital-based acute rehabilitation unit ("ARU"). No freestanding inpatient rehabilitation hospital currently operates within the proposed service area, and there are no approved but unimplemented inpatient rehabilitation projects known to the applicant within the service area.

The most recent Joint Annual Report ("JAR") data available for the existing rehabilitation unit covers calendar years 2022 through 2024. As shown in Table 5N below, the unit maintained occupancy levels ranging from 34.4% to 43.4% when calculated based on total licensed bed capacity. However, in both 2023 and 2024, the rehabilitation unit operated with 10 staffed beds despite maintaining licensure for 17 beds, resulting in occupancy levels based on staffed beds of approximately 74% during both years. Accordingly, utilization based solely on licensed bed capacity may understate the actual operational utilization of the existing rehabilitation program.

In addition, as a smaller hospital-based rehabilitation unit operating within an acute care hospital environment, the existing ARU may experience operational and physical limitations that can impact patient throughput, care specialization, and program expansion opportunities when compared to a modern freestanding inpatient rehabilitation hospital. The proposed Ascension Saint Thomas Sumner Rehabilitation Hospital is designed to address these limitations through expanded capacity, a purpose-built rehabilitation environment, advanced rehabilitation technologies, and the addition of the region's first dedicated Acquired Brain Injury ("ABI") unit.

Importantly, the existing ARU at Sumner Regional Medical Center is expected to be closed upon opening of the proposed facility. As a result, the proposed project is not expected to create unnecessary duplication of inpatient rehabilitation services within the service area but rather will modernize and expand the availability of specialized inpatient rehabilitation services for residents of Sumner, Macon, and Trousdale Counties.

**Table 5N: Utilization of Service Area's Existing Inpatient Rehabilitation Providers**

Facility	Metric	2022	2023	2024
Sumner Regional Medical Center (Inpatient Rehab Unit)	Licensed (Staffed) Beds	17	17 (10)	17 (10)
	Bed Days Available	6,205	6,205 (3,650)	6,205 (3,650)
	Patient Days	2,134	2,692	2,678
	Occupancy	34.4%	43.4% (73.8%)	43.2% (73.4%)

Source: Joint Annual Reports 2022-2024

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:**

See Attachment 6N. This is a proposed facility without historical utilization. Table 6N shows its projected first two years of utilization. Patient days are based on Lifepoint's experience with fill rates for new IRFs and expected need based on population and demographics analysis.

**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:**

See table below.

<b>CON Number</b>	<b>Project Name</b>	<b>Date Approved</b>	<b>Expiration Date</b>
CN2509-036	Ascension Saint Thomas Rutherford Hospital	12/10/2025	2/1/2028
CN2407-019	Sumner Regional Medical Center	10/23/2024	12/1/2027
CN2502-004	Saint Thomas Rutherford Rehabilitation Hospital	4/23/2025	6/1/2028
CN2505-015	Ascension Saint Thomas Clarksville Hospital	7/23/2025	9/1/2028
CN2506-020	Sumner Regional Medical Center	9/24/2025	11/1/2028
CN2401-001	Premier Radiology Clarksville	3/27/2024	5/5/2027
CN2508-030	Ascension Saint Thomas Clarksville Rehabilitation Hospital	10/22/2025	12/1/2028

**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:** This is a proposed new facility without transfer agreements in place. However, the facility intends to have a transfer agreement with Ascension Saint Thomas Clarksville, Ascension Saint Thomas Rutherford, Sumner Regional Medical Center, Sumner Station, and with both Ascension Saint Thomas tertiary hospitals in Nashville.

**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:** ABS - Smart Health - Ascension Care Management, AMERIGROUP, CenterCare Managed Care Programs, Cigna Healthplan, Cigna Behavioral Health, CorVel Corporation, MultiPlan / PHCS, NovaNet, Optum VA, OSCAR, Point Comfort Underwriters, Prime Health, TriCare for Life, TRICARE (Humana Military), USA Managed Care Organization

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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:**

Ascension Saint Thomas Sumner Rehabilitation Hospital will address a demonstrated need for additional inpatient rehabilitation capacity within the proposed three-county service area. The project is not expected to result in unnecessary duplication of services because the existing 17-bed inpatient rehabilitation unit at Sumner Regional Medical Center is expected to close upon opening of the proposed facility. As a result, the proposed project represents a modernization and expansion of inpatient rehabilitation services within the region rather than the addition of duplicative capacity.

The proposed facility will enhance the continuum of rehabilitative care available within Middle Tennessee by establishing the region’s first freestanding inpatient rehabilitation hospital and introducing specialized services not currently available within the service area, including a dedicated Acquired Brain Injury (“ABI”) unit. These expanded capabilities will improve access to high-acuity rehabilitation services for patients recovering from stroke, brain injury, spinal cord injury, orthopedic trauma, and other medically complex conditions, many of whom currently must travel outside the service area for specialized inpatient rehabilitation care.

The project is not anticipated to negatively impact consumer charges within the service area. A substantial portion (78.8%) of the proposed facility’s patient population is expected to be covered by Medicare and TennCare, both of which utilize standardized reimbursement methodologies that are not dependent upon provider-specific gross charges. Accordingly, the project is expected to improve access and quality without increasing financial barriers for patients requiring inpatient rehabilitation services.

In addition, the proposed facility will significantly enhance consumer choice by replacing a smaller hospital-based rehabilitation unit with a purpose-built freestanding inpatient rehabilitation hospital offering expanded capacity, advanced rehabilitation technologies, and specialized clinical programs currently unavailable within the service area.

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- 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:**

In its first year of operation, Ascension Saint Thomas Sumner Rehabilitation Hospital is expected to support approximately 51.2 full-time equivalent (“FTE”) positions dedicated to direct patient care, in addition to approximately 34.6 non-clinical FTEs necessary to support facility operations, administration, dietary services, environmental services, and other operational functions. Staffing levels reflect projected first-year operational volumes and will continue to grow as the facility matures and patient volumes increase over time. Patients will retain access to both Sumner Regional Medical Center and Sumner Station, both of which are located in close proximity to the new rehabilitation hospital, ensuring continuity of care in the region.

Ascension Saint Thomas Sumner Rehabilitation Hospital will employ qualified physicians, rehabilitation nurses, therapists, case managers, pharmacists, and other licensed healthcare professionals necessary to comply with all applicable State of Tennessee licensure requirements, Centers for Medicare & Medicaid Services (“CMS”) Conditions of Participation, and accreditation standards. The facility intends to pursue accreditation through nationally recognized accrediting organizations, including The Joint Commission and the Commission on Accreditation of Rehabilitation Facilities (“CARF”), demonstrating its commitment to maintaining high standards of patient care, clinical quality, safety, and operational excellence.

The applicant’s joint venture partners bring significant experience and established infrastructure to support successful recruitment and retention of qualified staff. Ascension Saint Thomas maintains longstanding academic partnerships across Middle Tennessee and actively collaborates with regional educational institutions to support clinical training and workforce development initiatives. These partnerships include Marian University and Trevecca Nazarene University through a Learning Center located on Ascension Saint Thomas’s West campus, as well as relationships with Austin Peay State University, Belmont University, Nashville State Community College, Lipscomb University, and others. The proposed rehabilitation hospital will be incorporated into these existing recruitment and training pipelines, expanding employment opportunities and strengthening workforce availability within the region.

In addition, Lifepoint Health brings a dedicated, experienced recruitment infrastructure and a broad national network to support staffing for inpatient rehabilitation facilities. Through its established recruiting teams, operational expertise, and experience managing rehabilitation hospitals across multiple markets, Lifepoint has demonstrated success in attracting and retaining qualified clinical and non-clinical personnel. Collectively, these capabilities position the applicant to effectively staff the proposed facility in compliance with all regulatory requirements while supporting high-quality patient care.

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

**RESPONSE:**

The project will be licensed as an inpatient rehabilitation facility. Its operation will comply with licensure requirements for programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

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**PROJECTED DATA CHART**

- Project Only
- Total Facility

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

	<b>Year 1</b>	<b>Year 2</b>
	<u>2029</u>	<u>2030</u>
A. Utilization Data		
Specify Unit of Measure <u>Other : Patient Days</u>	<u>7569</u>	<u>10220</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$20,964,042.00</u>	<u>\$30,075,161.00</u>
2. Outpatient Services	<u>\$0.00</u>	<u>\$0.00</u>
3. Emergency Services	<u>\$0.00</u>	<u>\$0.00</u>
4. Other Operating Revenue (Specify) _____	<u>\$0.00</u>	<u>\$0.00</u>
<b>Gross Operating Revenue</b>	<u>\$20,964,042.00</u>	<u>\$30,075,161.00</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$6,025,735.00</u>	<u>\$7,432,681.00</u>
2. Provision for Charity Care	<u>\$211,758.00</u>	<u>\$303,790.00</u>
3. Provisions for Bad Debt	<u>\$256,746.00</u>	<u>\$382,468.00</u>
<b>Total Deductions</b>	<u>\$6,494,239.00</u>	<u>\$8,118,939.00</u>
<b>NET OPERATING REVENUE</b>	<u>\$14,469,803.00</u>	<u>\$21,956,222.00</u>

**PROJECTED DATA CHART**

- Total Facility
- Project Only

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

	<b>Year 1</b>	<b>Year 2</b>
	<u>2029</u>	<u>2030</u>
A. Utilization Data		
Specify Unit of Measure <u>Other : Patient days</u>	<u>7569</u>	<u>10220</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$20,964,042.00</u>	<u>\$30,075,161.00</u>
2. Outpatient Services	<u>\$0.00</u>	<u>\$0.00</u>
3. Emergency Services	<u>\$0.00</u>	<u>\$0.00</u>
4. Other Operating Revenue (Specify) _____	<u>\$0.00</u>	<u>\$0.00</u>
<b>Gross Operating Revenue</b>	<u>\$20,964,042.00</u>	<u>\$30,075,161.00</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$6,025,735.00</u>	<u>\$7,432,681.00</u>
2. Provision for Charity Care	<u>\$211,758.00</u>	<u>\$303,790.00</u>
3. Provisions for Bad Debt	<u>\$256,746.00</u>	<u>\$382,468.00</u>
<b>Total Deductions</b>	<u>\$6,494,239.00</u>	<u>\$8,118,939.00</u>

**NET OPERATING REVENUE**

\$14,469,803.00

\$21,956,222.00

---

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)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )	\$0.00	\$0.00	\$2,769.72	\$2,942.78	0.00
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )	\$0.00	\$0.00	\$858.00	\$794.42	0.00
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )	\$0.00	\$0.00	\$1,911.72	\$2,148.36	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:**

See response to Question 9C, immediately below.

---

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:**

See Attachment 9C for the latest available data on average gross charges of the one other existing rehabilitation services provider in the service area. The applicant projects that around 78.8% of the inpatient rehabilitation services will be utilized by the Medicare/Medicaid (including TennCare) population. These inpatient rehabilitation services are predominantly utilized by the Medicare/Medicaid population, therefore, there will be minimal real cost differences between the applicant and existing providers. It is important to note this four-year gap when comparing net revenue data from 2025 for the existing provider and projected revenue data for 2029 for the applicant.

Please also note that the latest available Medicare cost reports were analyzed for these comparisons. JARs of hospitals with in-house IRF bed units could not be used, because revenue information for their IRF units is not reported separately from total hospital revenues.

---

**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-2029		Year-2030	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$15,881,850.00	75.76	\$22,784,213.00	75.76
TennCare/Medicaid	\$635,274.00	3.03	\$911,369.00	3.03
Commercial/Other Managed Care	\$4,341,039.00	20.71	\$6,227,684.00	20.71
Self-Pay	\$105,879.00	0.51	\$151,895.00	0.51
Other(Specify)	\$0.00	0	\$0.00	0
<b>Total</b>	\$20,964,042.00	100%	\$30,075,161.00	100%
Charity Care	\$211,758.00		\$303,790.00	

*\*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:** These groups will have multiple options for insurance coverage at the proposed rehabilitation facility. The applicant will be contracted with Medicare and with the largest TennCare MCO's.

**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	<input checked="" type="checkbox"/> Health Facilities Commission/Licensure Division <input type="checkbox"/> Intellectual & Developmental Disabilities <input type="checkbox"/> Mental Health & Substance Abuse Services	Will Apply	
Certification	<input checked="" type="checkbox"/> Medicare <input checked="" type="checkbox"/> TennCare/Medicaid <input type="checkbox"/> Other _____	Will Apply Will Apply	
Accreditation(s)	CARF – Commission on Accreditation of Rehabilitation Facilities	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
<b>A. Direct Patient Care Positions</b>		
Therapy Tech Aides	0.00	2.00
Speech Language Pathologists	0.00	2.00
Pharmacists	0.00	1.40
Physical Therapy Assistants	0.00	2.00
Registered Nurses	0.00	15.00
LPN/Nurse Aides	0.00	20.70
Physical Therapists	0.00	2.00
Occupational Therapists	0.00	2.00
Certified Occupational Therapy Assistants	0.00	2.00
Respiratory Therapists	0.00	1.10
Pharmacy Techs	0.00	1.00
<b>Total Direct Patient Care Positions</b>	N/A	51.2

<b>B. Non-Patient Care Positions</b>		
Dir. Business Development	0.00	1.00
Referral Development Liaisons	0.00	4.00
Switchboard Operators	0.00	2.10
Dietary Supervisor	0.00	1.00
Controller	0.00	1.00
Case Manager/Social Worker	0.00	1.50
Central Supply/Purchasing	0.00	1.00
Registered Dieticians	0.00	1.00
Cooks	0.00	2.50
Aides	0.00	2.50
Clerks	0.00	1.00
Maintenance Supervisor	0.00	1.00
Housekeeping Supervisor	0.00	1.00
Housekeepers	0.00	3.00
Accounting Clerk	0.00	1.00
Business Office		

Coordinator	0.00	1.00
Admissions Coordinator	0.00	1.00
Medical Records Director	0.00	1.00
Coders	0.00	1.00
Chief Clinical Officer/Director of Nursing	0.00	1.00
CEO	0.00	1.00
HR Director	0.00	1.00
Dir CQPI	0.00	1.00
Director of Therapy	0.00	1.00
Admin Secretary	0.00	1.00
<b>Total Non-Patient Care Positions</b>	N/A	34.6
<b>Total Employees (A+B)</b>	0	85.8

<b>C. Contractual Staff</b>		
Contractual Staff Position	0.00	0.00
<b>Total Staff (A+B+C)</b>	0	85.8

## **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.

<b>Phase</b>	<b>Days Required</b>	<b>Anticipated Date (Month/Year)</b>
1. Initial HFC Decision Date		07/22/26
2. Building Construction Commenced	397	08/22/27
3. Construction 100% Complete (Approval for Occupancy)	825	10/23/28
4. Issuance of License	885	12/22/28
5. Issuance of Service	915	01/21/29
6. Final Project Report Form Submitted (Form HR0055)	945	02/20/29

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

**Attachment 3A**  
**Proof of Publication**

# USA TODAY CO.



PO Box 631340 Cincinnati, OH 45263-1340

## AFFIDAVIT OF PUBLICATION



Andrea Cameron  
Lifepoint Behavioral Health  
330 Seven Springs WAY  
Brentwood TN 37027-5098

STATE OF WISCONSIN, COUNTY OF BROWN

The Tennessean, a newspaper published in the city of Nashville, Davidson County, State of Tennessee, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue dated and was published on the publicly accessible website:

NAS Nashville Tennessean 05/15/2026  
NAS tennessean.com 05/15/2026

and that the fees charged are legal.  
Sworn to and subscribed before on 05/15/2026

  
\_\_\_\_\_  
Legal Clerk  
  
\_\_\_\_\_  
Notary, State of WI, County of Brown

8-25-26

My commission expires

Publication Cost: \$1086.26  
Tax Amount: \$0.00  
Payment Cost: \$1086.26  
Order No: 12328463 # of Copies:  
Customer No: 1462440 1  
PO #: Ascension St. Thomas

**THIS IS NOT AN INVOICE!**

*Please do not use this form for payment remittance.*

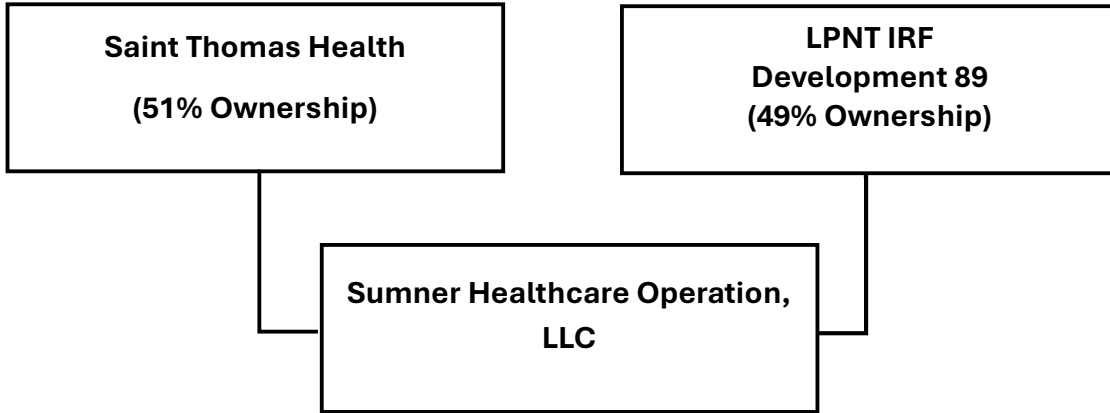
MARIAH VERHAGEN  
Notary Public  
State of Wisconsin

12328463  
**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 Ascension Saint Thomas Sumner Rehabilitation Hospital, a/an Rehabilitation Facility owned by Sumner Healthcare Operation, LLC with an ownership type of Limited Liability Company and to be managed by CHC Management Services, LLC intends to file an application for a Certificate of Need for Ascension Saint Thomas Sumner Rehabilitation Hospital, owned by Sumner Healthcare Operation, LLC (a limited liability company that is a joint venture of Saint Thomas Health, a Tennessee non-profit corporation and LPNT IRF Development 89, LLC) to establish a 40-bed inpatient rehabilitation facility (IRF). The address of the project will be an Unaddressed Site: NW quadrant of Big Station Camp Blvd and Vietnam Veterans Blvd intersection, near Highpoint Health-Sumner Station, Gallatin, Sumner County, Tennessee, 37066. The estimated project cost will be \$89,496,217.  
The anticipated date of filing the application is 05/29/2026.  
The contact person for this project is Vice President Business and Market Planning Andrea Cameron who may be reached at Lifepoint Health - 330 Seven Springs Way, Brentwood, Tennessee 37027 - Contact No. 503-449-1950.  
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, 503 Deaderick Street, Nashville, TN 37243 or email at [hsda.staff@tn.gov](mailto:hsda.staff@tn.gov).

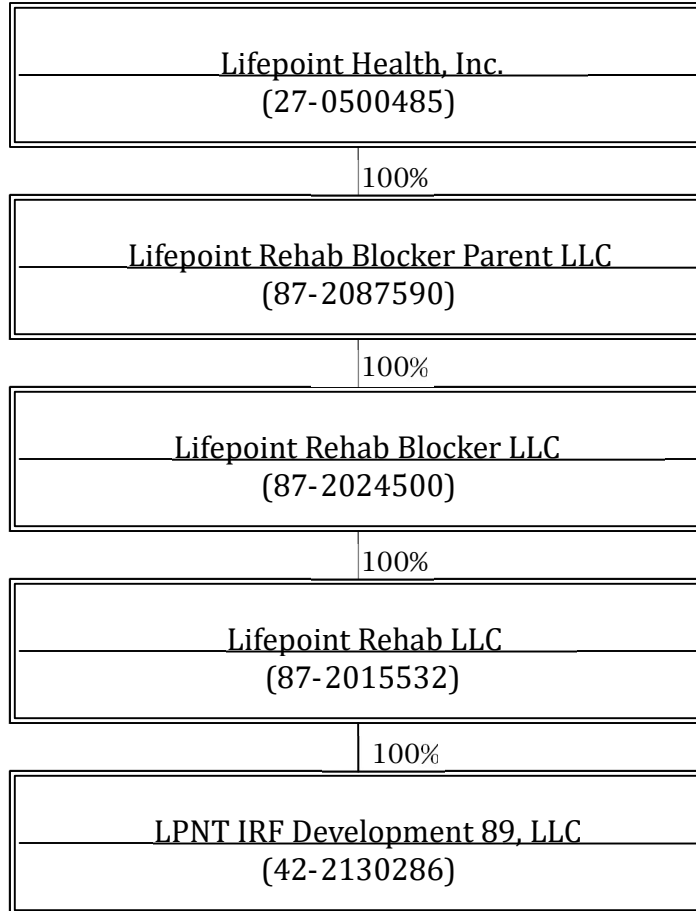
**Attachment 7A**

**Applicant's Legal Status**

**ORGANIZATION CHART**  
**SUMNER HEALTHCARE OPERATION, LLC**



## LPNT IRF Development 89, LLC Ownership Structure



The principal business address of each of the above entities (except indicated non-affiliated entities, if any) is 330 Seven Springs Way, Brentwood, TN 37027

Ascension Health



Saint Thomas Health



Sumner Healthcare  
Operation, LLC  
(51%)



**Tre Hargett**  
Secretary of State

**Division of Business and Charitable Organizations**  
**Department of State**  
State of Tennessee  
312 Rosa L. Parks Avenue, 6th Floor  
Nashville, Tennessee 37243  
Phone: 615-741-2286  
tncab.tnsos.gov/portal/

C T CORPORATION SYSTEM  
187 WOLF RD SUITE 101  
ALBANY, NY 12205, USA

04/17/2026

## Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

Entity Name:	SUMNER HEALTHCARE OPERATION, LLC	Initial Filing Date:	04/16/2026
SOS Control #:	002104430	Formation Locale:	TENNESSEE
Entity Type:	Limited Liability Company (LLC)	Duration Term:	Perpetual
Status:	Active	Annual Report Due:	04/01/2027
Fiscal Year Close:	December	Business County:	Williamson
Managed By:	Manager Managed	Obligated Member Entity:	No

### Document Receipt

Receipt #: 2026-490241	Filing Fee:	\$300.00
Payment: Credit Card - 3919827559		\$300.00

**Registered Agent Address:**  
C T CORPORATION SYSTEM  
300 MONTVUE RD  
KNOXVILLE, TN 37919-5546

**Principal Office Address:**  
330 SEVEN SPRINGS WAY  
BRENTWOOD, TN 37027  
Williamson County, USA

Congratulations on the successful filing of your Articles of Organization - Limited Liability Company for **SUMNER HEALTHCARE OPERATION, LLC** in the State of Tennessee which is effective **04/16/2026**. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website ([www.tn.gov/revenue](http://www.tn.gov/revenue)) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett  
Secretary of State

Tracking Number  
B2026392686



Tre Hargett  
Secretary of State

## Articles Of Organization

Division of Business and Charitable Organizations  
Department of State

State of Tennessee  
312 Rosa L. Parks Avenue, 6th Floor  
Nashville, Tennessee 37243  
Phone: 615-741-2286  
tncab.tnsos.gov/portal/

Control #: 002104430  
Filed: 04/16/2026 10:49 AM  
Tre Hargett  
Secretary of State

---

### Entity Information

---

**Entity Name:** SUMNER HEALTHCARE OPERATION, LLC

**Entity Type:** Limited Liability Company

**Fiscal Year Ending Month:** December

**Additional Designation:** *(No additional designation)*

**Series LLC ?**

Yes  No

**Principal Office Address**

330 SEVEN SPRINGS WAY  
BRENTWOOD, TN 37027  
Williamson County, USA

**Mailing Address**

330 SEVEN SPRINGS WAY  
BRENTWOOD, TN 37027  
Williamson County, USA

**Period of Duration:**

Perpetual

**Will this filing have a delayed effective date?**

Yes  No

**Nature of Business (NAICS):**

622310 - Specialty (except Psychiatric and Substance Abuse) Hospitals

**Other Provisions:**

*(No other provisions)*

Do you have additional uploads you would like to attach to this filing?

Yes  No

---

### Registered Agent Information

---

C T CORPORATION SYSTEM  
300 MONTVUE RD  
KNOXVILLE, TN 37919-5546

---

### Member Information

---

**The Limited Liability Company will be:** Manager Managed

**Do you have six or fewer members at the date of this filing?**

Yes  No

**Will this entity be registered as an Obligated Member Entity (OME)**

Yes  No

---

## Organizer's Signature

---

By entering my name in the space provided below, I certify that I am authorized to file this document on behalf of this entity, have examined the document and, to the best of my knowledge and belief, it is true, correct and complete as of this day.

The undersigned, acting as organizer of the limited liability company under the provisions of the Tennessee Revised Limited Liability Company Act, adopt the above Articles of Organization.

**Signed Electronically:** CHARLOTTE LAWRENCE

**Date:** 04/16/2026



**Tre Hargett**  
Secretary of State

**Division of Business and Charitable Organizations**

**Department of State**

State of Tennessee  
312 Rosa L. Parks Avenue, 6th Floor  
Nashville, Tennessee 37243  
Phone: 615-741-2286  
tncab.tnsos.gov/portal/

**Date:** 04/16/2026

**Invoice:** 2026-490241

**Customer Information**

C T CORPORATION SYSTEM  
SUMNER HEALTHCARE OPERATION, LLC  
187 WOLF RD SUITE 101  
ALBANY, NY 12205, USA

Tracking #	Description	Amount Paid
B2026392686	Articles of Organization - Limited Liability Company for SUMNER HEALTHCARE OPERATION, LLC (LLC Filings)	\$ 300.00
<b>Payment Details</b>		
	Fee Total:	\$ 300.00
	Payment Total:	\$ 300.00
	Amount Due:	\$ 0.00
<b>Payment Method</b>		
	Payment Type: Credit Card	
	Check/Confirmation Number: 3919827559	

**Attachment 8A**  
**Management Agreement**

## MANAGEMENT AND ADMINISTRATIVE SERVICES AGREEMENT

This MANAGEMENT AND ADMINISTRATIVE SERVICES AGREEMENT (this “**Agreement**”) is entered into effective as of May 28, 2026, by and between CHC Management Services, LLC, a Missouri limited liability company (“**Manager**”), and Sumner Healthcare Operation, LLC, a Tennessee limited liability company (the “**Company**”).

### RECITALS

A. LPNT IRF Development 89, LLC, a Delaware limited liability company (“**LPNT Member**”) and an indirect wholly-owned subsidiary of Lifepoint Health, Inc. (“**Lifepoint**”), and Saint Thomas Health, a Tennessee non-profit corporation exempt from federal income tax under Section 501(c)(3) of the Code (“**Saint Thomas**”), are the sole Members of the Company pursuant to an Operating Agreement, dated as of May 28, 2026 (as amended from time to time, the “**Operating Agreement**”). Each capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Operating Agreement.

B. The Company will own and operate the Business.

C. In accordance with Article 7 of the Operating Agreement, the Company desires to engage Manager to provide management and administrative services with respect to the operation of the Business by contracting with the Manager and Manager desires to provide such services to the Company under the terms and conditions hereinafter set forth in exchange for the consideration hereinafter set forth.

### AGREEMENT

NOW, THEREFORE, for and in consideration of the premises and the obligations undertaken by the parties pursuant hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### ARTICLE 1 ENGAGEMENT OF MANAGER; DUTIES OF MANAGER

1.1 *Engagement.* The Company hereby retains Manager to provide the management and administrative services set forth in this Agreement (the “**Management Services**”) for the Business under the terms and conditions set forth in this Agreement and subject to the overall supervision and control of the Company.

1.2 *Duties.* Manager hereby covenants and agrees that it shall, during the term of this Agreement, provide the following Management Services:

(a) Financial, tax and accounting services, including billing and collection services, preparation and filing of all tax returns of the Company in accordance with and subject to the provisions of the Operating Agreement, accounts payable processing, financial statement preparation, internal audit, and general bookkeeping services. Such services include preparation of financial statements, books of account, tax information and other records, reports and information required under the Operating Agreement, billing and collections for all carriers, accounts payable processing, and preparation and filing of Medicare and Medicaid cost reports. Bookkeeping, accounting and other applicable procedures and systems applicable to the foregoing services shall conform to GAAP, (ii) the requirements of the Operating Agreement and (iii) the policies and procedures, including capital and cash management programs, developed by Manager hereunder. The Company hereby appoints the Manager to be its true and lawful agent and attorney-in-fact for fulfilling the Company’s obligations pursuant to the Cash Management Agreement. Manager shall also

assist the Company with compliance with the policies and procedures of Ascension Health with respect to joint venture financial integrity, including but not limited to its requirements for quarterly review of financial statements and footnotes, control checklists, management representation letters, and financial code of ethics.

(b) Preparation and submission to the Company for approval, operating and capital budgets no less than sixty (60) days before the first day of each fiscal year of the Company.

(c) Arranging for and coordinating the preparation of an annual audit of the Company's financial statements by an external accounting firm approved by the Members.

(d) The coordination of information and telecommunications services, including cyber security, maintenance and support of a local network file server, network printer(s) and connected PCs running general business and industry specific applications, connection to Lifepoint's Support Center, providing access to centralized application servers and content filtered internet service, and management of telecommunications hardware and software;

(e) Coordination of and assistance with clinical support, regulatory, licensure and accreditation compliance and quality assurance services, including the development and implementation of clinical and regulatory policies and procedures, clinical staff training, the development and implementation of continuous quality improvement and assurance programs (which may include Lifepoint's National Quality Program), assistance with state and federal surveys, maintenance of medical records on behalf of the Business in accordance with applicable federal and state laws and regulations governing such records, case mix management, utilization review, outcomes measurement, patient satisfaction assessment, productivity and cost monitoring and benchmarking and best practices assessment;

(f) Personnel recruitment, retention, credentialing discipline and termination, and human resources support for the Company's employees and employees of Manager and its affiliates who provide services to the Company hereunder. Unless otherwise agreed by the Members, all other Business personnel shall be employed by the Company. All employees of the Company shall be eligible to participate in and be compensated through the employee benefit programs and payroll systems established from time to time by or for the benefit of Lifepoint. All employment related records, including without limitation paychecks and paystubs, employment applications and stationery and letterhead, will be in the name of, and bear the logo of, the Company. All employment records will remain the property of Manager;

(g) Standard marketing and educational materials and supervision services, including participation in classes based in Lifepoint's Support Center for management and community education staff, regional sales meetings, development of educational support and standard promotional materials, and access to Lifepoint's proprietary contact management and marketing database systems;

(h) Training and development services, including development of and access to administrative, marketing and clinical training programs;

(i) Facility management services, including consulting and analysis services relating to site selection, lease negotiation, construction management, and supplies and equipment procurement;

(j) Arranging or subcontracting for necessary repairs, maintenance, and replacements of furniture, fixtures, equipment and other assets owned by the Company, including evaluating, selecting, and negotiating equipment service contracts;

(k) Contract management and legal and compliance services, including (i) contract development and/or review, negotiation and finalization, (ii) management of legal resources with respect to litigation, employee matters, government claims and investigations, and compliance investigations and reporting and related services, all either, at Manager's discretion, through LPNT Member personnel or outside legal counsel selected by Manager and compensated and reimbursed by the Company. In the event the matter involves a conflict between the Company or Saint Thomas on the one hand and Manager or LPNT Member on the other hand, the Company or Saint Thomas will be entitled to select their own counsel, and each party shall compensate and reimburse its own counsel;

(l) Policy and procedure manual development, including development of clinical and regulatory policies and procedures, all of which shall be consistent with the requirements of the Operating Agreement and subject to the approval of the Company and its Members;

(m) Development services as needed to include market assessment, identification of potential business partners or acquisition candidates, partner/candidate qualification review, relationship development, negotiation and transaction finalization;

(n) DME management services, including DME contract negotiation and administration, and DME utilization and formulary management services;

(o) Purchasing support and access to any group purchasing organization and other purchasing contracts of Manager or Lifepoint to the extent permitted by any such contract;

(p) Oversight and confirmation of completed payor contracting;

(q) Manager shall maintain one or more bank accounts for the Company in which it shall deposit the receipts from the Business. Manager shall be entitled to make withdrawals from such account to pay authorized Business expenses, including payments to Manager in accordance with Article 2 hereof and distributions to Members in accordance with Article 5 of the Operating Agreement. The handling of receipts and disbursements with respect to such bank accounts shall be in accordance with policies and procedures developed by Manager. Manager shall be entitled to invest such funds in connection with any cash management system employed by Lifepoint on behalf of its other affiliated Business;

(r) Manager shall also negotiate and consummate contracts of insurance for and on behalf of the Business pursuant to the master insurance policies and programs maintained by Lifepoint for its affiliated programs whenever possible and in the types and amounts approved by the Company pursuant to the Operating Agreement. When possible, all such insurance policies shall name as insured parties the Company and its Members, Board of Directors members, officers, and such other persons as may be reasonably requested, and the Manager. The premiums, related deductibles and associated costs and expenses for all such insurance coverage will be an expense of the Company;

(s) Manager shall assist in applications for, in the name of the Company, and use reasonable efforts to obtain and maintain on its behalf all necessary licenses, permits and approvals to operate the Business and to cause the Business to substantially comply with all applicable laws, rules and regulations;

(t) Manager shall deliver to the Company financial reports, prepared on an accrual basis, as follows:

(i) On or before the fifteenth (15<sup>th</sup>) day of each month, a balance sheet, profit and loss statement, supporting detail general ledger schedules and key management statistics showing the results of operation of the Company and its Business for the preceding month as compared to budget and comparable year-to-date information.

(ii) Within sixty (60) days after the end of each fiscal year of the Company, utilizing the information to be provided in accordance with Section 1.2(t)(i), a balance sheet and related statements of profit and loss for such fiscal year most recently ended; and

(iii) Within at least twenty (20) days in advance of the commencement of each fiscal year, an estimated profit and loss statement and estimated cash flow projection statement in reasonable detail for the succeeding fiscal year of the Company, all as part of the budget described in Section 1.2(b);

(u) Manager shall assist the Company in developing the IRF by preparing and submitting the Company for approval development and construction budgets, assisting with preparation of an application for a Certificate of Need; assisting with preparation of requests for proposal related to facility development, assisting in the selection of and contract negotiation with developer, architects, engineers, consultants, and contractors; reviewing construction progress and interacting on behalf of Company with the developer, architect, engineer, design and construction consultants, and contractors; assisting with selection and procurement of equipment needed for the Business; and providing the services identified in subsections (a) through (t) and other development services necessary to develop and open the IRF; and

(v) If the Manager determines that there is insufficient working capital to enable it to perform its duties hereunder, it shall notify the members of the Board.

1.3 *Independent Contractors.* The relationship of Manager and the Company established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to (i) constitute the parties as partners, joint venturers, or otherwise as participants in a joint or common undertaking; (ii) prevent Manager, the Company or the Members from entering into any other business (as further described in Article 11); or (iii) allow Manager to create or assume obligations on behalf of or in the name of the Company or the Business, except as provided herein. All financial and other obligations associated with Manager's business are the sole responsibility of Manager, except as provided herein.

1.4 *Limitations on Authority.* Notwithstanding any other provision of this Agreement to the contrary, each of Manager and Company expressly acknowledge and agree that pursuant to the Operating Agreement, the Board will have the authority to control and direct the operations of the Business, and all Management Services provided by Manager under this Agreement are subject to the oversight of the Board. Manager shall operate within any reasonable parameters, policies and procedures communicated to it by the Board, so long as such parameters, policies and procedures do not, in Manager's reasonable judgment, jeopardize the quality of patient care provided by the Business, require Manager or the Business to engage in any illegal or unethical acts, or require Manager to provide services not contemplated by this Agreement. Company does not delegate, and Manager does not assume, any of the powers, duties, or responsibilities which Company is required to maintain under applicable law. Without limiting the generality of the foregoing, Manager shall not:

(a) take any actions requiring Supermajority Approval under Section 6.7 of the Operating Agreement without the prior approval of the Board;

(b) take any actions inconsistent with the express decisions of the Board;

(c) make expenditures not authorized by the Budget provided, however, that no approval shall be required for variations in expenditure levels from that set forth in the Budget if such variations either (i) result from the ordinary course of business (e.g., unexpected increases in patient census) and are not in excess of \$50,000, or (ii) are required for the Business to maintain its licensure or accreditation or to comply with a legal requirement, and approval of the Company in accordance with the terms of the Operating Agreement cannot be obtained within the time reasonably necessary to maintain such licensure or accreditation or comply with such legal requirement, provided the Manager shall immediately report to the Board any such expenditure made pursuant to this Section 1.4(c); or

(d) take any other actions inconsistent with the terms of the Operating Agreement.

1.5 *Charitable and Religious Purposes.* Manager acknowledges and agrees that so long as Saint Thomas or any of its Affiliates is a direct or indirect owner of the Company, the Business is required to be managed and operated in a manner that furthers and is consistent with the charitable and religious healthcare purposes of Saint Thomas and its Affiliates as required by the Operating Agreement, and that the Saint Thomas Directors have the unilateral right to make decisions with respect to such charitable and religious purposes as set forth in Section 6.8(d) of the Operating Agreement. Notwithstanding anything to the contrary contained in this Agreement, Manager shall cause the Business to be operated at all times in accordance with the Company's Charity Policy, the ERDs, in a manner consistent with the requirements of the Operating Agreement, and pursuant to the direction of the Board or Saint Thomas Directors, as applicable.

1.6 *Manager Insurance.* Throughout the term of this Agreement, Manager shall, at its sole cost and expense, procure, keep and maintain insurance coverage in the minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate for errors and omissions and commercial general liability, and applicable state statutory limits for workers compensation. Said insurance policies shall be issued by an insurance company licensed in the state where Manager is located, and the policy shall cover all services the Chief Executive Officer of the Company, the Manager, and any of its directors, officers, employees, agents, and contractors provide. Manager shall arrange to have Company named as additional insured as its interests may appear with respect to such insurance coverage and shall provide Company with a certificate evidencing such insurance and endorsement upon request.

## **ARTICLE 2 DUTIES OF THE COMPANY/LIMITATIONS ON DUTIES OF MANAGER**

2.1 *Ownership and Control.* Pursuant to the Medicare conditions of participation and all other applicable laws and regulations governing the operation of hospitals and the Business, and notwithstanding anything herein to the contrary, the Company shall at all times continue to exercise legal ownership and control over the Business, and Manager shall perform its duties as described in this Agreement as agent to the Company. The Company shall have ultimate responsibility and authority for the overall operation and management of the Business. Nothing in this Agreement shall be deemed to limit or impair the responsibility of Manager to the Company to perform the services under this Agreement in accordance with applicable law.

2.2 *Licenses/Certifications/Accreditation.* The Company shall maintain all certifications, licenses, permits, accreditation or other requirements necessary to continue the operation of the Business. The Company shall perform those obligations and responsibilities that must be performed by the party licensed to operate the Business pursuant to applicable state and federal laws, ordinances, rules and regulations or any resident or patient agreements. The costs of maintaining all such certifications, licenses, accreditation and permits shall be borne by the Company. Evidence of such licenses, permits, certifications and accreditation shall be submitted to Manager upon reasonable request. The Company shall promptly

notify Manager of any action against any of its certifications, licenses, permits or accreditation or any other government or legal action initiated against the Company or the Business that would materially affect the operation of the Business or the performance of this Agreement.

2.3 *Intentionally Omitted.*

2.4 *Utilities.* The Manager shall have no responsibility to pay charges for utilities reasonably determined by Manager to be necessary or desirable for the successful operation of the Business, including, without limitation, the following:

(a) Heat and air conditioning in such amounts and at such temperatures as may be necessary to establish the interior temperatures of the IRF at such levels as may be selected by Manager from time to time, consistent with the design specifications of the heating and cooling system in place for the IRF and any modifications made thereto;

(b) Hot and cold water in such amounts and at such temperatures as Manager may reasonably require for its use of the IRF, consistent with the design specifications of the hot and cold water systems in place for the IRF and any modifications made thereto;

(c) Electric current in such amounts as Manager may reasonably require an adequate emergency power supply and emergency electrical service to accommodate each patient bed of the IRF in accordance with applicable safety and health requirements for an inpatient rehabilitation hospital, consistent with the design specifications of the electrical wiring for the IRF and any modifications made thereto;

(d) Telephone and internet service systems for the IRF, consistent with the telecommunications wiring of the IRF, including paging service throughout the IRF, and any modifications made thereto; and

(e) Local telephone service within patient rooms for the IRF's patients.

2.5 *Maintenance of the IRF.* The Manager shall have no obligation to provide equipment, furnishings and furniture reasonably necessary for the operation of the Business. The Manager shall not be responsible for maintaining the IRF roof, foundation, all structural components, exterior walls, doors, windows, signs, elevators, equipment, systems, interior walls, floors and ceilings of the IRF, the fixtures and appurtenances therein, the personal property of the Company installed therein and the wiring, plumbing and other equipment for the general supply of oxygen, compressed air, suction, water, heat, air conditioning, gas and electricity located within the IRF. The Manager shall not be responsible for making repairs thereto to preserve them in good working order and condition, and shall replace such equipment, fixtures and personal property when damaged or worn beyond repair or obsolete.

2.6 *Taxes.* The Company shall pay all payroll, *ad valorem*, real estate, personal property and other taxes applicable to the Business.

### ARTICLE 3 FEES

3.1 *Management Fee.* In consideration of the services to be rendered to the Company by Manager under and pursuant to this Agreement, the Company shall pay to Manager a fee (the "**Management Fee**") equal to five percent (5%) of the Company's net patient service revenue. For purposes of this Agreement, "net patient service revenue" means the gross revenue of the Company from the provision of inpatient rehabilitation and related services in connection with the Business less contractual

allowances and bad debt, as computed in accordance with GAAP. The Management Fee shall be payable monthly within forty-five (45) days following the end of each month. All payments required under this Section 3.1 shall be directed to Manager at the address provided in Section 6.1 hereof.

3.2 *Audit Right.* In addition to the Company's rights under Section 7.1 of this Agreement, at the election of the Company or any Member, the Company and any Member, and their respective authorized agents and representatives, shall have access to Manager's books and records related to the Company and the Management Fee for purposes of audit during normal business hours during the term of this Agreement. If any audit or examination reveals that the Management Fee for the audited period is not correct for such period, any overcharges will be promptly credited to the Company and any undercharges will be promptly credited to Manager.

3.3 *Operating Expenses.* Except as otherwise provided in this Agreement, all of the costs and expenses of maintaining and operating the Business and its facilities shall be expenses of the Business, for the account of the Company, and shall not be expenses of Manager, provided, that expenses Manager incurs or causes the Company to incur in violation of Section 1.4(c) shall be for the account of the Manager, and shall not be expenses of the Company.

#### **ARTICLE 4 PERFORMANCE**

Manager shall use its reasonable commercial efforts to perform each of its duties hereunder in a competent and timely fashion. Manager shall use its reasonable commercial efforts in engaging third parties to perform one or more services under the supervision of Manager for the Company. Manager shall undertake its obligations and duties hereunder for the account of the Company and not for the account of Manager, and Manager shall have no responsibility or liability for covering Company debts or for otherwise performing any duties that involve making payments or incurring expenses unless the Company makes adequate funds available therefor.

#### **ARTICLE 5 TERM; TERMINATION**

5.1 *Term.* This Agreement shall commence on the date hereof and, unless otherwise terminated as provided herein, shall continue unless reasonably determined by the Company (in Saint Thomas's sole discretion) or Manager to terminate this Agreement following the withdrawal or removal of LPNT Member or any of its Affiliates as a Member of the Company. Upon such termination, Manager shall work with the Company to develop a plan to transition the provision of Management Services from Manager to another provider until the last date of a period (the "**Transition Period**") reasonably determined by the Company. During the Transition Period, the terms and provisions of this Agreement shall remain in full force and effect.

5.2 *Termination.*

- (a) This Agreement shall be terminated upon the first to occur of the following events:
  - (i) Upon the mutual agreement of the Company and Manager;
  - (ii) Upon dissolution of the Company;
  - (iii) Upon the Company's written notice to Manager of the Company's election (as determined in the sole discretion of Saint Thomas) to terminate immediately following the Closing of a transfer required under Section 11.6 of the Operating Agreement;

(iv) Upon the failure of a party hereto to comply with any material term, condition or covenant of this Agreement after due notice hereunder from the non-breaching party to the breaching party, subject to the following cure period. Written notice of default shall be sent to the breaching party, and the breaching party shall have thirty (30) days following receipt of such notice to remedy the default. If the breach is not cured to the satisfaction of the non-breaching party within such thirty (30) day period, then, unless such breach is not susceptible of being cured within such thirty (30) day period and the breaching party commences such cure within such period and diligently prosecutes said cure to completion, the non-breaching party may terminate this Agreement immediately by giving further notice to such effect to the breaching party;

(v) Immediately upon notice of a party, upon the filing of a voluntary petition in bankruptcy or for reorganization under any bankruptcy law, or a petition for the appointment of a receiver for all or any substantial portion of the property of the other party, or any voluntary or involuntary steps to dissolve or suspend the corporate or company powers of such other party unless such steps to dissolve or suspend are promptly removed;

(vi) Immediately upon notice of a party, upon the consent by the other party to an order for relief under the federal bankruptcy laws or the failure to vacate such an order for relief within sixty (60) days from and after the date of entry thereof; or

(vii) Immediately upon notice of a party, upon the entry of any order, judgment or decree, by any court of competent jurisdiction, on the application of a creditor, adjudicating the other party as a bankrupt, or to be insolvent, or approving a petition seeking reorganization or the appointment of a receiver, trustee or liquidator of all or a substantial part of such other party's assets, if such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) days.

(b) If this Agreement terminates for any reason, with or without cause, such termination shall not affect, negate or obviate any obligation of either party to the other arising prior to the date of such termination, and any termination of this Agreement shall be without prejudice to any right, remedy or recourse to which the terminating party may be entitled under this Agreement or otherwise at law or in equity.

## **ARTICLE 6 NOTICES**

6.1 To be effective, all notices, requests and demands under this Agreement must be in writing and must be given by (1) depositing same in the United States mail, postage prepaid, certified, registered or express, return receipt requested, (2) confirmed facsimile transmission, (3) overnight courier service or (4) delivering same in person and receiving a signed receipt therefor. For purposes of notice, the addresses of the parties shall be the following:

In the case of Manager, to it at:

CHC Management Services, LLC  
c/o Lifepoint Health  
330 Seven Springs Way  
Brentwood, TN 37027  
Attn: General Counsel

In the case of the Company, to its two initial members at:

LPNT IRF Development 89, LLC  
c/o Lifepoint Health  
330 Seven Springs Way  
Brentwood, TN 37027  
Attn: General Counsel

and

Saint Thomas Health  
102 Woodmont Boulevard, Suite 800  
Nashville, TN 37205  
Attn: President

With a copy to:

Saint Thomas Health  
102 Woodmont Boulevard, Suite 800  
Nashville, TN 37205  
Attn: General Counsel

Notices, requests and demands mailed in accordance with the foregoing shall be deemed to have been given and made three days following the date so mailed. All notices, requests and demands sent by overnight courier service shall be effective and deemed served on the day after being deposited with such overnight courier service. All notices, requests and demands sent by facsimile shall be effective and deemed served on the date and time of the facsimile confirmation. Notices, requests and demands made by personal delivery shall be deemed to have been given and made upon receipt. Any party may designate a different address to which notices or demands shall thereafter be directed by written notice given in the manner hereinabove required and directed to the Company at its offices as hereinabove set forth.

## **ARTICLE 7 REQUESTS FOR INFORMATION**

7.1 *Request for Information.* Manager shall provide to the Company any requested documents, records, data or information as soon as reasonably practicable but within thirty (30) business days after the receipt of a written request therefor from the Company or its authorized representatives. In addition, upon reasonable notice from the Company or a Member, Manager shall provide authorized representatives of the Company or a Member access to the books and records maintained by Manager that pertain to the Company.

7.2 *Access to Records.* Until the expiration of four (4) years after the furnishing of the services pursuant to this Agreement, Manager shall make available, upon written request to the Secretary of the U.S. Department of Health and Human Services, or upon request to the Comptroller General, or any of their duly authorized representatives, this Agreement and any books, documents and records of Manager that are necessary to certify the nature and extent of the costs related to this Agreement, and if Manager carries out any of the duties of this Agreement through a subcontract, with a value of or cost of \$10,000 or more over a twelve (12) month period, with a related organization or individual, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization or individual shall make available, upon written request of the Secretary or authorized representatives, the subcontract and any books, documents and records of such

organization or individual that are necessary to verify the nature and extent of such costs. (This paragraph shall be of no force or effect if not required by law.)

## **ARTICLE 8 CONFIDENTIALITY**

Manager shall, and shall cause its employees, accountants, attorneys, and other authorized representatives to, hold in confidence and otherwise not to disclose to anyone other than the Company and its accountants, attorneys, and other authorized representatives, together with such other individuals or organizations from time to time authorized in writing by the Company, all documents, records, data and information of the Company maintained by Manager pursuant to the terms of this Agreement or otherwise revealed to Manager in connection with its performance of this Agreement.

## **ARTICLE 9 USE OF NAME, LOGOS, ETC.**

During the term of this Agreement, Manager shall have the right to utilize the name, trademarks, logos and symbols identifying the Business, including the right to represent to the public and the health care industry that the facilities and operations of the Business are managed by Manager, in connection with the services provided by Manager under this Agreement; provided, however, that Manager may not utilize any Saint Thomas affiliated name, trademark, logo or symbol (other than those pertaining to the Company) without Saint Thomas' written consent to such utilization. The Company and Saint Thomas shall not, however, make any use of the name of Manager or Lifepoint, or any of their trademarks, logos or symbols, without the prior written consent of Manager, Lifepoint or such Affiliate, as the case may be.

## **ARTICLE 10 INDEMNIFICATION**

Manager does not hereby assume any of the obligations, liabilities or debts of the Company or the Business, except as otherwise expressly provided herein, and shall not, by virtue of its performance hereunder, assume or become liable for any of such obligations, debts or liabilities of the Company or the Business. The Company hereby agrees to indemnify, defend and hold Manager and its Affiliates harmless from and against any and all claims, actions, liabilities, obligations, damages, penalties, losses, costs and expenses of any nature whatsoever, including reasonable attorneys' fees and other costs of investigating and defending any such claim or action (collectively, "**Claims**"), asserted against Manager or any of its Affiliates on account of any of the obligations, liabilities or debts of the Company or the Business. The Company shall indemnify, defend and hold Manager and any of its Affiliates and their respective agents, officers, employees, directors, shareholders, partners and members, harmless from and against any and all Claims that may be asserted against, imposed upon, incurred, caused or occasioned by, or arising out of acts or breach of this Agreement by the Company or its agents, officers, employees directors, shareholders, partners, members or contractors, except to the extent such Claims result from the gross negligence or willful misconduct of Manager or its Affiliates. This indemnification shall survive the termination or expiration of this Agreement. Manager shall indemnify and hold the Company and the Company's agents, officers, employees, directors, shareholders, partners and members, harmless from and against any and all Claims that may be asserted against, imposed upon or incurred, caused or occasioned by, or arising out of acts or breach of this Agreement by Manager, its Affiliates or their respective agents, officers, employees directors, shareholders, partners, members or contractors, except to the extent such Claims result from the gross negligence or willful misconduct of the Company. This indemnification shall survive the termination or expiration of this Agreement.

## ARTICLE 11 COMPETITIVE SERVICES

The Company and its Members hereby acknowledge that Manager, Lifepoint and their affiliated companies are currently in the business of developing, owning and operating Medicare-certified businesses and providing business management services apart from and in addition to the services that Manager will provide to the Company under this Agreement. Subject to the Operating Agreement, nothing in this Agreement shall prohibit Manager, Lifepoint or any of their affiliated companies from developing, owning and operating Medicare-certified businesses or from providing such management services related thereto.

The Manager and LPNT Member hereby acknowledge that Saint Thomas and its affiliated companies are currently in the business of developing, owning and operating Medicare-certified businesses. Subject to the Operating Agreement, nothing in this Agreement shall prohibit Saint Thomas or any of its affiliated companies from developing, owning and operating Medicare-certified businesses or from providing management services related thereto.

## ARTICLE 12 MISCELLANEOUS

12.1 *Further Assurances.* Manager and the Company agree upon the reasonable request of the other, to execute, acknowledge and deliver any and all such further instruments, and to do and perform any and all such other acts as may be necessary or appropriate in order to carry out the intent and purposes of this Agreement.

12.2 *Change in Law.* In the event that legislation is enacted (or any final legislation is proposed and will become effective within one (1) year thereafter), new regulations are promulgated (or any final rule is issued and will become effective within one (1) year thereafter), a decision of a court with jurisdiction over Company is rendered or an opinion of a government agency is issued that, in the written opinion of Manager's or Company's legal counsel issued to such party with respect to the specific matter in question, affects or may affect the legality of this Agreement or the ability of any party hereto to operate in accordance with applicable laws, rules and regulations ("**Change in Law**"), then the affected party (the "**Affected Party**") shall send the other party a notice of the Change in Law and the parties shall negotiate in good faith to amend this Agreement to comply with such Change in Law, while also preserving, to the maximum extent possible, the underlying economic, financial and operational arrangements and delegation of responsibilities and discretion among the parties hereto. In the event that the parties hereto are unable to reach an agreement on how to amend this Agreement to comply with such Change in Law within ninety (90) days of notice of the Change in Law from the Affected Party to the other party, then either party may, by delivery of written notice thereof to the other party, promptly terminate this Agreement.

12.3 *Tax-Exempt Status Issues.* If, in the reasonable and good faith judgment of Saint Thomas (so long as it is a Member of Company) and its legal counsel, any term or provision of this Agreement or the manner in which the Company is being operated or managed pursuant to this Agreement violates the requirements of Section 1.5 or materially adversely affects or may materially adversely affect the tax-exempt status of Saint Thomas or its Affiliates under Section 501(c)(3) of the Internal Revenue Code (a "**Tax-Exempt Issue**"), then Saint Thomas shall send a notice to Manager and the parties shall negotiate in good faith to amend this Agreement to address such Tax-Exempt Issue, while also preserving, to the maximum extent possible, the underlying economic, financial and operational arrangements and delegation of responsibilities and discretion among the parties hereto. In the event that the parties hereto are unable to reach an agreement on how to amend this Agreement in a manner that is satisfactory to Saint Thomas to address the Tax-Exempt Issue within ninety (90) days of notice of the Tax-Exempt Issue from Saint Thomas

to Manager, then Company (at the sole and exclusive direction of Saint Thomas) may, by delivery of written notice thereof to Manager, promptly terminate this Agreement.

12.4 *Waivers or Modifications.* No waiver, modification or cancellation of any term or condition of this Agreement shall be effective unless executed in writing by the party to be charged therewith. No written waiver shall excuse any performance of any act(s) other than those specifically referred to therein. A waiver of any breach by any party hereunder shall not constitute a waiver of any subsequent breach(es) by such party hereunder.

12.5 *Governing Law.* This Agreement and the performance hereof will be construed and governed in accordance with the laws of the State of Tennessee, without regard to its choice of law principles.

12.6 *Severability.* If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

12.7 *Entire Agreement.* This Agreement, together with the Operating Agreement and any documents to be delivered pursuant hereto or thereto, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of or by and between the parties hereto in respect of such subject matter and may not be amended except by a written instrument hereafter signed by each of the parties hereto.

12.8 *Assignment; Binding Agreement.* Except as specifically provided in this Section 12.8, Manager shall not have the right to assign its rights or delegate its duties hereunder to any unrelated organization unless it first obtains the written consent of the Company. Manager may assign this Agreement without consent to any of its Affiliates, including Lifepoint. This Agreement is binding upon, and inures to the benefit of, the parties and their respective successors. Except as set forth herein, nothing in this Agreement, expressed or implied, is intended to confer on any person, other than the parties or their respective successors, any rights, remedies, or liabilities under this Agreement.

12.9 *Counterparts; Execution.* This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument. Signatures transmitted by facsimile or via other electronic transmission systems shall be accepted as original signatures.

12.10 *No Impairment of Rights.* No delay or omission by either party hereto in exercising any right, power or privilege hereunder will impair such right, power or privilege, nor will any single or partial exercise of any such right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

12.11 *HIPAA Compliance.* Concurrent with the execution of this Agreement, the parties shall execute the Business Associate Agreement attached hereto as Exhibit 12.11.

12.12 *Construction.* Every covenant, term, and provision of this Agreement shall be construed according to its fair meaning and not strictly for or against any party hereto.

12.13 *Captions.* Section and other captions and headings contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provision hereof.

12.14 *Interpretation.* Unless the context shall require otherwise:

(a) Words importing the singular number or plural number shall include the plural number and singular number respectively;

(b) Words importing the masculine gender shall include the feminine and neuter genders and vice versa;

(c) References to “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation”;

(d) All pronouns and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person or Persons may require;

(e) Reference in this Agreement to “herein,” “hereby” or “hereunder,” or any similar formulation, shall be deemed to refer to this Agreement as a whole; and

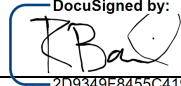
(f) References to “and” and “or” shall be deemed to mean “and/or.”

[Remainder of page intentionally left blank.]

**IN WITNESS WHEREOF**, the parties have caused this Management and Administrative Services Agreement to be executed by their duly authorized representatives as of the day and year first above written.

**MANAGER:**

**CHC MANAGEMENT SERVICES, LLC**

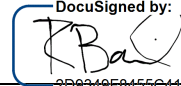
By:  \_\_\_\_\_  
Name: Russ Bailey  
Title: President

**THE COMPANY:**

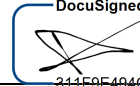
**SUMNER HEALTHCARE OPERATION, LLC**

By: Its Two Members

**LPNT IRF DEVELOPMENT 89, LLC**

By:  \_\_\_\_\_  
Name: Russ Bailey  
Title: President

**SAINT THOMAS HEALTH**

By:  \_\_\_\_\_  
Name: Fahad Tahir  
Title: President and CEO

**EXHIBIT 12.11****HIPAA BUSINESS ASSOCIATE AGREEMENT**

This **HIPAA BUSINESS ASSOCIATE AGREEMENT** (this “**Agreement**”) is made and entered into as of May 28, 2026 (the “**Effective Date**”), by and between (i) Summer Healthcare Operation, LLC, a Tennessee limited liability company (the “**Company**” or “**Covered Entity**”), and (ii) CHC Management Services, LLC, a Missouri limited liability company (the “**Business Associate**”).

1. Purpose. The Company and the Business Associate hereby enter into this Agreement because the Business Associate provides services for the Company which may involve the use and/or disclosure of individually identifiable health information relating to the Company’s patients (“**Protected Health Information**” or “**PHI**”). The Company and the Business Associate desire to enter into this Agreement in order to ensure compliance with the requirements of the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”), and its implementing regulations which include the Standards for the Privacy of Individually Identifiable Health Information (the “**Privacy Rule**”) (45 C.F.R. Part 160 and Part 164, Subparts A and E) and the Security Standards for the Protection of Electronic Protected Health Information (the “**Security Rule**”) (45 C.F.R. Part 160 and Part 164, Subparts A and C), as amended by the Health Information Technology for Economic and Clinical Health Act (included in Division A, Title XIII, Subtitle D of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5), and its implementing regulations (collectively, the “**HIPAA Regulations**”). Terms used but not otherwise defined in this Agreement shall have the same meaning assigned by the HIPAA Regulations.

2. Effective Date. The effective date of this Agreement shall be the Effective Date.

3. Permitted Uses and Disclosures. The Business Associate shall not use or disclose any Protected Health Information other than as permitted by this Agreement or the Management and Administrative Services Agreement to which this Agreement is attached (the “**Underlying Agreement**”) in order to perform the Business Associate’s obligations hereunder or as required by law. The Business Associate shall not use or disclose the PHI in any way that would be prohibited if used or disclosed in such a way by the Company. The Business Associate may also use or disclose PHI as required for the Business Associate’s proper management and administration, provided that if the Business Associate discloses any PHI to a third party for such a purpose, the Business Associate shall enter into a written agreement with such third party requiring that party (i) to hold the PHI confidentially and not to use or further disclose the PHI except as required by law, and (ii) to notify the Business Associate immediately of any instances of which it becomes aware in which the confidentiality of the PHI is breached. To the extent the Business Associate is required to carry out covered entity obligations of the Company under the Privacy Rule, the Business Associate will comply with the same Privacy Rule requirements that apply to the Company in the performance of those obligations.

4. Minimum Necessary Information. The Business Associate shall only request from the Company, and shall only use and disclose, the minimum amount of PHI necessary to carry out the Business Associate’s responsibilities under this Agreement and the Underlying Agreement.

5. Reporting. If the Business Associate becomes aware of any use or disclosure of PHI in violation of this Agreement, the Business Associate shall immediately report such information to the Company. Further, the Business Associate shall report to the Company any Breach of Unsecured PHI (as defined at 45 C.F.R. § 164.402) of which it becomes aware, without unreasonable delay and in no event more than five (5) business days following discovery of the Breach, with such report to include identification of each Individual whose Unsecured PHI has been, or is reasonably believed to have been, Breached, and such other information as the Company may require in order to meet its obligations under

45 C.F.R. § 164.410, including, without limitation, a description of the Breach, the date of the Breach and the date the Breach was discovered, the types of information involved, and a description of the Business Associate's mitigation and prevention efforts. The Business Associate shall also require its employees, agents, and subcontractors to immediately report to the Business Associate any Breach of Unsecured PHI or use or disclosure of PHI in violation of this Agreement. The Business Associate shall cooperate with, and take any action reasonably required by, the Company to mitigate any harm caused by such improper disclosure or Breach of Unsecured PHI.

6. Agents and Subcontractors. The Business Associate shall require its employees, agents, and subcontractors to agree not to use or disclose PHI in any manner except as specifically allowed herein, and shall take appropriate disciplinary action against any employee or other agent who uses or discloses PHI in violation of this Agreement or the Underlying Agreement. The Business Associate shall require any agent or subcontractor that carries out any duties for the Business Associate involving the use, custody, disclosure, creation of, or access to PHI to enter into a written contract with the Business Associate containing provisions substantially identical to the restrictions and conditions set forth in this Agreement. The Business Associate shall also ensure that any agent or subcontractor that creates, receives, maintains or transmits electronic PHI (as defined below) on behalf of the Business Associate agrees to comply with the applicable requirements of the Security Rule with respect to such information.

7. Company Policies, Privacy Practices, and Restrictions. The Company shall provide the Business Associate with access to the Company's notices, policies, and procedures, including updates thereto provided from time to time by the Company, and the Business Associate shall comply with all such notices, policies, and procedures. The Business Associate shall ensure that each of its agents, subcontractors and employees has received appropriate training regarding HIPAA confidentiality and patient privacy compliance issues.

8. Patient Rights. The Business Associate acknowledges that the HIPAA Regulations require the Company to provide patients with a number of privacy rights, including (a) the right to inspect PHI within the possession or control of the Company, its business associates, and their subcontractors, (b) the right to amend such PHI, (c) the right to request restrictions in accordance with 45 C.F.R. §164.522, and (d) the right to obtain an accounting of certain disclosures of their PHI to third-parties. The Business Associate shall establish and maintain adequate internal controls and procedures allowing it to readily assist the Company in complying with patient requests to exercise any patient rights granted by the HIPAA Regulations, and shall comply with all Company requests to amend or restrict, provide access to, or create an accounting of disclosures of the PHI in the possession of the Business Associate or its agents and subcontractors. If the Business Associate receives a request directly from a patient to exercise any patient rights granted by the HIPAA Regulations, the Business Associate shall immediately forward the request to the Company.

9. Restrictions. The Business Associate shall comply with any communicated restrictions in the use or disclosure of PHI to which the Company has agreed pursuant to 45 C.F.R. § 164.522, and shall further comply with any Individual's request for restrictions on PHI disclosures that the Company or the Business Associate is required by law to honor, including without limitation, requests for restrictions on disclosures to a health plan if the disclosure is for purposes of payment or healthcare operations and pertains solely to a healthcare item or service for which the Individual has paid his or her healthcare provider out of pocket in full, unless disclosure is otherwise required by law. The Business Associate shall forward any request for restrictions by an Individual to the Company within five (5) business days of such request. The Company shall determine whether to grant or deny any Individual's request for restrictions.

10. Safeguards. The Business Associate shall use appropriate physical, technical, and administrative safeguards to prevent the use or disclosure of PHI other than as provided for by this

Agreement and by the Company's privacy and security policies. Upon request, the Business Associate shall allow the Company to review such safeguards.

11. Security.

a. As of the Effective Date, if the Business Associate creates, receives, maintains, or transmits electronic PHI on behalf of the Company, the Business Associate shall:

i Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI. The Business Associate shall implement safeguards and the policy, procedures, and document requirements consistent with 45 C.F.R. §§ 164.306, 164.308, 164.310, 164.312, 164.314 and 164.316;

ii Ensure that any agent, including a subcontractor, to whom it provides electronic PHI, agrees to implement reasonable and appropriate safeguards to protect the electronic PHI;

iii Report to the Company any security incident of which the Business Associate becomes aware and mitigate any harm resulting from such security incident. The term "**security incident**" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system;

iv Mitigate, to the extent practicable, any harmful effect known to the Business Associate of a security incident;

v Protect against any reasonably anticipated threats or hazards to the security or integrity of the electronic PHI; and

vi Protect against any reasonably anticipated uses or disclosures of electronic PHI that are not permitted by this Agreement or the HIPAA Regulations.

b. For purposes of this section of this Agreement, "**electronic PHI**" shall mean PHI that is transmitted by electronic media or maintained in any electronic media. As used herein, "**electronic media**" shall mean:

i Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or

ii Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

12. Audits and Inspections. The Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI available to the Company for inspection upon request, and to the Secretary of Health and Human Services to the extent required for determining the Company's compliance with the HIPAA Regulations. Notwithstanding the above, no attorney-client, accountant-client,

or other legal privilege shall be deemed waived by the Company or the Business Associate by virtue of this provision.

13. Termination and Return of PHI. Notwithstanding anything to the contrary in the Underlying Agreement, the Company may terminate this Agreement immediately if, in the Company's reasonable opinion, the Business Associate has breached any provision of this Agreement and has not cured such breach within thirty (30) days of the Business Associate's receipt of written notice of such breach from the Company. Upon termination of this Agreement for any reason, the Business Associate shall, if feasible, return or destroy (if directed by the Company) all PHI received from the Company or created by the Business Associate on behalf of the Company. If such return or destruction is not feasible, the parties agree that the requirements of this Agreement shall survive termination and that the Business Associate shall limit all further uses and disclosures of PHI to those purposes that make the return or destruction of such information infeasible.

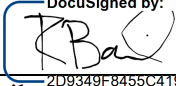
14. Interpretation; Change in Law. Any ambiguity in this Agreement shall be resolved to permit the Company to comply with the HIPAA Regulations. In the event of any inconsistencies between the terms of the Underlying Agreement and this Agreement, the terms of the Underlying Agreement shall prevail. In the event the Company determines in good faith that any HIPAA Regulations or guidance adopted or amended after the execution of this Agreement shall cause any paragraph or provision of this Agreement to be invalid, void or in any manner unlawful or subject either party to penalty, then the parties agree to renegotiate in good faith to amend this Agreement to comply with the change in law, regulation or interpretative guidance.

*[Signature pages follow]*

IN WITNESS WHEREOF, Covered Entity and Business Associate have executed this Agreement as of the date first set forth above.

**BUSINESS ASSOCIATE:**

CHC MANAGEMENT SERVICES, LLC

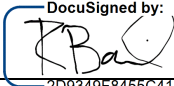
By:  \_\_\_\_\_  
Name: Russ Bailey  
Title: President

**COVERED ENTITY:**

SUMNER HEALTHCARE OPERATION, LLC

By: Its Two Members

LPNT IRF DEVELOPMENT 89, LLC

By:  \_\_\_\_\_  
Name: Russ Bailey  
Title: President

SAINT THOMAS HEALTH

By:  \_\_\_\_\_  
Name: Fahad Tahir  
Title: President and CEO

**Attachment 9A**  
**Site Control**  
**Documentation**

Pamela L. Whitaker, Register  
 Sumner County Tennessee  
 Rec #: 822259 Instrument #: 1071080  
 Rec'd: 25.00 Recorded  
 State: 66600.00 12/3/2013 at 3:11 PM  
 Clerk: 1.00 in Record Book  
 Other: 2.00  
 Total: 66628.00

3877  
 Pages 594-598 /

FROM: Citadel Properties V, L.L.C.

TO: Sumner Regional Medical Center, LLC

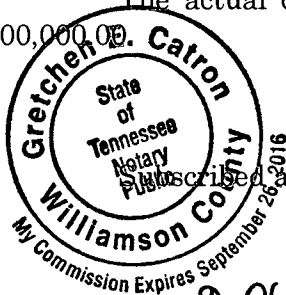
FORWARDED TO SUMNER COUNTY ASSESSOR  
 OF PROPERTY ON DATE OF RECORDING

Address New Owner as Follows:	Send Tax Bills To:	Map-Parcel No.
Sumner Regional Medical Center, LLC, a Delaware limited liability company c/o Lifepoint Hospitals 103 Powell Court Brentwood, TN 37027	SAME	Map 137, Parcels 8.01, 8.02, 8.03 and 8.04

THIS INSTRUMENT PREPARED BY: Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, Tennessee 37219-1760

STATE OF Tennessee )  
COUNTY OF Williamson )

The actual consideration or value, whichever is greater, for this transfer is \$18,000,000.00.



[Signature]  
Affiant

Subscribed and sworn to before me, this the 22 day of November, 2013.

[Signature]  
Notary Public

My Comm. Expires: 9-26-2016

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the sum of TEN DOLLARS (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, CITADEL PROPERTIES V, L.L.C., an Illinois limited liability company ("Grantor"), has bargained and sold, and by these presents does transfer and convey unto SUMNER REGIONAL MEDICAL CENTER, LLC a Delaware limited liability company ("Grantee"), the successors and assigns of Grantee, that certain tract or parcel of land in Sumner County, Tennessee, described on Exhibit A attached hereto and incorporated herein (the "Property"), subject to, however, those exceptions and encumbrances set forth on Exhibit B attached hereto and incorporated herein.

This is improved property known as 225 Big Station Camp Boulevard, Gallatin, Tennessee 37066.

TO HAVE AND TO HOLD the Property together with all appurtenances and hereditaments thereunto belonging or in any wise appertaining to Grantee, the heirs, representatives, successors and assigns of Grantee, forever.

Grantor further covenants and binds itself, its representatives, successors and assigns to warrant and forever defend the title to the Property to Grantee, the heirs, representatives, successors and assigns of Grantee, against the lawful claims of all persons whomsoever claiming by, through or under Grantor but excluding the claims of persons claiming by, through or under any current tenant of Grantor under the leases and set forth on Exhibit B, but not further or otherwise subject to the matters set forth on Exhibit B.

Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, this instrument has been executed this 27<sup>th</sup> day of November, 2013.

CITADEL PROPERTIES V, L.L.C., a Illinois limited liability company

By: [Signature]  
Name: David L. Varwig  
Title: Sole Manager

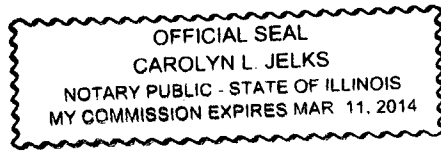
STATE OF Illinois )  
COUNTY OF Lake )

Before me, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared David VARWIG, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the Sole Manager of Citadel Properties V, L.L.C., the within named bargainor, a limited liability company, and that (s)he executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as Sole Manager.

Witness my hand, at office, this 27<sup>th</sup> day of November, 2013.

[Signature]  
Notary Public

My Commission Expires: 3-11-14



**EXHIBIT A**

Legal Description

LAND IN THE FOURTH CIVIL DISTRICT OF SUMNER COUNTY, TENNESSEE. BEING THE PROPERTY OF SUMNER REGIONAL HEALTH SYSTEMS, INC., AS OF RECORD IN BOOK 2635, PAGE 828, REGISTER'S OFFICE SUMNER COUNTY, TENNESSEE AND RECORD BOOK 2718, PAGE 773, REGISTER'S OFFICE SUMNER COUNTY, TENNESSEE. DESCRIBED MORE PRECISELY AS FOLLOWS:

BEGINNING AT A POINT AT A HIGHWAY MONUMENT ON THE NORTHERN RIGHT-OF-WAY OF LOWER STATION CAMP CREEK ROAD, SAID POINT BEING LOCATED ON THE WESTERN RIGHT-OF-WAY OF STATE ROUTE 386 AND BEING THE SOUTHEAST CORNER OF THIS PARCEL;

THENCE WITH THE NORTHERN RIGHT-OF-WAY OF LOWER STATION CAMP CREEK ROAD AND A CURVE TO THE LEFT, DELTA OF 14°31'46", RADIUS OF 625.00 FEET, LENGTH OF 158.49 FEET AND A CHORD BEARING OF N 75°06'13" W 158.07 FEET TO AN IRON ROD ON THE NORTHERN RIGHT-OF-WAY OF SAID ROAD;

THENCE LEAVING SAID ROAD, N 08°59'01" E 2000.68 FEET TO AN IRON ROD ON THE SOUTHERN MARGIN OF NEW STATION CAMP CREEK ROAD;

THENCE, S 42°54'44" E 718.20 FEET TO AN IRON ROD ON THE SOUTHERN RIGHT OF-WAY OF NEW STATION CAMP CREEK ROAD;

THENCE, S 47°03'45" W 24.95 FEET TO A POINT AT A HIGHWAY MONUMENT AND THE RIGHT-OF-WAY OF STATE ROUTE 386;

THENCE WITH THE RIGHT-OF-WAY OF STATE ROUTE 386 FOR THE NEXT EIGHT CALLS;

S 34°24'24" E 101.12 FEET TO A POINT AT A HIGHWAY MONUMENT;

S 41°55'01" E 168.45 FEET TO A POINT AT A HIGHWAY MONUMENT;

CHORD BEARING OF S 09°38'23" E 203.13 FEET, RADIUS OF 185.00 FEET AND A LENGTH OF 215.03 FEET TO A POINT AT A HIGHWAY MONUMENT;

S 23°39'29" W 292.22 FEET TO A POINT AT A HIGHWAY MONUMENT;

S 26°23'25" W 228.79 FEET TO A POINT AT A HIGHWAY MONUMENT;

CHORD BEARING OF S 35°21'34" W 85.59 FEET, RADIUS OF 743.51 FEET AND A LENGTH OF 85.63 FEET TO A POINT AT A HIGHWAY MONUMENT;

S 45°49'36" W 228.57 FEET TO A POINT AT A HIGHWAY MONUMENT;

S 47°53'25" W 541.42 FEET TO THE POINT OF BEGINNING;

CONTAINING 24.58 ACRES, MORE OR LESS.

Being the same property conveyed to Citadel Properties V, L.L.C., an Illinois limited liability company, by deed from SRHS Bankruptcy, Inc., of record in Record Book 3731, page 187, Register's Office for Sumner County, Tennessee.

## EXHIBIT B

### Permitted Exceptions

1. Taxes for 2013 and subsequent years.
2. Declaration of Easement and Maintenance Agreement of record in Record Book 2733, page 441, said Register's Office.
3. Water/sewer easement of record in Record Book 1343, page 417, said Register's Office.
4. Public Utility easement of record in Record Book 1481, page 228, said Register's Office.
5. Grant of Transmission Line Easement of record in Deed Book 174, page 370, said Register's Office.
6. Lease (Outpatient Diagnostic Center) dated April 1, 2007, between Citadel Properties V, L.L.C. and Sumner Regional Health Systems, Inc., successor in interest to Sumner Regional Medical Center, Inc., for approximately 11,757 square feet of diagnostic center space.
7. Lease (Clinic Space) dated April 1, 2007, between Citadel Properties V, L.L.C. and Sumner Regional Health Systems, Inc., successor in interest to Sumner Regional Medical Center, LLC for approximately 8,304 square feet of clinic space.
8. Matters shown on survey prepared by L. Steven Bridges, Jr., as Job N. 3218, dated September 27, 2013, last revised November 5, 2013.
9. Laws and ordinances affecting the Property.

## True Copy Certification

I, Mark Lee, do hereby make oath that I am a licensed attorney and/or the custodian of the electronic version of the attached document tendered for registration therewith and that this is a true and correct copy of the original documents executed and authenticated according to law.



Signature

State of Tennessee

County of Shelby

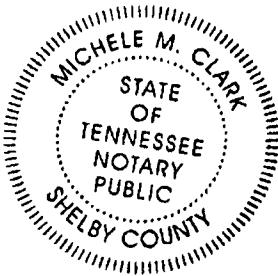
Personally appeared before me, Michele M. Clark, a notary public for this county and state, Mark Lee, who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.



Notary's Signature

My Commission Expires: 7-16-2017

Notary Seal:





May 11, 2026

Ascension Saint Thomas Sumner Rehabilitation Hospital, LLC  
c/o Lifepoint Health  
Attn: Andrea Cameron, VP Business and Market Planning  
330 Seven Springs Way  
Brentwood, TN 37027

Via email

Mrs. Cameron,

Sumner Regional Medical Center, LLC owns approximately 24.58 acres located at 225 Big Station Camp, Gallatin, Tennessee (see attached deed). Upon receipt of the Certificate of Need (CON) approval for Ascension Saint Thomas Rehabilitation Hospital, LLC, Sumner Regional Medical Center, LLC intends to ground lease approximately 8 acres of the site to a third-party developer, who will be responsible for financing and constructing the facility.

As a developer has not yet been selected, a lease agreement is not currently in place. However, we anticipate that lease terms will be established based on prevailing market conditions and will likely include a 15-year initial term, three renewal options of 5 to 10 years each, an initial lease rate of approximately 8%, and annual rent escalations of approximately 2.5%.

Sincerely,  
Sumner Regional Medical Center, LLC

DocuSigned by:

A handwritten signature in black ink that reads "William Haugh".

D58125347CC748D...

Name: William Haugh

Title: Division President

Acknowledged and Accepted:

Ascension Saint Thomas Sumner Rehabilitation Hospital,

A handwritten signature in black ink that reads "Russell Bailey".

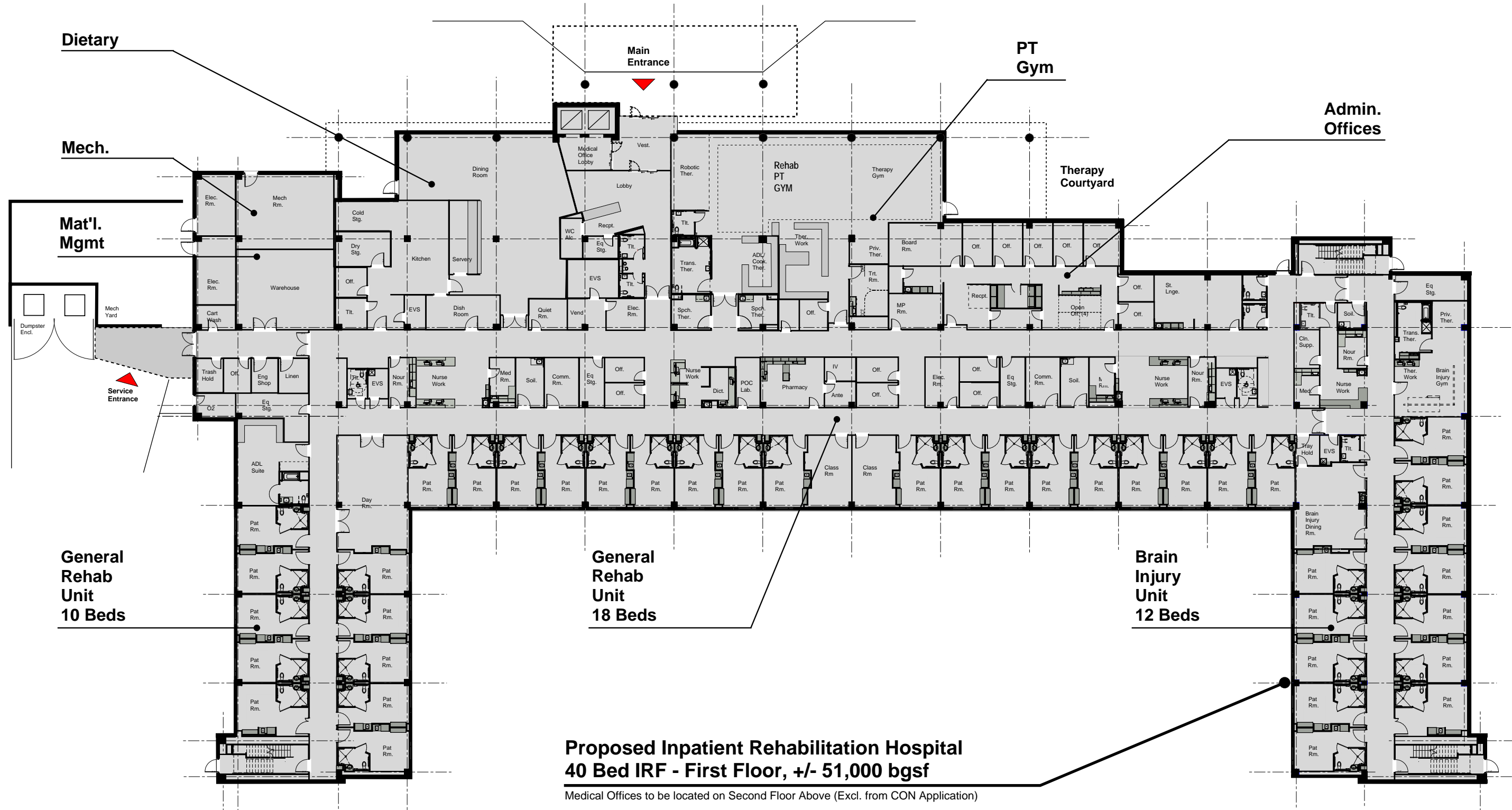
2D9349F8455C419...

Name: Russell Bailey

Title: President

# **Attachment 10A**

## **Floor Plan**



# **Attachment 11A**

## **Transportation**

## Public Transportation Route

As the map below shows, Sumner County is bordered by two major interstates: I-65 to its west and I-40 to the southeast.<sup>1</sup> Two major state routes, 109 and 386, intersect in the county seat of Gallatin. State Highway 386 links to I-65 and SR 109 and is a four-lane divided highway built to interstate standards.<sup>2</sup> The map also shows the approximate location of SRMC (red star) and Sumner Station (yellow star).

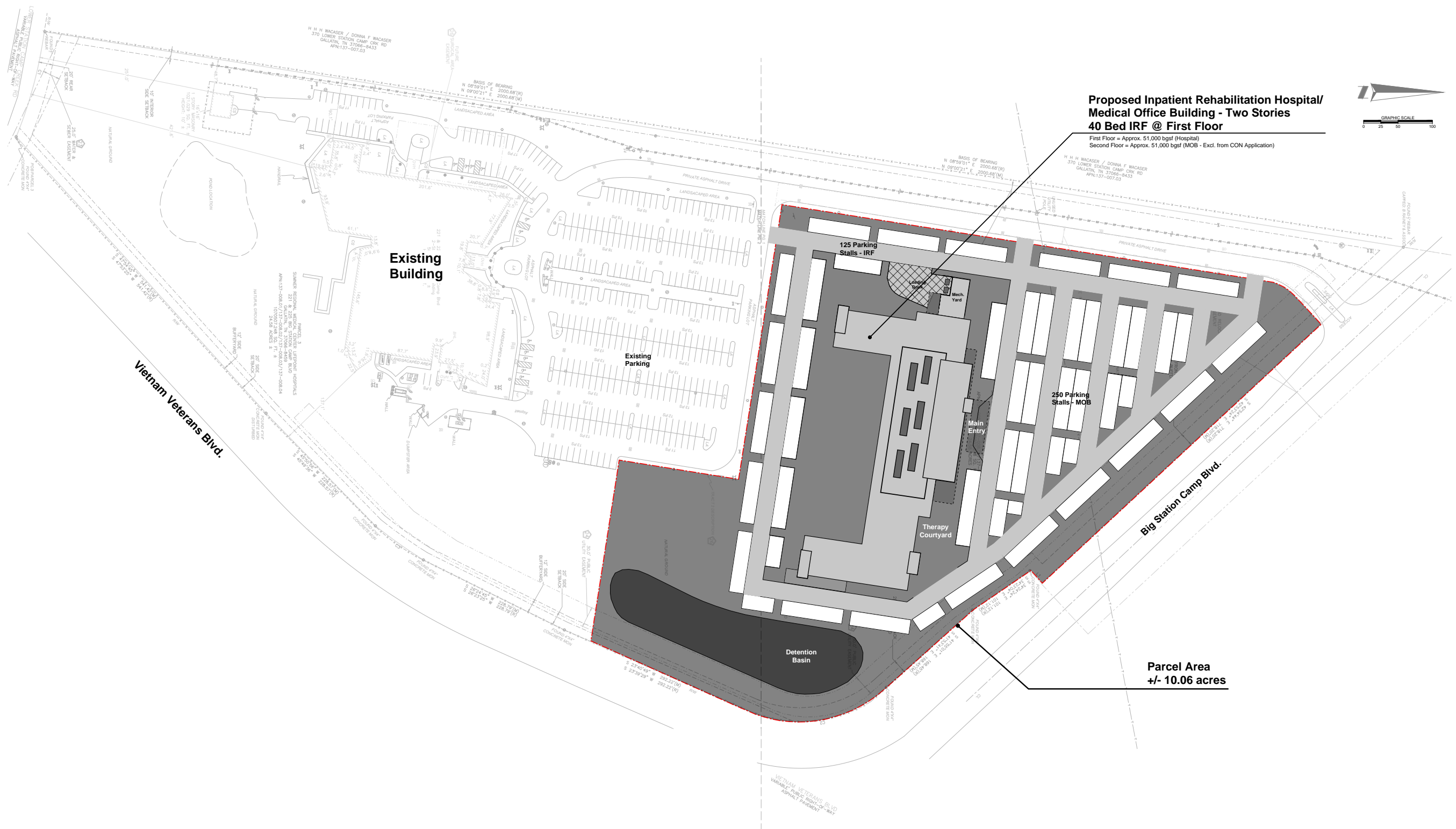


<sup>1</sup> Map from Middle Tennessee Industrial Development Association. "Why Sumner County," Forward Sumner, <https://forwardsumner.org/why-sumner-county/>.

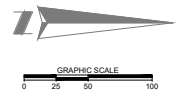
<sup>2</sup> "Transportation," Forward Sumner, <https://forwardsumner.org/transportation/>, accessed March 26, 2025.

# **Attachment 12A**

## **Plot Plan**



**Proposed Inpatient Rehabilitation Hospital/  
Medical Office Building - Two Stories**  
**40 Bed IRF @ First Floor**  
 First Floor = Approx. 51,000 bgsf (Hospital)  
 Second Floor = Approx. 51,000 bgsf (MOB - Excl. from CON Application)



**Existing Building**

**Existing Parking**

**125 Parking Stalls - IRF**

**250 Parking Stalls - MOB**

**Main Entry**

**Therapy Courtyard**

**Mech. Yard**

**Detention Basin**

**Big Station Camp Blvd.**

**Vietnam Veterans Blvd.**

**Parcel Area  
+/- 10.06 acres**



# **Attachment 2N**

## **Service Area**

**2N.** Identify the proposed service area and provide justification for its reasonableness. 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:**

See Figure 1 and 2 below.

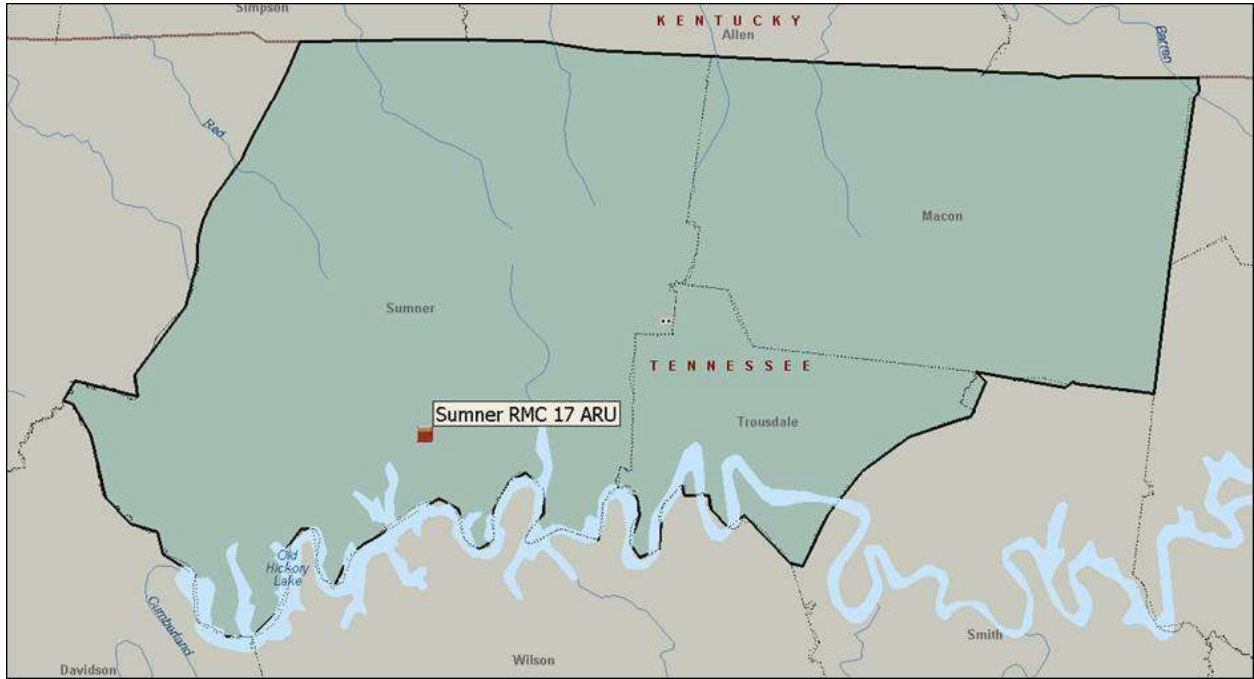
The proposed service area for Ascension Saint Thomas Sumner Rehabilitation Hospital includes three Tennessee counties: Sumner, Macon, and Trousdale Counties. Collectively, the three-county service area has an estimated age 65+ population of 46,212 in 2026, projected to grow to 51,149 by 2030 and increasing by nearly 23% to 56,692 by 2036, reflecting sustained growth in the population most likely to utilize inpatient rehabilitation services.

The proposed service area was established based on several factors, including geographic proximity to the proposed facility, existing healthcare utilization patterns, drive-time accessibility, and the current availability of inpatient rehabilitation services within the region. Residents throughout the proposed service area are generally located within an approximate 5-to-55-minute drive of the proposed site in Gallatin, Tennessee, making the service area both reasonable and consistent with established regional referral patterns. The proposed facility's location on the existing healthcare campus at 225 Big Station Camp Boulevard provides convenient access for residents of both urban and rural communities across the three counties.

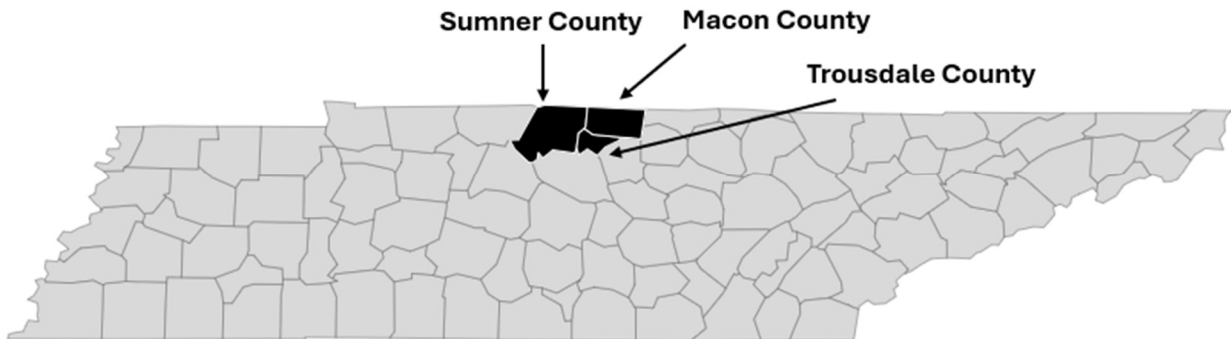
Currently, the only inpatient rehabilitation provider operating within the proposed service area is the 17-bed rehabilitation unit located at Sumner Regional Medical Center, which is owned by an entity that shares common ownership with the applicant, Sumner Healthcare Operation, LLC. No freestanding inpatient rehabilitation hospital currently operates within the service area, and residents requiring more specialized or higher-acuity rehabilitation services often must travel outside the region to access freestanding rehabilitation hospitals or specialized neurological rehabilitation programs. For example, residents living in the northwestern portions of Macon County may otherwise need to travel to Nashville to access a comparable freestanding inpatient rehabilitation hospital, resulting in drive times that can exceed approximately 75 to 90 minutes under normal driving conditions. The proposed project will significantly enhance access to inpatient rehabilitation services through the development of a modern freestanding inpatient rehabilitation hospital offering expanded capacity, advanced rehabilitation technologies, and the region's first dedicated Acquired Brain Injury ("ABI") unit.

The inclusion of Sumner, Macon, and Trousdale Counties as the proposed service area therefore represents a logical, contiguous, and well-defined geographic region with shared healthcare access patterns, growing demand for inpatient rehabilitation services, and a demonstrated need for expanded local rehabilitation capacity.

**Figure 1 – Existing rehabilitation beds in the service area**



**Figure 2 - Service Area County Map: TN**



# **Attachment 3N**

## **Service Area Demographics**

## 3N.B Service Area Demographic Chart

**Table 3NB: Ascension Saint Thomas Sumner Rehabilitation Hospital  
Demographic Characteristics of Tennessee Primary Service Area  
2026-2030**

Tennessee Primary Service Area Counties	Boyd Center Population Projections							Census Bureau				TennCare	
	Total Population- Current Year :2026	Total Population- Projected Year 2030	Total Population-% Change	Target Population- Age 65+ Current Year: 2026	Target Population – Age 65+ Projected Year: 2030	Target Population- Age 65+ % Change	Target Population Projected Year as % of Total Pop	Median Age *	Median Household Income	Person Below Poverty Level*	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
<b>Sumner County</b>	219,021	232,956	6.0%	39,783	44,202	11.1%	19.0%	40.1	\$90,301	18,179	8.3%	29,366	13.4%
<b>Macon County</b>	27,738	29,126	4.8%	4,688	5,051	7.7%	17.3%	39.2	\$59,177	4,438	16.0%	6,631	23.9%
<b>Trousdale County</b>	12,620	13,025	3.1%	1,741	1,896	8.9%	14.6%	35.0	\$72,747	1,830	14.5%	2,068	16.4%
<b>Service Area Total</b>	259,379	275,107	5.7%	46,212	51,149	10.7%	18.6%	-	-	-	-	38,065	14.7%
<b>State of TN Total</b>	7,300,003	7,513,757	2.8%	1,341,027	1,426,059	6.3%	19%	39.1	\$69,595	985,500	13.5%	1,384,159	19.0%

Sources: Boyd Center Population Projections 2025-2029; U.S. Census Bureau, QuickFacts; TennCare Bureau

\* The Census Bureau website does not provide the number of persons below the poverty level. The totals in this column are calculated by applying the poverty percentage provided by the Census Bureau to the current year population totals from the Department of Health. Median Age pulled from Census Bureau ACS Table DPO5 ([DP05 - Census Bureau Tables](#))

\*\*Most recent TennCare Enrollment Data available is March 2026

**Attachment 6N - Applicant Projected Utilization (Year 1 and Year 2) and Existing Patient Origin**

Facility	County	2028 & 2029 Licensed and Staffed Beds (Inpatient Rehabilitation Beds)	Bed Days Available (Inpatient Rehabilitation Beds)	Patient Days (Inpatient Rehabilitation Beds) (Year 1 and Year 2 of the Project)		Licensed Occupancy (Inpatient Rehabilitation Beds) (Year 1 and Year 2 of the Project)		% Change in Patient Days Yr 1 to Yr 2
				2029	2030	2029	2030	
Ascension Saint Thomas Sumner Rehabilitation Hospital	Sumner	40	14,600	7,569	10,220	51.8%	70.0%	35.0%

# **Attachment 9C**

## **Comparative Charges**

**Attachment 9C: Gross Charges of Service Area Rehabilitation Facilities – CY2023-CY2025\***

<b>County</b>	<b>Provider</b>	<b>Year</b>	<b>Utilization Data: Patient Days</b>	<b>Total Gross Charges Reported</b>	<b>Average Gross Charge Per Patient Day</b>
Sumner	Sumner Regional Medical Center	2025	2,643	\$5,455,038	\$2,064
Sumner	Sumner Regional Medical Center	2024	2,831	\$5,197,621	\$1,836
Sumner	Sumner Regional Medical Center	2023	2,304	\$3,788,464	\$1,644
<b>Totals</b>			7,778	\$14,441,123	\$1,857

\* The latest available Medicare cost reports were analyzed for these comparisons. JARs of hospitals with in-house IRF bed units could not be used, because revenue information for their IRF units is not reported separately from total hospital revenues.

## Attachment – Bed Complement Data

	<u>Current Licensed</u>	<u>Beds Staffed</u>	<u>Beds Proposed</u>	<u>*Beds Approved</u>	<u>**Beds Exempted</u>	<u>TOTAL Beds at Completion</u>
1) Medical	_____	_____	_____	_____	_____	_____
2) Surgical	_____	_____	_____	_____	_____	_____
3) ICU/CCU	_____	_____	_____	_____	_____	_____
4) Obstetrical	_____	_____	_____	_____	_____	_____
5) NICU	_____	_____	_____	_____	_____	_____
6) Pediatric	_____	_____	_____	_____	_____	_____
7) Adult Psychiatric	_____	_____	_____	_____	_____	_____
8) Geriatric Psychiatric	_____	_____	_____	_____	_____	_____
9) Child/Adolescent Psychiatric	_____	_____	_____	_____	_____	_____
10) Rehabilitation	<u>0</u>	<u>0</u>	<u>40</u>	<u>0</u>	<u>0</u>	<u>40</u>
11) Adult Chemical Dependency	_____	_____	_____	_____	_____	_____
12) Child/Adolescent Chemical Dependency	_____	_____	_____	_____	_____	_____
13) Long-Term Care Hospital	_____	_____	_____	_____	_____	_____
14) Swing Beds	_____	_____	_____	_____	_____	_____
15) Nursing Home – SNF (Medicare only)	_____	_____	_____	_____	_____	_____
16) Nursing Home – NF (Medicaid only)	_____	_____	_____	_____	_____	_____
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	_____	_____	_____	_____	_____	_____
18) Nursing Home – Licensed (non-certified)	_____	_____	_____	_____	_____	_____
19) ICF/IID	_____	_____	_____	_____	_____	_____
20) Residential Hospice	_____	_____	_____	_____	_____	_____
<b>TOTAL</b>	<u>0</u>	<u>0</u>	<u>40</u>	<u>0</u>	<u>0</u>	<u>40</u>

\*Beds approved but not yet in service

\*\*Beds exempted under 10% per 3 year provision

# **Additional Document Medical Equipment Over \$50k**

- **Vector Elite Gate & Safety System ~\$220,000**

**Project Name :** Ascension Saint Thomas Sumner Rehabilitation Hospital

**Supplemental Round Name :** 1

**Certificate No. :** CN2605-012

**Due Date :** 6/10/2026

**Submitted Date :** 6/3/2026

### 1. 7A. Type of Ownership of Control

Please discuss the common ownership between the applicant and other IRF facilities or units in Tennessee including recently approved but unimplemented Certificates of Need.

How many of these IRFs are operated under the same ownership structure, with majority ownership by Ascension Saint Thomas and management by a Lifepoint Health entity?

**Response :** The applicant shares common parent ownership with other inpatient rehabilitation facilities and projects in Tennessee through the longstanding joint venture relationship between Ascension Saint Thomas and Lifepoint Health. These include Ascension Saint Thomas Rehabilitation Hospital, as well as the recently approved Ascension Saint Thomas Rutherford Rehabilitation Hospital and Ascension Saint Thomas Clarksville Rehabilitation Hospital.

The applicant also shares common parent ownership in Highpoint Health, the owner of Sumner Regional Medical Center and the location of the existing ARU. However, SRMC and the proposed project are operated through separate legal entities.

All three of the IRFs are operated under the same parent ownership structure, to include a majority ownership by Ascension Saint Thomas and management by Lifepoint Health. These include Ascension Saint Thomas Rehabilitation Hospital, and the recently approved Ascension Saint Thomas Rutherford Rehabilitation Hospital and Ascension Saint Thomas Clarksville Rehabilitation Hospital.

### 2. 9A. Legal Interest in the Site

Please provide details on the overlap in ownership structure between SRMC and the applicant.

**Response :** Sumner Regional Medical Center ("SRMC") is owned by Highpoint Health, a joint venture between Lifepoint Health and Ascension Saint Thomas, with ownership interests of approximately 80% and 20%, respectively.

### 3. 1E. Overview

Is the IRF unit at Sumner Regional Medical Center managed by CHC Management Services, LLC?

Why were only 10 of 17 IRF unit beds staffed at SRMC in 2023 & 2024?

How many other recently approved but unimplemented CONs included acquired brain injury units?

Please discuss whether the applicant is expecting more regional level demand for its 12-bed ABI unit than for its non-specialized IRF beds and whether those beds will be available to non-ABI patients if utilization by other patient types requires it.

Will the applicant accept as a condition of any Certificate of Need that all IRF beds at SRMC will be removed from the license once the new IRF facility becomes licensed?

- Response :**
- CHC does not manage the SRMC rehabilitation unit. CHC's role is limited to management of the freestanding inpatient rehabilitation hospitals. The rehabilitation unit is managed by Lifepoint Rehabilitation, a division of Lifepoint Health.
  - Only 10 of the 17 licensed rehabilitation beds were staffed in 2023 and 2024 due to a combination of operating model and physical environment considerations affecting the existing hospital-based acute rehabilitation unit. As a small rehabilitation unit embedded within an acute care hospital, the program operated within a care model that influenced admission throughput and limited its ability to efficiently accommodate fluctuations in patient volume and acuity. In addition, the unit's physical environment was not originally designed to support modern inpatient rehabilitation services at full licensed capacity. Space constraints affecting therapy areas, patient support space, and overall program flexibility limited the practical operation of all 17 licensed beds. The unit also lacks private in-room showers, requiring patients to utilize centrally located shared bathing and shower facilities, which differs from contemporary inpatient rehabilitation facility design standards. As a result, the unit was operated as a 10-bed program during this period. Despite these limitations, the unit maintained occupancy of approximately 74% in 2023 and 2024 and approximately 78% in 2025 based on staffed beds, indicating strong utilization of its functional operating capacity.
  - The applicants are aware of two recently approved but unimplemented inpatient rehabilitation hospitals that include dedicated Acquired Brain Injury (“ABI”) units: Ascension Saint Thomas Rutherford Rehabilitation Hospital and Ascension Saint Thomas Clarksville Rehabilitation Hospital. Both projects are jointly owned by affiliates of Ascension Saint Thomas and Lifepoint Health and reflect a growing recognition of the need for specialized rehabilitation services for patients recovering from complex neurological injuries.
  - ABI beds will be available to non-ABI patients as appropriate, including patients that have light and sound sensitivities or may be expected to experience improved functional and cognitive performance by being treated in a smaller less stimulating environment.
  - Yes. The applicant is agreeable to a condition that the existing inpatient rehabilitation beds at Sumner Regional Medical Center be removed from the hospital's license upon licensure and transition to operations of the proposed freestanding inpatient rehabilitation hospital.

#### 4. 1E. Overview

What are the primary differences between this facility and other recently approved IRFs for the applicant’s ownership? Is Ascension St. Thomas the majority owner in these other projects? Are there any similar existing partnerships between the owners where Lifepoint is the primary owner of the IRF?

What is the approximate percentage mix of conditions treated at SRMC historically? Does the applicant project that the mix of conditions treated will shift significantly from the existing SRMC unit to the new freestanding facility due to its specialized units or focus on treating any other specific conditions?

Please document the applicant’s ability to comply with Medicare’s 60% rule. Under the rule at least 60% of an inpatient rehabilitation facility’s patient population must have one of 13 qualifying conditions to receive higher Medicare payments.

- Response :**
- There are no significant differences between the proposed facility and the other recently approved IRFs involving the applicants' ownership. The primary distinctions relate to the geographic location, service area, and the specific healthcare needs of the communities served. Given the rapid ongoing and projected population growth of the service area, the community will benefit from a dedicated state-of-the-art rehabilitation facility to meet the current and future needs of the local population.
  - Yes. Ascension Saint Thomas is the majority owner in the other recently approved IRF projects involving the applicants' ownership. There are no existing IRF partnerships between Ascension Saint Thomas and Lifepoint Health in which Lifepoint is the majority owner.
  - The conditions treated at SRMC are included in the table below:

RIC Code	Calendar year	Discharges					% of Discharges				
		2022	2023	2024	2025	Total	2022	2023	2024	2025	Total
01	STROKE	32	52	51	58	193	20%	24%	23%	23%	23%
02	BRAIN DYSFUNCTION - TRAUMATIC	8	7	9	4	28	5%	3%	4%	2%	3%
03	BRAIN DYSFUNCTION - NON-TRAUMATIC	10	17	12	12	51	6%	8%	5%	5%	6%
04	SPINAL CORD DYSFUNCTION - TRAUMATIC			1	1	2	0%	0%	0%	0%	0%
05	SPINAL CORD DYSFUNCTION - NON-TRAUMATIC	1	4	6	8	19	1%	2%	3%	3%	2%
06	NEUROLOGICAL CONDITION	6	16	15	25	62	4%	7%	7%	10%	7%
07	ORTHOPEDIC - LE FRACTURE	35	29	37	34	135	22%	13%	17%	14%	16%
08	ORTHOPEDIC - LE JOINT REPLACEMENT	1	2		4	7	1%	1%	0%	2%	1%
09	ORTHOPEDIC - OTHER	21	21	16	20	78	13%	10%	7%	8%	9%
10	AMPUTATION - LE	2	1	6	4	13	1%	0%	3%	2%	2%
14	CARDIAC	7	17	13	28	65	4%	8%	6%	11%	8%
15	PULMONARY	5	7	1	1	14	3%	3%	0%	0%	2%
17	MAJOR MULTIPLE TRAUMA W/O BRAIN OR SPINAL INJURY	8	10	11	5	34	5%	5%	5%	2%	4%
18	MAJOR MULTIPLE TRAUMA W/ BRAIN OR SPINAL INJURY		1	2	3	6	0%	0%	1%	1%	1%
19	GULLLAIN-BARRE					0	0%	0%	0%	0%	0%
20	OTHER DISABLING CONDITIONS	23	36	44	41	144	14%	16%	20%	17%	17%
<b>Total</b>		<b>159</b>	<b>220</b>	<b>224</b>	<b>248</b>	<b>851</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

- The proposed freestanding inpatient rehabilitation hospital is expected to expand the range and acuity of patients that can be appropriately treated within the service area, even though the applicant does not project a significant shift in the core rehabilitation diagnoses served. The proposed facility will continue to treat the

traditional inpatient rehabilitation population, including patients recovering from stroke, orthopedic conditions, neurological disorders, traumatic injuries, and other medically complex conditions. The addition of a dedicated Acquired Brain Injury (“ABI”) unit, expanded rehabilitation capacity, advanced rehabilitation technologies, and a purpose-built rehabilitation environment will enhance the facility’s ability to serve patients with more complex rehabilitation needs. As a result, the applicant anticipates that some patients who may have previously been referred outside the service area for specialized rehabilitation services will be able to receive care locally. Accordingly, while the overall diagnostic mix is expected to remain consistent with the traditional inpatient rehabilitation population, the proposed facility will be better positioned to serve a broader range of rehabilitation-appropriate patients and higher-acuity cases.

- Yes. The applicant will comply with the Medicare 60 Percent Rule and all other applicable Medicare requirements, consistent with the operations of the existing inpatient rehabilitation facilities owned by Lifepoint Rehabilitation and Ascension Saint Thomas.

### 5. 1E. Overview

What are the distances of Sumner Regional Medical Center and Highpoint Health-Sumner Station from the applicant?

Please provide a map showing the location of the applicant, Sumner Regional Medical Center, and Highpoint-Sumner Station within the proposed 3-County service area.

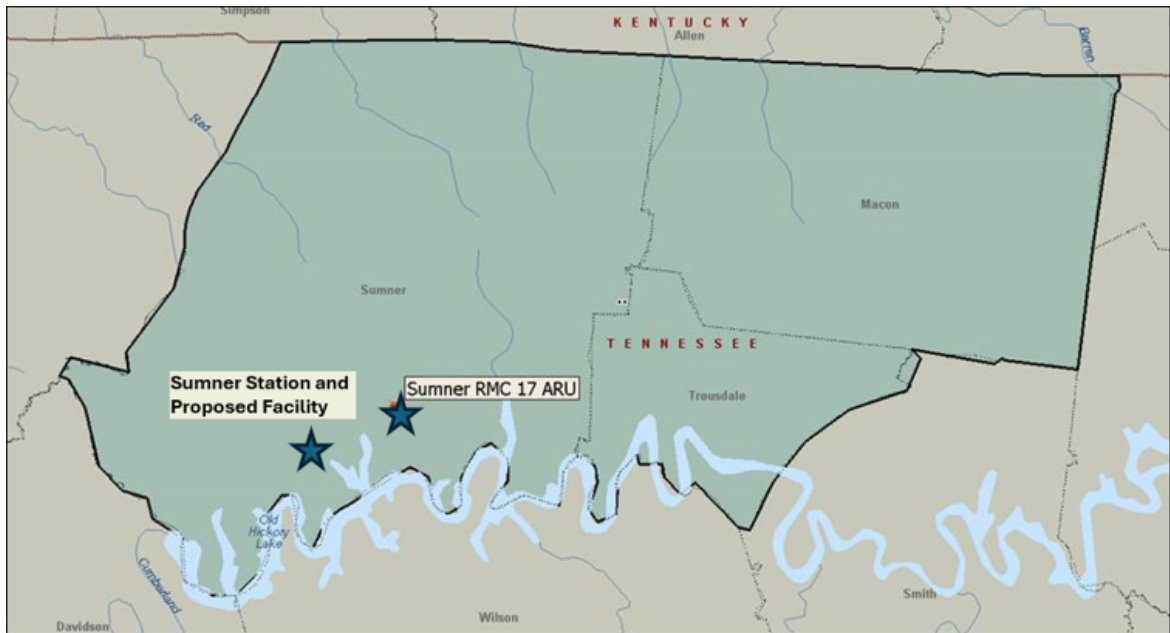
What is the square footage of patient rooms at the existing 17-bed rehab unit at SRMC in relation to the patient room size at the proposed project?

Please discuss how this project will address modern requirements for inpatient rehab services.

Does the facility have the capability to expand vertically if needed in the future?

**Response :**     • SRMC is approximately 6.9 driving miles and 6.15 arial miles from the proposed facility. The proposed project is on the same campus as Highpoint Health Sumner station and shares the same tax parcel.

- See below for map



- The patient rooms at the proposed facility will range from approximately 306 to 366 square feet. Patient rooms within the existing rehabilitation unit at Sumner Regional Medical Center are approximately 312 to 320 square feet. While the overall room sizes are generally comparable, the proposed facility will provide private, in-room bathrooms with showers for patient use. In contrast, patients in the existing rehabilitation unit utilize centrally located shared bathing and shower facilities. The proposed design reflects contemporary inpatient rehabilitation standards and is intended to enhance patient privacy, dignity, convenience, and the overall rehabilitation experience.
- The proposed Ascension Saint Thomas Sumner Rehabilitation Hospital is designed to address the modern requirements of inpatient rehabilitation services by providing a purpose-built, freestanding rehabilitation environment capable of serving increasingly complex patient populations. Advances in medicine have improved survival rates following stroke, traumatic injury, neurological conditions, orthopedic procedures, and other serious illnesses, creating a growing need for comprehensive, interdisciplinary rehabilitation services. Modern inpatient rehabilitation care requires specialized facilities that integrate intensive therapy services, rehabilitation nursing, physician oversight, care coordination, advanced rehabilitation technologies, and evidence-based clinical programs. While hospital-based rehabilitation units play an important role in the continuum of care, freestanding rehabilitation hospitals offer additional capacity, dedicated rehabilitation space, specialized programmatic resources, and patient-centered design features that support rehabilitation and recovery. For example, the proposed facility will provide private patient rooms with in-room bathrooms and showers, whereas patients in the existing rehabilitation unit utilize centrally located shared bathing and shower facilities. The proposed facility will address these evolving needs through expanded rehabilitation capacity, state-of-the-art rehabilitation equipment, interdisciplinary treatment teams, and the service area's first dedicated Acquired Brain Injury (“ABI”) program. Additionally,

the project responds to the significant projected growth of the overall and specifically age 65+ population within Sumner, Macon, and Trousdale Counties, ensuring residents have access to modern rehabilitation services that align with current clinical standards and evolving patient needs.

- Yes. The facility could potentially be expanded vertically in the future if demand warranted additional capacity, subject to further evaluation of structural, regulatory, operational, and financial feasibility at that time.

## 6. 2E. Rationale for Approval

Please discuss the basis for the projected utilization increase when historical utilization is 73% occupancy at a 10-bed unit.

Is there a waitlist for the existing IRF at SRMC? Are a significant number of patients being transferred out of the service area for IRF care by the SRMC? If so, for what reasons?

Are patients being served in less acute settings, referred to other IRFs in the region, staying in acute care for longer than necessary, etc.?

Does the existing IRF care at SRMC maintain and specialty certifications? If so, how will those differ from the certifications that are proposed by the applicant?

What is the prevalence of acquired brain injury in the service area and is the volume expected to be sufficient to justify dedicated 12 bed unit for the service area?

- Response :**
- The projected utilization of the proposed facility is based on factors that differ significantly from the historical operating environment of the existing acute rehabilitation unit ("ARU"). While the existing ARU has operated at approximately 73% occupancy based on staffed beds, that utilization reflects the capacity and constraints of a small, hospital-based rehabilitation unit rather than the demand potential for a modern freestanding inpatient rehabilitation hospital. The proposed Ascension Saint Thomas Sumner Rehabilitation Hospital will be a purpose-built facility designed specifically for inpatient rehabilitation care. The hospital will offer expanded capacity, state-of-the-art rehabilitation equipment, enhanced therapy space, specialized clinical programs, and the service area's first dedicated Acquired Brain Injury program. These features are expected to improve the facility's ability to attract and retain rehabilitation-appropriate patients who may currently seek care

outside the service area or who may not have been fully served within the existing rehabilitation infrastructure. In addition, historical utilization does not fully reflect the significant demographic growth occurring within the service area. Sumner, Macon, and Trousdale Counties are experiencing substantial population growth, particularly among individuals age 65 and older, the population most likely to require inpatient rehabilitation services. The age 65+ population is projected to increase significantly in the next 4 years and continue at a rapid pace for at least the next 10 years. This growth is occurring within one of the fastest-growing regions of Tennessee and will continue to increase demand for inpatient rehabilitation services. Accordingly, the applicant believes the projected utilization increase is supported by a combination of expanded clinical capabilities, improved access to specialized rehabilitation services, enhanced patient choice, a purpose built facility with specialized equipment that attracts patients in need of this level of care and the rapidly growing population base within the service area.

- Regarding a waitlist, there have been situations in which the SRMC ARU has bumped up against staffed bed capacity and had to turn patients away. There is significant outmigration from the service area for both acute care services and inpatient rehabilitation services. In FY 2025 (October 2024 – September 2025), residents of the proposed service area required 28,377 hospitalizations. Of these, 15,962 hospitalizations (56%) occurred at one of the four hospitals located within the service area counties, while 12,415 hospitalizations (44%) occurred at hospitals elsewhere in Tennessee. Similarly, 565 residents of the proposed service area were admitted to an inpatient rehabilitation facility ("IRF") or acute rehabilitation unit ("ARU") in Tennessee during FY 2025. 193 patients (34%) received rehabilitation services at the Sumner Regional Medical Center ARU, while 372 patients (66%) received inpatient rehabilitation services at facilities located outside the service area. When looking at discharges from Sumner RMC specifically, FY 2025 Tennessee Hospital Association data shows that Sumner Regional Medical Center discharged 152 patients to IRF-level care. During that same period, internal referral and admission data reflects 110 admissions from Sumner Regional Medical Center to the Sumner ARU. Accordingly, 42 patients, or approximately 28% of all Sumner Regional Medical Center discharges to IRF-level care, received rehabilitation services outside the service area. The primary drivers of this outmigration include the migration of higher-acuity acute care patients to specialized hospitals outside the service area and the limitations of the existing rehabilitation infrastructure. The proposed project will provide a modern, purpose-built inpatient rehabilitation hospital with expanded capacity, advanced rehabilitation technologies, and specialized clinical programs, allowing more service area residents to receive comprehensive inpatient rehabilitation closer to home. The project will also position the service area to meet the needs of its rapidly growing population, which is expected to generate increasing demand for inpatient rehabilitation services in the coming years.
- A significant number of IRF-eligible patients discharged from Sumner Regional Medical Center are receiving care in lower-acuity post-acute settings. From October 2024 through September 2025, Sumner Regional Medical Center had 3,145 patients with diagnoses projected to align with a Rehabilitation Impairment Category ("RIC"). Of these patients, 464 (14.8%) were discharged to a skilled nursing facility

("SNF") and 429 (13.6%) received home health services, compared to only 148 patients (4.7%) who were discharged to an inpatient rehabilitation facility ("IRF"). In addition, a substantial portion of patients requiring IRF-level care leave the service area to receive services. Nearly 30% of Sumner Regional Medical Center's discharges to IRF-level care were admitted to other IRFs within the region or state. More broadly, among all service area residents discharged to inpatient rehabilitation, 66% received care at inpatient rehabilitation facilities or units located outside the service area.

- The SRMC ARU does not currently maintain any specialty certifications. The applicant anticipates seeking CARF certification, including potentially advanced CARF certifications for stroke and other specific rehabilitation conditions.
- There were a total of 1,190 patients from the service area that matched a BI or SCI RIC category in FY '25. Utilizing the applicants projected IRF transfer rates it is estimated that 183 would be admitted to an IRF. After applying a projected length of stay estimated for these patients, we estimate the current need for service area residents is 6.8 ADC. We have used a blended population growth estimate to account for the fact that most patients of this type tend to be older than 55 years. For the purposes of this analysis we have assumed a 10% increase in the next 5 years (higher than the ~7% overall service area growth expectation but lower than the 17.5% projected increase in the 65+ population) and a 20% increase in the next 10 years (again, higher than the ~14% overall service area growth expectation during this period but lower than the 30% projected increase in the 65+ population). It is worth noting that this does not factor in any potential immigration of patients needing this level of care from outside of the service area. It should also be stated that there are other patients who may benefit from a lower stimulation environment, and the unit can accept other patient types who would benefit from treatment in this space.

RIC Description	RIC Cases	IRF Cases	IRF %	LPR IRF Distr	RIC ALOS	LPR Days	LPR IRF ADC	5-yr Pop - Cases	10-yr Pop Cases	5-yr Pop - ADC	10-yr Pop ADC
Brain	833	117	14.0%	128	13.0	1,662	4.6	141	153	5.0	5.5
Spinal Cord	357	34	9.5%	56	15.0	834	2.3	61	67	2.5	2.7
<b>Total</b>	<b>1,190</b>	<b>151</b>	<b>12.7%</b>	<b>183</b>	<b>13.6</b>	<b>2,496</b>	<b>6.8</b>	<b>202</b>	<b>220</b>	<b>7.5</b>	<b>8.2</b>

## 7. 1N. Criteria and Standards

### Attachment 1N, Criteria #2. Service Area

Please identify the historical in-migration and outmigration patterns supporting the service area as defined.

**Response :** There is significant outmigration from the service area for both acute patients and those receiving IRF care.

In FY 2025 (October 2024 – September 2025), PSA residents experienced 28,377 hospitalizations. Of these, 15,962 hospitalizations (56%) occurred at one of the four hospitals located within the PSA, while 12,415 hospitalizations (44%) occurred at hospitals elsewhere in Tennessee.

The four hospitals located within the PSA served a subset of patients from outside the service area. Specifically, 4,506 discharges, or 22% of total discharges, represented in-migration from outside the PSA. At Sumner Regional Medical Center specifically, 1,143 of 9,824 total discharges (11.6%) were patients residing outside the PSA.

During FY 2025, 565 PSA residents were admitted to an IRF or ARU in Tennessee. Of these patients, only 193 (34%) received rehabilitation services at the Sumner Regional Medical Center ARU, while 372 (66%) received care at inpatient rehabilitation facilities or units located outside the service area.

Looking specifically at Sumner Regional Medical Center, Tennessee Hospital Association data reflects 152 discharges to IRF-level care during FY 2025. Internal referral and admission data from the same period shows 110 admissions from Sumner Regional Medical Center to the ARU, indicating that 42 patients, or approximately 28% of Sumner Regional Medical Center's IRF discharges, received rehabilitation services outside the service area.

The Sumner Regional Medical Center ARU also receives patients from outside the PSA. In FY 2025, 32 of the ARU's 225 total discharges (14.2%) were patients residing outside the service area.

#### 8. 4E. Project Cost Chart

Please identify the historical in-migration and outmigration patterns supporting the service area as defined.

**Response :** The lease cost estimates were developed using a projected facility construction cost of approximately \$58.4 million, excluding land acquisition costs, consulting fees, Certificate of Need fees, and furniture, fixtures and equipment ("FF&E"). The lease structure assumes an 8.0% capitalization rate for the facility and a 6.0% capitalization rate for the underlying land value. Annual escalators of 2.5% were applied to both the facility and land components over the lease term.

Based on these assumptions, the estimated Year 1 lease expense for the land and facility is approximately \$4.73 million. Applying the agreed-upon capitalization rates and annual escalators over the initial 15-year lease term results in total projected lease payments of approximately \$84.9 million. The lease estimates were developed to reflect prevailing market conditions for healthcare real estate and provide a reasonable basis for projecting the long-term occupancy costs associated with the proposed facility.

#### 9. 5N. Unimplemented services

Please add leap year days in 2024 to the bed days available and occupancy percentage calculations.

**Response :** Please see updated table below.

<b>Table 5N: Utilization of Service Area’s Existing Inpatient Rehabilitation Providers</b>				
<b>Facility</b>	<b>Metric</b>	<b>2022</b>	<b>2023</b>	<b>2024*</b>
<b>Sumner Regional Medical Center (Inpatient Rehab Unit)</b>	Licensed (Staffed) Beds	17	17 (10)	17 (10)
	Bed Days Available	6,205	6,205 (3,650)	6,222 (3,660)
	Patient Days	2,134	2,692	2,678
	Occupancy	34.4%	43.4% (73.8%)	43.0 % (73.2%)
Source: Joint Annual Reports 2022-2024				
*Leap year 2024				

**10. 6N. Utilization and/or Occupancy Statistics**

Please provide additional details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Please discuss the prevalence of specific conditions requiring IRF care in the service area? Does the applicant have data demonstrating that the existing IRF unit has been underutilized? Are specific counties in the service area underutilizing IRF care more than others based on eligible diagnosis groups?

If known, please discuss the extent to which patients being discharged with rehab-appropriate diagnoses are receiving care in SNF and home health settings within their counties of residence currently as opposed to the IRF setting.

Please provide more detail supporting the growth in projected patient days increasing from 2,678 days in 2024 at SRMC 10,220 patient days in 2030.

**Response :**

- In addition to the State approved demand methodology utilized in the Certificate of Need Application centering around 1 inpatient rehabilitation bed per 1,000 aged 65+ service area residents, the applicant utilized Lifepoint’s proprietary demand methodology to estimate Rehabilitation Impairment Code (RIC) match patients by hospital in the region and estimate the percentage of those patients that reside within the proposed service area. Based on FY 25 discharge data, 547 patients originating from acute care hospitals in the 3-county service area were treated in an IRF. Based

on the applicant's experience, operating similar facilities across the country, we would have projected 1,006 patients from the service area would have been treated at an IRF. Please see the table below to see a comprehensive breakout by RIC.

RIC Description	RIC Cases	Actual IRF %	Actual FY '25 IRF Cases	Applicant's Projected IRF %	Applicant Projected Cases
Ric 1 Stroke - Primary	604	16%	97	21.2%	128
Ric 1 Stroke - Secondary	630	1%	4	8.3%	52
Ric 2 BI - Traumatic	140	16%	23	17.8%	25
Ric 3 BI - NonTraumatic	693	14%	94	12.9%	89
Ric 4 SCI - Traumatic	23	43%	10	16.6%	4
Ric 5 SCI - NonTraumatic	334	7%	24	15.2%	51
Ric 6 Neurological	120	11%	13	14.0%	17
Ric 7 Fracture	431	7%	32	16.0%	69
Ric 8 Bilat - THR	69	7%	5	11.0%	8
Ric 8 Bilat - TKR	23	0%	0	17.7%	4
Ric 8 Joint Rep (Other)	314	5%	15	17.7%	56
Ric 9 Other Ortho	406	6%	24	13.6%	55
Ric 10 LE Amputation	279	4%	11	8.1%	23
Ric 11 Other Amputation	27	4%	1	6.0%	2
Ric 12 Osteoarthritis	29	0%	0	8.2%	2
Ric 13 Rheumatoid	47	4%	2	6.7%	3
Ric 14 Cardiac	1,538	2%	28	2.8%	43
Ric 15 Pulmonary	363	0%	0	1.8%	7
Ric 16 Pain Syndrome	148	5%	8	10.1%	15
Ric 17 MMT no bi / sci	0	-	0	0.0%	0
Ric 18 MMT w/ bi & sci	0	-	0	0.0%	0
Ric 19 Guillain - Barre	5	0%	0	28.0%	1
Ric 20 Miscellaneous	3,342	5%	156	10.5%	352
Ric 21 Burns	15	0%	0	7.2%	1
<b>RIC Match Subtotal</b>	<b>9,580</b>	<b>5.7%</b>	<b>547</b>	<b>10.5%</b>	<b>1,006</b>

- Excluding psychiatric patients, OB patients, patients under the age of 15 and those discharged from post-acute care and distinct part units, the residents of the service area had a total of 21,730 acute hospitalizations. Based on the applicants projections the following amount of patients would be expected to match one of the existing RIC categories:

RIC Description	RIC Cases
Ric 1 Stroke - Primary	604
Ric 1 Stroke - Secondary	630
Ric 2 BI - Traumatic	140
Ric 3 BI - NonTraumatic	693
Ric 4 SCI - Traumatic	23
Ric 5 SCI - NonTraumatic	334
Ric 6 Neurological	120
Ric 7 Fracture	431
Ric 8 Bilat - THR	69
Ric 8 Bilat - TKR	23
Ric 8 Joint Rep (Other)	314
Ric 9 Other Ortho	406
Ric 10 LE Amputation	279
Ric 11 Other Amputation	27
Ric 12 Osteoarthritis	29

<b>Ric 13 Rheumatoid</b>	<b>47</b>
<b>Ric 14 Cardiac</b>	<b>1,538</b>
<b>Ric 15 Pulmonary</b>	<b>363</b>
<b>Ric 16 Pain Syndrome</b>	<b>148</b>
<b>Ric 17 MMT no bi / sci</b>	<b>0</b>
<b>Ric 18 MMT w/ bi &amp; sci</b>	<b>0</b>
<b>Ric 19 Guillain - Barre</b>	<b>5</b>
<b>Ric 20 Miscellaneous</b>	<b>3,342</b>
<b>Ric 21 Burns</b>	<b>15</b>
<b>RIC Match Subtotal</b>	<b>9,580</b>

As noted in several previous responses, the applicant believes the existing rehabilitation unit at Sumner Regional Medical Center has been underutilized relative to the demand for inpatient rehabilitation services within the service area. The applicant believes this is attributable to a combination of factors, including limitations associated with the physical environment of the existing rehabilitation unit, the outmigration of service area residents who receive inpatient rehabilitation services outside the service area, and the continued migration of higher-acuity patients to facilities outside the region where they subsequently receive post-acute rehabilitation services. Additionally, historical utilization does not fully reflect the significant population growth occurring within the service area, particularly among individuals age 65 and older, who are the primary users of inpatient rehabilitation services. The applicant believes these factors have constrained utilization of the existing unit and that a modern, purpose-built inpatient rehabilitation hospital will be better positioned to meet the current and future rehabilitation needs of the community.

The applicant projects that all three counties in the service area are under utilizing IRF services and while the majority of the patients reside in Sumner County due to its significantly higher population density compared to the other service area counties, all three counties have opportunities to improve their utilization of this level of care. Here is the break out by County for FY '25:

- Sumner: 498 patients discharged to IRF compared to 843 projected
- Macon: 34 patients discharged to IRF compared to 116 projected

- Trousdale: 15 patients discharged to IRF compared to 47 projected

As noted previously, IRF Eligible patients from SRMC are going to less acute settings. From Oct24-Sep25, SRMC had 3,145 patients projected to match to a Rehab Impairment Code (RIC) and 464 (14.8%) transferred to a SNF and 429 or 13.6% received Home Health compared to 148 or 4.7% to IRF.

Projected growth in patient days is supported by several factors:

- The rapidly growing overall and 65+ population in the service area will require significant investment in inpatient rehabilitation services to support the population and provide a state-of-the-art resource for patients requiring comprehensive post-acute inpatient care. Over the next 10 years, the overall and 65+ population is expected to be one of the fastest growing in the State of Tennessee and the country.
- There is currently significant outmigration from the service area for both acute care services and inpatient rehabilitation services. 565 Residents of the Service Area were discharged from Acute Care Hospital to an IRF/ARU Bed in TN in FY25 (Oct24-Sep25) with 193 (34%) treated at the Sumner RMC ARU and 372 (66%) treated at another inpatient rehabilitation facility or unit outside of the service area. The proposed project would provide a modern facility for more patient to receive this level of care closer to home.
- As discussed in the application, the current ARU at Sumner Regional Medical Center exists in an aged facility that lacks specialized equipment, ample size and facility compliments (private showers, modern therapy gym and activities space, etc.) of a modern rehabilitation facility.

## 11. 7N. Outstanding CoN

Please submit a final project report for CN2103-009, St. Thomas Rutherford Hospital.

Please address the overdue quality measures request for CN2004-007A St. Thomas Rutherford Hospital.

Please provide status updates for each project listed.

**Response :** A final project report for CN2103-009 was submitted to HFC on 6/5/26.

Overdue quality measures for CN2004-007A were submitted to HFC on 6/5/26.

<b>CON Number</b>	<b>Project Name</b>	<b>Date Approved</b>	<b>Expiration Date</b>	<b>Status Update</b>
CN2506-020A	<b>Sumner Regional Medical Center</b>	<b>09/24/2025</b>	<b>11/1/2028</b>	Project continues to move forward. A groundbreaking ceremony is being planned for July. Started working with the design team this week.
CN2407-019A	<b>Sumner Regional Medical Center</b>	<b>10/23/2024</b>	<b>12/1/2027</b>	Property has been purchased but currently are holding on the project to assess planning efforts.
CN2401-001A	<b>Premier Radiology Clarksville</b>	<b>03/27/2024</b>	<b>5/1/2027</b>	Planning nearly complete was last I heard, but Betsy likely can get a more precise status
CN2509-036A	<b>Ascension Saint Thomas Rutherford Hospital</b>	<b>12/10/2025</b>	<b>02/1/2028</b>	In planning phases with estimated opening dates of August 2027.
CN2502-004A	<b>Saint Thomas Rutherford Rehabilitation Hospital</b>	<b>4/23/2025</b>	<b>6/1/2028</b>	First progress report submitted. Final construction documents issued for permitting. Final GMP pricing complete.

CN2508-030A	Ascension Saint Thomas Clarksville Rehabilitation Hospital	10/22/2025	12/1/2028	Plan to start design in mid-2026 to align with the Ascension Hospital located on the same campus.
CN2505-015A	Ascension Saint Thomas Clarksville Hospital	7/23/2025	9/1/2028	In planning phases with estimated opening dates of December 2028.

## 12. 2C. Insurance Plans

Are there any differences in the plans projected to be in network for the new facility vs. the SRMC IRF Unit?

**Response :** The applicant anticipates that payer participation for the proposed facility will be substantially similar to that of the existing SRMC rehabilitation unit. In addition, the applicant intends to actively pursue participation agreements with major commercial, Medicare Advantage, Medicaid managed care, and other significant health plans serving residents of the service area to maximize patient access and coverage.

## 13. 4C. Accessibility to Human Resources

Are there any differences between this project's clinical leadership and staffing resources compared to other recently approved but unimplemented IRF projects?

What service will be contracted vs. in-house?

It is noted that patients of the IRF will retain access to SRMC and Sumner Station. Please discuss how Ascension Saint Thomas's clinical staffing and resources will be leveraged in the operation of the proposed IRF.

Does the applicant anticipate significant overlap between the staffing of the existing facility and the new facility?

**Response :** No. The proposed project's clinical leadership structure and staffing model are substantially similar to those of the other recently approved but unimplemented inpatient

rehabilitation hospitals involving the applicants. Given the comparable bed capacity and service offerings, the facility is expected to utilize a similar complement of clinical leadership positions, rehabilitation professionals, nursing staff, and operational support personnel.

The proposed inpatient rehabilitation hospital will directly provide core inpatient rehabilitation services, including rehabilitation nursing, physical therapy, occupational therapy, speech-language pathology, case management, pharmacy services, dietary services, and other clinical and operational functions necessary to support inpatient rehabilitation patients.

Certain ancillary services that are not typically provided on-site within a freestanding inpatient rehabilitation hospital, such as comprehensive laboratory services, diagnostic imaging, and select procedural services, are expected to be obtained through contractual arrangements with Highpoint Health and/or Sumner Regional Medical Center or other qualified providers. In addition, certain non-clinical support services, such as environmental services, linen services, and other operational functions, may be provided through third-party contracts as appropriate. Final contractual arrangements will be established closer to the facility's opening date.

The proposed IRF will be staffed and operated as a self-sufficient inpatient rehabilitation hospital with its own dedicated clinical leadership and workforce. While existing ARU staff will have the ability to transition to positions within the new facility, should they choose, the IRF will not rely on clinical staffing resources from Sumner Regional Medical Center or Sumner Station for ongoing operations.

The applicant does not anticipate overlap between the staffing of the existing ARU and the proposed IRF. Rather, the opening of the new facility is expected to involve a transition of inpatient rehabilitation staff from the existing ARU to the freestanding IRF. Existing ARU employees will be given the opportunity to transition to positions within the new facility, which will ultimately operate with its own dedicated staffing complement.

#### **14. 5C. License/Certification**

Please describe the composition of the governing body of the applicant.

What is Ascension Saint Thomas's role at these two hospitals and how will that be leveraged in the development of the new IRF facility in cooperation with Lifepoint?

Does Ascension Saint Thomas have a different role as the majority owner of this project than it does as a minority owner of SRMC and Sumner Station?

What are the key differences between this model and the existing SRMC unit operations.

Will the new IRF include any updates to equipment and other ancillary services from what is currently available at SRMC?

Please provide additional details on the clinical leadership proposed to serve in the IRF unit? Is any crossover with clinical leadership operating at SRMC expected?

**Response :** The governing board consists of six members, with equal representation from the joint venture partners: three members designated by Ascension Saint Thomas and three members designated by Lifepoint Health. The board is led by a Chair and Vice Chair and is responsible for providing governance and strategic oversight of the facility.

Ascension Saint Thomas and Lifepoint Health each bring complementary expertise to the joint venture, with a shared commitment to delivering high-quality inpatient rehabilitation services and strong patient outcomes. Ascension Saint Thomas contributes its extensive clinical presence, physician relationships, and healthcare network throughout Middle Tennessee, while Lifepoint Health contributes its specialized expertise in the development and operation of inpatient rehabilitation hospitals. Through participation in governance, clinical collaboration, care coordination, and other operational functions, both organizations will work together to support the successful development and operation of the proposed facility and to ensure patients have access to high-quality rehabilitation services across the continuum of care.

No. While Ascension Saint Thomas is the majority owner of the proposed IRF and a minority owner of Sumner Regional Medical Center and Sumner Station, its role is similar in that it works collaboratively with Lifepoint Health to support clinical quality, patient outcomes, governance, and care coordination. In each partnership, the organizations leverage their respective strengths to provide high-quality healthcare services and ensure strong operational and clinical performance.

The key difference is that the proposed Ascension Saint Thomas Sumner Rehabilitation Hospital is designed and operated as a dedicated freestanding inpatient rehabilitation hospital, whereas the existing SRMC rehabilitation unit operates as a hospital-based acute rehabilitation unit within an acute care hospital environment.

The proposed facility will provide expanded rehabilitation capacity, dedicated therapy space, advanced rehabilitation technologies, and specialized clinical programs designed specifically to support inpatient rehabilitation patients. The facility will also include the service area's first dedicated Acquired Brain Injury (“ABI”) program, allowing the hospital to serve a broader range of rehabilitation diagnoses and higher-acuity patients. In

addition, the proposed hospital will feature modern patient-centered design elements, including private patient rooms with in-room bathrooms and showers, compared to the existing unit where patients utilize centrally located shared bathing and shower facilities.

Operationally, the proposed hospital will have dedicated clinical leadership, rehabilitation nursing, therapy staff, and support services focused exclusively on inpatient rehabilitation. This specialized environment is intended to support intensive interdisciplinary rehabilitation, enhance patient experience, and improve operational flexibility. Collectively, these features will allow the proposed facility to provide a broader scope of rehabilitation services and better meet the growing needs of the service area's rapidly expanding and aging population.

The SRMC ARU has older and very limited specialized equipment currently in use. The equipment at the IRF is expected to be a major upgrade compared to the current ARU. Examples of equipment at the IRF includes Rise and Walk, Bioness Vector Gait Track, Electric Standing Frame, and BURT Upper Extremity Robot. (See Figures 1-3 below).

**Figure 1: Rise and Walk**



**Figure 2: Bioness Vector Gait Track**



**Figure 3: BURT Upper Extremity Robot**



The proposed IRF will have a dedicated clinical leadership team, including a Chief Nursing Officer, Director of Therapy, and Director of Pharmacy, along with other leadership positions as needed to support operations and regulatory requirements.

The applicant will not have any crossover of clinical leadership responsibilities with Sumner Regional Medical Center. The proposed IRF will operate as a separate facility with its own dedicated leadership structure and staffing resources.

