



State of Tennessee
Health Services and Development Agency

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

www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

Date: October 10, 2019

To: HSDA Members

From: Logan Grant, Executive Director

Re: CONSENT CALENDAR JUSTIFICATION

**Magnolia Regional Health Center Satellite Emergency Department, Selmer (McNairy County),
TN– CN1907-027**

Establishment of a satellite emergency department facility with eight treatment rooms

As permitted by Statute and further explained by Agency Rule later in this memo, I have placed this application on the Consent Calendar based upon my determination that the application appears to meet the established criteria for granting a Certificate of Need.

Need, Economic Feasibility, Health Care that Meets Appropriate Quality Standards, and Contribution to the Orderly Development of Health Care appear to have been demonstrated as detailed below. If Agency Members determine the criteria have been met, a member may move to approve the application by adopting the criteria set forth in this justification or develop another motion for approval that addresses each of the criteria required for approval of a Certificate of Need.

If you find one or more of the criteria have not been met, then a motion to deny is in order.

At the time the application entered the review cycle, it was not opposed. If the application is opposed prior to it being heard, it will be moved to the bottom of the regular agenda and the applicant will make a full presentation.

Summary

Magnolia Regional Health Center, a licensed 200-bed acute care hospital located in Corinth (Acorn County), Mississippi, seeks approval for the establishment of a freestanding satellite emergency department (FSED) containing eight treatment rooms (that includes one trauma room), located at 220 Oakgrove Road, Selmer (McNairy County), TN 38375. The facility will have 5,734 square feet (SF) of floor space on a 1.34-acre site in the existing county-owned former Health Department building contiguous to the former McNairy Regional Hospital that closed in 2016. The FSED will be located approximately 18.1 miles north of Magnolia Regional Health Center.

Executive Director Justification

I recommend **approval** of Magnolia Regional Health Center Satellite Emergency Department, Selmer (McNairy County), TN– CN1907-029, , for the establishment of a satellite emergency department facility located at 220 Oakgrove Road, Selmer (McNairy County), Tennessee. My recommendation for approval is based upon my belief the following general criteria for a Certificate of Need have been met.

Need- *There are no existing emergency services provider in McNairy County. McNairy County residents are required to travel out-of-county a minimum of 21.5 miles to the nearest Tennessee hospital based emergency services provider, and 18.1 miles to the nearest out-of-state emergency services provider from the proposed FSED site. According to data from the Department of Health, over 10,000 McNairy County residents traveled outside of McNairy County for emergency services in 2017. The applicant is projecting 6,000 emergency department visits in Year 1 and 7,957 visits in Year 2.*

Economic Feasibility- *The project is economically feasible and will be funded through cash reserves. Audited financial statements were provided that demonstrated a current ratio of 4.17 to 1.0.*

Health Care that Meets Appropriate Quality Standards- *The applicant is accredited by The Joint Commission and is certified by Medicare and TennCare.*

Contribution to the Orderly Development of Health Care- *The applicant is an experienced and knowledgeable hospital based emergency services provider and has prior contractual relationships with TennCare. MRHC has transfer agreements with eleven hospitals in the region including Methodist Healthcare (Memphis Hospitals), including LeBonheur Children's Medical Center, and Jackson-Madison County General Hospital. If approved, an FSED will contribute to the continuum of care in the delivery and range of medical services available in McNairy County.*

Statutory Citation -TCA 68-11-1608. Review of applications -- Report

(d) The executive director may establish a date of less than sixty (60) days for reports on applications that are to be considered for a consent or emergency calendar established in accordance with agency rule. Any such rule shall provide that, in order to qualify for the consent calendar, an application must not be opposed by any person with legal standing to oppose and the application must appear to meet the established criteria for the issuance of a certificate of need. If opposition is stated in writing prior to the

application being formally considered by the agency, it shall be taken off the consent calendar and placed on the next regular agenda, unless waived by the parties.

Rules of the Health Services and Development Agency-- 0720-10-.05 CONSENT CALENDAR

- (1) Each monthly meeting's agenda will be available for both a consent calendar and a regular calendar.
- (2) In order to be placed on the consent calendar, the application must not be opposed by anyone having legal standing to oppose the application, and the executive director must determine that the application appears to meet the established criteria for granting a certificate of need. Public notice of all applications intended to be placed on the consent calendar will be given.
- (3) As to all applications which are placed on the consent calendar, the reviewing agency shall file its official report with The Agency within thirty (30) days of the beginning of the applicable review cycle.
- (4) If opposition by anyone having legal standing to oppose the application is stated in writing prior to the application being formally considered by The Agency, it will be taken off the consent calendar and placed on the next regular agenda. Any member of The Agency may state opposition to the application being heard on the consent calendar, and if reasonable grounds for such opposition are given, the application will be removed from the consent calendar and placed on the next regular agenda.
 - (a) For purposes of this rule, the "next regular agenda" means the next regular calendar to be considered at the same monthly meeting.
- (5) Any application which remains on the consent calendar will be individually considered and voted upon by The Agency.