

BEFORE THE TENNESSEE HEALTH FACILITIES COMMISSION

In Re: Relocation Exemption Request)	
For Tennova Healthcare-Clarksville,)	Relocation Exemption
CN2109-027AE,)	Request No. RE2506-004D
)	
Petitioner.)	
)	

**TENNOVA HEALTHCARE-CLARKSVILLE’S RESPONSE TO
EXECUTIVE DIRECTOR’S MEMO TO COMMISSION**

This case concerns the approval of Tennova Healthcare-Clarksville’s (“Tennova Clarksville”) unopposed CON application to establish a 12-bed satellite hospital with an emergency department, which was unanimously approved in December 2021 (the “Satellite Hospital”). *See* CN2109-027AE.

Following the unanimous approval, Tennova Clarksville was unable to implement the Satellite Hospital due to complications caused – in large part – by the unprecedented disruptions the then-ongoing Covid-19 pandemic had on patient care and staffing. During this delay in implementation, Tennova Clarksville was able to acquire an unaddressed 10-acre tract located at Highway 76 in Clarksville (“Relocation Site”). Importantly, the Relocation Site is adjacent to Tennova Clarksville’s Sango Freestanding Emergency Department (“Sango-FSED”), which is the most heavily utilized FSED in Tennessee. Seeing a new opportunity to bolster the good work being done at Sango-FSED, Tennova Clarksville filed a request to relocate the Satellite Hospital to the Relocation Site. *See* RE2506-004 (the “Relocation Request”).

On August 18, 2025, the Executive Director denied Tennova Clarksville’s Relocation Request. *See Exhibit 1*. Following the denial, the Executive Director provided the Commission members with a memorandum that explained the rationale for his decision. *See Exhibit 2* (the “September Memo”). According to the September Memo, Tennova Clarksville failed to satisfy

the criteria for approval set out in T.C.A. § 68-11-1607(a)(4)(A)(i)-(iii) – specifically, that: (1) at least 95% of patients who will be served at the Relocation Site would reside in the same zip codes as the patients expected at the original location; (2) moving to the Relocation Site would not negatively impact consumer access, particularly for those in underserved communities; and (3) there would be no increase in the commercial insurance payor mix. The Executive Director also stated – without citation to any law or supporting analysis – that the Relocation Request was not “in line with the Legislative intent” of the relocation exemption process. *See Exhibit 2* at 2.

As explained in more detail below, the Executive Director’s denial of Tennova Clarksville’s Relocation Request is not supported by the law or the facts and is completely inconsistent with his approval of other relocation requests in recent years. And, in denying the Relocation Request, the Executive Director has improperly held Tennova Clarksville to a different, higher standard for approval. This sort of arbitrary administrative decision-making is not permitted under Tennessee law, and Tennova Clarksville respectfully requests that the Commission set aside the Executive Director’s decision and approve the Relocation Request. Doing so will put Tennova Clarksville on equal footing with other relocation applicants and allow it to move forward with its important patient care mission in a way that best serves patients in Montgomery County and the surrounding area.

RELEVANT FACTS & BACKGROUND

A. The December 2021 Approval of the Satellite Hospital Project.

On December 15, 2021, the Commission unanimously approved Tennova Clarksville’s Satellite Hospital to establish a 12-bed satellite hospital and 14-bay emergency department. The primary service area was Montgomery County, with a small secondary contribution from Stewart and Robertson Counties and others each at less than 1% of overall volume. CON Application

(CN2109-027AE), at 33, 39. Based on January-June 2021 admissions data for Tennova Clarksville's main hospital campus, Tennova Clarksville projected 82.5% of patients from Montgomery County; 4.2% of patients from Stewart County; 1.6% of patients from Robertson County; and, 11.7% of patients from other counties, each less than 1%. *Id.* at 39. Tennova Clarksville was not required to provide zip code-level patient projections in its 2021 Satellite Hospital application.

The need for the project was (and is) undeniable. The Satellite Hospital would offer operating suites, endoscopy suites, dietary services, diagnostic imaging, laboratory services, and pharmacy services with shelled space for future expansion. *Id.* at 51, 119, 130. The project would improve access for all segments of the population, including TennCare and other special-needs patients. *Id.* at 16-18, 35-36. Commercial insurance was projected to be only 22.6% of the payor mix. *Id.* at 48-49.

Following approval of the Satellite Hospital in December 2021, pandemic-related workforce and cost pressures delayed implementation. In January 2024, Tennova Clarksville acquired the Relocation Site adjacent to Sango-FSED.¹ *See Exhibit 4.* Tennova Clarksville then analyzed market utilization and access and determined the Relocation Site would more effectively meet Montgomery County's growing needs by supporting both the original objectives of the Satellite Hospital and the high-volume Sango-FSED, which averaged nearly 40,500 visits in 2023 and 2024 – a 20% increase since 2021.

¹ This was well before May 8, 2025, when Saint Thomas Health entered into its sale agreement for the property located at “an unaddressed site on Highway 76 in the northeastern quadrant of the intersection of Highway 76 and Interstate 24 across Highway 76 from Tennessee Orthopedic Alliance's office building, Clarksville, Montgomery County, Tennessee, 37043.” *See* Ascension Saint Thomas Clarksville Hospital CON Application, CN2505-015A, at 59, 108, 121. As of September 19, 2025, Montgomery County land records show that Saint Thomas Health has not yet completed its acquisition of the subject property. *See Exhibit 3.*

B. Commission Guidance on the Relocation Request.

In late 2023, Tennova Clarksville sought guidance from senior Commission staff on whether the relocation exemption process set out in T.C.A. § 68-11-1607(a)(4)(A) could be used for unimplemented CON projects. Senior Commission staff initially confirmed that it could. Relying on this guidance, on August 20, 2024, Tennova Clarksville filed a letter of intent seeking to relocate the Satellite Hospital to the Relocation Site. One day after the letter of intent was filed, senior Commission staff reversed their guidance and advised that the relocation exemption process could not be used for unimplemented CON projects.

In March 2025, senior Commission staff returned to their original guidance and again confirmed that the relocation exemption process in T.C.A. § 68-11-1607(a)(4)(A) could be used for unimplemented CON projects. Given these facts, it would be improper to fault Tennova Clarksville for not pursuing its Relocation Request prior to June 2025. Indeed, as the Executive Director rightly acknowledged at the Commission's regular monthly meeting in July 2025, any such delay was the result of the Commission's changing guidance:

I do need to make one clarification that *the application was submitted later because we initially told [Tennova Clarksville] that they could not* [seek a relocation exemption] because we were initially reading the statute to say that you couldn't apply for relocation on an [un]implemented project, but we reverse[d] course after some more certain things came to light.

Exhibit 5 at 137 (emphasis added).

C. Tennova Clarksville Files 2025 Relocation Exemption Application.

On June 5, 2025, Tennova Clarksville re-filed its letter of intent for the Relocation Request. On June 9th, Commission staff directed Tennova Clarksville to obtain zip code-level data for Tennova Clarksville's main hospital for the most recent calendar year from the TDOH Office of Informatics and Analytics and to document projected zip code shifts and payor mix for Year Two

of operation at the Satellite Hospital. *Exhibit 6.* TDOH produced limited data on July 17th – 37 days after the request.

As Commission staff acknowledge in their staff report, TDOH data collection policies undermine the accuracy and completeness of its 5-digit zip code data. Given this fact, Tennova Clarksville asked Commission staff if more accurate and comprehensive internal data and data available from the Tennessee Hospital Association’s well-respected database could be used to support its Relocation Request. On June 30th, Commission staff said “no” and stated that TDOH data was the only way Tennova Clarksville could provide the “historical and projected patient utilization at a sub county level” necessary “to demonstrate that (95%) of patients [were] reasonably expected to reside in the same ZIP codes as the existing patient population.” *Exhibit 7.* At the same time, the Commission staff acknowledged that other recent relocation requests had been “reviewed and approved without [TDOH] data.” *Id.* (emphasis added). But, for reasons that are not clear, Commission staff said Tennova Clarksville would not have the option to do so because its Relocation Request is “unique” and TDOH data would enable “Commission members [to] have access to *all necessary data to support a decision on the matter*” if they ever decided to review the Executive Director’s decision. *Id.* (emphasis added). Commission staff has never provided any explanation as to what they think makes the Tennova Clarksville’s Relocation Request “unique,” including in the Executive Director’s September Memo, which is completely silent on the subject.

Commission staff deemed the Relocation Request complete on July 22nd. The Relocation Request was posted on the Commission’s website for a 21-day period beginning on July 24, 2025. No one came forward during the 21-day period to oppose the Relocation Request, which remains unopposed. The Executive Director denied the Relocation Request in writing on August 18th,

stating he was not convinced the 95% overlap, access and payor mix criteria were met and stating that the request was not consistent with the legislative intent behind the relocation exemption process. *See Exhibit 2* at 2.

Tennova Clarksville timely petitioned for *de novo* review pursuant to T.C.A. § 68-11-277(g).²

ARGUMENT & AUTHORITY

As explained below, contrary to what is stated in the Executive Director’s September Memo, Tennova Clarksville’s Relocation Request fully complies with the statutory criteria for approval.

A. Ninety-Five Percent of Patients Served at the Relocation Site Are Reasonably Expected to Overlap with Patients Who Would Have Been Served at the Satellite Hospital’s Original Location.

To qualify for approval of a relocation exemption request, an applicant must demonstrate that at least 95% of the patients to be served at the new location are “reasonably expected” to reside in the same zip code as the “existing patient population.” *See* T.C.A. § 68-11-1607(a)(4)(A)(i). Where there is no “existing patient population” – like Tennova Clarksville’s Relocation Request and other requests involving unimplemented CON projects – it is necessary for the applicant to address this criterion using the best available data as a proxy.

Because the Relocation Site targets the same patient population Tennova Clarksville expected to serve at the Satellite Hospital’s original location and is in close proximity to the original location (a difference of only 6.6 miles and within the same county), it is “reasonably expected” the Satellite Hospital will continue to draw patients from the same zip codes and in

² As explained in Tennova Clarksville’s letter requesting review by the Commission, the review of the Executive Director’s decision of the Relocation Request is *de novo* – meaning without assigning any weight or presumption of correctness to the Executive Director’s decision. *See* T.C.A. § 68-11-277(h)(2).

virtually the same percentages as was outlined in the 2021 CON application for the Satellite Hospital. For the Relocation Request, Tennova Clarksville examined Sango-FSED’s 2024 utilization as a guide for which patients would be treated at the Relocation Site. When the zip codes of origin projected at the original location are compared with those at the Sango-FSED, there is approximately 99.7% overlap, which meets the statutory requirement. This conclusion is supported by both Tennova Clarksville’s internal data, including that at least 95% of patients served at Tennova Clarksville’s main campus hospital come from the same zip codes as those served at Sango-FSED, and the more limited TDOH data.³

The table below shows that 95% of patients at the Relocation Site are “reasonably expected” to come from, at minimum, the same 16 zip codes as patients that would have been served at the Satellite Hospital’s original location.

Zip Code	Utilization Projected for Trenton Road (Y1)	% Patients by Zip Trenton Road*	Utilization Projected for New Location	% Patients by Zip New Location*	Variance*
37042	376	36.7%	342	33.4%	-3.3%
37040	260	25.4%	289	28.2%	2.8%
37043	228	22.3%	272	26.6%	4.3%
37058	21	2.1%	6	0.6%	-1.5%
37191	18	1.8%	13	1.3%	-0.5%
37010	16	1.6%	22	2.2%	0.7%
37079	12	1.2%	6	0.6%	-0.6%
37142	12	1.2%	9	0.9%	-0.3%
37052	10	1.0%	9	0.9%	-0.1%
37051	7	0.7%	5	0.5%	-0.2%
37171	7	0.7%	3	0.3%	-0.4%
37061	7	0.7%	2	0.2%	-0.4%
37023	6	0.6%	3	0.3%	-0.3%
37050	5	0.5%	2	0.2%	-0.3%
37032	3	0.3%	3	0.3%	0.0%
37028	3	0.3%	2	0.2%	-0.1%
Min. # of Patients Residing in Same Zip Codes	991	97.1%	988	96.7%	-0.4%
% Patient Zip Code Overlap	99.7%				
All Other Zip Codes (00000)	33	3.2%	36	3.5%	0.3%
Total Patients	1,024		1,024		

Source: Tennova Clarksville Relocation Request, Supplemental Responses, Attachment 1E Narrative. Tennova Clarksville Utilization Data; Tennova Clarksville FSED Utilization Data. Numbers may vary due to rounding.

³ For a more detailed analysis of Tennova Clarksville’s satisfaction of the 95% threshold at the Relocation Site, see *Exhibit 8*, which includes an excerpt of Tennova Clarksville’s Supplemental Responses to the Relocation Request.

Importantly, nothing in either the Commission staff report or the Executive Director’s September Memo contradicts these findings. And, in the absence of data conclusively demonstrating that the Relocation Request will not comply with the so-called “95% requirement,” the Commission must disregard the Executive Director’s decision and approve the Relocation Request.

B. The Relocation Site Will Improve Access to Care for All Montgomery County-Area Residents.

To qualify for approval of a relocation exemption request, an applicant must demonstrate that the relocation will not reduce access to consumers, particularly those in underserved communities, like TennCare or Medicaid recipients. *See* T.C.A. § 68-11-1607(a)(4)(A)(ii).

The primary purpose of the Relocation Request is to improve patient access to the Satellite Hospital and ensure Tennova Clarksville is best positioned to meet the healthcare needs of all Montgomery County-area patients. Tennova Clarksville expressed this intention to the Commission even prior to acquiring the Relocation Site. Now, after operating the Sango-FSED adjacent to the Relocation Site for more than eight years and carefully evaluating how the Relocation Site could be integrated into Tennova Clarksville’s existing care delivery system, Tennova Clarksville has determined that the Relocation Site is the better location to implement the Satellite Hospital.⁴ The Relocation Site will provide improved access to the entire service area, including those residing in densely populated residential areas, downtown Clarksville, the area around Ft. Campbell, and the area around Austin Peay State University. The Sango-FSED has more than doubled annual visits since 2018, which provides strong evidence of both need and ease of access. Indeed, the Relocation Site provides bi-directional I-24 ramp access. Moving the

⁴ If the Relocation Request is approved, the relocated Satellite Hospital will not be physically connected to the existing Sango-FSED. Instead, the Satellite Hospital will include its own state-of-the-art emergency department, and the existing Sango-FSED will be repurposed. Should that occur, patient care will not be interrupted. Emergency and acute care services will remain fully accessible and efficiently managed at the Sango-FSED location throughout any transition process.

Satellite Hospital to the Relocation Site will provide for better distribution of acute care beds, enhancing emergency and inpatient access for all residents, including underserved patients.

C. The Commercial Insurance Payor Mix Will Not Change at the Relocation Site.

To qualify for approval of a relocation exemption request, an applicant must demonstrate that the relocation will not result in an increase in the commercial insurance payor mix. *See* T.C.A. § 68-11-1607(a)(4)(A)(iii).

As the Relocation Request explains in detail, the payor mix at the Relocation Site will be consistent with the payor mix approved in the 2021 CON application. Once again, Tennova Clarksville's internal data provides the best information on the proposed payor mix at the Relocation Site. Indeed, because TDOH data is limited to hospital inpatients, it does not account for the full range of patients Tennova Clarksville expects to serve at the Relocation Site. The internal data show there will be a small increase in the percentage of TennCare/Medicaid patients and a decrease in the percentage of commercial insurance patients. Thus, Tennova Clarksville's Relocation Request satisfies the requirements of T.C.A. § 68-11-1607(a)(4)(A)(iii). Importantly, Tennova Clarksville remains committed to providing over \$1 million in charity care annually at the Relocation Site.

Also, it should be noted that, in 2025 alone, the Executive Director has approved two relocation requests that included increases in the commercial insurance payor mix. *See, e.g.,* New West Tennessee Healthcare Bolivar Hospital, RE2505-003A (showing a 0.52% increase in commercial insurance payor mix); Select Specialty Hospital – TriCities, RE2507-005A (showing a 4.53% increase in commercial insurance payor mix). It also should be noted that, in approving these relocation requests, the Executive Director relied on unverified and unpublished data. *See, e.g.,* New West Tennessee Healthcare Bolivar Hospital, RE2505-003A, at 2-3 (noting that payor

mix “was not confirmed through an HFC staff request to the [TDOH]” (emphasis added)); *id.* at 2-3 (noting “[t]he applicant has provided an unpublished copy of the 2024 JAR ... which HFC staff has confirmed matches the applicant’s historical payor mix as submitted” (emphasis added)).

Again, given these facts, there is no valid basis for the Executive Director’s claim that Tennova Clarksville’s Relocation Request has not satisfied the statutory criteria.

D. The Executive Director Cannot Rely on “Legislative Intent” to Deny the Relocation Request.

At the conclusion of the September Memo, the Executive Director offers the following as his final justification for denying Tennova Clarksville’s Relocation Request: “[N]or does he believe such a relocation is in line with the Legislative intent of the relocation exemption” process. *Exhibit 2* at 2 (emphasis added). Stated differently, the Executive Director has denied the Relocation Request based on his subjective understanding of what the General Assembly had in mind when it added the relocation exemption process to the state’s CON law – *i.e.*, his belief that the General Assembly did not intend for that process to apply to relocation requests like the one Tennova Clarksville has presented. Respectfully, in looking to “Legislative intent” as a reason to deny Tennova Clarksville’s Relocation Request, the Executive Director has grossly exceeded his authority. On the contrary, there is no legitimate legal or factual basis to rely on “Legislative intent” for any decision in this case.

Under Tennessee law, the subjective concept of legislative intent rarely serves as a proper basis for decision. As the Tennessee Supreme Court has consistently made clear, that is because “[g]enerally, legislative intent shall be derived from the plain and ordinary meaning of the statutory language” in question. *Freeman v. Marco Transp. Co.*, 27 S.W.3d 909, 911 (Tenn. 2000). A “[c]ourt may look only to the four corners of the statute as a general rule.” *Austin v. Memphis Pub. Co.*, 655 S.W.2d 146, 148 (Tenn. 1983) (quoting *Pless v. Franks*, 308 S.W.2d 402, 404 (Tenn.

1957)). “If a statute’s language is expressed in a manner devoid of ambiguity, court are not at liberty to depart from the statute’s words.” *Freeman*, 27 S.W.3d at 911; *State v. Johnson*, 79 S.W.3d 522, 526 (Tenn. 2002) (explaining “[w]here words of the statute are clear and plain ... there is no room to resort to auxiliary rules of construction, and we need only enforce the statute as written”).

As this Tennessee Supreme Court case law confirms, to the extent an administrative and judicial decision-maker has any right to rely on what he or she may “believe” about the General Assembly’s purpose or goals in enacting a new law, that right is strictly limited and may be invoked only if the statute in question is not clear. This case law applies with particular force in this case.

Indeed, as is clear from even a cursory read of the relevant statute – T.C.A. § 68-11-1607(a)(4)(A) – nothing in that statute is either ambiguous or unclear. On the contrary, it is simple, concise, and clear: If the applicant demonstrates compliance with the three criteria listed in the statute, then it is entitled to relocate an approved CON project without having to apply for a new CON. The statute does not provide any other criteria for decision. And, by establishing the three objective criteria for decision, the statute removes the risk of inconsistent or subjective decision-making. Given all of this, it was improper for the Executive Director to use what he personally “believe[s]” about the “Legislative intent” behind the statute to deny Tennova Clarksville’s Relocation Request, and the Commission should set aside his decision and approve the Relocation Request.⁵

⁵ In the September Memo, the Executive Director states that he “was not convinced that enhancing access to consumers off I-24 at the site of [Sango-FSED] with its own patient base instead of the more densely populated residential areas to the west ... would result in a 95% overlap of the patient base projected for the approved location.” *Exhibit 2* at 2. This statement highlights the subjective approach the Executive Director took in making his decision in this case. Under the relevant statute, Tennova Clarksville is not required to “convince” the Executive Director. Rather, it is required to put forward objective data demonstrating compliance with the statutory criteria. And, if it does so – as it has done in this case – it qualifies for a relocation exemption. That is especially true where – as here – the Executive Director has not articulated any reason to distrust the data Tennova Clarksville has put forward. The objective, data-driven criteria set out in the statute are designed to standardize the relocation exemption process and remove the need to “convince” the decision-maker based on some vague, unspoken standard that changes from application to application.

In addition to the lack of legal basis, there also is no factual basis to rely on “Legislative intent” in deciding this case. By stating in his September Memo that he does not “believe” Tennova Clarksville’s Relocation Request “is in line with Legislative intent,” the Executive Director is in effect saying Tennova Clarksville’s request is too different from the kinds of relocation situations that should be approved under the statute. There is nothing in the Commission’s records to support that position. On the contrary, the precedent established by previously approved relocation requests forcefully confirms that Tennova Clarksville’s Relocation Request is not different in any way.

Since 2021, the Executive Director has approved 21 relocation requests. Of those 21 requests, at least nine allowed relocations that were more than 6.6 miles away from the original approved location. In fact, as recently as September 15th, the Executive Director approved a relocation involving a new site that is more than 16 miles from the original approved location in Bristol. *See* Select Specialty Hospital – Tri-Cities, RE2507-005A. Similarly, in 2022 and 2023, the Executive Director approved four relocations for Open Arms Care Corporation to new locations that averaged 17.5 miles from the original approved locations and crossed county lines. *See* Open Arms Care Corp., RE2208-004A, RE2208-005A, RE2212-006A, and RE2212-007A. Based on these approvals, there can be no basis to say Tennova Clarksville’s request to move the Satellite Hospital Project just 6.6 miles from the original approved location is “unique” or runs counter to the General Assembly’s “Legislative intent.”

Same is true for the data Tennessee Clarksville relied on to support its Relocation Request. Although the staff report on the Relocation Request noted that it was “not possible to confirm fully that the 95% threshold for patient utilization will be met, due to [HDDS] data suppression rules, [the] applicant claims, based on its internal data, that it will continue serving over 95% of its patient

base from the same combination of the top (17) Zip Codes,” the lack of perfect data has not led to the denial of prior relocation requests. On the contrary, since 2021, the Executive Director has approved several relocation requests where there was either no external data support or only internal data support. *See, e.g.,* New West Tennessee Healthcare Bolivar Hospital, RE2505-003A, at 2 (“*Based upon the applicant’s internal data, it will continue serving over 95% of its patient base*”); *see id.* (“The applicant provides Zip Code level utilization data ***This historical utilization data was not confirmed through any data reports provided by the [TDOH] ..., therefore[,] it is not possible to verify ... the utilization data provided by the applicant through a public source.***”) (emphasis added).

Importantly, in the case of the Tennova Clarksville Relocation Request, Commission staff independently reviewed and verified the information before deeming the application complete, as required by Tennessee Comp. R. & Regs. 0720-10-.06(2)(a).⁶ To the extent Commission staff or the Executive Director doubted the accuracy and completeness of the data Tennova Clarksville furnished to satisfy the 95% requirement, in particular, Commission staff should not have deemed the application complete. Having done so, however, it was improper for the Executive Director to deny the application for any data-related reason, and the Commission should disregard his decision and approve the Relocation Request. Any other outcome will result in Tennova Clarksville being treated differently and unfairly in comparison to other recent request applicants. Again, nothing in Tennessee law or the relevant facts permits such a result.

⁶ Under Tennessee Comp. R. & Regs. 0720-10-.06(2)(a), “[p]rior to deeming an application complete, the Executive Director shall ensure Commission staff’s independent review and verification of information submitted to the Commission.” The purpose of this independent review process is “to ensure that the information is accurate, complete, comprehensive, timely, and relevant to the decision,” and it applies to “applicant-provided information” and “staff examinations of data sources, ... and verification of critical information.” *Id.*

CONCLUSION

For all of the foregoing reasons, Tennova Clarksville respectfully requests that the Commission approve its Relocation Request. Doing so is necessary under the relevant facts and the law and is consistent with the approval of other relocation requests. It also is necessary in order to allow Tennova Clarksville to maximize the positive impact its Satellite Hospital is certain to have in Montgomery County and the surrounding area. As the Commission saw first-hand at its meeting in July 2025, patients in Montgomery County want more options to receive the healthcare they need closer to home. Allowing Tennova Clarksville to relocate the Satellite Hospital to Sango will be an important step toward that equally important goal.

DATED this 19th day of September, 2025.

Respectfully submitted,

/s/ W. Brantley Phillips, Jr.

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EXHIBIT 1



State of Tennessee
Health Facilities Commission

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

August 18, 2025

Page Smith, Attorney
Bass, Berry and Sims
21 Platform Way South, Suite 3500
Nashville, TN 37203

RE: Relocation Exemption Application, RE2506-004, Tennova Healthcare Clarksville

Dear Ms. Smith:

On August 14, 2025, the Executive Director of the Tennessee Health Facilities Commission reviewed your relocation exemption application per T.C.A. 68-11-1607. The application proposed the following:

The relocation of an approved but unimplemented Certificate of Need (CN2109-027AE) for a satellite hospital from its original proposed location at 2275 Trenton Road, Clarksville (Montgomery County), Tennessee 37040 to a tract of land located adjacent to the Tennova ER - Sango, Parcel #063 04806 00011063, Clarksville (Montgomery County), Tennessee 37043.

The relocation exemption application for the above referenced project has been **denied**.

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

Sincerely,

Logan Grant/JC

Logan Grant
Executive Director

cc: Ann Reed, HFC Deputy Director
Jim Christoffersen, HFC General Counsel
File

EXHIBIT 2



State of Tennessee
Health Facilities Commission

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

TO: Health Facilities Commission Members

FROM: Logan Grant, Executive Director

RE: Tennova Healthcare-Clarksville's CON Relocation Exemption Request
RE2506-004D

Tennova Healthcare-Clarksville seeks review of its request to relocate its approved but unimplemented certificate of need, to establish a 12-bed satellite hospital and emergency department.

- The approved site at an unaddressed approximately 16-acre tract that is part of larger tract located at 2275 Trenton Road in Clarksville.
- The new location sits directly behind Tennova Healthcare-Clarksville's existing freestanding emergency department, Tennova ER – Sango; this would be approximately 6.6 miles as the crow flies, from approximately 4 miles due west of its main campus to the Sango exit off I-24.

The Executive Director denied this relocation exemption request, because Tennova Healthcare-Clarksville had not met its legal burden of proving that:

- (i) At least ninety-five percent (95%) of patients to be served are reasonably expected to reside in the same zip codes as the existing patient population;
- (ii) The relocation will not reduce access to consumers, particularly those in underserved communities; those who are uninsured or underinsured; women and racial and ethnic minorities; TennCare or medicaid recipients; and low-income groups; and
- (iii) The payor mix will not include an increase in commercial insurance.¹

¹ Tenn. Code Ann. § 68-11-1607(a)(4). Tenn. Code Ann. § 68-11-1607(a)(4) also allows for Commission members or a party whose relocation exemption was denied by the Executive Director to request Commission review.

Tennova Healthcare-Clarksville's CON

On December 15, 2021, the Commission's predecessor agency unanimously approved Tennova Healthcare-Clarksville's CON application [CN2109-027AE] to establish a 12-bed satellite hospital and emergency department.

The importance of the project's location was stressed in the CON application:

In addition to the need for more capacity to serve this large and rapidly growing population there is a need for a geographically separate hospital site. The main hospital is located just off I-24 in eastern Montgomery County. This is very accessible to Interstate traffic, but the satellite hospital will be located in closer proximity to more densely populated residential areas to the west, and areas closer to APSU, downtown, and Ft. Campbell. . .The new satellite hospital will also be located on very heavily traveled traffic thoroughfares such as IO 1st Airborne Parkway and Wilma Rudolph Boulevard. . .The proposed satellite hospital would be a closer and more accessible hospital facility for the large population residing, working, and traveling in this part of Montgomery County.

Tennova Healthcare-Clarksville's Relocation Exemption Request

Tennova Healthcare-Clarksville proposes moving the project approximately 6.6 miles, as the crow flies, to a new location that sits directly behind Tennova Healthcare-Clarksville's existing freestanding emergency department, Tennova ER – Sango. The recently approved CON for the establishment of a new hospital for Ascension Saint Thomas Clarksville Hospital, in close proximity to the proposed location, is not legally relevant to the exemption request unless it affects Tennova Healthcare-Clarksville's patient base in a way that affects the legal considerations detailed on page one of this memorandum.

Tennova Healthcare-Clarksville has stated that the primary reason for the proposed relocation of its satellite hospital is enhanced access to care for consumers. The Executive Director was not convinced that enhancing access to consumers off I-24 at the site of an existing freestanding emergency department with its own patient base instead of the more densely populated residential areas to the west, and areas closer to APSU, downtown, and Ft. Campbell, would result in a 95% overlap of the patient base projected for the approved location; nor does he believe such a relocation is in line with the Legislative intent of the relocation exemption.

EXHIBIT 3

Montgomery County Tax Assessor:

[◀ Return to search results](#) | [View printer friendly version ▶](#)

Parcel ID: 063 04805 000 Assessor ID: 39308 Year ID: 1994316

[View parcel on map ▶](#)

Current Owner / Property Address / Mailing Address

Current Owner 1: BOYD A REUTHER & DEMETRA G FAMILY LTD PARTNERSHIP

Current Owner 2:

Property Address: HWY 76 Mailing Address: 1425 HWY 76
CLARKSVILLE, TN 37043

Montgomery County, Tennessee Register of Deeds Searches:

US Title Search Network
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MESSAGES & NOTIFICATIONS

US Title Search Network would like to welcome Roane County Register of Deeds. Roane County is now available and ready for use starting January 1, 2025.

*** NOTICE ***

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ALLOWS X-REFS TO BE DISPLAYED ON THE SEARCH RESULTS PAGE. USE OF THIS FEATURE WILL RES
This feature is now in BETA! Thank you for your continued support.

To access free counties, Login using username of FREE and password FREE.

ENTER SEARCH CRITERIA

Party Name:

☐ Grantor (Seller / Direct)

Party Type: ☒ Grantee (Buyer / Reverse)

☐ Both

ENTER SEARCH LIMITATIONS

Beginning Date: (MM/DD/YYYY)

Ending Date: (MM/DD/YYYY)

Instrument Type:

[Begin Search](#) [Reset](#)

Indexes are current as of 9/19/2025 11:00A. Images are current as of 9/19/2025 11:00A.

REGISTER OF DEEDS CERTIFICATION STATEMENT

INDEXES AND IMAGES CERTIFIED THRU September 18, 2025 AT 4:30 P.M.

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Search Time = 0 minute(s), 0 second(s)

No records were found!

a division of Professional Governmental Research & Solutions, Inc.

Notebook

a division of Professional Governmental Research & Solutions, Inc.

Assessment Data

No records were found!

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MESSAGES & NOTIFICATIONS

US Title Search Network would like to welcome Roane County Register of Deeds. Roane County is now available and free of cl
2025.

*** NOTICE ***

At US Title Search Network, we are striving to improve your experience. **A NEW FEATURE IS NOW AVAILABLE ON THE P
ALLOWS X-REFS TO BE DISPLAYED ON THE SEARCH RESULTS PAGE. USE OF THIS FEATURE WILL RESULT IN SI**

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To access free counties, Login using username of FREE and password FREE.

ENTER SEARCH CRITERIA

Party Name: SAINT THOMAS CLARKSVILLE HOSPITAL

☐ Grantor (Seller / Direct)

Party Type: ☒ Grantee (Buyer / Reverse)

☐ Both

ENTER SEARCH LIMITATIONS

Beginning Date: (MM/DD/YYYY)

Ending Date: (MM/DD/YYYY)

Instrument Type: <All>

[Begin Search](#)[Reset](#)

Indexes are current as of 9/19/2025 11:00A. Images are current as of 9/19/2025

REGISTER OF DEEDS CERTIFICATION STATEMENT

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Search Time = 0 minute(s), 0 second(s)

No records were found!

EXHIBIT 4

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is hereby made and entered into on this 24th day of January, 2024, by and between A. REUTHER & DEMETRA G. BOYD FAMILY LTD PARTNERSHIP, (herein called "Seller") and CLARKSVILLE HEALTH SYSTEM, G.P. or its assignees, (herein called "Purchaser"),

WITNESSETH:

For and in consideration of the sum of \$50,000.00, as earnest money paid and held until Closing by Title Company except as expressly contemplated differently in this Agreement, and in part payment of the purchase price, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby agrees to sell to Purchaser, or such other person or entity as Purchaser may direct, and Purchaser hereby agrees to purchase from Seller, certain real estate consisting of approximately 10 +/- acres of a larger tract, located at Highway 76, Clarksville, Tennessee 37043, Map-Parcel Number: 063 048.05 (such parcel being the "Larger Tract" as further depicted on Exhibit A-1), together with any and all improvements thereon and all easements, covenants, licenses, and other rights appurtenant thereto, herein called the "Property", Exhibit A which outlines the proposed acreage with general boundaries shown and the final subdivision to be mutually agreed upon between parties and subject to this Purchase Agreement.

All property and interests of Seller to be conveyed hereunder, including any improvements, are herein sometimes collectively called the "Property."

PURCHASE PRICE. The purchase price for the Property shall be the sum of exactly Three Million Five Hundred Thousand and 00/100 (\$3,500,000.00) Dollars, subject to customary prorations and adjustments at closing for transactions of this nature. The Purchase Price net of any deposit monies shall be payable at settlement.

EARNEST MONEY. Within Five (5) business days after the effective date of this Purchase Agreement, Purchaser shall deposit Fifty Thousand Dollars (\$50,000.00) with the Title Company, which amount plus all interest earned, is referred to as the "Earnest Money." The Earnest Money shall be credited against the Purchase Price at Closing.

INSPECTION PERIOD. The Purchaser shall have a period of one hundred twenty (120) days after the full execution of a definitive Purchase Agreement ("Inspection Period") to review a title commitment and survey (which survey shall be obtained by the Seller at the Purchaser's expense) of the Property and to conduct such feasibility studies, tests and inspections of the Property as the Purchaser deems advisable; provided, however, that if the Survey (as defined below) has not been provided materially meeting the below requirements within ninety (90) day after the full execution of the definitive Purchase Agreement, such Inspection Period will be extended on a day-for-day basis with deliver of the Survey beyond such ninety (90) day period. If Purchaser terminates this Purchase Agreement prior to the expiration of the Inspection Period, all Earnest Money shall be refunded to Purchaser. If

IN WITNESS WHEREOF, the parties hereto have executed the foregoing as of the date written first herein.

SELLER:

Date: 12/28, 2023

A. Reuther and Demetra G. Boyd
Family Limited Partnership

by: Demetra Godsey Boyd
Demetra Godsey Boyd, General Partner

Phone: (931) 358-9210

Email: NONE

PURCHASER:

Date: _____, 2023

Clarksville Health System, G.P.

by: _____

Name-Title: _____

4000 Meridian Boulevard

Franklin, TN 37067

Phone: (_____) _____

Email: jay_buckley@chs.net

Prepared by:

Lauren S. Meadows

BATSON NOLAN PLC

2675 Townsend Court, Ste A

Clarksville, TN 37043

(931) 647-1501

IN WITNESS WHEREOF, the parties hereto have executed the foregoing as of the date written first herein.

SELLER:

Date: _____, 2024

A. Reuther and Demetra G. Boyd
Family Limited Partnership

by: _____
Demetra Godsey Boyd, General Partner

Phone: (_____) _____

Email: _____

Prepared by:
Lauren S. Meadows
BATSON NOLAN PLC
2675 Townsend Court, Ste A
Clarksville, TN 37043
(931) 647-1501

PURCHASER:

Date: January 24, 2024

Clarksville Health System, G.P. a Delaware
general partnership

By: CHSPSC, LLC, a Delaware limited
liability company and its sole Manager

by: Kevin J. Hammons

Name: Kevin J. Hammons

Title: President and Chief Financial Officer

4000 Meridian Boulevard

Franklin, TN 37067

Phone: (615) 465-7140

Email: jay_buckley@chs.net

EXHIBIT A

PROPERTY

[To be inserted]

±10 Acres

76

Highway 76

Highway 76

Highway 76

76

Hornbuckle Rd

Windemere Dr

Hornbuckle Rd



EXHIBIT 5

STATE OF TENNESSEE
HEALTH FACILITIES COMMISSION

EXCERPT OF PROCEEDINGS

July 23, 2025

9:00 a.m.

SIMULTANEOUS REVIEW

ASCENSION SAINT THOMAS CLARKSVILLE HOSPITAL,
CN2505-015

TRISTAR CLARKSVILLE HOSPITAL, CLARKSVILLE,
CN2505-018

Cordell Hull State Legislative Building

Senate Hearing Room 1

425 Rep. John Lewis Way N

Nashville, Tennessee

Prepared By:
Ace Court Reporters
April N. Daniel
License No. 141
Post Office Box 158395
Nashville, Tennessee 37219
(615) 516-9921
stenoquick82@gmail.com

Ace Court Reporters (615) 516-9921

PROCEEDINGS

(Whereupon, the following is an excerpt
of proceedings held on Wednesday, July 23, 2025, and
proceeds as follows:)

MR. CHINN: All right. Good job. We'll
move on to our Certificate of Need applications. This
first application will be a little bit different than
most of them. It will be a simultaneous review. So,
Mr. Pitt, would you please introduce our first
application?

MR. PITT: The following two applications
will be heard under simultaneous review procedures.
The first is Ascension Saint Thomas Clarksville
Hospital, Clarksville, Montgomery County, Tennessee,
CN2505-015. This application is for the establishment
of a 44-bed acute care hospital located at an
unaddressed site on Highway 76 in the northeastern
quadrant of the intersection of Highway 76 and
Interstate 24 across Highway 76 from Tennessee
Orthopaedic Alliance's office building in Clarksville,
Montgomery County, Tennessee 37043. The project also
seeks to initiate diagnostic and therapeutic cardiac
catheterization services, magnetic resonance imaging
services, and a Level II neonatal intensive care unit.
The service area of the project consists of Montgomery
County. The applicant will be owned and operated by
Saint Thomas Clarksville Hospital, LLC. This entity is
wholly owned by Saint Thomas Health, which is a
regional health ministry of Ascension Health.
Estimated project cost is \$148,500,000. There is
opposition to the project from Tennova Healthcare
Clarksville. Speaking on behalf of the applicant is
Warren Gooch, John Winters, Bryce Fitzgerald, and
Bethany Wilson. Speaking on behalf of the opposition
is Travis Swearingen. Recusing will be Evans, Russell,
and Ussery.

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The following is an excerpt of the
simultaneous review for projects CN2505-015, Ascension
Saint Thomas Clarksville Hospital; and CN2505-018,
Tristar Clarksville Hospital, Clarksville, and were
heard on Wednesday, July 23, 2025, beginning at
approximately 9:00 a.m., at the Cordell Hull
Legislative Building, Senate Hearing Room 1, 425 Rep.
John Lewis Way North, Nashville, Tennessee, before a
quorum of the following board members:

JAMES WRIGHT
LAUREN LEGATE
MICHAEL DENNEY
TIM EVANS
DR. STEVEN FLATT
MELANIE KELLER, VICE CHAIRWOMAN
RICK CHINN, CHAIRMAN
CONNIE BELLAMY
DR. ANDY RUSSELL
MIKE USSERY
JEREMY BIGGS
NICOLE SWEITZER
BARBARA BRENNAN
TINA PRESCOTT

AGENCY STAFF PRESENT:

Jim Christoffersen, General Counsel
Phillip Earhart, Deputy Director
Alecia L. Craighead, Information and Data Analyst
Tom Pitt - HSD Examiner
Ann Reed - Deputy Director, Licensure & Regulation
Nathaniel Flinchbaugh, Deputy General Counsel
Caroline Tipples, Director of Licensure & Regulation
Logan Grant, Executive Director
Joel Clinton, Data
Lowavia Eden-Hoback, Office and Resource Manager
Katie Thomas, Senior Policy Advisor

Court Reporter: April N. Daniel, LCR
LCR No. 141
Expires 6/30/2026

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MR. CHRISTOFFERSEN: And Prescott and
Bellamy.
MR. PITT: And Prescott and Bellamy.
MR. CHINN: Do we still have a quorum? I
think we have eight, right?
MR. CHRISTOFFERSEN: Yes, we do.
MR. CHINN: We'll give Mr. Gooch and his
team a second to get set up.

MR. USSERY: Mr. Chairman --

MR. CHINN: Yes, sir.

MR. USSERY: -- I should point out,
although there was a mention that I'm going to recuse,
I sought the advice of counsel. I don't think it's
necessary that I recuse, but I should inform the board

Ace Court Reporters - April N. Daniel, LCR

MR. CHINN: Yes, sir.

MR. USSERY: -- I should point out,
although there was a mention that I'm going to recuse,
I sought the advice of counsel. I don't think it's
necessary that I recuse, but I should inform the board

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<p>12:43 1 are just not a comparison that we would make. The 12:43 2 second was a comparison to Gallatin, a comment about 12:43 3 some notes we made in a presentation over the last 12:43 4 month or two; distinctly different there as well 12:43 5 because, again, in the Gallatin presentation, there was 12:43 6 no new competition being introduced in that space. And 12:43 7 this is distinctly different because you've got two 12:43 8 folks coming to the table who are going to introduce 12:43 9 new competition and options for the community that you 12:43 10 see here in the audience. 12:43 11 The final comment I'll make is related to 12:43 12 the ability to staff these facilities. I commented on 12:43 13 -- right now, we've got 500 clinicians that are 12:43 14 employees of HCA that live in that county. You heard 12:43 15 me say I think we need about half that amount to staff 12:43 16 the hospital at full service according to our 12:43 17 application. I would also note that the reference to 12:43 18 Galen is an interesting one. Of interest to you, we 12:43 19 today have 945 nurses going through our Galen College 12:43 20 of Nursing. That's enough to fulfill the needs of each 12:44 21 of the applications we have submitted over the last 12:44 22 probably two years, and that's just today's enrollment. 12:44 23 So, by the time these facilities go through a ribbon 12:44 24 cutting, we will have years of that amazing workforce 12:44 25 coming through. And I would also imagine that our <i>Ace Court Reporters - April N. Daniel, LCR</i></p>	<p>12:45 1 petition in favor of the TriStar Clarksville hospital. 12:45 2 MR. CHINN: That is your time. 12:45 3 MR. SPODEN: And the staffing was not 12:45 4 seen as a barrier in Rutherford County and should not 12:45 5 be seen as a barrier here. Thank you. 12:45 6 MR. CHINN: Thank you. Okay. We've 12:45 7 heard a lot from the applicants and the opposition. 12:46 8 Now it's time for questions from members. Sweitzer. 12:46 9 MS. SWEITZER: I was hoping the 12:46 10 Commission staff could explain to us kind of the status 12:46 11 of the, I guess, relocation request from Tennova to 12:46 12 your other hospital location. It seems a little 12:46 13 confusing. I don't know that we should really be 12:46 14 taking that into consideration with these two 12:46 15 applications. 12:46 16 MR. GRANT: I'll give you an update on 12:46 17 the status, and I'll turn it over to Jim so he can 12:46 18 explain what is called for your consideration of the 12:46 19 two applications before you. 12:46 20 So the relocation exemption form is -- 12:46 21 what was agreed to recently was that they do qualify to 12:46 22 apply for the relocation. They have provided us some 12:46 23 data that was -- that application was deemed complete 12:46 24 very recently, and it now goes through a review period, 12:46 25 at which point we will either be able to <i>Ace Court Reporters - April N. Daniel, LCR</i></p>
<p>12:44 1 partnership with Austin Peay State University will 12:44 2 continue -- they will continue to expand their 12:44 3 capacity. So I appreciate the chance to get up and 12:44 4 offer just a couple quick comments. Thank you. 12:44 5 MR. SPODEN: Clark Spoden also for 12:44 6 TriStar Clarksville. And, just real briefly, 12:44 7 Mr. Swearingen pointed out that we initially oppose the 12:44 8 Vanderbilt Rutherford Hospital, and it's true, but 12:44 9 TriStar no longer opposes it. We have withdrawn our 12:44 10 opposition. The case is still in litigation, and they 12:44 11 are still trying to get approval from the Court for the 12:44 12 CON that you granted. And that was a wise move in that 12:45 13 case compared to this instance. The same reasons that 12:45 14 applied in Rutherford Hospital apply here. The bed 12:45 15 need formula is overcome by the showing of community 12:45 16 need. 12:45 17 In this order issued by this Commission, 12:45 18 you said that requiring patients to drive to other 12:45 19 cities for care is contrary to the CON criteria. 12:45 20 That's exactly what's happening here. We're trying to 12:45 21 avoid. Consumers wanted the Vanderbilt Rutherford 12:45 22 hospital. They had 184 letters of support. There are 12:45 23 over 2,000 letters of support that support this 12:45 24 hospital. They had 6,000 petition signatures in 12:45 25 Rutherford County. Over 21,000 people have signed a <i>Ace Court Reporters - April N. Daniel, LCR</i></p>	<p>12:47 1 administratively approve it or defer it to the board 12:47 2 for consideration. But it hasn't been reviewed for 12:47 3 that approval yet, so it's still being considered. 12:47 4 I'll turn it over to Jim so he can explain how that 12:47 5 would bear on your decision today. 12:47 6 MR. CHRISTOFFERSEN: Got ya. As far as 12:47 7 your decision today goes, it's approved for a location 12:47 8 not there but where it was originally approved for. 12:47 9 Now, it may very well end up being approved; it may not 12:47 10 be approved. I'm not trying to persuade you, but I've 12:47 11 seen the numbers for that. In order to be approved, it 12:47 12 has to be shown that at least 95 percent of the 12:47 13 patients will be the same as where they would draw from 12:47 14 where they were going to be located and, also, that it 12:47 15 would not reduce access to care for -- shall we say -- 12:47 16 the underinsured, TennCare patients, Medicare, and the 12:48 17 like. 12:48 18 MS. SWEITZER: Can you remind me when 12:48 19 that CON expires? 12:48 20 MR. CHRISTOFFERSEN: I don't have an 12:48 21 exact date, but I don't think the expiration date of it 12:48 22 is an issue because, if they're making plans to move 12:48 23 forward, it could be extended very easily. 12:48 24 MR. CHINN: Thank you. Other questions? 12:48 25 Yes, sir. <i>Ace Court Reporters - April N. Daniel, LCR</i></p>

<p>12:48 1 DR. FLATT: What exact date did Tennova</p> <p>12:48 2 apply to move from where it was approved to where they</p> <p>12:48 3 want to go now?</p> <p>12:48 4 MR. CHRISTOFFERSEN: Tom, do you have</p> <p>12:48 5 access to that?</p> <p>12:48 6 MR. PITT: Give me just a second.</p> <p>12:48 7 MR. CHINN: The relevance would be before</p> <p>12:48 8 this application was put in or after? Is that</p> <p>12:48 9 basically --</p> <p>12:48 10 DR. FLATT: Correct. And I'm assuming</p> <p>12:48 11 that AST applied for their hospital before TriStar</p> <p>12:48 12 applied just because AST went first; is that correct?</p> <p>12:49 13 MR. CHRISTOFFERSEN: That is correct.</p> <p>12:49 14 And, unless Tom tells you otherwise, the application</p> <p>12:49 15 for relocation was submitted after at least the</p> <p>12:49 16 Ascension Saint Thomas application.</p> <p>12:49 17 MR. GRANT: But I do need to make one</p> <p>12:49 18 clarification that the application was submitted later</p> <p>12:49 19 because we initially told them that they could not</p> <p>12:49 20 because we were initially reading the statute to say</p> <p>12:49 21 that you couldn't apply for relocation on an</p> <p>12:49 22 implemented project, but we reverse course after some</p> <p>12:49 23 more certain things came to light. So they had made</p> <p>12:49 24 that request before they filed the application by</p> <p>12:49 25 several months just for context.</p> <p><i>Ace Court Reporters - April N. Daniel, LCR</i></p> <p>137</p>	<p>12:51 1 has been a process that's been ongoing for them for</p> <p>12:51 2 almost a year and a half.</p> <p>12:51 3 MR. CHINN: Does that answer your</p> <p>12:51 4 question, Dr. Flatt.</p> <p>12:51 5 MR. FLATT: Sort of.</p> <p>12:51 6 MR. CHINN: Thank you. Any other</p> <p>12:51 7 questions?</p> <p>12:51 8 MR. USSERY: I'm not sure who can answer</p> <p>12:51 9 the question about who has access to the military</p> <p>12:51 10 hospital that's been referenced, BACH?</p> <p>12:51 11 (Inaudible comments from the audience.)</p> <p>12:51 12 MR. CHINN: Hold on. We'll have someone</p> <p>12:51 13 step up to the mic to answer the question. We don't</p> <p>12:51 14 get answers from the crowd.</p> <p>12:51 15 MR. SWEARINGEN: Mr. Ussery,</p> <p>12:51 16 Travis Swearingen. We apparently have a lot of experts</p> <p>12:51 17 that will suggest if I'm getting this wrong. I did</p> <p>12:51 18 speak to somebody in the military's legal department.</p> <p>12:51 19 It is my understanding that the active military members</p> <p>12:51 20 and their dependants who have Tricare Select, I</p> <p>12:51 21 believe -- Tricare Prime. Well, there's two types,</p> <p>12:52 22 Tricare Prime and Tricare Select. One of them that</p> <p>12:52 23 they have to have, they have to go to BACH for their</p> <p>12:52 24 medical care. They can pay for additional supplemental</p> <p>12:52 25 care, which allows them to also get consultations and</p> <p><i>Ace Court Reporters - April N. Daniel, LCR</i></p> <p>139</p>
<p>12:49 1 MR. PITT: So the relocation was filed on</p> <p>12:49 2 June 10th for the Tennova application, and the these</p> <p>12:49 3 two applications were filed on June 2nd for TriStar.</p> <p>12:49 4 Both of them were filed June 2nd for the main CON</p> <p>12:50 5 application.</p> <p>12:50 6 MR. SWEARINGEN: Mr. Chinn, may I just</p> <p>12:50 7 briefly comment?</p> <p>12:50 8 MR. CHINN: Yes.</p> <p>12:50 9 MR. SWEARINGEN: Dr. Flatt, thank you for</p> <p>12:50 10 the question. Tennova approached the Commission about</p> <p>12:50 11 relocating this facility in 2023. And, when they were</p> <p>12:50 12 told in 2023 -- this is not anybody else's fault --</p> <p>12:50 13 there was a new provision in the law. Everybody was</p> <p>12:50 14 trying to figure out exactly what you could and could</p> <p>12:50 15 not do with it. Originally, they were told you could</p> <p>12:50 16 not relocate a CON that you have not yet implemented.</p> <p>12:50 17 That was the law of the land for about eight or nine</p> <p>12:50 18 months. And then, after further deliberation, further</p> <p>12:50 19 discussion about what the intent of the legislature</p> <p>12:50 20 was, that opinion changed. And so Tennova was informed</p> <p>12:50 21 late last year that yes, in fact, you could relocate</p> <p>12:50 22 it. So that's why there was that delay. As soon as</p> <p>12:50 23 they were told that, they began the process of</p> <p>12:50 24 developing the data and figuring out exactly what the</p> <p>12:50 25 project is going to move and that sort of thing. This</p> <p><i>Ace Court Reporters - April N. Daniel, LCR</i></p> <p>138</p>	<p>12:52 1 go out and use other services.</p> <p>12:52 2 MR. CHINN: Mr. Gooch.</p> <p>12:52 3 MR. GOOCH: It's our understanding that</p> <p>12:52 4 service at the hospital is descriptive to active</p> <p>12:52 5 members of the military and their dependants and some</p> <p>12:52 6 that qualify under insurance programs but not to the</p> <p>12:52 7 public at large. And I think that's why, quite</p> <p>12:52 8 frankly, the commanding colonel wrote a letter of</p> <p>12:52 9 support for the Ascension application.</p> <p>12:52 10 MR. USSERY: And are retirees able to</p> <p>12:52 11 access that hospital? Retired military?</p> <p>12:53 12 MR. GOOCH: I think it's very limited,</p> <p>12:53 13 Mr. Ussery.</p> <p>12:53 14 MS. KELLER: I can just speak from my</p> <p>12:53 15 experience as a lifetime dependant from birth until</p> <p>12:53 16 now. And our experience is, especially with retirees</p> <p>12:53 17 and the clinics and so forth, they typically reserve</p> <p>12:53 18 that for active duty and dependants. But, once you get</p> <p>12:53 19 to the Medicare age, the clinics don't typically tend</p> <p>12:53 20 to treat, and they do have you go out into the</p> <p>12:53 21 community because those physicians are focused</p> <p>12:53 22 primarily on that age range that is active duty and not</p> <p>12:53 23 the retirees. So I would assume there's limited access</p> <p>12:53 24 for their retirees but certainly not to the general</p> <p>12:53 25 public. If you've not -- if you don't have military</p> <p><i>Ace Court Reporters - April N. Daniel, LCR</i></p> <p>140</p>

EXHIBIT 6

From: Thomas P. Pitt <Thomas.P.Pitt@tn.gov>
Sent: Monday, June 9, 2025 3:04 PM
To: Smith, Page M <page.smith@bassberry.com>
Cc: Jim Christoffersen <Jim.Christoffersen@tn.gov>; Logan Grant <Logan.Grant@tn.gov>
Subject: RE: [EXTERNAL] New Application Submitted

Page,

I am going to be the point of contact on this Tennova – Clarksville relocation application since Phillip is recusing.

I wanted to reach out before the application is submitted and let you know that you will need to provide ZIP Code level utilization for the host hospital for the most recent full year available through HDDS data and then document the shift in projected utilization for the second full year of operation.

The historical utilization data should reflect the service area and location of the micro-hospital where it was originally proposed to be located. You will have to estimate what the utilization would have been, had the project been built at that site. Please include a detailed explanation about how the historical utilization data for the host hospital was analyzed to establish a baseline utilization of the 2275 Trenton Rd facility had it been built. Then provide an explanation supporting the requirement that 95% of those patients will reasonably be assumed to be served at the new location. These detailed narratives should be included as Attachment 1E. The same thing applies to the proposed payor mix.

You can request this data through the Tennessee Department of Health, Office of Informatics and Analytics - [Submit a Data Request | TDH Health Data](#).

Please let me know if you have any questions.

Sincerely,



Thomas Pitt | Health Planner
Health Facilities Commission
Andrew Jackson State Office Building, 9th Floor
502 Deaderick Street, Nashville, TN 37243
p. 615-741-2364
c. 615-925-0083
thomas.p.pitt@tn.gov
tn.gov/hfc

Mission Statement: *To promote access to quality, cost-effective healthcare in Tennessee*

From: noreply@salesforce.com <noreply@salesforce.com> **On Behalf Of** Page Smith
Sent: Thursday, June 5, 2025 9:13 AM
To: Thomas P. Pitt <Thomas.P.Pitt@tn.gov>; Phillip M. Earhart <Phillip.M.Earhart@tn.gov>; Jeffrey McGranahan <Jeffrey.McGranahan@tn.gov>; Alecia L. Craighead <Alecia.L.Craighead@tn.gov>; Holly Vickers <Holly.Vickers@tn.gov>;

ramya.phelippose@mtxb2b.com; Alicia R. Grice <Alicia.R.Grice@tn.gov>

Subject: [EXTERNAL] New Application Submitted

A New Relocation Exemption - LOI BLA-0000000196 has been submitted on 6/5/2025, 12:12 AM.
Please assign a Staff member for review.

EXHIBIT 7

Subject:

FW: Tennova Clarksville (RE2506-004) - Update on Supplemental Responses

From: Thomas P. Pitt <Thomas.P.Pitt@tn.gov>**Sent:** Monday, June 30, 2025 10:21 AM**To:** Smith, Page M <page.smith@bassberry.com>**Cc:** Phillips, Brant <BPhillips@bassberry.com>; Gaffney, Lauren <LGaffney@bassberry.com>; Jim Christoffersen <Jim.Christoffersen@tn.gov>**Subject:** RE: Tennova Clarksville (RE2506-004) - Update on Supplemental Responses

Page,

After discussing your request internally, we are still going to need the data to be from HDDS and not THA or the JAR. This is due to the following considerations:

We have historically required HDDS data to be provided for projects that involve questions of historical and projected patient utilization at a sub county level such as for FSEDs or procedure level utilization data such as cardiac catheterization projects.

The relocation / exemption applications require the consideration of historical patient utilization to demonstrate that (95%) of patients are reasonably expected to reside in the same ZIP codes as the existing patient population. The original CON application for CN2109-027AE did not require or account for this type of ZIP Code level consideration, which is why the HDDS data source is being required in this case.

It is true that the Hardeman County relocation was reviewed and approved without HDDS data. Joint Annual Report data was determined to be adequate to inform Commission members about any reasonable shift that might occur in historical patient utilization of this hospital which 1) had fewer than 100 admissions in 2023, 2) no other hospitals in the county existing or pending CON approval, and 3) the shift in locations did not alter the access considerations for any large population centers within the county.

This relocation request is projecting 10x as many admissions, it is removing an emergency department and acute care access point that was approved for one neighborhood and moving to a site that currently has an ED facility, and is 18-20 minutes away from the existing CON approved site in a different ZIP Code which has the potential to significantly alter the neighborhoods and population centers that are expected to utilize the facility as a primary access point. There are also two large acute care hospital applications pending review in July which was not the case with the West Tennessee Healthcare application.

Due to the unique nature of this request, and in the interest of ensuring that Commission members have access to all necessary data to support a decision on the matter should they request a review, please utilize the HDDS data in your response to the supplemental questions. A summary will be posted as quickly as possible once all requested information has been received.

Sincerely,



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Mission Statement: *To promote access to quality, cost-effective healthcare in Tennessee*

From: Smith, Page M <page.smith@bassberry.com>
Sent: Friday, June 27, 2025 9:37 AM
To: Thomas P. Pitt <Thomas.P.Pitt@tn.gov>
Cc: Phillips, Brant <BPhillips@bassberry.com>; LGaffney <LGaffney@bassberry.com>
Subject: [EXTERNAL] Tennova Clarksville (RE2506-004) - Update on Supplemental Responses

Tom,

Yesterday afternoon, Tennova Clarksville received confirmation from TDOH staff that Tennova Clarksville will not receive the HDDS data back until **July 15, 2025**, at the earliest. This is more than 35 days after Tennova Clarksville submitted its original request to TDOH on June 10, 2025.

Brant, Lauren and I met to discuss the impact of these data delays on the pending relocation exemption request. Given TDOH's backlog and the time sensitivity of the relocation exemption request, we wanted to see if you would accept an alternative data set, such as Tennessee Hospital Association data, in response to Supplemental Question 1. Because Tennova Clarksville's satellite hospital project is unimplemented, we also think it would be reasonable for Tennova Clarksville to rely on the same data in the relocation exemption request that it used to make its projections in the 2021 CON Application. This would allow for a more accurate comparison of the zip codes to be served from 2021 to present at the prior location and the proposed new location. It also appears that the HFC has been willing to consider and approve several relocation projects, including the currently pending West Tennessee Healthcare Bolivar hospital relocation project, without the HDDS data.

We appreciate your consideration of this request. We are glad to provide the information the Commission needs to confirm that 95% of the patients to be served will remain the same at the new location, but we are confident that this can be supported more expeditiously and equally as accurately through data other than the HDDS data.

But for having to wait on the HDDS data, Tennova Clarksville is in a position to submit its supplemental responses, and we would appreciate the opportunity to do so as soon as possible given the 8/1/2026 expiration date on this CON.

We are glad to schedule a call to discuss at your earliest convenience today or early next week.

Thank you,

Page

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EXHIBIT 8

Project Name : Tennova Healthcare-Clarksville

Supplemental Round Name : 1

Certificate No. : RE2506-004

Due Date : 7/22/2025

Submitted Date : 6/16/2025

1. 1E. Overview

Please provide ZIP Code level utilization for the host hospital for the most recent full year available through HDDS data and then document the shift in projected utilization for the second full year of operation.

The historical utilization data should reflect the service area and location of the micro-hospital where it was originally proposed to be located.

Please estimate what the utilization would have been, had the project been built at that site.

Please include a detailed explanation about how the historical utilization data for the host hospital was analyzed to establish a baseline utilization of the 2275 Trenton Rd facility had it been built.

Please provide an explanation supporting the requirement that 95% of those patients will reasonably be assumed to be served at the new location. These detailed narratives should be included as Attachment 1E. The same thing applies to the proposed payor mix.

You can request this data through the Tennessee Department of Health, Office of Informatics and Analytics - [Submit a Data Request | TDH Health Data](#).

Response : HDDS data showing Tennova Healthcare-Clarksville's ("Tennova Clarksville") zip code-level utilization for 2023 is provided in Attachment 1E, Exhibit 1. These data show that, consistent with the tables provided in response to Question 2E, Tennova Clarksville's main campus primarily served patients from three Montgomery County zip codes: 37040, 37042, and 37043. In 2023, patients from these three zip codes accounted for approximately 85% of Tennova Clarksville's utilization. HDDS data are limited and do not permit complete analysis of the zip codes of origin for the remaining 15% of Tennova Clarksville patients. As shown in Attachment 1E, Exhibit 1, HDDS data account for zip codes with populations of less than 20,000 with only 3 digits, and not more specific 5-digit zip code-level information. According to HDDS data, approximately 13% of Tennova Clarksville's 2023 utilization related to patients originating from the 370 and 371 zip code

areas. But, the applicability of this information to the analysis of the THFC's 95% requirement is limited given that zip code areas 370 and 371 cover several counties, including Davidson and Williamson Counties, that are well outside Tennova Clarksville's primary service area and, thus, beyond the scope of this project and the relocation request.

The final approximately 2% of Tennova Clarksville's 2023 hospitalizations are attributable to zip code 37172, which covers Robertson County. Generally, the zip codes reflected in the 2023 HDDS data for Tennova Clarksville are consistent with the proposed service area Tennova Clarksville presented in its original satellite hospital CON Application filed in October 2021. The 2023 HDDS data demonstrate that Tennova Clarksville's satellite hospital relocation project meets the THFC's 95% requirement for relocation exemption requests. This is reflected in Table 1:

Table 1: Historic Utilization by ZIP Code for Tennova Healthcare

Patient ZIP Code	2023 Tennova Healthcare Discharges	Percent of SUM
370	1,086	9.7%
37040	3,165	28.2%
37042	3,812	33.9%
37043	2,593	23.1%
37055	*	-
371	384	3.4%
37172	202	1.8%
Other	0	0.0%
SUM	11,242	100.0%

Source: Tennessee Department of Health, Division of Population Health Assessment, Office of Healthcare Statistics

Understanding the limitations in the HDDS zip code data, Tennova Clarksville submits that the data included in the June 2025 Relocation Exemption Request (the "2025 Relocation Exemption Request"), which incorporates the 2021 CON Application projections, provide the THFC with the more complete and accurate picture of Tennova Clarksville's recent utilization at the zip code level. The data provided with the 2025 Relocation Exemption Request confirm that patient zip codes of origin at the relocation site are reasonably expected to be at least 95% the same as the zip codes of origin at the originally approved location on Trenton Road. This is further explained in the Attachment 1E narrative response.

Attachment 1E, Exhibit 1 includes Tennova Clarksville's HDDS data request to TDOH and the HDDS data set TDOH produced in response to Tennova Clarksville's data request. For responses to the remaining subparts of Supplemental Question 1, see Attachment 1E – Narrative.

2. 1E. Overview

Please identify the service lines that were proposed to be included in the original approved project CN2109-027AE. Will those lines be included at the new location?

Please discuss any differences between the original facility's physical structure and proposed floor plan, and the new site's layout.

ATTACHMENT 1E

NARRATIVE

Attachment 1E – Narrative

The narrative below responds to THFC Supplemental Question 1, 1E. Overview.

The historical utilization data for the original satellite hospital location on Trenton Road provided in response to Question 2E is consistent with that provided in the 2021 CON Application, as well as the HDDS utilization data. In the 2021 CON Application, Tennova Clarksville's utilization projections at the satellite hospital were as follows (see CON Application, CN2109-027AE, p. 39):

Service Area Counties	Historical Utilization for Tennova Clarksville Most Recent Year (through June 2021)	Percent of Total Patients
Montgomery (PSA)	5,335	82.5%
Stewart	272	4.2%
Robertson	104	1.6%
All Other (each < 1%)	758	11.7%
Total	6,469	100%

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

The original utilization projections for the satellite hospital were estimated by examining Tennova Clarksville's inpatient admissions January-June 2021 and segregating admissions by county. Specifically, to generate the original utilization projections for the satellite hospital in 2021, Tennova Clarksville used a combination of Real Estate Strategies (RES) data, Stratasan data, and historical Tennova Clarksville data. The RES data, which are based on payor data of service area providers, were used to determine healthcare demand in the service area. Stratasan data were examined to identify internally lost inpatient market share, focusing primarily on where patients in certain census tracts were going for inpatient and emergency hospital services. On a percentage basis, these county-level utilization projections still reflect what Tennova Clarksville expects the utilization would have been if the satellite hospital had been built at the originally approved location on Trenton Road. As explained in the response to Supplemental Question 1, HDDS utilization data underscore that, from a zip code perspective, the 2021 CON Application remains an accurate characterization of what utilization would have been if the satellite hospital had been built at the originally approved location.

Given the relative proximity of the proposed location site to the original Trenton Road location and Tennova Clarksville's main campus, utilization at the relocation site is expected to be consistent with what was projected for the Trenton Road location. At both the original Trenton Road location and the new location, Tennova Clarksville expects that general medical surgical patients and emergency room patients will account for most of the shift to the satellite hospital. At the time of its 2021 CON Application, Tennova Clarksville anticipated that the satellite hospital

would care for approximately 1,024 patients in Year 1. In Year 2, Tennova Clarksville projected that the number of inpatient admissions at the satellite hospital would grow 7.5% to 1,101. Tennova Clarksville expects similar utilization and change for Year 1 and Year 2 at the relocation site. More importantly, for the reasons discussed in greater detail below, Tennova Clarksville submits that the fact that patient volumes at the proposed relocation site may ultimately prove higher or lower than projected for the Trenton Road location should have no bearing on the 2025 Relocation Exemption Request given that patients will originate from the zip codes and in virtually the same percentages at either location.

As noted in Appendix A, in its 2021 CON Application, Tennova Clarksville was not required to provide patient projections by zip code. But, for purposes of demonstrating the satellite hospital's "historical utilization" for the 2025 Relocation Exemption Request, Tennova Clarksville provided the zip codes underlying the original utilization projections in the first table in Question 2E. The 2023 HDDS utilization data are consistent with the zip codes underlying the original utilization projections in the first table in Question 2E.

In the second table to Question 2E, Tennova Clarksville examined the zip codes of patients that are likely to seek services at the satellite hospital in the new location. As explained in Appendix A, Tennova Clarksville projected utilization by zip code at the relocation site by examining Tennova Sango Freestanding Emergency Department ("FSED") 2024 utilization. The zip code data in these two tables confirm that 95% of the patients served at the relocation site will originate from the same zip codes as the patients expected to be served at the original satellite hospital location on Trenton Road. The relocation site remains in Montgomery County, only 6.6 miles from the original location, and only one-half mile outside the Trenton Road-area zip code (37040). Thus, the service area at the relocation site is unchanged from the originally approved location – the project will continue to serve primarily Montgomery County, with a secondary service area covering Stewart and Robertson Counties, as well as portions of other surrounding counties that will each contribute less than 1% of patient volume total.

A side-by-side comparison of the tables provided in Question 2E, demonstrating Tennova Clarksville's satisfaction of the THFC's 95% threshold for relocation requests, is shown below:

Zip Code	Utilization Projected for Trenton Road (Y1)	% Patients by Zip Trenton Road*	Utilization Projected for New Location	% Patients by Zip New Location*	Variance *
37042	376	36.7%	342	33.4%	-3.3%
37040	260	25.4%	289	28.2%	2.8%
37043	228	22.3%	272	26.6%	4.3%
37058	21	2.1%	6	0.6%	-1.5%
37191	18	1.8%	13	1.3%	-0.5%
37010	16	1.6%	22	2.2%	0.7%
37079	12	1.2%	6	0.6%	-0.6%
37142	12	1.2%	9	0.9%	-0.3%
37052	10	1.0%	9	0.9%	-0.1%
37051	7	0.7%	5	0.5%	-0.2%
37171	7	0.7%	3	0.3%	-0.4%
37061	7	0.7%	2	0.2%	-0.4%
37023	6	0.6%	3	0.3%	-0.3%
37050	5	0.5%	2	0.2%	-0.3%
37032	3	0.3%	3	0.3%	0.0%
37028	3	0.3%	2	0.2%	-0.1%
Min. # of Patients Residing in Same Zip Codes	991	97.1%	988	96.7%	-0.4%
% Patient Zip Code Overlap	99.7%				
All Other Zip Codes (00000)	33	3.2%	36	3.5%	0.3%
Total Patients	1,024		1,024		

Source: Tennova Clarksville Utilization Data; Tennova Clarksville FSED Utilization Data.

*Numbers may vary due to rounding.

Under Tenn. Code Ann. § 68-11-1607(a)(4)(A)(i), a healthcare institution can receive a CON exemption to relocate if, among meeting other criteria, “[a]t least ninety-five percent (95%) of patients to be served are reasonably expected to reside in the same zip codes as the existing patient population.” Tennova Clarksville's relocation request complies with this requirement. As the table above shows, 95% of the patients served at the relocation site are reasonably expected to come from, at a minimum, the same 16 zip codes as patients in the originally approved location on Trenton Road. This is not surprising given that 95% of patients served at Tennova Clarksville's main campus come from the same zip codes as those served at the FSED.

Again, while Tennova Clarksville maintains that the 2021 CON Application and the 2025 Relocation Exemption Request confirm that the THFC's 95% requirement for relocation is satisfied, HDDS utilization data in Attachment 1E, Exhibit 1 also support that 95% of patients at the relocation site will originate from the same zip codes as the originally approved site on Trenton Road. As Table 1 in Supplemental Question 1 shows, in 2023, 98.3% of Tennova Clarksville patients originated from zip codes 37040, 37042, and 37043 and other zip codes with base digits 370 and 371. As the second table to Question 2E shows, at least 96.5% of patients at the relocation site are expected to originate from these same zip codes.

As shown in the tables responding to Question 3E, the proposed payor mix at the relocation site will be consistent with payor mix projected in the original location on Trenton Road. The relocation of the project will not increase the commercial insurance portion of the project's payor mix. The payor mix shown in the first table within Question 3E is the same as that provided in Tennova Clarksville's 2021 CON Application (see p. 48-49) and was based on Tennova Clarksville's payor mix across its various service lines, including but not limited to emergency outpatients and medical/surgical inpatients. The payor mix shown in the second table within Question 3E is based upon the same Tennova Clarksville enterprise-wide payor mix for calendar year 2024. As with the zip code-level projections, Tennova Clarksville submits that the payor mix data included in the 2025 Relocation Exemption Request provide a more accurate representation of the satellite hospital's projected payor mix than the HDDS data. Because the HDDS data in Attachment 1E, Exhibit 1 is limited to hospital inpatients, it does not account for the full range of patients Tennova Clarksville expects to serve at the satellite hospital. For additional information, see the response to Supplemental Question 6.