



STATE OF TENNESSEE
HEALTH FACILITIES COMMISSION
502 DEADERICK STREET, 9TH FLOOR
TELEPHONE (615) 741-2364

Interpretive Guidelines

SUBJECT: Equity Transfers in LLC under Policy 101

DATE: May 11, 2026

POLICY: The Commission indicated in Policy Memo 101 that an equity transfer or sale would not constitute a Change of Ownership.

Pursuant to T.C.A. § 68-11-206(a)(1), states, “The applicant shall submit an application on a form to be prepared by the commission with the approval of the commission, showing that the applicant is of **reputable and responsible character** and able to comply with the minimum standards for a facility and with rules and regulations lawfully promulgated under this part.”

In order to comply with the aforementioned statute, the Commission limits Policy Memo 101 to equity transfer or sale to existing members in an LLC.

Any transfer that introduces a new member shall be considered a Change of Ownership, so Commission staff may fully investigate the new applicant to ensure the applicant is reputable and responsible.

This interpretive guidance will remain in effect until modified or rescinded by the Commission.

EFFECTIVE: May 27, 2026

APPROVED:

Logan Grant, Executive Director
Health Facilities Commission



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PM 101

Policy Memorandum

SUBJECT: CHOW Requirement for Limited Liability Company (LLC)

DATE: February 26, 2025

POLICY: This policy shall supplement Policy 93.

For all facility types, the following addition shall be made for the Change of Ownership sections.

Transactions which do not constitute a change of ownership include, but are not limited to, the following:

For a member-managed or manager-managed Limited Liability Company (LLC), an equity transfer or sale, even when a controlling interest.

EFFECTIVE: February 26, 2025

APPROVED:

Logan Grant
Executive Director
Health Facilities Commission