HEALTH SERVICES
AND
DEVELOPMENT AGENCY

COMMUNIQUE

MONTHLY PUBLICATION OF
HEALTH SERVICES AND DEVELOPMENT AGENCY
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
615.741.2364

DECEMBER 2017

For Meeting verification/change or agenda information, please call the Agency Office or check our website at www.tn.gov/hsda

HEALTH SERVICES AND DEVELOPMENT AGENCY

Chair…………………….William Grandy
Vice-Chair…………….Paul Korth
Executive Director…..Melanie Hill
General Counsel……..Jim Christoffersen

Tennessee Department of Health, Division of Policy, Planning and Assessment ..... 615/741-1954

Tennessee Department of Mental Health and Substance Abuse Services, Planning, Research & Forensics ..... 615/532-6717

Tennessee Department of Intellectual and Development Disabilities,
Office of General Counsel .... 615/253-8731
Main Office ..... 615/532-6530 or 800-535-9725
CALENDAR

The Health Services and Development Agency will be closed on the following days:

**2017**
Monday, December 25 and Tuesday, December 26, Christmas

**2018**
Monday, January 1 and Tuesday January 2, New Years
Monday, January 15, Martin Luther King Day

In the event that the last appropriate filing date falls on a Saturday, Sunday, or legal holiday, such filing should occur on the preceding business day.

*Appeal deadline is 15 days after meeting date.

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<th>2017 Cycle Month</th>
<th>Publication Dates – Letter of Intent</th>
<th>Application Due Date</th>
<th>HSDA Meeting Dates</th>
<th>*End of Appeal Period</th>
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<td>5 days after LOI published</td>
<td>4/26/2017</td>
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<td>02/01/2017-02/10/2014</td>
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<th>2018 REVIEW CYCLE</th>
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STATE OF TENNESSEE POLICY OF NON-DISCRIMINATION

PURSUANT TO THE STATE OF TENNESSEE’S POLICY OF NON-DISCRIMINATION, THE HEALTH SERVICES AND DEVELOPMENT AGENCY DOES NOT DISCRIMINATE ON THE BASIS OF RACE, SEX, RELIGION, COLOR, NATIONAL OR ETHNIC ORIGIN, AGE, DISABILITY OR MILITARY SERVICE IN ITS POLICIES OR IN THE ADMISSION OR ACCESS TO OR TREATMENT IN, ITS PROGRAMS, SERVICES OR ACTIVITIES.

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION INQUIRIES OR COMPLAINTS SHOULD BE DIRECTED TO THE HEALTH SERVICES AND DEVELOPMENT AGENCY EEO/COORDINATOR OR OFFICER, HEALTH SERVICES AND DEVELOPMENT AGENCY, ANDREW JACKSON BUILDING, 9TH FLOOR, 502 DEADERICK STREET, NASHVILLE, TN 37243. TELEPHONE NO: 615/741-2364. ADA INQUIRIES OR COMPLAINTS SHOULD BE DIRECTED TO THE HEALTH SERVICES AND DEVELOPMENT AGENCY’S ADA COORDINATOR: JAMES CHRISTOFFERSEN, HEALTH SERVICES AND DEVELOPMENT AGENCY, ANDREW JACKSON BUILDING, 9TH FLOOR, 502 DEADERICK STREET, NASHVILLE, TN 37243. TELEPHONE NO: 615/741-2364.
HEALTH SERVICES AND DEVELOPMENT AGENCY

MEETINGS

THSDA Meeting is scheduled to be held at
8:30 a.m. CDT/CST
At the following Location:

December 13, 2017
Davy Crockett Building
Hearing Room 1A
500 James Robertson Parkway
Nashville, TN

February 28, 2018
TBI Headquarters Building
901 R.S. Gass Blvd
Nashville, TN

*Meeting locations are subject to change
**All meetings of the Health Services and Development Agency are posted on the Agency’s website at www.tn.gov/hsda

EXECUTIVE DIRECTOR’S ANNOUNCEMENTS:

PLEASE NOTE

In order that the Agency members may have sufficient time to review the meeting packet, please submit all support, rebuttal and comments for matters on the Agency’s agenda no later than noon (Central Time) on the thirteenth day before the meeting at which that matter will be heard. In accordance with T.C.A., Section 68-11-1609(g)(1), any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Agency and serve a copy on the applicant no later than fifteen days before the agency meeting at which time the application is originally scheduled.
RESULTS OF APPLICATIONS HEARD AT OCTOBER MEETING

Saint Thomas Highlands Hospital
401 Sewell Road
Sparta (White County), TN 38583
CN1706-020
Contact Person: Blake Estes
Phone: 615-222-7235
APPROVED

The expansion of an existing geriatric inpatient psychiatric unit from 10 beds to 14 beds located at 401 Sewell Road, Sparta (White County), TN 38583. The estimated project cost is $358,226.

Saint Thomas Rutherford Hospital
1700 Medical Center Parkway
Murfreesboro (Rutherford Co), TN 37129
CN1707-021
Contact Person: Blake Estes
Phone: 615-222-7235
APPROVED

The expansion of acute care beds by 72 beds from 198 beds to 270 beds located at 1700 Medical Center Parkway, Murfreesboro (Rutherford County), TN 37129. If approved, total licensed beds will increase from 286 beds to 358 beds. The estimated project cost is $47,478,943.

Saint Thomas Surgery Center
New Salem
2779 New Salem Road
Murfreesboro (Rutherford Co), TN 37128
CN1707-022
Contact Person: Corey Ridgway
Phone: 615-376-7300
APPROVED

The establishment of a multi-specialty ambulatory surgical treatment center (ASTC) with two operating rooms and one procedure room located at 2779 New Salem Road, Murfreesboro (Rutherford County), TN 37128. The proposed project involves construction of 14,500 square feet (rentable) of new ASTC space. The estimated project cost is $16,228,645.

+Simultaneous Review - St. Thomas Surgery Center - CN1707-022 and StoneCrest Surgery Center – CN1707-023 will be heard as a simultaneous review.

StoneCrest Surgery Center
200 StoneCrest Boulevard
Smyrna (Rutherford Co.), TN 37167
CN1707-023
Contact Person: John Wellborn
Phone: 615-665-2022
APPROVED

The establishment of a multi-specialty ambulatory surgical treatment center (ASTC) with two operating rooms and one procedure room located at an unaddressed site on the campus of StoneCrest Medical Center located at 200 StoneCrest Boulevard, Smyrna (Rutherford County), TN. The estimated project cost is $10,556,553.

+Simultaneous Review - St. Thomas Surgery Center - CN1707-022 and StoneCrest Surgery Center – CN1707-023 will be heard as a simultaneous review.
RESULT OF APPLICATIONS HEARD AT OCTOBER MEETING

GENERAL COUNSEL’S REPORT
Chattanooga Hamilton County Hospital d/b/a Erlanger
East Hospital
975 East 3rd Street
Chattanooga (Hamilton Co), TN 37403
CN1502-005A
Contact Person: Joseph Winick
Phone: 423-778-7274
APPROVED

Erlanger East Hospital (EEH), a 43* bed satellite hospital operating under the 788 bed license of Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Medical Center (EMC), was approved for the expansion of its cardiac catheterization services, previously limited to diagnostic procedures, to include interventional (therapeutic) cardiac catheterization services located at 1755 Gunbarrel Road, Chattanooga (Hamilton County), TN 37416.

The application specified that therapeutic cardiac catheterization services would be provided to low-risk patients while high risk cardiac patients will be referred to EMC.

Request for modification to perform therapeutic cardiac catheterization without limitation, to include high risk cardiac patients.

*NOTE TO AGENCY MEMBERS-At the time CN1502-005A was filed, Erlanger was in the process of implementing CN0405-047AE which included the construction of a 4-story patient tower and the transfer of 79 beds (in phases) to Erlanger East. Nine beds had already been added at the time -005A was filed. CN0405-047AE is now complete. The total bed count at Erlanger East is 113 beds.
APPLICATIONS TO BE HEARD AT DECEMBER MEETING

*Methodist Healthcare-Memphis Hospitals
dba Methodist North Hospital
3960 New Covington Pike
Memphis (Shelby Co), TN 38128
CN1709-029
Contact Person: Carol Weidenhoffer
Phone: 901-516-0679

The relocation of a 34-bed adult psychiatric inpatient unit from the Methodist University Hospital campus at 1265 Union Avenue in Memphis (Shelby County), TN 38104 to the Methodist North Hospital campus located at 3960 New Covington Pike, Memphis (Shelby County), TN 38128. The applicant is owned by Methodist Le Bonheur Healthcare which has a single license for all five of its Shelby County hospitals; its total licensed bed complement of 1,593 beds will not change. The estimated project cost is $2,295,000.

Celina Health & Rehabilitation Center
120 Pitcock Lane
Celina (Clay County), TN 38551
CN1708-024
Contact Person: Graham Baker
Phone: 615-370-3380

The addition of 12 dually certified beds to Celina Health and Rehabilitation Center’s existing 66 bed nursing home. These beds are subject to the 125 Nursing Home Bed Pool for 2017-2018. Approximately 3,473 square feet of new construction will be added to house the additional beds plus therapy and staff work areas. The applicant is owned by Integrity Healthcare of Celina, LLC. The estimated project cost is $1,199,000.

Regional MED Extended Care Hospital
890 Madison Avenue, 4th Floor
Memphis (Shelby Co), TN 38103
CN1708-025
Contact Person: Graham Baker
Phone: 615-370-3380

The addition of six long term care hospital (LTCH) beds to Regional One Extended Care Hospital’s existing 24-bed LTCH. Regional One Extended Care Hospital is located on the fourth floor of Regional One Hospital at 890 Madison Avenue, Memphis (Shelby County), TN 38103. The applicant is owned by Shelby County Health Care Corporation. The estimated project cost is $2,215,000.00.

Pavillion-THS, LLC
1406 Medical Center Drive
Lebanon (Wilson Co), TN 37087
CN1708-026
Contact Person: Hal Bone
Phone: 615-453-9912

The addition of 20 dually certified nursing home beds to The Pavilion Senior Living Rehabilitation and Long Term Care at Lebanon’s existing 60-bed nursing home. These beds are subject to the 125 Nursing Home Bed Pool for 2017-2018. Approximately 8,340 square feet of new construction will be added to house the additional beds. It will also include companion living areas, a nursing area, and an assisted bathing area. The facility is owned by Pavilion – THS, LLC which is owned by Total Healthcare Systems, LLC. The estimated project cost is $1,151,755.

Erlanger Sequatchie Valley Regional Hospital- Dunlap
17399 Rankin Avenue
Dunlap, (Sequatchie Co) TN 37327
CN1709-027
Contact Person: Joseph Winick
Phone: 423-778-7274

The relocation and construction of a critical access hospital (CAH) consisting of 25 beds to replace the CAH currently located at 71 Whelelortown Avenue in Pikeville (Bledsoe County), TN 37367. It will be relocated to 17399 Rankin Avenue in Dunlap (Sequatchie County), TN 37327. The applicant is owned by the Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System. The estimated project cost is $32,653,836.
APPLICATIONS TO BE HEARD AT DECEMBER MEETING

Erlanger Sequatchie Valley Regional Hospital- Pikeville
533 US Highway 127 Bypass
Pikeville, (Bledsoe Co) TN 37367
CN1709-028
Contact Person: Joseph Winick
Phone: 423-778-7274

The construction of a satellite emergency department of Erlanger Sequatchie Valley Regional Hospital. The satellite emergency department will replace Erlanger Bledsoe Hospital provider based emergency department located at 16931 Rankin Avenue, Dunlap (Sequatchie County), TN 37327 and will be relocated to 533 US Highway 127 Bypass, Pikeville (Bledsoe County), TN 37367. The applicant is owned by the Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System. The estimated project cost is $4,388,484.00.

GENERAL COUNSEL’S REPORT

Monroe Carell Jr. Children’s Hospital at Vanderbilt (VUMC)
Nashville, (Davidson County), TN 37232
CN0710-075AE
Contact Person:
Phone:

Unanimously approved for the construction of a new building immediately adjacent and connected to the existing MCJCH. The new building is designed to house 90 additional pediatric acute critical care beds, 36 neonatal intensive care beds (16 relocated from Vanderbilt University Hospital (VUH)), an expanded obstetrical service including 36 relocated postpartum beds (all relocated from VUH), 12 new antepartum beds, 16 labor and delivery suites (12 relocated from VUH), 2 relocated operating rooms from VUH plus one additional obstetrical operating suite dedicated to fetal surgery. Five pediatric operating rooms are proposed on the third floor which will also contain 5 additional shelled operating rooms. The existing MCJCH contains 621,420 gross square feet. The proposed construction contains 372,140 gross square feet. Overall the new building will house 190 beds, 85 of which are relocated from VUH, for a total licensed bed increase of 105 beds.

The applicant provided project updates to Agency members on June 23, 2010 and June 23, 2011 and Agency members determined that no modifications were needed.

On January 22, 2014, the Agency granted a four year extension from March 1, 2014 to March 1, 2018 and a modification to downsize the project from 372,140 SF to 210,000 SF and from $248,326,286 to $120,000,000.


SBH-Kingsport, LLC
Kingsport (Sullivan County), TN
CN1312-050DA
Contact Person:
Phone:

Approved by an Initial Order on 2/8/2016, which the Agency affirmed by a 5-4 vote as a Final Order on 6/22/2016, for the establishment of a new 72 bed free standing mental health hospital and initiation of inpatient psychiatric and substance abuse services. The mental health hospital will consist of 28 inpatient beds for psychiatric care for children ages 5-17, 18 inpatient beds for adult psychiatric care for adults ages 18-64, 16 inpatient beds for geropsychiatric care for ages 55+, and 10 adult chemical dependency beds. The project will accept voluntary and/or involuntary admissions.

Request for a increase in project cost from $11,691,609 to $15,855,835.
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<th>Health Services and Development Agency</th>
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<td>University of Tennessee Medical Center</td>
<td>Knoxville (Knox County), TN</td>
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<td></td>
<td>CN1409-042A</td>
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<tr>
<td>Contact Person:</td>
<td>Phone:</td>
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<tr>
<td>Unanimously approved on 12/17/2014 to expand and renovate the neonatal intensive care unit (NICU), to add a new 16 bed intensive care unit (ICU), and to add a new 28 bed medical/surgical unit by renovating and converting existing physician outpatient clinic space. The project will increase the hospital’s licensed bed complement from 581 to 625 beds for a net increase of 44 beds. The project includes approximately 28,694 square feet of renovation and 26,608 square feet of new construction. The project does not involve the initiation of new health care services. The estimated project cost is $26,292,001. The applicant expected the 28 Med/Surg beds to open in the 1st quarter of 2016 and the 16 ICU beds to open in the 3rd quarter of 2017.</td>
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<tr>
<td>Request for an 18 month extension, from 2/1/2018 to 8/1/2019.</td>
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| Parkridge West Hospital | Jasper (Marion County), TN |
| CN1611-039A |
| Contact Person: |
| Unanimously approved on 2/22/2017 to increase inpatient psychiatric services by converting 8 of the hospital’s existing 50 licensed unstaffed general medical/surgical beds to adult (18+) psychiatric beds, thus increasing the adult psychiatric unit from 20 to 28 licensed beds. The project has been completed. |
| Request for increase in project cost from $2,160,808 to $2,932,627. |

| Bartlett ASC, LLC | Bartlett (Shelby County), TN |
| CN1605-020 |
| Contact Person: |
| Phone: |
| Unanimously approved on 10/26/2016 for the establishment of a multi-specialty ambulatory surgical treatment center (ASTC) to include two operating rooms, one procedure room, and an unequipped operating room for future growth. The ASTC will be managed by USP Tennessee, Inc., whom it was anticipated would have a majority ownership interest. A Change of Ownership is requested, to permit the flexibility of offering up to 70% ownership interest to physicians who will perform surgeries at the ASTC. |

| East Tennessee Children’s Hospital | Knoxville (Knox County), TN |
| CN1401-002A |
| Contact Person: |
| Phone: |
| Unanimously approved on 4/23/2014 for the renovation and expansion of the hospital’s existing Neonatal Abstinence Syndrome Unit, Neonatal Intensive Care Unit (NICU), Preoperative Services, and Specialty Clinic. The licensed beds will not be affected, and no services will be initiated. Request for a 4 month extension, from 6/1/2018 to 10/1/2018. |

| Collins Chapel Health & Rehabilitation Center | Memphis (Shelby County), TN |
| CN1202-011AEEE |
| Contact Person: |
| Phone: |
| Unanimously approved on 6/1/2012 for the establishment of a 28 bed skilled nursing facility in which all beds will be dually certified for Medicare and Medicaid. 2/26/14-One year extension granted from August 1, 2014 to August 1, 2015 due to the need for an architectural redesign of plans. 5/27/15-18 extension granted due to the delay in financing approval from August 1, 2015 to February 1, 2017. 12/14/16-12 month extension granted from February 1, 2017 to February 1, 2018 because the applicant was finally under construction and expected to be complete in June 2017. The applicant had only asked for 6 months but the Agency granted 12 in order to be sure that all TDH... |
inspections could be completed.
Request for a 1 year extension, from 2/1/2018 to 2/1/2019
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<th>MEETING DATE</th>
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<td>HCA Health Services of Tennessee Inc. d/b/a TriStar Southern Hills Medical Center Emergency Department at I-65 Brentwood (Williamson County), TN CN1412-050D</td>
<td>25.00-130740J</td>
<td>Appeal of Denial of CON</td>
<td>3/25/2015</td>
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<td>Saint Francis Hospital-Bartlett, Inc. Unaddressed site near intersection of the Southeast corner of I-40 and Airline Road Arlington (Shelby County), TN CN1701-004D</td>
<td>25.00-144364J</td>
<td>Appeal of Denial of CON</td>
<td>4/26/2017</td>
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<td>Baptist Memorial Hospital Unnamed street address near the intersection of Interstate 40 and Airline Road in Arlington (Shelby County), TN CN1705-018</td>
<td>25.00-144364J</td>
<td>Appeal of Denial of CON</td>
<td>8/23/2017</td>
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<tr>
<td>(Vacant)</td>
<td>(Consumer, Governor)</td>
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<td>William J. Grandy</td>
<td>(Consumer, Lieutenant Governor)</td>
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<tr>
<td>Thomas Alsup</td>
<td>(Consumer, Speaker of the House)</td>
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<td>Thom Mills</td>
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<td>Todd Taylor</td>
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<td>(Hospital)</td>
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<td>Kenneth Patric, M.D.</td>
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<td>Corey Ridgway</td>
<td>(Ambulatory Surgical Treatment Centers)</td>
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<tr>
<td>Keith Gaither, Designee</td>
<td>For Director of TennCare</td>
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<td>Wendy Long, M.D.</td>
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<td>Jaclyn Harding, Designee</td>
<td>For Comptroller</td>
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<td>Justin Wilson</td>
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<tr>
<td>Lisa Jordan, Designee</td>
<td>for Commerce &amp; Insurance Commissioner</td>
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<tr>
<td>Julie Mix McPeak</td>
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