



## State of Tennessee

### Health Services and Development Agency

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

[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

August 1, 2020

John Wellborn  
Development Support Group  
4219 Hillsboro Rd., Suite 210  
Nashville TN 37215

RE: Certificate of Need Application – St. Jude Children's Research Hospital Home Care -  
CN2007-021

For the establishment of a home health agency and to initiate home health services exclusively restricted to patients of St. Jude Children's Research Hospital, with a principal office located at 545 Danny Thomas Place, Memphis (Shelby County), TN 38105. The applicant is owned by St. Jude Children's Research Hospital, Inc. The estimated project cost is: \$181,594.

Dear Mr. Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health, Division of Policy, Planning, and Assessment for Certificate of Need review. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is [Trent.Sansing@tn.gov](mailto:Trent.Sansing@tn.gov) or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on August 1, 2020. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on October 28, 2020.

Mr. Wellborn  
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Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

1. No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
2. All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

Logan G. Grant  
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



**State of Tennessee**  
**Health Services and Development Agency**

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MEMORANDUM

TO: Trent Sansing, CON Director  
Office of Policy, Planning and Assessment  
Division of Health Statistics  
Andrew Johnson Tower, 2nd Floor  
710 James Robertson Parkway  
Nashville, Tennessee 37243

FROM: Logan G. Grant  
Executive Director

DATE: August 1, 2020

RE: Certificate of Need Application  
St. Jude Children's Research Hospital Home Care  
- CN2007-021

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on August 1, 2020 and end on October 1, 2020.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: John Wellborn

**LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY**

The Publication of Intent is to be published in the Commercial Appeal, which is a newspaper of general circulation in Shelby, Fayette, and Tipton Counties, Tennessee, on or before July 10, 2020, for one day.

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This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that St. Jude Children's Research Hospital Home Care (a proposed home health agency), owned and to be managed by St. Jude Children's Research Hospital Home Care, LLC (a limited liability company), intends to file an application for a Certificate of Need to establish a home health agency and to initiate home health services exclusively restricted to patients of St. Jude Children's Research Hospital, with a principal office located at 545 Danny Thomas Place, Memphis, TN 38105, at a capital cost estimated at \$182,000.

The proposed project will seek Home Health Agency licensure from the Board for Licensing Health Care Facilities, for a service area consisting of Shelby, Fayette, and Tipton Counties. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before July 15, 2020. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

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<i>John A. Wellborn</i>	<i>7-9-20</i>	<i>jwdsg@comcast.net</i>
(Signature)	(Date)	(E-mail Address)

July 15, 2020

Mr. Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
502 Deaderick Street, Andrew Jackson Building, 9th Floor  
Nashville, TN 37243

RE: Submittal of Application for Home Health Agency  
St. Jude Children's Research Hospital Home Care

Dear Mr. Grant:

This letter transmits electronically a Certificate of Need Application by St. Jude Children's Research Hospital Home Care, LLC, to establish a home health agency to serve St. Jude patients in Shelby, Fayette, and Tipton Counties. Its filing fee and letter of intent have been filed previously.

I am the contact person for the application. Brant Phillips at Bass, Berry & Sims is legal counsel for the application. We look forward to working with your staff in the review of the project. Please let me know what additional information will be needed for the application to enter the next review cycle for the October Board hearing.

Respectfully,



John Wellborn, Consultant

cc: Brant Phillips  
Katherine Steuer

**CERTIFICATE OF NEED  
APPLICATION  
BY  
ST. JUDE CHILDREN'S  
RESEARCH HOSPITAL**

**TO ESTABLISH A  
HOME HEALTH AGENCY LICENSED  
TO SERVE ST. JUDE PATIENTS IN  
SHELBY, FAYETTE, AND TIPTON  
COUNTIES**

**Filed July 2020**

# CERTIFICATE OF NEED APPLICATION (2019 Form)

## SECTION A: APPLICANT PROFILE

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

St. Jude Children's Research Hospital Home Care, LLC
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*Name*

545 Danny Thomas Place	Shelby
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*Street or Route* *County*

Memphis	TN	38105
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*City* *State* *Zip Code*

None
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*Website Address*

*Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

### 2. Contact Person Available for Responses to Questions

John Wellborn	Consultant
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*Name* *Title*

Development Support Group	<a href="mailto:jwdsg@comcast.net">jwdsg@comcast.net</a>
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*Company Name* *E-Mail Address*

4219 Hillsboro Road, Suite 210	Nashville	TN	37215
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*Street or Route* *City* *State* *Zip Code*

CON Consultant	615-665-2022	615-665-2042
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*Association With Owner* *Phone Number* *Fax Number*

**NOTE:** Please answer all questions on 8.5" X 11" white paper, clearly typed and spaced, single-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed and signed notarized affidavit.

### **3. EXECUTIVE SUMMARY**

#### **A. Overview**

**Please provide an overview not to exceed three pages in total, explaining each numbered point.**

**1) Description -- Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.**

The application is to establish a unique home health agency to serve only the patients of St. Jude Children's Research Hospital in the Memphis area. St. Jude has established St. Jude Children's Research Hospital Home Care, LLC.

All patients of St. Jude Children's Research Hospital Home Care, LLC will be ongoing and established patients of St. Jude Children's Research Hospital. Patients of St. Jude have catastrophic pediatric diseases such as cancer, serious blood disorders, and certain severe pediatric neurological disorders. Providing care in their homes and residences will improve and expand the treatment and care for these patients and will increase patient convenience.

The only physical facility required for the project is establishment of a "principal office" for the proposed home health agency, which is a State licensure requirement.

The principal office will be a suite located in the existing "J" building at 545 Danny Thomas Place, inside the gated hospital campus. That office will require nothing more than minimal adjustments and equipment. All land improvements, buildings, and building improvements at St. Jude are owned by and are leased from ALSAC, the charitable foundation established only to support St. Jude. St. Jude reports land improvements and buildings under lease from ALSAC as a capital lease. The office space is in a building that is part of this lease. St. Jude will lease the office space to its home care agency LLC.

Home care will be delivered to children and young persons who are temporarily or permanently residing in area homes, hotels, and special housing facilities that St. Jude rents or operates a short distance from the main gated campus. These patients, who come from Tennessee, as well as from all over the United States and some foreign countries, may stay with their families in these housing units for up to two and a half years, so that they can receive continuing outpatient (and, if needed, inpatient) care from their St. Jude physicians and research teams. Whether temporary or permanent, their residences within the proposed service area are considered their place of residence for purposes of this application.

The proposed agency's scope of services will include any that are generally required for pediatric and young adult home health patients. Some examples are blood draws, central venous catheter care (e.g., line care, dressing changes, flushing, etc.), nasal and throat swabs, observation of oral medication,

intravenous hydration, antibiotics and TPN (nutrition by vein), wound care, education, skilled nursing, home health aide assistance, social work services, and rehabilitative services. These will be phased in over time; not all may be available in Year 1 or Year 2.

## **2) Ownership Structure**

The applicant is St. Jude Children's Research Hospital Home Care, LLC. Its only owner/member is St. Jude Children's Research Hospital, Inc., which holds the license to operate the hospital and its research and patient care services. The LLC has no ownership interest in any health care facility and will operate as a not-for-profit.

St. Jude is a not-for-profit pediatric research and patient care hospital, with state-of-the-art research facilities and clinics. Its mission is to advance cures, and means of prevention, for pediatric catastrophic diseases through research and treatment. It focuses on the advancement of scientific knowledge and its rapid translation into new therapies for children.

## **3) Service area**

The service area of the home care agency will consist of Shelby, Fayette, and Tipton Counties, which are the three counties in the southwestern corner of Tennessee.

## **4) Existing similar service providers**

The applicant has identified 26 licensed home health agencies authorized to serve one or more of the service area counties. That does not include seven narrowly specialized home health agencies that perform a limited range of home health services primarily for adults (maternal health, implanted infusion pumps, hourly infusion care, etc.).

However, those 26 agencies are not truly similar to this proposed St. Jude Home Care program, for several reasons. First, 15 of the 26 agencies did not report serving pediatric patients last year. By contrast, St. Jude's home care agency will serve primarily children and patients who were originally admitted to its hospital as pediatric patients or with pediatric diseases. Second, the number of pediatric patients these existing agencies served last year was minimal, whereas this St. Jude agency will serve hundreds of patients involved in its pediatric care and/or research programs. Third, the St. Jude agency will serve only patients under the care of St. Jude.

## **5) Project cost**

The project cost for CON purposes is estimated at \$181,594. This includes the market value of the leased space. The actual capital expenditure required to open the project is \$145,964.

## **6) Funding**

The actual capital cost of \$145,964 will be funded in cash by St. Jude Children's Research Hospital, Inc., the owner of the applicant LLC.

## **7) Financial feasibility, including when the proposal will realize a positive financial margin; and**

The proposed home care program will operate at a financial loss, as do some other St. Jude programs due to the exceptionally high level of charity care for St. Jude patients and the intensity of care and staffing levels. The home care agency is not expected to achieve a positive financial margin in its home health operations because St. Jude does not bill or pursue payment from any St. Jude patient, and because an estimated 20.1% of its services will be provided as charitable care, uncompensated.

However, for purposes of the CON statute, the project will in fact be financially viable, because the hospital, which will own this home care LLC, will provide continuing capitalization sufficient to cover any operational losses and ensure continuous financial viability of its home care services.

This is possible because of the unique nature of St. Jude Children's Research Hospital. All of its services are made financially feasible due to continuous charitable fundraising by ALSAC (American Lebanese Syrian Associated Charities, Inc.) – the second largest charitable organization in the United States. The bylaws of ALSAC provide that all funds raised, except for funds required for its operations and funds restricted as to other uses by donors, be distributed to or held for the exclusive benefit of the Hospital and its operations. ALSAC thus covers any shortfalls.

This dedication of ALSAC allows St. Jude Children's Research Hospital to admit children without regard to their families' financial resources or insurance. No child is ever denied treatment at St. Jude due to inability to pay for care. Families never receive a bill from St. Jude for treatment, travel, housing, or food — and this enables them to come to St. Jude for prolonged periods of care. If the family does not have insurance, St. Jude will cover all of the patient's treatment costs. If there is insurance, St. Jude will work with the insurance provider and will cover all treatment costs not covered by insurance.

## **8) Staffing**

The project will require a projected total during its first year of only 8 FTEs. These will include a Medical Director (contracted at 0.1 FTE), an administrative director, an administrative assistant, skilled care registered nurses (2 FTEs), licensed practical nurses (2 FTEs), one nursing care attendant, one social worker (0.5 FTE), one chaplain (0.2 FTE), and one child life specialist (0.2 FTE). Two additional registered nurses and one additional licensed practical nurse are expected to be added in the second year of operation.

## **B. Rationale for Approval**

**A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area.**

**Provide a brief description of how the project meets the criteria necessary for granting a CON using the data and information points provided in Section B of the application.**

### **1) Need**

The need for the home health agency is twofold: (a) to make prolonged outpatient care of the unique patient population at St. Jude less burdensome for the child's family; and (b) in the era of COVID-19, to minimize serious infection risks by keeping more patients and families out of campus buildings where so many children are circulating and who are already immunocompromised by their disease or treatments.

*Family burdens:* Prior to this year, many of the patients who will be served by this home care agency came with their families from their residences (temporary or permanent) to the St. Jude clinics on campus for virtually all their care. This required gathering up and transporting the patient, the rest of the family, and, often, medical equipment and supplies. Once at the hospital clinics, the whole family may have to spend time waiting for their child's test results and care delivery amidst other patients and families. By bringing many services and St. Jude-trained personnel to the patients' residences, this home care agency will spare patient families significant inconvenience and will increase the entire family's satisfaction. In light of COVID-19, a limited-time emergency test program approved by the Department of Health conducted in St. Jude-associated housing units since March has validated the excellent care and enthusiastic response of St. Jude patient families to having care brought to their residences in St. Jude residential housing. A home health license will be required by the end of October to continue and expand this home care program, and to sustainably deliver this care through a three-county area.

*Infection control:* The intensity and duration of the COVID-19 epidemic require St. Jude to take all possible steps to distance its patients from each other and from the public. Moving some clinic-based care of patients and their families out of the main campus and into their residences to limit exposure to COVID-19 is a major benefit sought in this project.

In terms of traditional "need" for another home health agency under State Health Plan projection methodologies, these three counties together do not have a net need for additional home care agencies. Shelby County itself has a projected surplus of capacity.

However, existing agencies cannot readily serve St. Jude's unique pediatric and young adult patient population. These patients are treated by and under the medical control of highly trained St. Jude physicians with specialization in their rare or complex diseases and, if permission is given, also will be cared for in their residences by St. Jude-trained staff. Continuity of care will be improved by the home care services provided under St. Jude's auspices because of integration of the services, sharing of information, and understanding of the complex diseases and their care, which is often rendered in the context of research protocols. This project will simply change the site of some services for these young people to a setting more convenient to patient families, safer for campus-based patients who are often immunocompromised, and safer for the staff who are needed to take care of them for continuing clinic-based and in-patient care. Protecting patient-care staff from infection also protects the community at large.

The State Health Plan allows the HSDA to take into account the unavailability of appropriate service by existing home health agencies; and this is such a situation. The issue is not that other agencies have *failed* to meet the needs of these patients. The issue is that existing agencies *cannot* meet these patients' needs because of the importance of keeping the patients under the care of St. Jude physicians and the researchers and staff under their direction. The best way to do that is to permit St. Jude to redistribute, when appropriate, the sites of services away from occupied hospital-based clinics into residential patient settings to enhance infection control and patient safety.

The project is especially important for the continuing care of children in low-income or indigent families. Because of St. Jude's unique funding source (ALSAC), ability to pay for care is not among the criteria for admission to the hospital. Nor will it be any part of the criteria for admission to the home health service. All St. Jude patients are automatically qualified for financial assistance. Many TennCare patients (and Medicaid patients from other States) as well as uninsured patients will be served by the St. Jude-established St. Jude Children's Research Hospital Home Care, LLC.

## **2) Economic Feasibility**

The cost of implementing the project is very low. Funding is assured from St. Jude Children's Research Hospital, Inc., the organizer and sole owner of the applicant.

The proposed home care program will operate at a financial loss, as do some other St. Jude services, due to the exceptionally high level of charity care for St. Jude patients and the intensity of care and staffing levels. It is not expected to achieve a positive financial margin in its home health operations because St. Jude patients and families do not pay for their care. An estimated 20.1% of its services will be provided as charitable care, uncompensated by insurance or by the children's families.

However, for purposes of the CON statute, the project will in fact be financially viable, because the hospital, which will own this home care LLC, will

not only provide all the funding needed to implement the project; it will also provide continuing funding to cover any operational losses and ensure continuous financial viability of its home care services. The applicant's parent organization (St. Jude Children's Research Hospital) will seek reimbursement from available insurance sources, commercial or public (TennCare, other state's Medicaid programs, and TriCare), but lack of adequate coverage of the costs of care will be offset by financial support from the LLC's parent company.

### **3) Quality Standards**

St. Jude Children's Research Hospital, which owns the applicant LLC, is an evidence-based, outcomes-driven research institution. It has demonstrated a high degree of compliance with quality standards of the medical profession, the research community, and government regulators at local, State, and national levels. It has all appropriate licenses and accreditations from national accrediting organizations.

St. Jude is one of only 71 hospitals nationwide, and only 2 in Tennessee, that have been awarded National Cancer Institute designation as a Comprehensive Cancer Center. Among that group, it is the only hospital that is devoted solely to pediatric research and care. In 2018, the National Cancer Institute awarded the St. Jude Comprehensive Cancer Center the highest possible rank of "exceptional" and the best numerical score in the hospital's history during its grant renewal review process. Additionally, St. Jude is one of the top ten Pediatric Cancer Hospitals in the nation identified for pediatric cancer by the *U.S. News & World Report*.

The St. Jude home care agency proposed in this application will be required by St. Jude to maintain the highest levels of quality for its unique population. It will be licensed and will promptly seek accreditation. Its staff will meet rigorous standards for training, professional licensure and competence. It will implement a robust quality improvement program.

### **4) Orderly Development of adequate and effective health care**

This year, the appropriate medical responses to COVID-19 clearly include taking all reasonable steps to distance patients from potential sources of infection. This home care agency will allow hundreds of St. Jude patients and their families to be appropriately distanced from others, including other medically vulnerable children who must be treated on the main campus. The project is an orderly transition of clinic services from already occupied, less convenient settings (campus clinic buildings) to a residential setting. This optimizes patient and family safety.

Minimal professional staff are required the first two years of operating the project. They will be recruited through normal advertising channels, and/or by leasing current St. Jude hospital employees for service in the home health agency.

The services needed for this particular St. Jude patient population are not fully available from existing agencies because of the need for St. Jude personnel to provide enhanced continuity of care for complex diseases which is often in the context of biomedical research. The project will not materially reduce the patients served by existing agencies, because St. Jude serves a largely different patient population from the patients served by those other agencies.

**C. Consent Calendar Justification**

**If consent calendar is requested, please provide the rationale for an expedited review.**

**A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.**

Consent calendar review is not requested.

**4. PROJECT DETAILS**

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

St. Jude Children's Research Hospital, Inc.		
<i>Name</i>		<i>Phone Number</i>
262 Danny Thomas Place		Shelby
<i>Street or Route</i>		<i>County</i>
Memphis	Tennessee	38105
<i>City</i>	<i>State</i>	<i>Zip Code</i>

**B. Type of Ownership or Control (Check One)**

1) Sole Proprietorship	6) Government (State of TN or Political Subdivision)	
2) Partnership	7) Joint Venture	
3) Limited Partnership	8) Limited Liability Company	X
4) Corporation (For-Profit)	9) Other (Specify):	
5) Corporation (Not-for-Profit)		

**Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the TN Secretary of State's website at <https://tnbear.tn.gov/Ecommerce/FilingSearch.aspx>.**

Please see Attachment Section A-4AB.

**Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.**

The applicant is a not-for-profit limited liability company (LLC). It has only one member, St. Jude Children's Research Hospital, Inc., which is also a not-for-profit. No other entity or individual owns any membership interest in the applicant. The applicant owns no interests in any licensed healthcare facility.

St. Jude Children's Research Hospital, Inc.
I (owns 100% of membership interests)
St. Jude Children's Research Hospital Home Care, LLC

5. Name of Management/Operating Entity (If Applicable)

Not applicable.

Name

Street or Route

County

City

State

Zip Code

Website Address

*For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.*

Not applicable; the LLC will be member-managed.

**6A. Legal Interest in the Site**

*(Check the appropriate line and submit the following documentation)*

*The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.*

\_\_\_\_\_ Ownership (Applicant or applicant's parent company/owner)  
Submit a copy of the title/deed.

Lease (Applicant or applicant's parent company/owner)  
Attach a fully executed lease that includes the terms of the lease and the actual lease expense.

\_\_\_\_\_ Option to Purchase  
Attach a fully executed Option that includes the anticipated purchase price.

\_\_\_\_\_ Option to Lease  
Attach a fully executed Option that includes the anticipated terms of the option and anticipated lease expense

\_\_\_\_\_ Other (Specify)

*Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.*

The executed lease is provided in Attachment Section A-6A. It contains all the required elements listed above.

**6B. Briefly describe the following and attach the requested documentation on an 8.5" X 11 sheet of white paper, legibly labeling all requested information.**

- 1) Plot Plan must include:
  - a) Size of site (in acres);
  - b) Location of structure on the site;
  - c) Location of the proposed construction/renovation; and
  - d) Names of streets, roads, or highways that cross or border the site.

Please see Attachment Section A-6B-1 a-d.

2) **Floor Plan -- If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page.**

- a) Patient care rooms (private or semi-private)
- b) Ancillary areas
- c) Equipment areas
- d) Other (specify)

Please see Attachment Section A-6B-2.

3) **Public Transportation Route -- Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.**

The project is in Office Building J on the hospital's 66-acre, gated and fenced campus in downtown Memphis. Most of the campus is bounded by North 3rd Street, North Danny Thomas Boulevard (U.S. 51), and Interstate 40. Location maps are provided in Attachment B-Need-3.

St. Jude is located in a well-known downtown hospital district that is one block to the north of I-40. The campus is connected to all points of Shelby County by municipal bus lines and multiple urban streets. The project's home health nurses who visit patients in Shelby, Fayette, and Tipton Counties will utilize Shelby County streets and also multiple highways radiating through Shelby County out to Fayette and Tipton Counties -- primarily U.S. 51, SR14, US 70/89, I-40, I-64, SR193, and SR57. The table below shows distances between the major communities in each county and the project site.

<b>Table _ : Mileage and Drive Times Major Communities in the Primary Service Area and The Project (545 Danny Thomas Place, Memphis 38105)</b>			
<b>County</b>	<b>SJ Residential Building or Service Area Community</b>	<b>Distance</b>	<b>Drive Time</b>
Shelby	Target House 1*	3.0 miles	9 minutes
	Target House 2*	3.0 miles	9 minutes
	Parcels*	1.9 miles	6 minutes
	TriDelta Place*	0.2 miles	4 minutes
	Ronald McDonald House*	0.7 miles	4 minutes
	East Memphis	9.0 miles	17 minutes
	Bartlett	13.5 miles	19 minutes
	Arlington	26.9 miles	35 minutes
	Germantown	17.2 miles	28 minutes
	Collierville	30.5 miles	35 minutes
Tipton	Atoka	25.8 miles	38 minutes
	Covington	37.2 miles	54 minutes
Fayette	Braden	37.9 miles	43 minutes
	Somerville	41.0 miles	53 minutes
	LaGrange	55.3 miles	62 minutes

Source: Google Maps, 7-11-20. Asterisk (\*) denotes a SF-affiliated housing complex.

7. Type of Institution (Check as appropriate—more than 1 may apply)

A. Hospital (Specify): General Acute		H. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		I. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		J. Rehabilitation Facility	
D. Home Health Agency	x	K. Residential Hospice	
E. Hospice		L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital		M. Other (Specify):	
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID			

8. Purpose of Review (Check appropriate lines—more than 1 response may apply)

A. Establish New Health Care Institution	X	G. MRI Unit Increase	
B. Change in Bed Complement		H. Satellite Emergency Department	
C. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify). Home Health	X	I. Addition of ASTC Specialty	
D. Relocation and/or Replacement		J. Addition of Therapeutic Catheterization	
E. Initiation of MRI		K. Other (Specify)	
F. Initiation of Pediatric MRI			

9. Medicaid/TennCare, Medicare Participation

MCO Contracts (Check all that apply: _____ Amerigroup _____ United Healthcare Community Plan _____ BlueCare _____ TennCare Select <i>Applicant's owner is in all these plans and applicant will apply.</i>
Medicare Provider Number: to be requested
Medicaid Provider Number: to be requested
Certification Type: Home Care Agency
<b>If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?</b>
Medicare Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A _____
Medicaid/TennCare Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A _____

**10. Bed Complement Data**

**A. Please indicate current & proposed distribution and certification of facility beds.**

Not applicable to a home health agency.

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

*\* Beds approved but not yet in service*

*\*\* Beds exempted under 10%/3 yrs provision*

**B. Describe the reasons for change in bed allocations and describe the impact the bed changes will have on the applicant facility's existing services.**

Not applicable to a home health agency.

**C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete the chart below.**

The applicant has no outstanding Certificates of Need.

<b>CON Number</b>	<b>CON Expiration Date</b>	<b>Total Licensed Beds Approved</b>

**11. Home Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:**

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mauzy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<b>X</b>	<b>X</b>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

12. Square Footage and Cost Per Square Footage Chart--St. Jude Children's Research Hospital Home Care									
Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Total	
					Renovated	New	Total		
Home Health Agency Principal Office	NA	NA	NA	Leased Office Building Space	114 USF	0	114 USF		
Unit/Dept GSF Subtotal		0			114	0	114		
Other GSF Subtotal					0	0	0		
Total GSF		0			114	0	114		
Total Cost*					\$300.00	\$0.00	\$300.00		
**Cost Per Square Foot							\$85.45		
Cost per Square Foot is Within Which Range? <b>Response: Data is not available From HSDA Registry</b> (For quartile ranges, please refer to the Applicant's Toolbox on <a href="http://www.tn.gov/hsda">www.tn.gov/hsda</a> )					Below 1st Quartile	Below 1st Quartile	Below 1st Quartile		
					Between 1st and 2nd Quartile	Between 1st and 2nd Quartile	Between 1st and 2nd Quartile		
					Between 2nd and 3rd Quartile	Between 2nd and 3rd Quartile	Between 2nd and 3rd Quartile		
					Above 3rd Quartile	Above 3rd Quartile	Above 3rd Quartile		

\* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

\*\* Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

**ARCHITECT SHOULD ENTER COST PSF ONLY FOR NEW AND RENOVATED COLUMNS; THE TOTAL COST PSF COLUMN CALCULATES AUTOMATICALLY.**

**A. Describe the construction and renovation associated with the proposed project. If applicable, provide a description of the existing building including age of the building and the use of space vacated due to the proposed project.**

The principal office of the home health agency will be in St. Jude's "J" building, identified in a map on the following page as well as in the Attachments. The building is within the gated campus. It was built in 1963 and significantly upgraded recently. It is a single-floor facility.

The space identified for the project is J-1006. It is currently vacant. It consists of approximately 114 usable square feet (USF). With an allocation of shared common spaces (bathrooms, conference room, break room, circulation areas, etc.) the leasable will consist of 145 rentable square feet (RSF).

The space will be updated, equipped, and furnished to comply with licensing requirements; St. Jude facility staff discussed licensure needs with the TDOH Licensure staff last month. The office will house desks for staff, secure files for medical records and storage, communications, equipment, and other required resources. The staff will have the use of a conference room, restrooms, and break room shared with other occupants of that area of the floor.

The construction and renovation cost will be minimal, approximately \$300 for repainting. Otherwise the space is usable as is.

**13. MRI, PET, and/or Linear Accelerator**

Not applicable.

1. **Describe** the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding an MRI scanner in counties with population less than 250,000, or initiation of pediatric MRI in counties with population greater than 250,000, and/or

2. **describe** the acquisition of any Positron Emission Tomography (PET) unit or Linear Accelerator unit if initiating the service by responding to the following:

**A. Complete the Chart below for acquired equipment.**

<b>LINEAR ACCELERATOR</b>	
Mev:	Total Cost*: \$
Types: (indicate one)	By Purchase? _____
SRS	By Lease? _____
IMRT	
IGRT	Expected Useful Life (yrs): _____
Other :	New? _____
	Refurbished? _____
	If not new, how old (yrs)? _____

<b>MRI</b>	
Tesla:	Total Cost*: \$
Magnet: (indicate one)	By Purchase? _____
Breast	By Lease? _____
Extremity?	
Open?	Expected Useful Life (yrs): _____
Short Bore?	New? _____
Other --	Refurbished? _____
	If not new, how old (yrs)? _____

<b>PET</b>	
PET Only? _____	Total Cost*: \$
	By Purchase? _____
PET/CT? _____	By Lease? _____
PET/MRI? _____	Expected Useful Life (yrs): _____
	New? _____
	Refurbished? _____
	If not new, how old (yrs)? _____

*\*As defined by Agency Rule 0720-9-.01(13)*

**B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.**

Not applicable.

**C. Compare the lease cost of the equipment to its fair market value. Note: Per Agency rule, the higher cost must be identified in the project cost chart.**

Not applicable.

**D. Schedule of Operations:**

This is for a mobile service and is not applicable to a home health agency.

<b>Location</b>	<b>Days of Operation (Sun-Sat)</b>	<b>Hours of Operation</b>
Fixed Site		
Mobile Locations		
Applicant		
Name of other location		
Name of other location		

**E. Identify the clinical applications to be provided, that apply to the project.**

Not applicable.

**F. If the equipment has been approved by the FDA within the past five years, provide documentation of the same.**

Not applicable.

**SECTION B: GENERAL CRITERIA FOR  
CERTIFICATE OF NEED**

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards provided in the State Health Plan.

Additional criteria for review are prescribed in Chapter 11 of the Agency’s Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate.

**QUESTIONS**

**NEED**

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

1. Provide a response to the applicable criteria and standards for the type of institution or service requested. <https://www.tn.gov/hsda/hsda-criteria-and-standards.html>

The response to the applicable criteria begin on the following page.

**STATE HEALTH PLAN  
CERTIFICATE OF NEED STANDARDS AND CRITERIA  
FOR  
HOME HEALTH SERVICES**

1. **Determination of Need:** In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county. This 1.5% formula will be applied as a general guideline, as a means of comparison within the proposed Service Area.
2. **The need for home health services should be projected three years from the latest available year of final JAR data.**
3. **The use rate of existing home health agencies in each county of the Service Area will be determined by examining the latest utilization rate as calculated from the JARs of existing home health agencies in the Service Area. Based on the number of patients served by home health agencies in the Service Area, an estimation will be made as to how many patients could be served in the future.**

Response: The calculations required by criteria #1 - #3 above are shown in Table B-State Health Plan-Criteria 1-3 below.

	Shelby	Fayette	Tipton	Service Area
Number of Agencies Reporting Serving	27*	18	19	NA
Total Patients Served	18,265	834	875	19,974
Estimated 2019 Population	937,985	41,043	61,935	1,040,9863
Use Rate	0.0194725928	0.020320152	0.0141278286	NA
Projected 2022 Population	944,036	42,567	62,919	1,049,522
Projected Capacity	18,383	865	889	20,137
Projected Need (.015 X 2022 Pop.)	14,161	639	944	15,744
Need (Surplus) for 2022	(4,222)	(226)	55	(4,393)

*Source: Tennessee Department of Health, 78-20 Report*

*\* Applicant identified 26 currently serving; 27 were the number identified in that data year by TDH in working this methodology.*

The methodology in this criterion projects that there is not a net need for additional home health patient capacity in the three-county service area, but rather a combined excess capacity for treating 4,393 patients.

The applicant submits that this guideline is not applicable to this St. Jude application, for at least two reasons:

- a. In a three-county service area that is not declining in population, it is difficult to accept a projected need in 2022 for care of only 15,744 patients when last year there were already 19,974 patients receiving home care. That implies that 27% of area residents' home care utilization last year was not needed, which seems unsupportable in light of medical qualifications needed to establish access to home care. Therefore, the formula itself does not appear able to reliably project home care needs in this service area.
  - b. The 1.5% calculation factor for needed capacity, as stated in the criterion itself, is only a general Guideline. Other criteria allow HSDA consideration of projects that focus on special needs populations such as St. Jude's unique pediatric patients -- who are the primary target of this application by St. Jude.
4. **County Need Standard: The applicant should demonstrate that there is a need for home health service in each county in the proposed Service Area by providing documentation (e.g., letters) where: a) health care providers had difficulty or were unable to successfully refer a patient to a home care organization and/or were dissatisfied with the quality of services provided by existing home care organizations based on Medicare's system Home Health Compare and/or similar data; b) potential patients or providers in the proposed Service Area attempted to find appropriate home health service but were not able to secure such services; c) providers supply an estimate of the potential number of patients that they might refer to the applicant.**

Response to subsections a) and b) of the criterion: These are not applicable to the St. Jude situation and the project's target population. They apply to applicants and patients who tried unsuccessfully to refer patients to, or gain admission to, an existing home health agency or were dissatisfied with the services given. The patients to be served by this St. Jude home care program are under the care of St. Jude hospital teams in an outpatient setting. No other home care organization can provide the continuity of care for St. Jude patients that this agency can provide to them. It is not a matter of dissatisfaction with existing home care services that may occasionally be used, it is that the integration of care cannot be provided by them. Because of that, the letters requested in this criterion are not applicable and cannot be obtained.

Response to subsection c) of the criterion: The applicant will be relocating these young patients from St. Jude hospital and clinic-based care into St. Jude-operated home health care. That will allow their care to be delivered outside of the hospital and clinic areas, and, for most patients, that will improve campus safety and the convenience of services. Projected patients and visits are shown in other sections of the application.

- 5. Current Service Area Utilization:** The applicant should document by county: a) all existing providers of home health services within the proposed Service Area; and b) the number of patients served during the most recent 12-month period for which data are available. To characterize existing providers located within Tennessee, the applicant should use final data provided by the JAR maintained by the Tennessee Department of Health. In each county of the proposed service area, the applicant should identify home health agencies that have reported serving 5 or fewer patients for each of the past three years based on final and available JAR data. If an agency in the propose Service Area who serves few or no patients is opposing the application, that opponent agency should provide evidence as to why it does not serve a larger number of patients.

Response: Section B-Need 5 of the application provides data tables identifying home health agencies authorized to serve Shelby, Fayette, and Tipton Counties and shows their utilization by county. That section provides the following information relative to this review criterion.

1. There are 26 general-purpose home health agencies authorized to provide home care to residents of Shelby, Fayette and Tipton Counties. (Excluding seven agencies that appear to the applicant to be limited primarily, or exclusively, to home infusion services.).
2. Only 11 of the 26 agencies reported serving pediatric patients in 2019. However, the total pediatric patients served in the Service Area were only 2.4% of the 19,716 total home care patients the 26 agencies served in the three-county Service Area.
3. Only 5 of the 26 agencies reported being more than 10% dependent (Statewide) on pediatric patients residing in this project's Service Area.
4. The 26 agencies as a group showed strong utilization growth in total patients served over the last three reporting periods:

<b>Statewide Utilization Growth of Home Health Agencies Authorized for Project Service Area</b>			
	<b>2017</b>	<b>2018</b>	<b>2019</b>
Patients Served in TN	27,766	29,505	32,353
Annual Growth Rate	--	+6.3%	+9.7%
Growth Rate 2017-2019	--	--	+16.5%

5. The JAR data shows that of these 26 agencies, 3 did not serve 5 or more patients during each of the last three reporting years 2017-2019. Those were Amedysis Home Health (ID 79386), Amedysis Home Health Care (ID 578075), and Home Care Solutions, Inc. (ID 19544). For that data, please see Section B-Need 5 of the application.

6. **Adequate Staffing:** Using TDH Licensure data, the applicant should document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and document that such personnel are available to work in the proposed Service Area. The applicant should state the percentage of qualified personnel directly employed or employed through a third party staffing agency.

Response: Section B-Economic Feasibility-8 of the application provides a detailed two-year staffing pattern. The applicant's intention is to directly employ all required staff other than the Medical Director (who will be contracted from St. Jude itself). Depending on availability, some of those employees will be leased from the hospital at least initially. No staffing agency will be used to secure Home Care staff.

St. Jude Children's Research Hospital, which owns the LLC that will establish and operate the proposed Home Care program, is an established patient care and research organization with a long history of successful clinical employee recruitment, training, professional development, and retention of clinical personnel for the listed home health positions.

7. **Community Linkage Plan:** The applicant should provide a community linkage plan that demonstrates factors such as, but not limited to, referral arrangements with appropriate health care system providers/services (that comply with CMS patient choice protection) and working agreements with other related community service assuring continuity of care focusing on coordinated, integrated systems. A new provider may submit a proposed community linkage plan.

Response: This unique home health agency does not require the sorts of broad community linkages addressed in this criterion because it is essentially a subdivision of responsibility among existing St. Jude caregivers within the overall St. Jude organization and patient base.

It will move patients from the St. Jude clinic setting to a St. Jude-staffed home health agency setting for some aspects of their care, continuing St. Jude's ongoing care of these patients during their treatment journey as well as when they come into the service area for follow-up care. There is no need for a working agreement with any other health system. Referrals will not be accepted from providers other than the St. Jude Children's Research Hospital. Home care patients who have not begun their care as patients at St. Jude will not be accepted into the home health program. This is a "closed-system" concept to ensure continuation of safe and effective care for St. Jude's young patients, delivered by St. Jude physicians and clinical staff. Nonetheless, St. Jude Children's Research Hospital has agreements with and works closely with the Methodist Le Bonheur Healthcare system so that additional care can be given to St. Jude patients. Many employed St. Jude physicians have privileges at Le Bonheur.

8. **TennCare Managed Care Organizations (MCO's) and Financial Viability:** Given the time frame required to obtain Medicare certification, an applicant proposing to contract with the Bureau of TennCare's MCOs should provide evidence of financial viability during the time period necessary to receive such certification. Applicants should be aware that MCOs are under no obligation to contract with home care organizations, even if Medicare certification is obtained, and that Private Duty Services are not Medicare certifiable services. Applicants who believe that there is a need to serve TennCare patients should contact the TennCare MCOs in the region of the proposed Service Area and inquire whether their panels are open for home health services, as advised in the notice posted on the HSDA website, to determine whether at any given point there is a need for a provider in a particular area of the State; letters from the TennCare MCOs should be provided to document such need.

The applicant is contacting the MCOs with whom St. Jude currently contracts and will seek favorable letters to submit to the HSDA.

Applicants should also provide information on projected revenue sources, including non-TennCare revenue sources.

Section C-Financial Feasibility-7, later in the application, contains a table projecting revenue by source. It is repeated below (with the same title as in the later section). Please note that although the table lists "Self-Pay," as described elsewhere in the application, St. Jude covers these costs and no patient or family gets a bill from St. Jude.

<b>Table C-Financial Feasibility-7: Applicant's Projected Payor Mix, Year 1 Total Home Health Agency</b>		
<b>Payor Source</b>	<b>Projected Gross Operating Revenue</b>	<b>As a Percent of Total Revenue</b>
Medicare/Medicare Managed Care	\$1,545	0.1%
TennCare/Medicaid	\$598,100	38.7%
Commercial/Other Managed Care	\$652,192	42.2%
Self-Pay	\$219,458	14.2%
Other (Specify)	\$74,183	4.8%
<b>Total*</b>	<b>\$1,545,478</b>	<b>100.0%</b>
Charity Care	\$310,641	20.1%

9. **Proposed Charges:** The applicant's proposed charges should be reasonable in comparison with those of other similar agencies in the Service Area or in adjoining service areas. The applicant should list:
- a. The average charge per visit or episode of care by service category, if available in JAR data.
  - b. The average charge per patient based on the projected number of visits and/or episodes of care and/or hours per patient, if available in JAR data.

Projected HHA Costs and Charges Per Visit -- Year One				
Service	Cost Per Visit	Charge Per Visit	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$202.77	\$299.60	n/a	n/a
Social Work	\$280.24	\$499.93	n/a	n/a

Projected HHA Costs and Charges Per Visit -- Year Two				
Service	Cost Per Visit	Charge Per Visit	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$237.69	\$314.58	n/a	n/a
Social Work	\$292.33	\$524.92	n/a	n/a

Projected HHA Costs and Charges Per Patient -- Year One				
Service	Cost Per Patient	Charge Per Patient	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$2,027.66	\$2,996.00	n/a	n/a
Social Work	\$2,802.40	\$4,999.28	n/a	n/a

Projected HHA Costs and Charges Per Patient -- Year Two				
Service	Cost Per Patient	Charge Per Patient	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$2,375.78	\$3,144.36	n/a	n/a
Social Work	\$4,999.28	\$5,246.84	n/a	n/a

10. **Access:** In concert with the factors set forth in HSDA Rule 0720-11-.01(1) (which lists those factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area for groups with special medical needs such as, but not limited to, medically fragile children, newborns and their mothers, and HIV/AIDS patients. Pediatrics is a special medical needs population, and therefore any provider applying to provide these services should demonstrate documentation of adequately trained staff specific to this population's needs, with a plan to provide ongoing best practice education. For purposes of this Standard, an applicant should document need using population, service, special needs, and/or disease incidence rates. If granted, the Certificate of Need should be restricted on condition, and thus in its licensure, to serving the special group or groups identified in the application. The restricting language should be as follows:

***CONDITION: Home health agency services are limited to (identified specialty service group); the expansion of service beyond (identified specialty service group) will require the filing of a new Certificate of Need application.***

All patients to receive home health services from the home care agency will have been children and youth admitted to St. Jude's many programs while under the age of 18, or with pediatric diseases or diseases for which special care is needed. Based on initial experience with them, St. Jude expects that no more than perhaps one-fourth of the home care patients will have aged past 17 years since becoming St. Jude patients. Around three-fourths of the home care patients will be "medically fragile children" as expressed in this criterion; the rest will not be much older.

St. Jude requests that this project be given special consideration by the HSDA based on this review criterion. No other agency in the area can serve this special need for continuation of St. Jude care on a safer and more convenient basis. If a condition (limiting the patients to those who are or were St. Jude inpatients, outpatients or clinic patients) is requested by the HSDA, the applicant will consider it at the time of hearing.

11. **Quality Control and Monitoring:** The applicant should identify and document its existing or proposed plan for data reporting (including data on patient re-admission to hospitals), quality improvement, and an outcome and process monitoring system (including continuum of care and transitions of care from acute care facilities). If applicable, the applicant should provide documentation that it is, or that it intends to be, fully accredited by the Joint Commission, the Community Health Accreditation Program, Inc., the Accreditation Commission for Health Care, and/or other accrediting body with deeming authority for home health services from CMS.

The applicant will seek Joint Commission accreditation and deemed status at the earliest opportunity in Year 1 of operation and has already started discussions with Joint Commission advisors. The applicant's owner is fully Joint Commission-accredited.

The proposed St. Jude Children's Research Hospital Home Care organization will implement data reporting, quality improvement processes, and an outcome and process monitoring system that meets or exceeds the highest professional standards and is consistent with this hospital's established record for clinical and management excellence. The hospital, as owner of the agency, has deep expertise in these areas, including a robust Quality and Patient Safety Program and will act as the home care agency's mentor in that regard.

- 12. Data Requirements: Applicants should agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.**

The applicant so agrees.

**CONTINUATION OF RESPONSES TO SECTION B  
OF THE HSDA APPLICATION FORM**

**2. Describe how this project relates to existing facilities or services operated by the applicant, including previously approved Certificate of Need projects and future long-range development plans.**

The establishment of a home health agency at St. Jude is not related to any previously approved Certificate of Need projects.

It is the logical and necessary outgrowth of St. Jude's historical ongoing commitment to enhance patient care. St. Jude physicians must supervise all levels of care required in patients' treatment plans, during and after initial inpatient or outpatient treatment phases. The home health program will offer safe and convenient home-based services to St. Jude patients who are in St. Jude's residential housing or who live in private residences in the service area and need continuing care from their St. Jude physicians.

St. Jude's experience is that approximately three out of four former hospital and research patients who live beyond the three-county service area come back to St. Jude one or more times for continuing care and assessment, staying in St. Jude's residential housing units for short and long stays (up to two and a half years for some). It is a high volume of visits. Starting a home health agency for some of those patients in St. Jude housing units is the best way St. Jude can reduce crowding its campus clinics with visiting families and reduce the risk of COVID-19 infections of patients and staff -- while simultaneously improving patient satisfaction by bringing St. Jude care to their doorstep, literally.

**3. Identify the proposed service area and provide justification for its reasonableness. Submit a county level map for the Tennessee portion of the service area, using the map on the following page, clearly marked and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the bordering states, if applicable.**

Please see the following page, and also Attachment Section B-Need-3, for a map of the project service area. It consists of Shelby, Tipton, and Fayette Counties, which adjoin one another in the far southwest corner of the State. The proposed St. Jude home health organization is not proposing at this time to serve patients residing in counties close to Memphis in the bordering States.



(3 Continued) Complete the following utilization tables for each county in the service area, if applicable:

The Service Area Utilization of Home Health Services

Service Area Counties	Historical Utilization-- County Residents--Most Recent Year (Yr = 2019 )	% of Total ___ Procedures ___ Cases <u>X</u> Patients Other:
Shelby	18,176	
Fayette	808	
Tipton	733	
Total	19,717	100%

Note: Totals may vary one digit from other tables in the application due to rounding.  
Source: Joint Annual Reports of Home Health Agencies, 2019.

Project Utilization

Service Area Counties	Projected Utilization-- County Residents--Most Recent Year (Yr = 2021)	% of Total ___ Procedures ___ Cases <u>x</u> Patients Other:
Shelby	83	22.7%
Fayette	3	0.8%
Tipton	5	1.5%
Other TN counties, States, and Foreign Countries	273	75.0%
Total	364	100%

Note: The service area typically contributes 25% of total St. Jude patients, with 75% coming from other counties, States, and countries. The service area percentage of 25% was allocated among its three counties in proportion to each county's percent of the service area population 0-17 years of age.

4.

**A.1). Describe the demographics of the population to be served by the proposal.**

Currently, the three-county project service area has an estimated total population of 1,055,867, projected to increase 1.8% to 1,074,719 residents within four years. Its population of children under the age of 18 is 24.6% of the total population and is projected to increase 1.2% between now and 2024.

The median ages of service area counties average 37.7 years, very close to the State median age of 38.0 years. An estimated 20.8% of the service area population lives in poverty and 25.9% of service area residents are enrolled in TennCare--compared to 15.3% in poverty and 21.1% in TennCare in the State of Tennessee. The median household incomes of the three counties average (unweighted) \$56,322, higher than the Tennessee median household income of \$50,972.

**A.2). Provide the following data for each county in the service area using current and projected population data from the Dept. of Health (<https://www.tn.gov/content/tn/health/health-program-areas/statistics/health-data/con.html>), the most recent enrollee data from the Division of TennCare, <https://www.tb.gov/tenncare/information-statistics/enrollment-data.html> and US Census Bureau demographic information. Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>**

Please see Table Section B-Need-4-A-2 on the following page.

**Table B-Need-4A-2: Name of Applicant or Project  
Demographic Characteristics of Primary Service Area  
2020-2024**

	Department of Health / Health Statistics							Bureau of the Census				TennCare	
	Current Total Population 2020	Projected Total Population 2024	Total Population % Change 2020 - 2024	Current Target* Population Age 0-17 2020	Projected Target* Population Age 0-17 2024	Projected Target* Population Age 0-17 % Change 2020 - 2024	Projected Target* Population As % of Projected Total Population 2024	Median Age	Median Household Income	Persons Below Poverty Level	Persons Below Poverty Level as % of Total Population	Current TennCare Enrollees June 2020	TennCare Enrollees as % of Current Total County or Zip Code Population
Fayette	41,852	43,910	4.9%	8,027	8,319	3.6%	18.9%	41.9	\$59,017	5,483	13.1%	6,785	16.2%
Shelby	950,325	964,902	1.5%	237,666	240,247	1.1%	24.9%	34.6	\$49,782	206,221	21.7%	253,718	26.7%
Tipton	63,690	65,907	3.5%	15,349	15,620	1.8%	23.7%	36.6	\$60,167	7,643	12.0%	12,942	20.3%
<b>Service Area Total</b>	1,055,867	1,074,719	1.8%	261,042	264,186	1.2%	24.6%	37.7	\$56,322	219,346	20.8%	273,445	25.9%
<b>State of TN Total</b>	6,883,347	7,097,353	3.1%	1,534,742	1,566,965	2.1%	22.1%	38.0	\$50,972	1,053,152	15.3%	1,449,437	21.1%

Sources: TDOH Population Projections, 2017; U.S. Census QuickFacts; TennCare Bureau.  
Service area data is either total, or average, as appropriate.

**B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.**

Approximately 1 out of 4 of the patients to be served by the project will have permanent residences within the three-county service area.

About 3 out of 4 patients being served by this project will live in other parts of Tennessee and the United States and foreign countries, but will establish temporary residences in Shelby County or come for short periods of time in order to receive ongoing care from St. Jude in hospital, outpatient, and biomedical research programs. More than half of these patients' families will be low-income persons receiving care through charitable or Medicaid funding. They will come for both limited and long-term stays in St. Jude residential housing or in temporary rented private housing.

The special needs of these patients, most of whom will be under the age of 18, is for continuing specialized care directed by St. Jude physicians and healthcare personnel, but for some aspects of care in a residential setting rather than in the clinics of the hospital campus. With COVID-19, it is essential for these medically vulnerable young people and their accompanying families to be able to avoid clustering in hospital and clinic areas for care that can be delivered to their residences within the service area, not only with more safety, but also with enhanced convenience.

**5. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must provide the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.**

Following this page are several tables that provide the appropriate data on home health agency utilization in the service area.

Tables B-Need 5A and B-Need 5B list the licensed home health agencies licensed to deliver general unrestricted home care services to persons in the service area. There are 26 such agencies. This list excludes a small number of agencies approved to provide limited services on an hourly basis, which is not comparable to what this St. Jude application proposes to provide.

Table B-Need-5C provides the 2017-2019 three-year utilization histories of all 26 agencies, in terms of patients served and visits provided Statewide.

Table B-Need 5D identifies the patients these agencies served in each service area county in 2019, the percent each agency is dependent on this service area for its total Tennessee utilization, the number of pediatric patients served by the agency in the project service area that year, and the percent of agency dependence on this area's pediatric patients for its Statewide utilization.

Table B-Need-5E provides the agencies' 2017-2019 utilization in terms of patients served in Tennessee only, and both total and pediatric patients served in 2019 in the three-county project service area.

**Table B-Need-5A: HHA's Licensed to Serve in the Project Service Area  
By Name**

<b>Health Statistics ID</b>	<b>Agency Home County</b>	<b>Agency</b>
38015	Haywood	AbilisHealth Brownsville (Careall Homecare Services)
79456	Shelby	Accredo Health Group, Inc.
79146	Shelby	Amedisys Home Care
79386	Shelby	Amedysis Home Health (fka Amedisys TN)
57075	Madison	Amedysis Home Health Care
79246	Shelby	Amedysis Home Health Care
79256	Shelby	Americare Home Health Agency, Inc.
79276	Shelby	Baptist Home Care & Hospice (fka Baptist Trinity Home Care)
79546	Shelby	Best Nurses, Inc.
19494	Davidson	Elk Valley Health Services, Inc.
57095	Madison	Extendicare Home Health of West TN
79496	Shelby	Functional Independence Home Care, Inc.
19544	Davidson	Home Care Solutions, Inc.
79486	Shelby	Home Health Care of West TN, Inc.
79376	Shelby	Homechoice Health Services
79226	Shelby	Intrepid USA Healthcare Services
79536	Shelby	Maxim Healthcare Services, Inc.
79106	Shelby	Meritan, Inc.
79316	Shelby	Methodist Alliance Home Care
24026	Fayette	NHC Homecare
79506	Shelby	No Place Like Home, Inc.
79466	Shelby	Optum Women's & Children's Health, LLC
79136	Shelby	Quality Home Health Services
79526	Shelby	Still Waters Home Health Agency
24036	Fayette	Where the Heart Is
79236	Shelby	Willowbrook Visiting Nurses Association

**Table B-Need-5B: HHA's Licensed to Serve in the Project Service Area  
By State ID Number**

<b>Health Statistics ID</b>	<b>Agency Home County</b>	<b>Agency</b>
19494	Davidson	Elk Valley Health Services, Inc.
19544	Davidson	Home Care Solutions, Inc.
24026	Fayette	NHC Homecare
24036	Fayette	Where the Heart Is
38015	Haywood	AbilisHealth Brownsville (Careall Homecare Services)
57075	Madison	Amedysis Home Health Care
57095	Madison	Extencicare Home Health of West TN
79106	Shelby	Meritan, Inc.
79136	Shelby	Quality Home Health Services
79146	Shelby	Amedisys Home Care
79226	Shelby	Intrepid USA Healthcare Services
79236	Shelby	Willowbrook Visiting Nurses Association
79246	Shelby	Amedysis Home Health Care
79256	Shelby	Americare Home Health Agency, Inc.
79276	Shelby	Baptist Home Care & Hospice (fka Baptist Trinity Home Care)
79316	Shelby	Methodist Alliance Home Care
79376	Shelby	Homechoice Health Services
79386	Shelby	Amedysis Home Health (fka Amedisys TN)
79456	Shelby	Accredo Health Group, Inc.
79466	Shelby	Optum Women's & Children's Health, LLC
79486	Shelby	Home Health Care of West TN, Inc.
79496	Shelby	Functional Independence Home Care, Inc.
79506	Shelby	No Place Like Home, Inc.
79526	Shelby	Still Waters Home Health Agency
79536	Shelby	Maxim Healthcare Services, Inc.
79546	Shelby	Best Nurses, Inc.

**Table B-Need-5C: 2017-2019 Utilization of Home Health Agencies Licensed to Serve Project Service Area  
REVISED ON SUPPLEMENTAL**

Health Statistics ID Number	Home Health Agency Name	Agency License Number	2017 JAR Total Patients Served	2017 JAR Total Visits	2018 JAR Total Patients Served	2018 JAR Total Vists	2019 JAR Total Patients Served In TN	2019 JAR Total Visits
38015	AbilisHealth Brownsville (Careall Homecare Services)	288	573	8,005	697	13,311	504	12,251
79456	Accredo Health Group, Inc.	347	69	88	42	63	44	79
79146	Amedisys Home Care	239	691	10,527	1,002	14,907	1,213	17,330
79386	Amedisys Home Health (fka Amedisys TN)	238	1,257	23,768	2,150	44,414	3,020	54,604
57075	Amedisys Home Health Care	177	3,918	38,655	3,667	65,873	4,223	71,353
79246	Amedisys Home Health Care	215	591	10,870	888	14,502	1,160	19,530
79256	Americare Home Health Agency, Inc.	216	765	23,437	641	21,676	470	19,492
79276	Baptist Home Care & Hospice (fka Baptist Trinity Home Care)	241	3,320	51,345	2,425	49,425	3,147	68,438
79546	Best Nurses, Inc.	621	62	0	55	0	68	0
19494	Elk Valley Health Services, Inc.	042	468	127,644	428	113,331	430	110,444
57095	Extendicare Home Health of West TN (Lic. Shelby Co)	120	1,675	46,688	1,898	53,464	2,448	54,004
79496	Functional Independence Home Care, Inc.	610	2,842	66,729	3,388	69,776	4,083	82,769
19544	Home Care Solutions, Inc.	056	1,475	43,618	1,731	49,319	2,030	51,181
79486	Home Health Care of West TN, Inc.	227	819	13,520	735	13,306	588	11,696
79376	Homechoice Health Services	240	1,550	34,730	1,969	42,940	1,550	31,872
79226	Intrepid USA Healthcare Services	214	859	20,817	397	19,524	448	8,933
79536	Maxim Healthcare Services, Inc.	618	224	2,303	203	0	274	0
79106	Meritan, Inc.	237	705	12,219	652	12,738	708	14,041
79316	Methodist Alliance Home Care	233	3,597	61,171	3,149	59,713	2,793	54,893
24026	NHC Homecare	291	263	5,522	303	5,420	409	6,860
79506	No Place Like Home, Inc.	611	113	30	139	133	92	0
79466	Optum Women's & Children's Health, LLC	459	389	3,053	369	3,631	324	2,736
79136	Quality Home Health Services	224	189	18,265	166	15,123	200	19,439
79526	Still Waters Home Health Agency	616	525	17,129	952	20,221	954	9,386
24036	Where the Heart Is	612	125	13,976	842	16,237	722	20,689
79236	Willowbrook Visiting Nurses Association	259	702	12,624	617	14,361	451	9,185
<b>TOTALS</b>			<b>27,766</b>	<b>666,733</b>	<b>29,505</b>	<b>733,408</b>	<b>32,353</b>	<b>751,205</b>

Source: TDH; 2017-2019 Joint Annual Reports of Home Health Agencies

**Table B-Need-5D - 2019 HHA Utilization In Service Area Counties and HHA Dependence on Them**

TDH ID	County of Parent Office	AGENCY NAME	Total Patients Served By This Agency			Total Patients Served By This Agency in St Jude's Proposed Counties			Percent of Agency Dependence on Patients in St Jude's Proposed Counties	Agency 2019 Total Pediatric Patients Served, Ages 0-17, in St Jude's Proposed 3-County Service Area	Statewide Dependence: Agency's Pediatric Patients Age 0-17 in Proposed Counties as Percent of All its Patients Statewide
			Tennessee	Shelby	Fayette	Tipson	Tennessee	Shelby			
38015	Haywood	AbilisHealth Brownsville (Careall Homecare Services)	504	90	12	78			17.9%	1	0%
79456	Shelby	Accredo Health Group, Inc.	44	41	1	3			93.2%	12	27%
79146	Shelby	Amedisys Home Care	1,213	1,213	0	0			100.0%	0	0%
79386	Shelby	Amedisys Home Health (fka Amedisys TN)	3,020	0	0	0			0.0%	0	0%
57075	Madison	Amedisys Home Health Care	4,223	0	0	0			0.0%	0	0%
79246	Shelby	Amedisys Home Health Care	1,160	1,160	156	0			100.0%	0	0%
79256	Shelby	American Home Health Agency, Inc.	470	470	470	0			100.0%	0	0%
79276	Shelby	Baptist Home Care & Hospice (fka Baptist Trinity Home Care)	3,147	3,147	2914	85	148		100.0%	0	0%
79546	Shelby	Best Nurses, Inc.	68	68	68	0	0		100.0%	0	0%
19494	Davidson	Elk Valley Health Services, Inc.	430	56	45	6	5		13.0%	36	8%
57095	Madison	Extendicare Home Health of West TN	2,448	637	567	21	49		26.0%	0	0%
79496	Shelby	Functional Independence Home Care, Inc.	4,083	4,083	3828	103	152		100.0%	79	2%
19544	Davidson	Home Care Solutions, Inc.	2,030	0	0	0	0		0.0%	0	0%
79486	Shelby	Home Health Care of West TN, Inc.	588	582	527	23	32		99.0%	39	7%
79376	Shelby	Homechoice Health Services	1,550	1,158	1054	49	55		74.7%	0	0%
79226	Shelby	Inrepid USA Healthcare Services	448	448	447	0	1		100.0%	0	0%
79536	Shelby	Maxim Healthcare Services, Inc.	274	183	165	7	11		66.8%	84	31%
79106	Shelby	Meritan, Inc.	708	708	708	0	0		100.0%	0	0%
79316	Shelby	Methodist Alliance Home Care	2,793	2,684	2487	57	140		96.1%	28	1%
24026	Fayette	NHC Homecare	409	367	188	158	21		89.7%	0	0%
79506	Shelby	No Place Like Home, Inc.	92	92	84	5	3		100.0%	77	84%
79466	Shelby	Optum Women's & Children's Health, LLC	324	222	210	4	8		68.5%	0	0%
79136	Shelby	Quality Home Health Services	200	199	194	1	5		99.5%	83	42%
79526	Shelby	Still Waters Home Health Agency	954	954	954	0	0		100.0%	6	1%
24036	Fayette	Where the Heart Is	722	722	720	0	2		100.0%	18	2%
79236	Shelby	Willowbrook Visiting Nurses Association	451	432	292	120	20		95.8%	0	0%
			32,353	19,716	18,176	808	733		60.9%	463	1%

Sources: 2019 Joint Annual Reports

**Table B-Need-5E: 2017-2019 Tennessee Patients, Service Area Patients, and Pediatric Patients Of HHA's Licensed for the Project Service Area**

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2017 JAR Total Patients Served in TN	2018 JAR Total Patients Served in TN	2019 JAR Total Patients Served in TN	2019 Total Patients Served in St Jude's Proposed 3-County Service Area	2019 Total Pediatric Patients Served, Ages 0-17, in St. Jude's Proposed 3-County Service Area
38015	Haywood	AbilishHealth Brownsville (Carroll Homecare Services)	288	6/7/84	573	697	504	90	1
79456	Shelby	Accredo Health Group, Inc.	347	5/9/97	69	42	44	41	12
79146	Shelby	Amedisys Home Care	239	6/3/82	691	1,002	1,213	1,213	0
79386	Shelby	Amedisys Home Health (fka Amedisys TN)	238	2/29/84	1,257	2,150	3,020	0	0
57075	Madison	Amedisys Home Health Care	177	5/2/84	3,918	3,667	4,223	0	0
79246	Shelby	Amedisys Home Health Care	215	4/24/84	591	888	1,160	1,160	0
79256	Shelby	American Home Health Agency, Inc.	216	1/24/84	765	641	470	470	0
79276	Shelby	Baptist Home Care & Hospice (fka Baptist Trinity Home Care)	241	6/26/84	3,320	2,425	3,147	3,147	0
79546	Shelby	Best Nurses, Inc.	621	7/1/08	62	55	68	68	0
19494	Davidson	Elk Valley Health Services, Inc.	042	7/17/84	468	428	430	56	36
57095	Madison	Extendicare Home Health of West TN (Lic. Shelby Co)	120	6/18/24	1,675	1,898	2,448	637	0
79496	Shelby	Functional Independence Home Care, Inc.	610	8/13/04	2,842	3,388	4,083	4,083	79
19544	Davidson	Home Care Solutions, Inc.	056	9/7/88	1,475	1,731	2,030	0	0
79486	Shelby	Home Health Care of West TN, Inc.	227	5/2/84	819	735	588	582	39
79376	Shelby	Homechoice Health Services	240	3/5/84	1,550	1,969	1,550	1,158	0
79226	Shelby	Intrepid USA Healthcare Services	214	8/25/83	859	397	448	448	0
79536	Shelby	Maxim Healthcare Services, Inc.	618	10/9/07	224	203	274	183	84
79106	Shelby	Meritan, Inc.	237	7/25/77	705	652	708	708	0
79316	Shelby	Methodist Alliance Home Care	233	7/1/88	3,597	3,149	2,793	2,684	28
24026	Fayette	NHC Homecare	291	6/6/83	263	303	409	367	0
79506	Shelby	No Place Like Home, Inc.	611	7/1/05	113	139	92	92	77
79466	Shelby	Optum Women's & Children's Health, LLC	459	12/21/98	389	369	324	222	0
79136	Shelby	Quality Home Health Services	224	12/3/81	189	166	200	199	83
79526	Shelby	Still Waters Home Health Agency	616	7/1/06	525	952	954	954	6
24036	Fayette	Where the Heart Is	612	8/10/05	125	842	722	722	18
79236	Shelby	Willowbrook Visiting Nurses Association	259	10/29/81	702	617	451	432	0
<b>AREA-WIDE TOTALS</b>					<b>27,766</b>	<b>29,505</b>	<b>32,353</b>	<b>19,716</b>	<b>463</b>

Source: TDH; 2017-2019 Joint Annual Reports of Home Health Agencies

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

The projected utilization of the St. Jude home care agency is as follows and is reflected in the Projected Data Chart in a subsequent section of this application.

<b>Table B-Need-6: Projected Utilization St. Jude Children's Research Hospital Home Care</b>		
	<b>Patients</b>	<b>Visits</b>
<b>Year One</b>	364	3,640
<b>Year Two</b>	437	4,368

Based on St. Jude's experience with this patient population in its clinic and outpatient visits, the home health agency visits were projected at 10 per day in Year 1 and 12 per day in Year 2, seven days a week. The average projected visits per patients are 10 per patient in both years. Therefore, the number of patients was projected at 10% of visits, rounded.

## ECONOMIC FEASIBILITY

The responses to this section of the application will help determine whether the project can be economically accomplished and maintained.

### 1. Project Cost Chart Instructions

A. All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee), (See application instructions for Filing Fee.)

B. The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

D. The Total Construction Cost reported on line 5 should equal the Total Cost reported on the Square Footage Chart.

E. For projects that include new construction, modification, and/or renovation -- documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:

- a) A general description of the project;
- b) An estimate of the cost to construct the project; and
- c) A description of the status of the site's suitability for the proposed project;
- d) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

The project requires no documentation from an architect or contractor because it involves only minor remodeling (painting). However, Attachment C-Economic Feasibility-1E provides an estimate from the painter of the cost of that work. The estimate was rounded up to \$300 by the applicant.

## PROJECT COST CHART-- SAINT JUDE HOME HEALTH AGENCY

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees		\$ 1,000
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)		50,000
3. Acquisition of Site		0
4. Preparation of Site		0
5. Total Construction Cost		300
6. Contingency Fund		2,000
7. Fixed Equipment (Not included in Construction Contract)		0
8. Moveable Equipment (List all equipment over \$50,000 as separate attachment)		60,000
9. Other (Specify) <u>miscellaneous</u>		10,000
<u>Furnishings</u>		<u>7,664</u>

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	FMV OF SPACE	35,630
2. Building only		0
3. Land only		0
4. Equipment (Specify) _____		0
5. Other (Specify) _____		0

C. Financing Costs and Fees:

1. Interim Financing	0
2. Underwriting Costs	0
3. Reserve for One Year's Debt Service	0
4. Other (Specify) _____	0

D. Estimated Project Cost (A+B+C) 166,594

E. CON Filing Fee 15,000

F. Total Estimated Project Cost (D+E) **TOTAL \$ 181,594**

Actual Capital Cost	145,964
Section B FMV	35,630

**ST JUDE CHILDREN'S RESEARCH HOSPITAL HOME CARE  
COMPARISON OF LEASE OUTLAY VS. FMV OF LEASED SPACE**

<b>SPACE LEASE OUTLAY--FIRST TERM</b>						
<b>First Term of Years</b>	<b>Rentable SF</b>	<b>Base Lease Rate-\$PSF</b>	<b>Annual Base Lease Outlay</b>	<b>Pass-through Expenses-\$PSF</b>	<b>Annual PassThrough Expenses</b>	<b>Total Costs for Leased Space</b>
Year 1	145	Yr 1 lease payment will	\$ 2,176.00	0.00	0.00	\$2,176.00
Year 2	145	increase 3% per year	\$ 2,241.28	0.00	0.00	\$2,241.28
Year 3	145		\$ 2,308.52	0.00	0.00	\$2,308.52
Year 4	145		\$ 2,377.77	0.00	0.00	\$2,377.77
Year 5	145		\$ 2,449.11	0.00	0.00	\$2,449.11
<b>1st Term Total</b>			\$ 11,552.68			<b>\$11,552.68</b>

*Note: Base lease rate eslates at 3.0% per year.*

**PROJECT SPACE--FAIR MARKET VALUE**

Project Space	145	RSF
Building Area	12,747	SF
Project % of Building	1.14%	Project Space / Building Space
Bldg and Land Value	\$3,132,280	County Assessment plus subsequent improvments
<b>Project Space FMV</b>	<b>\$35,630</b>	Project Space % X Bldg and Land Cost

\$768,700 tax assessor, land and building  
\$2,363,580 subsequent permitted improvements  
 \$3,132,280 Value of Building and Land

**2. Identify the funding sources for this project.**

**Check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment B, Economic Feasibility-2.)**

     1) **Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;**

     2) **Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;**

     3) **General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;**

     4) **Grants--Notification of Intent form for grant application or notice of grant award;**

     5) **Cash Reserves--Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project, and audited financial statements of the organization; and/or**

  X   6) **Other--Identify and document funding from all sources.**

The funds required to implement the project will be provided by the owner of the applicant LLC, St. Jude Children's Research Hospital, Inc.

A funding commitment letter from the Chief Administrative and Financial Officer of St. Jude is provided in Attachment Section B-Economic Feasibility-2.

Please note that the letter commits not only to covering the capital cost of the project. It also commits to covering the LLC's operational losses continuously and consistent with the charitable care operational model followed by St. Jude with ALSAC.

**C. Complete Historical Data Charts on the following pages--Do not modify the Charts or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available. The "Project Only Chart" provides information for the services being presented in the proposed project while the "Total Facility Chart" provides information for the entire facility. Complete both, if applicable.

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Not applicable. The applicant is a new LLC without an operational history. HSDA staff has advised that the historical data of St. Jude Children's Research Hospital, Inc. would not be relevant or needed for this application.

**E. Complete Projected Data Charts on the following pages – Do not modify the Charts provided or submit Chart substitutions!**

Projected Data Charts provide information for the two years following the completion of the project. The "Project Only Chart" should reflect revenue and expense projections for the project (i.e., if the application is for additional beds, included anticipated revenue from the proposed beds only, not from all beds in the facility.) The "Total Facility Chart" should reflect information for the total facility. Complete both, if applicable.

*Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

The Projected Data Chart for the proposed Home Care agency is provided on the following two pages.

x TOTAL FACILITY  
 0 PROJECT ONLY

**PROJECTED DATA CHART – ST. JUDE CHILDREN'S RESEARCH HOSPITAL HOME CARE**

Give information for the two (2) years following the completion of this proposal.  
 The fiscal year begins in July.

		Year One CY 2021	Year Two CY 2022
A.	Utilization Data	364	437
	(Specify unit or measure)	3,640	4,368
	Patients		
	Visits		
B.	Revenue from Services to Patients		
1.	Inpatient Services		
2.	Outpatient Services	\$ 1,163,463	\$ 1,465,964
3.	Emergency Services		
4.	Other Operating Revenue		
	(Specify) <u>See Page 2 of Chart</u>		
	Gross Operating Revenue	\$ 1,163,463	\$ 1,465,964
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	\$ 721,347	\$ 908,898
2.	Provision for Charity Care 20.1%	233,856	294,659
3.	Provisions for Bad Debt	2,327	2,932
	Total Deductions	\$ 957,530	\$ 1,206,488
	<b>NET OPERATING REVENUE</b>	\$ 205,933	\$ 259,476
D.	Operating Expenses		
1.	Salaries and Wages		
a.	Direct Patient Care	\$ 334,550	\$ 538,256
b.	Non-Patient Care	160,000	165,600
2.	Physicians Salaries and Wages	20,000	20,700
3.	Supplies	576,000	680,700
4.	Rent		
a.	Paid to Affiliates	2,176	2,241
b.	Paid to Non-Affiliates		
5.	Management Fees		
a.	Paid to Affiliates	0	0
b.	Paid to Non-Affiliates	0	0
6.	Other Operating Expenses <u>See Page 2 of Chart</u>	269,818	302,988
	Total Operating Expenses	\$ 1,362,544	\$ 1,710,485
E.	Earnings Before Interest, Taxes, and Depreciation	\$ (1,156,610)	\$ (1,451,010)
F.	Non-Operating Expenses		
1.	Taxes	\$ n/a	\$ n/a
2.	Depreciation	n/a	n/a
3.	Interest	n/a	n/a
4.	Other Non-Operating Expenses	n/a	n/a
	Total Non-Operating Expenses	\$ 0	\$ 0
	<b>NET INCOME (LOSS)</b>	\$ (1,156,610)	\$ (1,451,010)

Chart Continues Onto Next Page

	Year One CY2021	Year Two CY2022
NET INCOME (LOSS) (FROM FIRST PAGE)	\$ <u>(1,156,610)</u>	\$ <u>(1,451,010)</u>
G. Other Deductions		
1. Annual Principal Debt Repayment	\$ _____	\$ _____
2. Annual Capital Expenditure	_____	_____
Total Other Deductions	\$ <u>0</u>	\$ <u>0</u>
NET BALANCE	\$ <u>(1,156,610)</u>	\$ <u>(1,451,010)</u>
DEPRECIATION	\$ _____	\$ _____
FREE CASH FLOW (Net Balance + Depreciation)	\$ <u>(1,156,610)</u>	\$ <u>(1,451,010)</u>

- X TOTAL FACILITY
- O PROJECT ONLY

### PROJECTED DATA CHART – OTHER EXPENSES

#### OTHER EXPENSES CATEGORIES (D6)

	Year 2021	Year 2022
1. <u>Benefits</u>	\$ <u>149,220</u>	\$ <u>210,121</u>
2. <u>Information Technology</u>	<u>40,744</u>	<u>41,966</u>
3. <u>Parking/Transportation</u>	<u>4,585</u>	<u>4,723</u>
4. <u>Environmental Services</u>	<u>426</u>	<u>439</u>
5. <u>Facilities Ops &amp; Maintenance</u>	<u>1,043</u>	<u>1,075</u>
6. <u>Financial Management Svcs</u>	<u>28,800</u>	<u>29,664</u>
7. <u>Human Resources</u>	<u>40,000</u>	<u>15,000</u>
8. <u>Accreditation Costs</u>	<u>5,000</u>	<u>0</u>
9. _____	_____	_____
10. _____	_____	_____
11. _____	_____	_____
12. _____	_____	_____
13. _____	_____	_____
14. _____	_____	_____
15. _____	_____	_____
<b>Total Other Expenses</b>	<b>\$ <u>269,818</u></b>	<b>\$ <u>302,988</u></b>

5.

A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Complete Project Only Chart, and Total Facility Chart if applicable.

**Total Facility Chart**

	Previous Year to Most Recent Year	Most Recent Year	Year One 2021	Year Two 2022	% Change (Current Yr to Yr 2)
	NA	NA			
<b>Gross Charge -- Gross Operating Revenue / VISIT</b>			\$319.63	\$335.61	+5.0%
<b>Revenue / PATIENT</b>			\$3,196.33	\$3,354.61	+5.0%
<b>Deduction from Revenue --Total Deductions / VISIT</b>			\$263.06	\$276.21	+5.0%
<b>Deductions / PATIENT</b>			\$2,630.58	\$2,760.84	+5.0%
<b>Average Net Charge -- Net Operating Revenue / VISIT</b>			\$56.58	\$59.40	+5.0%
<b>Revenue / PATIENT</b>			\$565.75	\$593.77	+5.0%

**B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.**

Projected HHA Costs and Charges Per Visit -- Year One				
Service	Cost Per Visit	Charge Per Visit	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$202.77	\$299.60	n/a	n/a
Social Work	\$280.24	\$499.93	n/a	n/a

Projected HHA Costs and Charges Per Visit -- Year Two				
Service	Cost Per Visit	Charge Per Visit	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$237.69	\$314.58	n/a	n/a
Social Work	\$292.33	\$524.92	n/a	n/a

Projected HHA Costs and Charges Per Patient -- Year One				
Service	Cost Per Patient	Charge Per Patient	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$2,027.66	\$2,996.00	n/a	n/a
Social Work	\$2,802.40	\$4,999.28	n/a	n/a

Projected HHA Costs and Charges Per Patient -- Year Two				
Service	Cost Per Patient	Charge Per Patient	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$2,375.78	\$3,144.36	n/a	n/a
Social Work	\$4,999.28	\$5,246.84	n/a	n/a

**C.**

1) Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved Certificates of Need.

<b>Home Health Agency</b>	<b>Skilled Nursing Charge Per Visit</b>	<b>Medical Social Work Charge Per Visit</b>
This Project (St. Jude)	\$300	\$500
Methodist Alliance	\$300	\$400
Functional Independence Home Care	\$155	\$200
Home Health Care of W. Tennessee	\$185	\$200
Baptist Trinity Home Care	\$300	\$300

*Source: 2018 Joint Annual Reports of Home Health Agencies, TDOH. St. Jude data rounded to nearest dollar.*

**2) If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).**

6.

**A. Discuss how projected utilization rates will be sufficient to support the financial performance--**

- 1) Noting when the project's financial breakeven is expected, and**
- 2) Demonstrating the availability of sufficient cash flow until financial viability is achieved.**

This unique provider likely will not achieve financial breakeven or positive cash flow in its home care services in the foreseeable future because of the extraordinarily high percentage of charity care and St. Jude's unique model under which no patient gets a bill.

However, like many other St. Jude services, it will have the benefit of its parent company offsetting its losses through continuous cash transfers. In that sense, after charitable subsidization, it can be said to operate at or slightly above breakeven from the time it becomes operational.

**Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment Section B-Economic Feasibility-6A.**

The applicant is a new legal entity without either financial assets or liabilities. Its parent organization, St. Jude Children's Research Hospital, Inc., which is providing both capital and operational funding for its home care operation, does have audited financial statements. Its income statement and balance sheet are provided in Attachment Section B -- Economic Feasibility-6A.

**B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).**

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following tables. Complete Project Only Chart and Total Facility Chart, as applicable.

**Total Facility Chart**

	2 <sup>nd</sup> Previous Year to Most Recent Year	1st Previous Year to Most Recent Year	Most Recent Yr:	Projected Yr 1:	Projected Yr 1:
	NA	NA	NA	2021	2022
Net Operating Margin Ratio				-5.62	-5.59

**C. Capitalization Ratio -- The Long-term debt to capitalization ratio measures the proportion of debt financing in a business’s permanent (long-term) financing mix. This ratio best measures a business’s true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt + Total Equity (Net assets)) x 100).**

For self or parent company funded projects, provide the capitalization ratio using the most recent year available from the funding entity’s audited balance sheet, if applicable. Capitalization Ratios are not expected from outside the company lenders that provide funding. This question is applicable to all applications regardless of whether or not the project is being partially or totally funded by debt financing.

In the FY2019 audited financial statements in the Attachments, please see page 3 for the Balance Sheet - Liabilities and Net Assets section:

Long-term debt - None  
 Total Net Assets - \$6,059,689,696

**Capitalization Ratio:**  $0 / (0 + \$6,059,689,686) \times 100 =$   
 $0 / \$6,059,689,686 \times 100 = 0$

7. Discuss the project’s participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below. Complete Project Only Chart and Total Facility Chart, if applicable.

Please note that although the State table lists “Self-Pay,” as described elsewhere in the application, St. Jude covers these costs and no patient or family gets a bill from St. Jude.

<b>Table C-Financial Feasibility 7: Applicant’s Projected Payor Mix, Year 1 Total Home Health Agency</b>		
<b>Payor Source</b>	<b>Projected Gross Operating Revenue</b>	<b>As a Percent of Total Revenue</b>
Medicare/Medicare Managed Care	\$1,163.46	0.1%
TennCare/Medicaid	\$450,260.18	38.7%
Commercial/Other Managed Care	\$490,981.39	42.2%
Self-Pay	\$165,211.75	14.2%
Other (Specify)	\$55,846.22	4.8%
<b>Total</b>	<b>\$1,163,463.00</b>	<b>100.0%</b>
Charity Care	\$233,856	20.1%

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTE) positions for these positions. Identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources such as the Department of Labor. Wage data pertaining to healthcare professions can be found at the following link:

<https://www.bls.gov/oes/current/oes tn.htm>

See Table B-Economic Feasibility-8 on the following page.

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<b>Table B-Economic Feasibility-8: Saint Jude Home Care Projected Staffing</b>						
<b>Position Classification</b>	<b>Existing FTE's CY 2020</b>	<b>Projected FTE's (Yr 1)</b>	<b>Average Annual Wage or Contractual Rate</b>	<b>Projected FTE's (Yr 2)</b>	<b>Average Annual Wage or Contractual Rate</b>	<b>Areawide/Statewide Average Wage</b>
<b>A. Direct Patient Care Positions</b>						
Registered Nurse	0.00	2.00	\$67,000	4.00	\$67,000	\$66,730
Licensed Practical Nurse	0.00	2.00	\$46,000	3.00	\$46,000	\$41,280
Nursing Care Attendant	0.00	1.00	\$46,000	1.00	\$46,000	\$41,280
Case Manager/Social Worker	0.00	0.50	\$73,500	0.50	\$73,500	\$52,740
Chaplain	0.00	0.20	\$67,000	0.30	\$67,000	NA
Child Life Specialist	0.00	0.20	\$62,000	0.30	\$62,000	NA
<b>Total Direct Patient Care Positions</b>	<b>0.00</b>	<b>5.90</b>		<b>9.10</b>		
<b>B. Non-Patient Care Positions</b>						
Administrative Specialist	0.00	1.00	\$40,000	1.00	\$40,000	NA
Administrative Director		1.00	\$120,000	1.00	\$120,000	NA
<b>Total Non-Patient Care Positions</b>	<b>0.00</b>	<b>2.00</b>		<b>2.00</b>		
<b>Total Employees (A + B)</b>	<b>0.00</b>	<b>7.90</b>		<b>11.10</b>		
<b>C. Contractual Staff</b>						
Medical Director		0.10	\$200,000	0.10	\$200,000	NA
<b>Total Staff (A+B+C)</b>	<b>0.00</b>	<b>8.00</b>		<b>11.20</b>		

Source: Applicant's management; TDLWD and US Dept of Labor

**9. What alternatives to this project were considered? Discuss the advantages and disadvantages of each, including but not limited to:**

**A. The availability of less costly, more effective and/or more efficient methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.**

No feasible alternative was identified to achieve the objective of moving large numbers of patients and their families out of St. Jude clinic areas to achieve risk reduction of COVID-19 exposure and to improve the care experience of those families via ongoing access to the same level of highly specialized and integrated medical care and testing that can be achieved by using St. Jude providers and staff.

**B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.**

No new construction is required. The space requires only a coat of paint because it is already in excellent structural condition. In addition, the plan calls for maximum use of shared space with other activities on that floor, such as a conference area, bathrooms, and a break room.

## **QUALITY STANDARDS**

**1. Per PC 1043, Acts of 2016, anyone receiving a CON after July 1, 2016 must report annually, using forms prescribed by the Agency concerning continuing need and appropriate quality measures. Please verify that annual reporting will occur.**

The applicant so verifies.

**2. Quality -- The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions:**

**A. Does the applicant commit to the following?**

**1) Maintaining the staffing comparable to the staffing chart presented in its CON application;**

Yes.

**2) Obtaining and maintaining all applicable State licenses in good standing;**

Yes.

**3) Obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs was indicated in the application;**

Yes as to Medicaid certification, including TennCare and other state Medicaid programs; a Medicare provider number may be obtained only for the limited purpose of contracting with MCOs who require that.

**4) For an existing healthcare institution applying for a CON -- Has it maintained substantial compliance with applicable Federal and State regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.**

Not applicable to the applicant, who will be a new agency with no operating history. However, the applicant's parent organization has maintained compliance without interruption in its own services

5) For an existing healthcare institution applying for a CON -- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

Not applicable to a proposed agency. However, the applicant's parent organization has never been decertified.

**B. Respond to all of the following and for such occurrences, identify, explain and provide documentation:**

1) Has any of the following:

a. Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

b. Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

c. Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%...

2) Been subjected to any of the following:

a. Final Order or Judgment in a State licensure action;

No.

b. Criminal fines in cases involving a Federal or State health care offense;

No.

c. Civil monetary penalties in cases involving a Federal or State health care offense;

No.

d. Administrative monetary penalties in cases involving a Federal or State health care offense;

No.

e. Agreement to pay civil or monetary penalties to the Federal government or any State in cases involving claims related to the provision of health care items and services; and/or

No.

f. Suspension or termination of participation in Medicare or Medicaid/TennCare programs;

No.

g. Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware;

No.

h. Is presently subject to a corporate integrity agreement.

No.

**B. Does the applicant plan, within 2 years of implementation of the project, to participate in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve?**

Yes, the applicant plans to do this.

**Note:** Existing licensed, accredited and/or certified providers are encouraged to describe their process for same.

Please complete the chart below on accreditation, certification, and licensure plans.

1) If the applicant does not plan to participate in these types of assessments, explain why, since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)
Licensure	<input checked="" type="checkbox"/> Health <input type="checkbox"/> Intellectual and Developmental Disabilities <input type="checkbox"/> Mental Health and Substance Abuse Services	Will apply
Certification	<input type="checkbox"/> Medicare <input checked="" type="checkbox"/> Medicaid/TennCare Other:	Will apply
Accreditation	Joint Commission	Will apply

2) Based on what was checked/completed in the above table, will the applicant accept a condition placed on the Certificate of Need relating to obtaining / maintaining licensure, certification, and/or accreditation?

Yes.

**D. The following list of quality measures are service specific. Please indicate which standards you will be addressing in the annual Continuing Need and Quality Measure report if the project is approved.**

-	For Ambulatory Surgical Treatment Center projects: Estimating the number of physicians by specialty expected to utilize the facility, developing criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel, and documenting the availability of appropriate and qualified staff that will provide ancillary support services, whether on- or off-site?
-	<p>For Cardiac Catheterization projects:</p> <ul style="list-style-type: none"> <li>a. Documenting a plan to monitor the quality of its cardiac catheterization program, including but not limited to, program outcomes and efficiencies; and</li> <li>b. Describing how the applicant will agree to cooperate with quality enhancement efforts sponsored or endorsed by the State of Tennessee; and</li> <li>c. Describing how cardiology staff will be maintaining:</li> <li>d. Adult Program: 75 cases annually averaged over the previous 5 years;</li> <li>e. Pediatric Program: 50 cases annually averaged over the previous 5 years.</li> </ul>
-	<p>For Open Heart projects:</p> <ul style="list-style-type: none"> <li>f. Describing how the applicant will staff and maintain the number of who will perform the volume of cases consistent with the State Health Plan (annual average of the previous 2 years), and maintain this volume in the future;</li> <li>g. Describing how at least a surgeon will be recruited and retained (at least one shall have 5 years experience);</li> <li>h. Describing how the applicant will participate in a data reporting, quality improvement, outcome monitoring, and external assessment system that benchmarks outcomes based on national norms (demonstrated active participation in the STS National Database is expected and shall be considered evidence of meeting this</li> </ul>

	standard).
-	For Comprehensive Inpatient Rehabilitation Services projects: Retaining or recruiting a psychiatrist?
X	For Home Health projects: Documenting the existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system.
-	For Hospice projects: Documenting the existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system.
-	For Megavoltage Radiation Therapy projects: Describing or demonstrating how the staffing and quality assurance requirements will be met of the American Society of Therapeutic Radiation and Oncology (ASTRO), the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO), National Cancer Institute (NCI), or a similar accrediting authority.
-	For Neonatal Intensive Care Unit projects: Documenting the existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems; document the intention and ability to comply with the staffing guidelines and qualifications set forth by the Tennessee Perinatal Care System Guidelines for Regionalization, Hospital Care Levels, Staffing and Facilities; and participating in the Tennessee Initiative for Perinatal Quality Care (TIPQC).
-	For Nursing Home projects: Documenting the existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems, including in particular details on its Quality Assurance and Performance Improvement program.
-	<p>For Inpatient Psychiatric projects:</p> <ul style="list-style-type: none"> <li>• Describing or demonstrating appropriate accommodations for:</li> <li>• Seclusion/restraint of patients who present management problems and children who need quiet space, proper sleeping and bathing arrangements for all patients);</li> <li>• Proper sleeping and bathing arrangements;</li> <li>• Adequate staffing (i.e. that each unit will be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times);</li> <li>• A staffing plan that will lead to quality care of the patient population served by the project.</li> <li>• An existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems; and</li> <li>• If other psychiatric facilities are owned or administered, providing information on satisfactory surveys and quality improvement programs at those facilities.</li> </ul> <p>Involuntary admissions if identified in CON criteria and standard review</p>
-	For Freestanding Emergency Department projects: Demonstrating that it will be accredited with the Joint Commission or other applicable accrediting agency, subject to the same accrediting standards as the licensed hospital with which it is associated.
-	For Organ Transplant projects: Describing how the applicant will achieve and maintain

	<p>institutional membership in the national Organ Procurement and Transportation Network (OPTN), currently operating as the United Network for Organ Sharing (UNOS), within one year of program initiation. Describing how the applicant shall comply with CMS regulations set forth by 42 CFR Parts 405, 482, and 498, Medicare Program; Hospital Conditions of Participation: Requirements for Approval and Re-Approval of Transplant Centers To Perform Organ Transplants.</p>
-	<p>For Relocation and/or Replacement of Health Care Institution projects: Describing how facility and/or services specific measures will be met.</p>

## **CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE**

The responses to this section of the application help determine whether the project will contribute to the orderly development of healthcare within the service area.

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as transfer agreements or contractual agreements for health services.

### **Managed Care and Payor Agreements**

St. Jude enjoys contractual and working relationships with many payors. A list of potential managed care agreements that the home care LLC may contract with is attached in the Miscellaneous Attachments to the application.

### **Transfer Agreements and Contractual Agreements for Health Services**

St. Jude has transfer and medical services agreements with Baptist Health Services Group of the Mid-South, Inc., Methodist Healthcare Hospitals, including Le Bonheur Hospital and ER, and Methodist Alliance, and various local physician groups and other providers. The home care agency will use its own staff or employees of St. Jude leased to the agency to perform services but will consider these and other contracting options as needed for its operations.

### **Collaborations**

St. Jude's most complex local collaborations are with Le Bonheur Children's Hospital in Memphis (part of the Methodist Health System), and with a number of specialist and subspecialist physician practices and scientists in the community. St. Jude works closely with Le Bonheur in a multidisciplinary childhood brain tumor program to lead and coordinate the many types of treatment and support crucial to the comprehensive care of children with brain tumors. St. Jude has enhanced evidence-based clinical care for young adult sickle cell patients through a joint initiative based at the Adult Comprehensive Sickle Cell Disease Center at Methodist University Hospital. In addition, St. Jude is collaborating with Le Bonheur Children's Hospital and the University of Tennessee Health Science Center to expand treatment and research of pediatric catastrophic diseases into neurological disorders through a Center for Experimental Therapeutics and a Neuroscience Research Consortium. St. Jude also collaborates with local physician practices for a wide range of pediatric subspecialist care. The teams deliver care at both St. Jude and Le Bonheur. St. Jude also works closely with the Shelby County Health Department and the county

safety net hospital (Regional One Health), as well as faculty from the UT College of Health Sciences and the University of Memphis.

The St. Jude Affiliate Program makes treatments developed as clinical trials at St. Jude Children's Research Hospital available to more children by offering much of the care close to home. The St. Jude Affiliate Program is a network of pediatric hematology-oncology clinics, hospitals, and in some cases, universities united to extend the mission of St. Jude. The physicians and staff at these sites work in collaboration with the staff of St. Jude to deliver state-of-the-art care and innovative clinical trials to children with cancer and blood disorders. These clinical research and academic partnerships are currently at the following locations:

- Baton Rouge, Louisiana – Our Lady of the Lake Children's Hospital at OLOL Regional Medical Center
- Charlotte, North Carolina – Novant Health Hemby Children's Hospital
- Huntsville, Alabama – Huntsville Hospital for Women and Children at Huntsville Hospital
- Johnson City, Tennessee – East Tennessee State University and Niswonger Children's Hospital at Johnson City Medical Center
- Peoria, Illinois – University of Illinois College of Medicine – Peoria and Children's Hospital of Illinois at OSF Saint Francis Regional Medical Center
- Shreveport, Louisiana – LSU Health Sciences Center and Feist-Weiller Cancer Center at University Health
- Springfield, Missouri – Mercy Children's Hospital – Springfield at Mercy Hospital – Springfield
- Tulsa, Oklahoma – The Children's Hospital at St. Francis Hospital

St. Jude also has scores of "Collaborative Site" relationships with research and clinical centers across the United States and around the world including Australia, Canada and the United Kingdom. These medical centers enroll pediatric cancer patients in St. Jude clinical trials. These patients enroll on St. Jude Clinical Trials conducted at the collaborating site and receive all medical and protocol-related care at the collaborating site.

St. Jude Children's Research Hospital's Department of Global Pediatric Medicine (GPM) addresses the global challenges in pediatric cancer and catastrophic blood diseases. As an academic department, GPM focuses on global health research and innovation. GPM also leads the St. Jude Global initiative, which focuses on global implementation of healthcare improvements and innovations through capacity building and education and the development of global clinical research infrastructures. St. Jude Global's vision is that all children with cancer or catastrophic blood disorders will have access to quality care. Its mission is to improve the survival rates of children with cancer and other catastrophic diseases worldwide through the sharing of knowledge, technology and organizational skills. This mission is achieved by focusing on three overriding goals: (1) To train the clinical workforce required to meet the vision; (2) To develop and strengthen health systems and patient-centered initiatives that encompass the entire continuum of care required for children with cancer and blood disorders; and (3) To advance knowledge in global pediatric oncology and

hematology through research to sustain continuous improvement in the level and quality of care delivered around the globe.

St. Jude's collaborates with organizations other than health care providers, including the National Comprehensive Cancer Network, the Children's Hospital Association, various patient safety organizations and others, all of which support pediatric care initiatives across the country. St. Jude staff participate continuously in their forums and other activities. St. Jude also participates in numerous national and regional consortiums, such as the NCI sponsored Pediatric Brain Tumor Consortium (headquartered at St. Jude) and member institution for NCI cooperative groups Children's Oncology Group and Pediatric Early Phase Clinical Trials Network; the Childhood Cancer Survivor Study; the Southwest Tennessee HIV/AIDS Care Consortium; the End of Life Nursing Education Consortium; the National Institute for Allergy and Infectious Diseases ("NIAID") Consortium of Centers of Excellence in Influenza Research and Surveillance, and the NIAID-sponsored HIV programs in prevention, vaccine development, and treatment for infants, children, adolescents, and pregnant women, and for the prevention of COVID-19.

**2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact on consumers and existing providers in the service area. Discuss any instances of competition or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.**

Positive Effects

The internal shifting of some services of St. Jude outpatients and clinic patients into a wholly-owned St. Jude home care agency will have several positive effects on the patients and their families, and on the staff and patients that would otherwise be in daily close contact with them in clinic.

The patients and families, who are dealing with catastrophic pediatric disease with all its emotional, physical, and logistical demands and challenges, will be spared making extra trips to campus except when a clinic visit or hospital inpatient stay is truly required for assessment or during the patient's course of treatment. The patients will have dramatically enhanced continuity of care by receiving services in the residential setting by St. Jude-trained providers. The relocation to home care will lower the exposure to potential COVID-19 and other infections on the hospital campus, that can harm immuno-compromised children on the St. Jude campus, and harm the physicians, clinical and research staff and nonclinical employees who utilize clinic areas of the gated campus.

Negative Effects

The applicant has not identified significant adverse impacts on existing home health care agencies. This project will serve a unique patient population that is notably different from the general population that those agencies have been serving.

3.

**A. Discuss the availability of an accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements CMS, and/or accrediting agencies requirements, such as the Joint Commission and the Commission on Accreditation of Rehabilitation Facilities.**

St. Jude has decades of experience in successfully staffing its hospital, clinic, and research programs with highly qualified clinical leadership and professional staff. This proposed home care subsidiary will have the same degree of success and will comply with all professional, State licensing and accreditation standards and requirements. St. Jude and the home health agency LLC will execute an operating agreement to enable the LLC to use human resources, environmental services, and many other services available from St. Jude, including the expertise of staff who work on regulatory and The Joint Commission requirements. The LLC will have a Medical Director who will work closely with St. Jude's clinical leadership.

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

The applicant will seek licensure as a home health agency to provide medically appropriate home health services to patients who are being or have been treated in St. Jude's hospital- and research-based care programs, and need to have follow-up care in St. Jude housing or in the world outside the gated hospital campus. The applicant will follow all applicable regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

**C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).**

St. Jude works with many educational institutions and health care organizations to provide clinical training and rotations. In addition to serving as a federally designated training site for pediatric medical and surgical subspecialty graduate medical education, St. Jude also serves as a training site for the disciplines of Social Work, Respiratory Care, Clinical Nutrition, Child Life, Chaplaincy, Pharmacy, Rehabilitation Services, Psychology, and Diagnostic Imaging. Additionally, St. Jude sponsors many other educational initiatives (conferences, seminars, symposia, etc.). Many of these programs are highlighted here.

**Educational Activities for Elementary through High School**

St. Jude has an established robust biomedical careers pipeline to develop exceptional pediatric cancer researchers and care providers. St. Jude is fostering the next generation of pediatric cancer researchers by providing career-enhancement activities along the entire training continuum from elementary school to the junior faculty level. The St. Jude Comprehensive Cancer Center Education and Outreach Program aims to provide opportunities and access to career development for K-12 students from populations underrepresented in science by partnering with local schools to offer formal and informal science education programming. Programs in collaboration with the Shelby County School district include the St. Jude Afterschool STEM Clubs for 5th-grade students and the St. Jude Summer Science Camps for K-5 students (on hold due to COVID-19 this summer). In addition, St. Jude pioneered the St. Jude Cancer Education in the Classroom Loan Kits to provide curricular materials to K-12 educators, and the St. Jude Science Ambassadors Program to inspire Memphis-area K-12 students to pursue cancer research careers by connecting them with positive, relatable scientific role models. St. Jude also hosts the Science Scholars of Tomorrow Symposium, a one-day event for high school students and their teachers to visit St. Jude and learn about various biomedical careers. Underrepresented students who attend a local university and participated in the Science Scholars Symposium are eligible to apply for the Emerging Cancer Researchers Program, a research immersion program that connects undergraduate students to the scientific community and keeps them connected throughout their undergraduate careers.

**Educational Programs for College and Other Students**

The St. Jude Pediatric Oncology Education ("POE") program is an R25 grant funded by the National Institutes of Health/National Cancer Institute and in its forty-third year. The POE program offers a unique opportunity for college and other students preparing for careers in the biomedical sciences, medicine, nursing, pharmacy, psychology and public health to gain biomedical and oncology research experience. The POE program provides a short-term training experience (summer internship) in either laboratory research or clinical research. Students are matched with faculty mentors based on specific research interest

either in basic science or clinical science and receive training and benefit from interaction of committed basic scientists, research-oriented physicians, and postdoctoral fellows. Students present on their research projects at the end of their appointments and may collaboratively develop manuscripts that are submitted to appropriate journals for possible publication. A primary goal of the POE program is to encourage students to pursue a career in cancer research.

More than 700 applications from undergraduate schools, medical schools and pharmacy schools compete for the 50+ slots each year via CollegeNET. To date, 1,363 individuals have participated in the St. Jude program, 305 (22.4%) of whom identified as under-represented minority (URM). Of the 1,151 who have now finished their academic degree work, 991 (86.1%) hold a doctorate, including 211 (79.9%) of the 264 URM in the cohort. Alumni include 52 PhDs, 30 MD/PhDs, 5 PharmD/PhDs, and some 800 physicians. Another 62 are in a PhD, MD/PhD, or PharmD/PhD program. Alumni include 35 pediatric oncologists, 19 medical oncologists, 34 surgical, radiation, or gynecological/urological oncologists, 12 medical physicists, and 59 PharmDs. Alumni are co-authors on more than 430 St. Jude peer-reviewed publications.

### **Nursing Education**

St. Jude has nurse training relationships for both undergraduate and graduate students from accredited Nursing Programs across the United States. Since January 2019 to date, there have been a total of 363 students on St. Jude's campus who have been pursuing degrees in the field of nursing. In addition, St. Jude also offers nursing tuition reimbursement for current, full-time employees as part of our scholastic partnership with the University of Tennessee Health Sciences Center College of Nursing.

### **Basic Science Training and Education**

More than 200 basic science students from numerous academic institutions in the United States and Europe study at St. Jude. More than 50 of these students are doing Ph.D. level research at St. Jude for thesis completion, with approximately 45 of these students coming from the University of Tennessee College of Graduate Health Sciences. St. Jude has a joint graduate program with the University of Tennessee under an Affiliation Agreement that has existed since the late 1970s.

### **The St. Jude Children's Research Hospital Graduate School of Biomedical Sciences**

The St. Jude Children's Research Hospital Graduate School of Biomedical Sciences was established in 2015 and offers PhD degrees, with training in cutting-edge scientific fields complemented by unique mentoring in the St. Jude clinical experience. The Graduate School's PhD students conduct research in St. Jude laboratories across many departments. Training within the programs emphasizes the basic and translational research on molecular basis of disease and therapy, clinical research and innovation in treating pediatric

diseases, and improving human health globally. The MSc in Global Child Health was developed in conjunction with the St. Jude Department of Global Pediatric Medicine and provides transformative education to established health care professionals both overseas and in the United States. The MSc-GCH program integrates traditional academic training and experiential learning and leverages the exceptional resources at St. Jude and the partnerships that St. Jude has formed with collaborators across the globe. The training is designed to produce child health leaders and change agents committed to strengthening health systems and to enhancing the health and wellness of children domestically and abroad.

### **Residents, Fellows and Medical Students**

St. Jude has exceptional subspecialty pediatric programs in the areas of hematology, infectious diseases, oncology, onco-critical care, surgical oncology, pharmaceutical sciences, and psychology throughout the medical education continuum. These trainees acquire skills in patient management, clinical trials, and bench research.

#### *Residency and Fellowship Programs*

St. Jude, through its Clinical Education and Training Office (CETO), is home to three accredited residency programs (Pharmaceutical Oncology, Pharmacogenetics, Medication Use Safety) and four accredited fellowship programs (Pediatric Hematology/Oncology, Pediatric Infectious Diseases, Neuropsychology, Pediatric Psychology). St. Jude also has eleven additional clinical fellowship programs that are so highly sub-specialized that Accreditation Council for Graduate Medical Education (ACGME)-accreditation is not available.

St. Jude also provides clinical rotations for residents and fellows from ACGME-accredited programs. These programs include many for the University of Tennessee Health Sciences Center, as well as 10 – 12 other academic medical centers around the country. Overall, more than 250 residents and fellows obtain training each year at St. Jude.

The St. Jude Pediatric Hematology/Oncology (one of the largest in the country) and Pediatric Infectious Diseases programs have provided clinical training and focused research opportunities for more than forty years. Although these programs are accredited through UTHSC, they are operated entirely at St. Jude. Graduates have gone on to lead their own training and research programs around the world.

#### *Medical Students*

St. Jude provides elective rotations for third- and fourth-year medical students from Liaison Committee on Medical Education (LCME)-accredited medical schools. Additionally, St. Jude offers clinical shadowing experiences for international medical trainees. In clinic settings, the medical students learn from faculty and fellows about the pathophysiology, presentation, and management of childhood malignancies and illnesses. Additionally, 30-40 fourth-year medical students from LCME-accredited medical schools across the country are selected

to participate in one month clinical and/or research rotations at St. Jude each year. These M4 students are a critical group of individuals for developing the future of their fields. Although there are infrastructure costs for these rotation experiences, St. Jude has never charged students or institutions for these costs.

### **Physician Scientist Instructors**

The Physician Scientist Instructors (PSI) program was established to fund instructor-level faculty positions for promising physician scientists who have excelled in basic, translational or clinical research and have clear potential to develop into independently funded physician scientists. PSIs are faculty positions that begin after successfully completing clinical subspecialty fellowship training at St. Jude. The positions provide three years of support with protected research time to allow for development toward independence as a clinician-scientist, and progress in research, publications, and acquisition of grant funding.

**4. Outstanding Projects:**

**A. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and**

Not applicable. The applicant has never been granted a Certificate of Need. Its parent company (the hospital) has implemented its own prior Certificates of Need and has complied with reporting requirements.

Outstanding Projects					
CON Number	Project Name	Date Approved	Annual Progress Reports		Expiration Date
			Due Date	Date Filed	

*\* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.*

**B. Describe the current progress and status of, each applicable outstanding CON.**

Not applicable.

**5. Equipment Registry -- For the applicant and all entities in common ownership with the applicant.**

**A. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography Scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomography (PET)?**

No.

**B. If yes, have you submitted their registration to HSDA? If you have, what was the date of the submission?**

Not applicable.

**3) If yes, have you submitted their utilization to HSDA? If you have, what was the date of the submission?**

Not applicable.

<b>Facility</b>	<b>Date of HSDA Registration</b>	<b>Date of Last Utilization Submittal</b>

## **SECTION C: STATE HEALTH PLAN QUESTIONS**

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/health-program-areas/health-planning/state-health-plan.html> ). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The **5 Principles for Achieving Better Health** are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the **5 Principles for Achieving Better Health** found in the State Health Plan.

**1. The purpose of the State Health Plan is to improve the health of Tennesseans.**

The separation of this unique patient population's site of care for appropriate services from St. Jude campus clinics to patients' own or temporary residences will significantly reduce the risk of COVID-19 infections for hospital and clinic patients and staff and for the clinic patients and families who currently come onto the campus. This will protect patients, families, providers, and staff from infection, and thus contribute to protecting the community at large.

**2. Every citizen should have reasonable access to health care.**

The proposed provision of home care services to many of St. Jude's clinic patients will make care more easily accessible for these patients and their families. They will no longer have to travel onto and within campus buildings for the care that can be offered by the home health agency for some of their services; the care and caregivers they need will be in their residences in the three-county service area. In addition, St. Jude will continue to serve these patients without regard to their ability to pay for care, assuring access for thousands of patients who lack the means to pay for this and most other significant healthcare services.

**3. The State's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the State's health care system.**

The project lowers health risks and improves patients' experiences. Accessing care whenever possible where these unique patients live or are staying while at St. Jude for treatment is more efficient than repeated visits to the hospital campus.

**4. Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.**

St. Jude has always been recognized for the high quality of its health care services. St. Jude is an evidence-based, outcomes-driven research institution. It has demonstrated a high degree of compliance with professional, licensing and accreditation standards that assure high quality of care. Its homecare subsidiary proposed in this application will follow the same high standards as it provides a continuum of care to St. Jude patients beyond the gates of the hospital campus.

**5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.**

The project will have only a minimal impact on the State workforce; but it will potentially add to the pool of competent healthcare providers delivering care in West Tennessee, and will enhance the quality of the workforce through training of its staff.

### **PROOF OF PUBLICATION**

**Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.**

Date LOI was Submitted: July 9, 2020

Date LOI was Published: July 10, 2020

### **NOTIFICATION REQUIREMENTS**

1. T.C.A. §68-11-1607(c)(9)(A) states that “...Within ten (10) days of filing an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.”

T.C.A §68-11-1607(c)(9)(B) states that “... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested.”

**Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.**

**Please provide documentation of these notifications.**

This notification process is not required for a proposed home health agency.

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**Affidavit of Publication**

**STATE OF WISCONSIN**  
**County of Brown**

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07/10/2020

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**NOTIFICATION OF INTENT  
TO APPLY FOR A CERTIFICATE OF NEED**

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that St. Jude Children's Research Hospital Home Care (a proposed home health agency), owned and to be managed by St. Jude Children's Research Hospital Home Care, LLC (a limited liability company), intends to file an application for a Certificate of Need to establish a home health agency and to initiate home health services exclusively restricted to patients of St. Jude Children's Research Hospital, with a principal office located at 545 Danny Thomas Place, Memphis, TN 38105, at a capital cost estimated at \$182,000.

The proposed project will seek Home Health Agency licensure from the Board for Licensing Health Care Facilities, for a service area consisting of Shelby, Fayette, and Tipton Counties. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before July 15, 2020. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

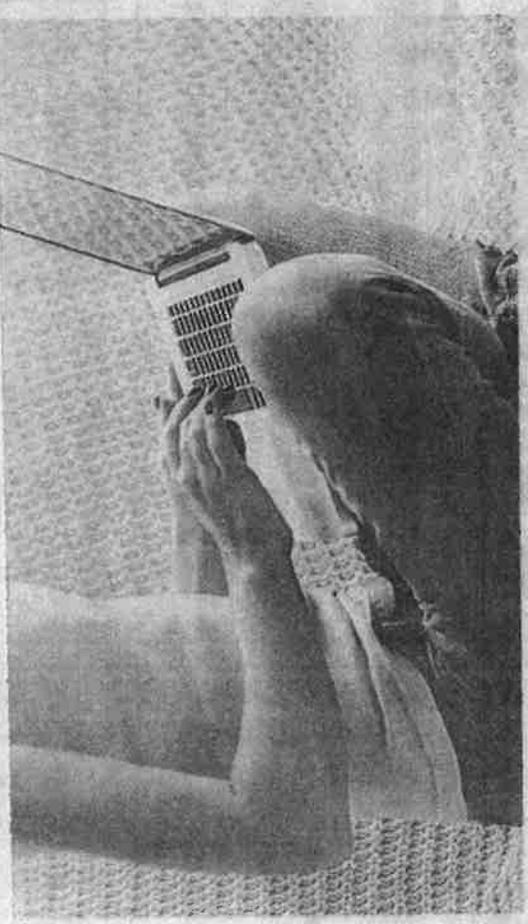
Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

July 10, 2020

# KNOWLEDGE FINDING WORK



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July 10, 2020

# Classifieds

All classified ads are subject to the applicable rate card, copies of which are available from our Advertising Dept. All ads are subject to approval before publication. The Memphis Commercial Appeal shall not be liable for any loss or expense that results from an error in or omission of an advertisement. No refunds for early cancellation of order.

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## **DEVELOPMENT SCHEDULE**

**T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.**

**1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

Completed.

**2. If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital projects and 2 years for all others), please document why an extended period should be approved and document the “good cause” for such an extension.**

The applicant does not request an extended period of completion.

## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Initial HSDA Decision Date	0	10/20
1. Architectural & engineering contract signed	NA	NA
2. Construction documents approved by TDH	NA	NA
3. Construction contract signed	NA	NA
4. Building permit secured	NA	NA
5. Site preparation completed	NA	NA
6. Building construction commenced	15	11/20
7. Construction 40% complete	32	11/20
8. Construction 80% complete	35	11/20
9. Construction 100% complete	37	11/20
10. * Issuance of license	51	12/20
11. *Initiation of service	62	1/21
12. Final architectural certification of payment	NA	NA
13. Final Project Report Form (HF0055)	92	2/21

\* For projects that **DO NOT** involve construction or renovation: please complete items 11-12 only.

<p><b>Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.</b></p>
---

AFFIDAVIT

STATE OF TENNESSEE

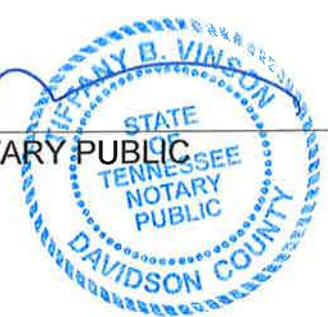
COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

  
SIGNATURE/TITLE  
CONSULTANT

Sworn to and subscribed before me this 15 day of JULY, 2020 a Notary  
(Month) (Year)

Public in and for the County/State of DAVIDSON

  
NOTARY PUBLIC  


My commission expires 03.08.2021, 2021  
(Month/Day) (Year)



## INDEX OF ATTACHMENTS

### Section A

- A-4AB Applicant's Legal Status and Ownership Structure
- A-6A Site Control Documentation
- A-6B-1 a-d Plot Plan
- A-6B-2 Floor Plan

### Section B

- B-Need-3 Service Area Maps
- B-Economic Feasibility-1E Documentation of Construction Cost Estimate
- B-Economic Feasibility-2 Documentation of Funding/Financing Availability
- B-Economic Feasibility-6A Applicant's Financial Statements

### Other Attachments

- Proof of Publication
- Miscellaneous Information
- Support Letters

**A-4AB**

**Applicant's Legal Status  
and Ownership Structure**



Business Services Online > Find and Update a Business Record

# Business Information Search

As of July 11, 2020 we have processed all corporate filings received in our office through July 09, 2020 and all annual reports received in our office through July 09, 2020.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search: 1-1 of 1

Search Name:   Starts With  Contains

Control #:

Active Entities Only:

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>001109338</u>	LLC	St. Jude Children's Research Hospital Home Care, LLC TENNESSEE	Entity	Active	07/07/2020	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by [Clicking Here](#).

[Click Here](#) for information on the Business Services Online Search logic.

Division of Business Services  
312 Rosa L. Parks Avenue, Snodgrass Tower, 6th Floor  
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- Business Filings and Information (615) 741-2286 | [TNSQS.CORPINFO@tn.gov](mailto:TNSQS.CORPINFO@tn.gov)
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- Motor Vehicle Temporary Liens (615) 741-0529 | [TNSQS.MVTL@tn.gov](mailto:TNSQS.MVTL@tn.gov)
- Notary Commissions (615) 741-3699 | [TNSQS.ATS@tn.gov](mailto:TNSQS.ATS@tn.gov)
- Uniform Commercial Code (UCC) (615) 741-3276 | [TNSQS.UCC@tn.gov](mailto:TNSQS.UCC@tn.gov)
- Workers' Compensation Exemption Registrations (615) 741-0526 | [TNSQS.WCER@tn.gov](mailto:TNSQS.WCER@tn.gov)
- Apostilles & Authentications (615) 741-0536 | [TNSQS.ATS@tn.gov](mailto:TNSQS.ATS@tn.gov)
- Summons (615) 741-1799 | [TNSQS.ATS@tn.gov](mailto:TNSQS.ATS@tn.gov)
- Trademarks (615) 741-0531 | [TNSQS.ATS@tn.gov](mailto:TNSQS.ATS@tn.gov)
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**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

St. Jude Children's Research Hospital Home Care, LLC  
545 S DANNY THOMAS BLVD RM J-1006  
MEMPHIS, TN 38126

July 7, 2020

### Filing Acknowledgment

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

<b>SOS Control # :</b>	<b>001109338</b>	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	07/07/2020
Filing Date:	07/07/2020 1:01 PM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2021
Duration Term:	Perpetual	Image # :	B0885-5194
Business Type:	Non-Profit Limited Liability Company		
Managed By:	Member Managed		
Business County:	SHELBY COUNTY		

#### Document Receipt

Receipt # : 005649054	Filing Fee:	\$300.00
Payment-Check/MO - CFS-1, NASHVILLE, TN		\$300.00

**Registered Agent Address:**  
ROBYN DIAZ  
262 DANNY THOMAS PL STOP 280  
MEMPHIS, TN 38105-3678

**Principal Address:**  
545 S DANNY THOMAS BLVD RM J-1006  
MEMPHIS, TN 38126

Congratulations on the successful filing of your **Articles of Organization** for **St. Jude Children's Research Hospital Home Care, LLC** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website ([www.tn.gov/revenue](http://www.tn.gov/revenue)) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

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

  
Tre Hargett  
Secretary of State

Processed By: Adam Harrer

## ARTICLES OF ORGANIZATION

FILED

**OF  
ST. JUDE CHILDREN'S RESEACH HOSPITAL HOME CARE, LLC**

The undersigned organizer of a nonprofit limited liability company under the Tennessee Revised Nonprofit Limited Liability Company Act, Tennessee Code Annotated § 48-101-801 *et seq.*, adopts the following Articles of Organization for such nonprofit limited liability company:

- (1) The name of the limited liability company is St. Jude Children's Research Hospital Home Care, LLC.
- (2) The limited liability company is a nonprofit limited liability company.
- (3) The street address, zip code and county of the registered office of the limited liability company in the State of Tennessee are 262 Danny Thomas Place, Mail Stop 280, Memphis, TN 38105-3678, Shelby County.
- (4) The name of the registered agent of the limited liability company located at the registered office set forth above is Robyn Diaz.
- (5) The name and address of the organizer of the limited liability company are Frank Pellegrino, 150 Third Avenue South, Suite 2800, Nashville, TN 37201, Davidson County.
- (6) The limited liability company shall be member managed.
- (7) The limited liability company has one (1) member at the date of the filing of these Articles of Organization.
- (8) The street address, zip code and county of the principal executive office of the limited liability company are 545 Danny Thomas Place, Room J-1006, Memphis, TN 38105, Shelby County.

IN WITNESS WHEREOF, the undersigned organizer of the nonprofit limited liability company has executed these Articles of Organization on July 7, 2020.

**ORGANIZER:**

/s/ Frank Pellegrino  
Frank Pellegrino

# Board for Licensing Health Care Facilities

State of Tennessee



COPY

## DEPARTMENT OF HEALTH

No. of Beds 0000000113  
0080

*This is to certify, that a license is hereby granted by the State Department of Health to*

*ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. to conduct and maintain a*

*Hospital* ST. JUDE CHILDREN'S RESEARCH HOSPITAL

*Located at* 262 DANNY THOMAS PLACE, MEMPHIS

*County of* SHELBY, Tennessee.

COPY

*This license shall expire* MAY 03, 2021, *and is subject*

*to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

*In Witness Whereof, we have hereunto set our hand and seal of the State this* 10TH *day of* APRIL, 2020.

*In the Distinct Category(ies) of:* PEDIATRIC HOSPITAL  
PEDIATRIC BASIC HOSPITAL



*By* James J. Davis, MPH  
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

*By* Shirley J. Gentry  
COMMISSIONER

**OPERATING AGREEMENT**

**OF**

**St. Jude Children's Research Hospital Home Care, LLC**

THIS OPERATING AGREEMENT ("Agreement") of St. Jude Children's Research Hospital Home Care, LLC (the "Company") is made by the undersigned Member to be effective as of [•] 2020.

WITNESSETH:

WHEREAS, the Company was formed on [•], 2020 by the filing of Articles of Conversion with the Secretary of State for the State of Tennessee ("Articles");

WHEREAS, the Member desires to adopt this Agreement as the Operating Agreement of the Company.

NOW, THEREFORE, the Member sets forth the following:

**ARTICLE I.**  
**GENERAL**

1.1 Effective Date of Agreement. The effective date of this Agreement (the "Effective Date") shall be the date first set forth above.

1.2 Name. The name of the nonprofit limited liability company formed pursuant to the Articles is St. Jude Children's Research Hospital Home Care, LLC.

1.3 Member. St. Jude Children's Research Hospital, Inc., a Tennessee nonprofit corporation, is the sole member of the Company ("Member").

1.4 Principal Place of Business of Company. The Company's principal place of business shall be determined by the Member.

1.5 Nonprofit LLC. The Company shall be a nonprofit LLC as defined in the Tennessee Nonprofit Limited Liability Company Act of 2001 (the "Act").

1.6 Purposes and Powers.

(a) The Company is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

(b) The Company may exercise any and all powers, rights and privileges, afforded a nonprofit LLC under the Act. Notwithstanding any other provision of this Agreement, the Company shall not carry on any activities not permitted to be carried on by a nonprofit LLC organized pursuant to the Act and that is exempt from federal income tax under Section 501(c)(3) of the Code.

1.7 No Private Inurement. No part of the net earnings of the Company shall inure to the benefit of, or be distributable to a private person (other than the Member); but the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth in Section 1.6.

1.8 Limited Liability of Member. The Member shall not be personally obligated to any third party for any debt, obligation or liability of the Company solely by reason of being a member of the Company.

1.9 Additional Members. Whether additional members shall be admitted as members of the Company shall be in the sole discretion of the Member.

1.10 Relation of Agreement to Articles. If there is any conflict between the provisions of this Agreement and those of the Articles, the provisions of the Articles shall prevail.

## **ARTICLE II. CAPITAL CONTRIBUTIONS**

The Member shall have no duty to make capital contributions to the Company.

## **ARTICLE III. DISTRIBUTIONS OF COMPANY ASSETS**

Only the Member shall be entitled to receive distributions of Company profits and other Company assets. No other person shall have any right to any such distributions. It shall be within the sole and exclusive discretion of the Member to decide whether to distribute cash and other assets to the Member.

## **ARTICLE IV. COMPANY MANAGEMENT**

4.1 Management of the Company. The Company shall be a member-managed limited liability company. As such, the business and affairs of the Company shall be managed under the supervision and direction of the Member.

4.2 Officers.

(a) President. [•] is appointed as the President of the Company on the Effective Date. The President of the Company shall be the principal executive officer of the Company, and shall, in general, perform all of the duties and have all of the authority incident to the office of the chief executive officer of a corporation, as well as such other duties as may from time to time be prescribed by the Member. The President shall have primary responsibility for the Company's day-to-day operations including employing staff, signing checks and authorizing payments, executing contracts, or other instruments in the ordinary course of the Company's business.

(b) Additional Officers. The Member shall determine whether the Company will appoint officers, and the extent of any authority granted to any such officers.

4.3 Execution of Documents. Any deed, deed of trust, bill of sale, lease agreement, security agreement, financing statement, contract of purchase or sale, operating agreement, partnership agreement or joint venture agreement, or other contract or instrument purporting to bind the Company or to convey or encumber any of the assets of the Company may be signed by the President and no other signature shall be required.

**ARTICLE V.**  
**TRANSFERS OF MEMBERSHIP INTERESTS**

The Member, in the Member's sole discretion, may transfer (whether by sale, gift or otherwise) all or any part of the Member's membership rights, including financial rights and/or governance rights, to any person at any time. The Member may make any such transfer under any terms and conditions which the Member deems appropriate.

**ARTICLE VI.**  
**ACCOUNTING AND TAX**

6.1 Books and Records. The Company shall maintain on a current basis accurate books of account.

6.2 Tax Characterization. It is the intention of the Member that the Company be disregarded for federal and all relevant state tax purposes and that the activities of the Company be deemed to be activities of the Member solely for such tax purposes. All provisions of the Company's Articles and this Agreement are to be construed so as to preserve that tax status under those circumstances.

6.3 Annual Accounting Period of Company. The Company's annual accounting period for financial purposes shall be the same as the Member's annual accounting period.

**ARTICLE VII.**  
**DISSOLUTION**

7.1 Definition of Dissolution, Winding Up and Liquidation. For purposes of this Agreement:

(a) Dissolution. The dissolution of the Company shall mean the cessation of its normal business activities and the beginning of the process of winding it up and liquidating it.

(b) Winding Up. The winding up of the Company shall mean the process of concluding its existing business activities and internal affairs and preparing for its liquidation.

(c) Liquidation. The liquidation of the Company shall mean the sale or other disposition of its assets and the distribution of its assets (or the distribution of the proceeds of the sale or other disposition of its assets) to its creditors and to the Member.

7.2 Dissolution, Winding Up and Liquidation of the Company. The Member may determine whether and when to dissolve the Company, and commence its winding up and liquidation.

**ARTICLE VIII.**  
**TERM AND TERMINATION**

The term of this Agreement shall begin on the Effective Date and shall end upon the earlier of:

- (a) The date on which the Company ceases to exist under this Agreement or under other applicable law; or
- (b) The date on which the Member determines to terminate the Agreement.

**ARTICLE IX.**  
**EXCULPATION; INDEMNIFICATION**

(a) To the fullest extent permitted by the Act, no officer of the Company shall be liable to the Company or to the Member provided such person's acts or omissions are taken in good faith and within the scope of authority granted or reserved to such person under this Agreement or by resolution of the Member, and do not constitute fraud, willful misconduct, or a breach of this Agreement.

(b) To the fullest extent permitted by the Act, each officer of the Company shall be indemnified, defended and held harmless by the Company from and against any and all expenses (including reasonable attorneys' fees), losses, damages, liabilities, charges and claims of any kind or nature whatsoever (collectively "Indemnified Losses"), incurred by such person in his capacity as an officer of the Company out of or incidental to any act performed or omitted to be performed by such person, provided such person's acts or omissions are taken in good faith and are within the scope of authority granted or reserved to such person under this Agreement or by resolution of the Member, and do not constitute fraud, willful misconduct, or a breach of this Agreement.

**ARTICLE X.**  
**MISCELLANEOUS PROVISIONS**

10.1 Amendments. No amendment of this Agreement shall be valid unless it is set forth in a writing signed by the Member.

10.2 Governing Law. This Agreement shall be governed exclusively by the laws of the State of Tennessee.

10.3 Captions. Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing its provisions.

*[signature page to follow on separate page]*

IN WITNESS WHEREOF, this Operating Agreement of St. Jude Children's Research Hospital Home Care, LLC is executed by the sole member of the Company to be effective as of the date first written above.

**St. Jude Children's Research Hospital, Inc.**

By: \_\_\_\_\_  
Name:  
Title:

# Board for Licensing Health Care Facilities



State of Tennessee

## DEPARTMENT OF HEALTH

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No. of Beds 0000000113  
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*This is to certify, that a license is hereby granted by the State Department of Health to*  
ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. *to conduct and maintain a*

*Hospital* ST. JUDE CHILDREN'S RESEARCH HOSPITAL

*Located at* 262 DANNY THOMAS PLACE, MEMPHIS

*County of* SHELBY, *Tennessee.*

COPY

*This license shall expire* MAY 03, 2021, *and is subject*

*to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

*In Witness Whereof, we have hereunto set our hand and seal of the State this* 10TH *day of* APRIL, 2020.

*In the Distinct Category(ies) of:* PEDIATRIC HOSPITAL  
PEDIATRIC BASIC HOSPITAL



*By* Twain J. Davis, MPH  
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

*By* Ann Gercynm  
COMMISSIONER

**A.6A**

**Site Control Documentation**

## FACILITY LEASE AGREEMENT

LEASE AGREEMENT dated July 13, 2020, between St. Jude Children's Research Hospital, Inc., a Tennessee non-profit corporation ("Lessor") having an address at 262 Danny Thomas Place, Memphis, Tennessee 38105, and St. Jude Children's Research Hospital Home Care, LLC, a Tennessee limited liability company ("Lessee"), having an address at 545 St. Jude Place, Suite J-1006, Memphis, Tennessee 38105. This Lease is approved by the Master Lessor, American Lebanese Syrian Associated Charities, Inc., an Illinois non-profit corporation having an address at 501 Danny Thomas Place, Memphis, Tennessee 38105.

1. Demise of Premises: In consideration of the rents and covenants herein stipulated to be paid and performed, Lessor hereby demises and lets to Lessee, and Lessee hereby demises and lets from Lessor (for the respective terms hereinafter described), the premises and any part thereto (the "Leased Premises") described in Exhibit A hereto, together with office furniture, phone system, computer equipment located therein, and other Equipment as defined below, upon the terms and conditions hereinafter specified.

2. Certain Definitions

(a) Additional Rent: The term "Additional Rent" means Additional Rent as defined in Section 6.

(b) Alterations: The term "Alterations" means all changes, additions, improvements and repairs to, all alterations, reconstructions, renewals or removals of and all substitutions or replacements for any of the Improvements, both interior and exterior, structural and non-structural, and ordinary and extraordinary.

(c) Basic Rent: The term "Basic Rent" means the respective amounts set forth in Section 6 as installments of Basic Rent for the Leased Premises.

(d) Basic Rent Payment Date: The term "Basic Rent Payment Date" means any date on which an installment of Basic Rent is due pursuant to Section 6.

(e) Equipment: The term "Equipment" means those items of equipment and fixtures utilized in connection with the educational activities of Lessee.

(f) Event of Default: The term "Event of Default" means an Event of Default as defined in Section 17.

(g) Extension Term: The term "Extension Term" means the Extension Term as defined in the Section 5.

(h) Impositions: The term "Impositions" means all taxes, including, without limitation, sales and use taxes, assessments, including, without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date of this Lease, and whether or not to be completed within the Term, water and sewer rents, rates and charges, excises, levies, license fees, permit fees, inspection fees,

and other authorization fees and other charges or costs of any nature whatsoever, in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character, including interest and penalties, which at any time during the Term may be assessed against, levied upon, confirmed or imposed on, or be a lien upon:

- (i) the Leased Premises or any part, estate, right, or interest;
- (ii) any occupancy, use, or possession of or activity conducted on the Leased Premises;
- (iii) any Basic Rent or Additional Rent or other sum reserved or payable by Lessee;
- (iv) this Lease or Lessor; or
- (v) the gross receipts, gross income, or gross rentals of Lessor from the Leased Premises or the earnings from their use or occupancy.

Notwithstanding the foregoing provisions of this Section 2(i), the term "Impositions" excludes (a) franchise or similar taxes, if any, of Lessor and assessments, levies and liens, and (b) transfer, income, profits, or other taxes, if any, of Lessor, determined on the basis of its net income or net revenues, and assessments, levies and liens arising therefrom; unless the taxes referred to in clauses (a) and (b) above are in lieu of, in addition to, or a substitute for any other tax or assessment upon or with respect to the Leased Premises or any increases therein which, if such other tax or assessment were in effect, would be payable by Lessee.

(i) Improvements: the term "Improvements" means the Improvements as defined in the Section 1.

(j) Initial Term: The term "Initial Term" means the Initial Term as defined in Section 5.

(k) Insurance Requirements: The term "Insurance Requirements" means all terms of an insurance policy or all requirements of a program of self-insurance maintained in accordance with this Lease, as the case may be, in each case covering or applicable to the Leased Premises, all requirements of the issuer of a policy, and all orders, rules, regulations, and other requirements of the National Board of Fire Underwriters or another body exercising similar functions applicable to or affecting the Leased Premises, or any use or condition of the Leased Premises.

(l) Law: The term "Law" means any constitution, statute, regulation, order, or rule of Law.

(m) Leased Premises: The term "Leased Premises" means the Leased Premises as defined in the Section 1.

(n) Legal Requirements: The term "Legal Requirements" means all Laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, and officers, foreseen and unforeseen, ordinary and extraordinary, that now or at any time may be applicable to the use, occupancy, possession, maintenance, alteration, repair, or reconstruction of the Leased Premises, whether or not the foregoing involve a change of requirements by any governmental body enacting the same after the date this Lease is executed.

(o) Lessee: The term "Lessee" means the Lessee as defined in the Preamble.

(p) Lessor: The term "Lessor" means the Lessor as defined in the Preamble.

(q) Replaced Equipment: The term "Replaced Equipment" means the Replaced Equipment as defined in Section 11(f).

(r) Replacement Equipment: The term "Replacement Equipment" means the Replacement Equipment as defined in Section 11(f).

(s) Term: The term "Term" means the Term as defined in Section 5.

3. Title and Condition.

(a) The Leased Premises are demised and let subject to:

(i) the existing state of the title as of the commencement of the Term;

(ii) any state of facts that an accurate survey or physical inspection of the Leased Premises might show;

(iii) zoning regulations, restrictions, rules, ordinances, building restrictions, and other Laws and regulations now in effect or hereafter adopted by a governmental authority having jurisdiction; and

(iv) the condition of the Leased Premises at the Term commencement, without Lessor representation, warranty, liability, or obligation for patent or latent defects.

(b) Lessee represents to Lessor that Lessee has examined the title to the Leased Premises prior to execution and delivery of this Lease and has found the same to be satisfactory for the purposes contemplated.

(c) Lessee acknowledges that the Leased Premises are in good condition and repair at the inception of this Lease and so designed and in such condition as to be fit for use by Lessee as it intends to use the Leased Premises.

(d) Lessor has not made and will not make inspection of the Leased Premises, and Lessor leases and will lease and Lessee takes and will take the Leased Premises **AS IS**, and Lessee acknowledges that Lessor, whether acting as Lessor or in another capacity, has not made, will not make, nor be deemed to have made, warranty or representation, express or implied, with respect to the Leased Premises, including warranty or representation as to its fitness for use or purpose, design, or condition for particular use or purpose, as to the quality of the material or workmanship, latent or patent, as to Lessor's title, or as to value, compliance with specifications, location, use, condition, merchantability, quality, description, durability, or operation, it being agreed that all risks are to be borne by Lessee.

(e) Lessee acknowledges that the Leased Premises are of its selection and to its specifications and that Lessee has inspected the Leased Premises and is satisfied with its condition.

(f) If a patent or latent defect or deficiency of any nature exists in the Leased Premises, Lessor is not responsible or liable for incidental or consequential damages, including strict liability in tort.

(g) The provisions of this Section 3 have been negotiated and are intended to be a complete exclusion and negation of warranties by Lessor, express or implied, with respect to the Leased Premises, arising pursuant to the Uniform Commercial Code, or any other Law now or hereafter in effect.

#### 4. Use of Leased Premises; Quiet Enjoyment

(a) Lessee may occupy and use the Leased Premises solely for the purpose of operating a home health agency office and, potentially, thereafter, hospice agency, that will be used to coordinate home health services exclusively for patients of St. Jude Children's Research Hospital, as described in Lessee's Operating Agreement.

(b) Lessee shall not permit unlawful occupation, business, or trade to be conducted on the Leased Premises, or use to be made contrary to applicable Legal Requirements. Lessee's use of premises requires that Lessee obtain approval from the Tennessee Health Services and Development Agency of its application for a Certificate of Need for the establishment of a home health agency and licensure from the Office of Health Care Facilities. In the event that the Lessee does not obtain approval for its Certificate of Need and licensure within 365 days of execution and delivery of this Lease, the Lease shall terminate immediately.

(c) Lessee shall not use or occupy or permit the Leased Premises to be used or occupied, nor do or permit activities in or on the Leased Premises, in a manner that would or might:

(i) violate a certificate of occupancy affecting the Leased Premises;

(ii) make void or voidable insurance in force with respect to the Leased Premises;

(iii) make it difficult or impossible to obtain fire or other insurance that Lessee is required to furnish;

(iv) cause structural injury to the Improvements;

(v) constitute a public or private nuisance or waste; or

(vi) cause a risk to the health of employees, invitees to the Leased Premises, or the public.

(d) If and so long as Lessee observes and performs all covenants, agreements, and obligations required by it to be observed and performed, Lessor warrants Lessee's peaceful and quiet occupation and enjoyment of the Leased Premises, free of hindrance by Lessor or anyone claiming by or through Lessor; provided, that Lessor and its agents may enter upon and examine the Leased Premises at reasonable times upon prior notice. Failure by Lessor to comply with the foregoing covenant does not give Lessee right to cancel or terminate this Lease, or to abate, reduce, or make deduction from or offset against any Basic Rent or Additional Rent or other sum payable under this Lease, or to fail to perform or observe other covenants, agreements, or obligations of Lessee.

## 5. Term

(a) Subject to the terms, covenants, agreements, and conditions contained herein, Lessee shall have and hold the Leased Premises for a term (the "Initial Term") commencing on the date of execution and delivery of this Lease Agreement and ending at midnight on June 30, 2025.

(b) This Lease extends automatically for additional terms of five (5) years (each an "Extension Term," and, together with the Initial Term, the "Term"), unless and until either Lessor or Lessee provides the other with written notice of the party's decision not to renew at least two(2) months before the expiration of the Initial Term or the then-current Extension Term, as applicable.

(c) Each Extension Term is subject to the provisions of this Lease and commences on the day next succeeding the expiration of the Initial Term, or the then-current Extension Term, as applicable.

6. Rent

(a) Lessee covenants to pay to Lessor, as rent for the Leased Premises during the Term, the basic rent ("Basic Rent") in the amount of the \$2,175.00 per year, increasing at 3.0% (three percent) per year at Lessor's address set forth above, or at such other place or bank account within the continental United States, or to such other person as Lessor from time to time may designate to Lessee in writing, in Lawful money of the United States of America.

(b) Basic Rent shall be paid on the first day of the month next following the effective date that the Lease commences, and annually thereafter.

7. Net Lease

(a) This is a net lease and the Lessee shall pay Basic Rent, Additional Rent, and all other sums payable without notice or demand and without set-off, counterclaim, abatement, suspension, deferment, diminution, deduction, or defense.

(b) Except as otherwise provided in Section 13 and Section 14, Tenant is not entitled to a set-off, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction, or defense of or to Basic Rent or Additional Rent, and the obligations of Lessee under this Lease are not affected for any reason, including the following:

(i) damage to or destruction of all or any part of the Leased Premises from whatever cause;

(ii) taking of the Leased Premises or any portion or interest by condemnation, requisition, or otherwise for any reason;

(iii) prohibition, limitation, or restriction of Lessee's use of all or any part of the Leased Premises, or interference with Lessee's use, unless the prohibition, limitation, restriction, or interference is caused by Lessor;

(iv) title defect, encumbrance, or eviction from the Leased Premises by paramount title or otherwise;

(v) Lessee's acquisition or ownership of an interest in all or any part of the Leased Premises;

(vi) failure on the part of Lessor to observe a provision of this Lease, or default by Lessor under another agreement to which Lessor and Lessee may be parties;

(vii) claim that Lessee has or might have against Lessor; or

(viii) other cause whether similar or dissimilar to the foregoing, present or future Law to the contrary notwithstanding; in each case whether or not Lessor has notice or knowledge of the foregoing.

(c) It is the intention of the Parties that the obligations of Lessee are separate and independent covenants and agreements, that the Basic Rent, the Additional Rent, and other sums payable by Lessee, continue to and be payable in all events and that the obligations of Lessee continue unaffected, unless the requirement to pay or perform the same has been terminated pursuant to an express provision of this Lease.

(d) Lessee agrees that it will remain obligated under this Lease in accordance with its terms, and that it will not take action to terminate, rescind, or avoid this Lease, or abate the rent required, notwithstanding:

(i) bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up, or other proceeding affecting Lessor or assignee of Lessor; and

(ii) other action, including rejection, with respect to this Lease that may be taken by a trustee, receiver, or assignee of Lessor in a proceeding or by a court.

(e) Lessee waives all rights that may now or hereafter be conferred by Law to abatement, suspension, deferment, or reduction of the Basic Rent, Additional Rent, or other sums payable under this Lease, except as otherwise expressly provided herein.

#### 8. Payment of Impositions; Compliance with Law

(a) Subject to the provisions of Section 16 relating to permitted contests, Lessee shall pay all Impositions and fines, penalties, interest, or costs that are added for non-payment. Lessee agrees to furnish to Lessor, within thirty (30) days after written demand, proof of the payment of all Impositions that are payable by Lessee as provided in this Section 8 (a). In the event that an Imposition becomes due and payable during the Term and is legally paid in installments, Lessee has the option to pay the assessment in installments, and is liable only for installments that become due and payable during the Term, with appropriate proration in the case of fractional years.

(b) Subject to the provisions of Section 16, Lessee shall at its expense,

(i) comply with and cause the Leased Premises to comply with and conform to Legal Requirements and Insurance Requirements, whether or not compliance requires making structural unforeseen or extraordinary changes or interferes with the use and enjoyment of the Leased Premises, provided that Lessee also complies with the Lessor consent requirements set forth in Section 11 and Section 12;

(ii) procure, maintain, and comply with permits, licenses, and other authorizations required for each use of the Leased Premises; and

(iii) comply with the requirements of contracts, agreements, and restrictions that are binding on Lessor, Lessee, or the Leased Premises and affect the Leased Premises or their ownership, occupancy, or use, if this Lease is subordinate to the contracts, agreements, and restrictions, Lessee has accepted their terms, and the Leased Premises is subject to the contracts, agreements, and restrictions by operation of Law.

(c) Lessee shall at its sole cost and expense comply with and cause the Leased Premises to comply with all covenants, terms, and conditions of presently existing documents that are, or notice of which is, recorded in the land records in the jurisdiction in which the Leased Premises are located and that affect the Leased Premises, their use, or interest, and documents that hereafter come into existence, provided in the latter case that Lessee is either a party to the document or is otherwise bound.

9. Liens; Recording and Title; Easements

(a) Lessee will not, directly or indirectly, create or permit to be created or to remain, and will promptly discharge, at its expense, any mortgage, lien, encumbrance, or charge on, pledge of, or conditional sale or other title retention agreement with respect to the Leased Premises, Lessee's interest, or the Basic Rent, Additional Rent, or other sums payable by Lessee under this Lease, other than:

(i) this Lease;

(ii) deed of trust or mortgage and assignment of this Lease and the rents created by or resulting solely from an act or omission of Lessor; and

(iii) liens for Impositions that are not yet due and payable, or the non-payment of which will not give rise to the creation or imposition of a fine or penalty.

(b) The existence of a mechanic's, laborer's, materialman's, supplier's, or vendor's lien, or a right in respect thereof, does not constitute a violation of this Section 9 if payment is not yet due on the contract, or for the goods or services in respect of which a lien has arisen, so long as payment is made or bonded off within sixty (60) days after the later to occur, after the completion of the work that gave rise to the imposition of liens or rendering of the invoice, statement, or demand for payment.

(c) Nothing contained in this Lease constitutes consent or request of Lessor, expressed or implied, of a contractor, subcontractor, laborer, materialman, or vendor to or for the performing labor or services, or furnishing materials for construction, alteration, addition, repair, or demolition of or to the Leased Premises.

(d) Notice is hereby given that Lessor shall not be liable for labor, services, or materials furnished to or to be furnished to Lessee, or to anyone holding the Leased Premises through or under Lessee, and that no mechanic's or other liens for labor, services, or materials attach to or affect the interest of Lessor in and to the Leased Premises.

(e) Lessor is authorized to enter upon the Leased Premises at any time during regular business hours to post notices that in its opinion are reasonably necessary to hold Lessor and the Leased Premises harmless from liability for or loss from work done on the Leased Premises.

(f) Lessee shall at its sole cost and expense, execute, deliver, and record, file, or register from time to time all instruments as may be required by a present or future Law to evidence the respective interests of Lessor and Lessee in the Leased Premises, and shall cause this Lease, or a memorandum of this Lease, and supplements or other instruments, as appropriate, to be recorded, filed, or registered and re-recorded, refilled, or re-registered in a manner and the places as are required by a present or further Law to publish notices and protect the validity of this Lease.

(g) Lessor has the right in its sole discretion to encumber the Leased Premises.

(h) Lessor agrees at the request of Lessee and at Lessee's sole cost and expense, from time to time to:

(i) grant easements, licenses, rights of way, and other rights and privileges in the nature of easements for gas, electric, telephone, and other utilities for the purpose of serving the Leased Premises, provided easements shall have no more than a de minimus adverse effect on the value of the Leased Premises;

(ii) release existing utility easements and appurtenances that are for the benefit of the Leased Premises; and

(iii) execute and deliver instruments necessary or appropriate to confirm grants or releases to any person, but only upon delivery of:

(1) a certificate of the representative of Lessee stating that the grant or release is not detrimental to the proper conduct of the business of Lessee, and that the grant or release does not materially impair the use of the Leased Premises for the purposes for which it is then held by Lessee, or impair, other than in a de minimus manner, its value; and

(2) an authorized undertaking of Lessee, in form and substance satisfactory to Lessor, to the effect that Lessee will remain obligated under this Lease to the same extent as if the easement, license, right of way, or other right or privilege had not been granted or released, and that Lessee will perform all obligations of the grantor or releasor under the instrument of grant or release.

#### 10. Indemnification

(a) Lessee shall pay, and protect, indemnify and save harmless Lessor from and against liabilities, losses, damages, costs, expenses, including reasonable

attorneys' fees and expenses of Lessor, penalties, causes of action, suits, claims, demands, or judgments of any nature whatsoever arising during the Term, or asserted thereafter if arising out of or in any way connected with matters covered by this Section 10, from:

(i) injury to, or the death of, a person or damage to property on the Leased Premises or upon adjoining sidewalks, streets, or ways, or in a manner growing out of or connected with the use, failure of use, condition, or occupancy of the Leased Premises, or resulting from its condition or of adjoining sidewalks, streets or ways;

(ii) violation by Lessee of a provision, covenant, agreement, or condition of this Lease; and

(iii) violation by Lessee of the terms of a contract or agreement to which Lessee is a party and which affects the Leased Premises.

(b) Notwithstanding Section (a)(iii) of this Section 10, if liability, loss, damage, penalty, cost, expense, cause of action, suit, claim, demand, or judgment results from a tortious act or omission of Lessor, its agents, or employees, or if an act or omission is determined to be a failure by Lessor to observe a provision of this Lease, the foregoing indemnity by Lessee shall apply only to the extent of the insurance coverage maintained, or required to be maintained if greater, by Lessee pursuant to the provisions of Section 14.

(c) If an action or proceeding is brought against Lessor by reason of a claim, Lessee covenants, upon notice from Lessor, to resist or defend the action or proceeding with counsel reasonably satisfactory to Lessor, and at the expense of Lessee, Lessor will cooperate and assist in the defense of an action or proceeding if reasonably requested so to do by Lessee.

(d) The obligation of Lessee under this Section 10 shall survive any termination of this Lease as to any right of indemnity that accrues prior to termination.

## 11. Maintenance and Repair

(a) Except for ordinary wear and tear and scheduled maintenance, Lessee will maintain the Leased Premises in repair and appearance, including imposed maintenance and, with Lessor consent set forth in this Section 11 and in Section 12, altered Improvements, and with reasonable promptness will make all foreseen, unforeseen, structural, non-structural, ordinary, and extraordinary changes and repairs that are required to maintain the Leased Premises in repair, appearance, and compliance with Legal Requirements and Insurance Requirements.

(b) Lessee will keep and maintain the Leased Premises as described in Section 11 (a) at its sole cost and expense.

(c) Lessee will report the status of all repairs and maintenance to Lessor and keep Lessor informed on the progress of repairs and maintenance.

(d) Repairs, replacements, and renewals shall be at least equal in quality to the original work.

(e) If an Improvement, whether situated upon the Leased Premises at the commencement of this Lease or constructed thereafter, encroaches upon a property, street, or right-of-way adjoining or adjacent to the Leased Premises, or violates the agreements or conditions contained in a restrictive covenant affecting the Leased Premises, or hinders or obstructs an easement or right-of-way to which the Leased Premises are subject, or impairs the rights of others under an easement or right-of-way, then promptly after Lessor's written request or the written request of a person affected by an encroachment, violation, hindrance, obstruction, or impairment, Lessee shall, at its expense, either obtain valid and effective waivers or settlements of all claims, liabilities, and damages resulting from the encroachment, violation, hindrance, obstruction, or impairment, whether it affects Lessor, Lessee, or both, or make changes in the Improvements or take other action as necessary to remove the encroachments hindrance, or obstruction. An alteration or removal shall be made in conformity with the requirements of Section 12(a).

(f) Lessor shall, from time to time, replace with other operational equipment or parts ("Replacement Equipment") any of the Equipment ("Replaced Equipment") that has become worn out, obsolete, or unusable for the purpose for which it is intended, or been taken by a condemnation as provided in Section 13, to the extent Replacement Equipment is required to service the portion of the Improvements remaining after condemnation, or been lost, stolen, damaged, or destroyed; provided, however, that the Replacement Equipment shall be in good operating condition, have a value and useful life at least equal to the value and estimated useful life of the Replaced Equipment immediately prior to the time that it needed to be replaced, and be suitable for a use that is the same or similar to that of the Replaced Equipment.

(g) Replacement Equipment shall be the property of Lessor free and clear of all liens, and shall be Equipment to the same extent as Equipment originally leased to Lessee. At the expiration of the Term or the sooner termination of this Lease, the Equipment shall be in good operating condition, ordinary wear and tear excepted. Notwithstanding anything in this Lease to the contrary, Lessor's ownership of the Equipment and the Replacement Equipment shall not be deemed to constitute approval of the design, adequacy, or utility of such Equipment and Replacement Equipment for its intended use by Lessee.

## 12. Alterations

(a) Unless Lessee has defaulted on a term in this Lease, Lessee may, at its expense, make an Alteration, install Equipment or accessions to the Equipment, and in

the course of installation, modify the then existing Improvements (“Alterations”), provided that:

(i) the fair market value of the Leased Premises after completion of Lessee’s work is not less than that immediately prior to the commencement of the work by Lessee;

(ii) neither the usefulness of the Leased Premises nor, in the case of a partial Alteration of existing structures, the structural integrity of the Improvements would be impaired;

(iii) the foregoing actions are performed in a workmanlike manner resulting in a quality at least equal to that of the original construction of the Improvements on the Leased Premises;

(iv) alterations are expeditiously completed in compliance with all Legal Requirements and Insurance Requirements, and become part of the Leased Premises and subject to the terms and provisions of this Lease;

(v) Lessee promptly pays all costs and expenses of Alterations and discharges all liens filed against the Leased Premises arising out of the same;

(vi) Lessee procures and pays for all permits and licenses required in connection with Alterations; and,

(vii) Lessee obtains, in advance, Lessor’s written consent, which Lessor may withhold in its sole discretion. Lessor’s consent does not constitute approval of the design, adequacy, or utility of the Alterations for Lessee’s intended use.

(b) Lessee may, at its expense, install and remove additional equipment and machinery used or useful in Lessee’s business, which remains Lessee’s property, and not become Equipment or part of the Leased Property, provided that the installation does not reduce the value of the Leased Premises or its usefulness, other than a de minimus reduction. Unless Lessor and Lessee agree otherwise and in writing, Lessee’s equipment that Lessee does not remove within ten (10) days after the expiration or earlier termination of this Lease is considered abandoned by Lessee, and Lessor may appropriate, sell, destroy, or otherwise dispose of the equipment without first giving notice and without obligation for an accounting. Lessee agrees to pay all costs and expenses incurred in removing, storing, and disposing of Lessee’s equipment. Lessee will repair, at its expense, damage it causes to the Leased Premises caused by removal of Lessee’s equipment. Lessor is not responsible for loss or damage to Lessee’s equipment unless Lessor causes the damage or loss.

13. Condemnation

(a) Lessee shall notify Lessor immediately upon obtaining knowledge that a proceeding for condemnation has been instituted against Leased Premises. Subject to Lessee's rights set forth in this Section 13, Lessee assigns to Lessor any Award or payment to which Lessee may be or become entitled by reason of a taking of the Leased Premises in or by condemnation or other eminent domain proceeding, or temporary requisition of the use or occupancy of the Leased Premises, by a civil or military governmental authority, unless the taking or requisition is paid or payable due to Lessee's leasehold interest.

(b) Notwithstanding the terms in Section 13(a), nothing in this Lease impairs Lessee's right to an Award or payment on account of Lessee's trade fixtures, equipment, and other tangible property that does not constitute Equipment, moving expenses, loss of business, and the like, to the extent Lessee has a right to make a separate claim against the appropriate governmental authority. To the extent of a right, Lessee is not deemed to have assigned the right to Lessor, and Lessee is entitled to participate in proceedings described in Section 13(a), at Lessee's expense.

(c) If the Leased Premises is taken by condemnation or other eminent domain proceedings, the condition of the Leased Premises is sufficient to render it, in the reasonable judgment of Lessee, unsuitable for restoration for Lessee's continued use and occupancy, then Lessee shall give notice to Lessor of its intention to terminate this Lease.

(d) If a portion of the Leased Premises is taken by condemnation or other eminent domain proceedings, and the taking is not sufficient to require or authorize Lessee to give notice of its intention to terminate this Lease as provided in Section 13(c), unless the use or occupancy of the Leased Premises is temporarily requisitioned by a governmental authority, then this Lease continues in full effect.

14. Insurance Lessee will maintain at its expense, or cause to be maintained, insurance on the Leased Premises in such amounts that are commonly obtained in the case of property similar to the Leased Premises or as may be reasonably required by Lessor. Such insurance shall include coverage for loss or damage to property, commercial general liability coverage, and workmen's compensation insurance covering persons employed on the premises or a program of self-insurance complying with the rules, regulations and requirements of the appropriate agency of the State of Tennessee from time to time in force

15. Assignment and Subletting Lessee may not sublet any part of the Leased Premises, or assign to any entity its rights and interest under this Lease.

16. Permitted Contests Notwithstanding any other provision of this Lease to the contrary, Lessee shall not be required to (i) pay any Imposition, (ii) comply with any Legal Requirement or Insurance Requirement, (iii) discharge or remove any lien,

encumbrance or charge referred to in Section 9 or Section 12 hereof, or (iv) take any action with respect to any encroachment, hindrance, obstruction, violation or impairment referred to in Section 11(b) hereof, so long as Lessee shall contest, in good faith and at its expense, the existence, the amount or the validity thereof, the amount of the damages caused thereby, or the extent of its liability therefor, by appropriate proceedings (or, in the case of non-compliance with Insurance Requirements, in accordance with the rules of the National Fire Protection Association or other body exercising similar functions, in accordance with the rules of such body) which shall operate during the pendency thereof to prevent (a) the collection of, or other realization upon, the sums payable to satisfy any Imposition or lien, encumbrance or other charge so contested, (b) the sale, forfeiture or loss of the Leased Premises, or any part thereof, or any interest therein or the Basic Rent or any Additional Rent, or any portion thereof, (c) any interference with the use or occupancy of the Leased Premises or any part thereof, (d) any interference with the payment of the Basic Rent or any Additional Rent, or any portion thereof, (e) the cancellation of any fire or other insurance policy, unless such policy is replaced prior to its cancellation by another policy complying with the provisions of this Lease, and (f) the imposition of any civil or criminal liability upon Lessor. While any such proceedings are pending, Lessor shall not have the right to pay, remove or cause to be discharged the tax, assessment, levy, fee, rent, lien, encumbrance or charge thereby being contested. Lessee further agrees that each such contest shall be promptly prosecuted to a final conclusion. Lessee will pay, and save Lessor harmless against, any and all losses, judgments, decrees and costs (including all reasonable attorneys' fees and expenses) in connection with any such contest and will, promptly after the final settlement, compromise or determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interests, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof. Lessee shall give such reasonable security to Lessor as may be demanded by Lessor to insure compliance with the foregoing provisions of this Section 16 and payment or performance of any contested amount or requirement in the event any contest is unsuccessful.

17. Conditional Limitations; Default Provisions

(a) Any of the following occurrences or acts shall constitute an event of default (an "Event of Default") under this Lease: (i) if Lessee, at any time during the continuance of this Lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in Law, in equity, or before any administrative tribunal, which have or might have the effect of preventing Lessee from complying with the terms of this Lease), shall (1) fail to make any payment of Basic Rent, Additional Rent or other sum herein required to be paid by Lessee within five (5) days after having been given notice of such failure or (2) fail to observe or perform any other provision hereof, if the same shall be in effect, for thirty (30) days after Lessor shall have delivered to Lessee notice of such failure (provided, that in the case of any default referred to in this clause (2) which cannot with diligence be cured within such thirty (30) day period, if Lessee shall proceed promptly to cure the same and thereafter shall prosecute the curing

of such default with diligence, then upon receipt by Lessor of a certificate from an authorized officer of Lessee stating the reason that such default cannot be cured within thirty (30) days and stating that Lessee is proceeding with diligence to cure such default, the time within which such failure may be cured shall be extended for such additional period as may be necessary to complete the curing of the same with diligence, not to exceed ninety (90) days in the aggregate); or (ii) if Lessee shall file a petition commencing a voluntary case in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal or state bankruptcy Law or under any similar federal or state Law, or shall be adjudicated a debtor or a bankrupt under any federal or state bankruptcy Law or become insolvent or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due, or if an involuntary case against Lessee as debtor is commenced by a petition for reorganization or liquidation under any federal bankruptcy or similar Law, or if a petition or answer proposing the adjudication of Lessee as a bankrupt or its reorganization under any state bankruptcy Law or any similar Law shall be filed in any court and such case, petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof, or (iii) if a custodian for purposes of any federal bankruptcy statute or a receiver, trustee or liquidator of Lessee or of all or substantially all of the assets of Lessee or of the Leased Premises shall be appointed in any proceeding brought by Lessee, or if any such receiver, trustee or liquidator shall be appointed in any proceeding brought against Lessee and shall not be discharged within sixty (60) days after such appointment, or if Lessee shall consent to or acquiesce in such appointment, or (iv) if the Leased Premises shall have been abandoned, or (v) if the estate or interest of Lessee in the Leased Premises or any part shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within sixty (60) days after such levy or attachment.

(b) If an Event of Default shall have happened and be continuing, Lessor shall have the right at its election, then or at any time thereafter while such Event of Default shall continue, to give Lessee written notice of Lessor's intention to terminate this Lease on a date specified in such notice. Upon the giving of such notice, the Term and the estate hereby granted shall expire and terminate on such date as fully and completely and with the same effect as if such date were the date hereinbefore fixed for the expiration of the Term, and all rights of Lessee hereunder shall expire and terminate, but Lessee shall remain liable as hereinafter provided.

(c) If an Event of Default shall have happened and be continuing, Lessor shall have the immediate right, whether or not the Term shall have been terminated pursuant to Section 17(b) hereof, to re-enter and repossess the Leased Premises or any part thereof by force (if legally permitted in the State of Tennessee), summary proceedings, ejectment or otherwise and the right to remove all persons and property therefrom. Lessor shall be under no liability for or by reason of any such entry, repossession or removal. No such re-entry or taking of possession of the Leased Premises by Lessor shall be construed as an election on Lessor's part to terminate this Lease unless a written notice of such intention be given to Lessee pursuant to Section 17(b) hereof, or unless the termination of this Lease be finally decreed by a court of competent jurisdiction.

(d) At any time or from time to time after the repossession of the Leased Premises or any part thereof pursuant to Section 17(c) hereof, whether or not this Lease shall have been terminated pursuant to Section 17(b) hereof, Lessor may (but shall be under no obligation to) relet the Leased Premises or any part thereof for the account of Lessee, in the name of Lessee or Lessor or otherwise, without notice to Lessee, for such term or terms and on such conditions (which may include concessions or free rent) and for such uses as Lessor, in its absolute discretion, may determine, and Lessor may collect and receive any rents payable by reason of such reletting. Lessor shall not be responsible or liable for any failure to relet the Leased Premises or any part thereof or for any failure to collect any rent due upon any such reletting.

(e) No expiration or termination of the Term pursuant to Section 17(b) hereof by operation of Law or otherwise, and no repossession of the Leased Premises or any part thereof pursuant to Section 17(c) hereof or otherwise, and no reletting of the Leased Premises or any part thereof pursuant to Section 17(d) hereof, shall relieve Lessee of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

(f) In the event of any expiration or termination of this Lease or repossession of the Leased Premises or any part thereof by reason of the occurrence of an Event of Default, Lessee will pay to Lessor the Basic Rent and other sums required to be paid by Lessee to and including the date of such expiration, termination or repossession; and, thereafter, Lessee shall, until the end of what would have been the Term in the absence of such expiration, termination or repossession, and whether or not the Leased Premises or any part thereof shall have been relet, be liable to Lessor for, and shall pay to Lessor, as liquidated and agreed current damages on each Basic Rent Payment Date: (i) the Basic Rent and other sums which would be payable under this Lease by Lessee in the absence of such expiration, termination or repossession, less (ii) the net proceeds, if any, of any reletting effected for the account of Lessee pursuant to Section 17(d) hereof, after deducting from such proceeds all Lessor's expenses in connection with such reletting (including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, employees' expenses, alteration costs and expenses of preparation for such reletting). Lessee will pay such current damages on the days on which the Basic Rent would have been payable under this Lease in the absence of such expiration, termination or repossession, and Lessor shall be entitled to recover the same from Lessee on each such day. The provisions of this Section 17(f) and of Section 15(b) hereof shall not be construed to allow Lessor to recover from Lessee, on a cumulative basis, any amount in excess of Lessor's damages hereunder, after giving effect to the net proceeds of reletting of the Leased Premises.

(g) At any time after any such expiration or termination of this Lease or repossession of the Leased Premises or any part thereof by reason of the occurrence of an Event of Default, whether or not Lessor shall have collected any current damages pursuant to Section 17(f) hereof, Lessor shall be entitled to recover from Lessee, and Lessee will pay to Lessor on demand, as and for liquidated and agreed final damages for Lessee's default and in lieu of all current damages beyond the date of such demand (it being agreed that it would be impracticable or extremely difficult to fix the actual damages), an amount

equal to the excess, if any, of (i) the Basic Rent, Additional Rent and other sums which would be payable under this Lease from the date of such demand (or, if it be earlier, the date to which Lessee shall have satisfied in full its obligations under Section 17(f) hereof to pay current damages) for what would be the then unexpired term of this Lease in the absence of such expiration, termination or repossession, discounted at the rate of ten percent (10%) per annum over (ii) the then fair net rental value of the Leased Premises for the same period, discounted at the rate of ten percent (10%) per annum. If any statute or rule of Law shall validly limit the amount of such liquidated final damages to less than the amount above agreed upon, Lessor shall be entitled to the maximum amount allowable under such statute or rule of Law.

(h) The words "enter," "re-enter," or "re-entry," as used in this Section 17, are not restricted to their technical meaning.

18. Additional Rights of Lessor

(a) No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other right or remedy, and each and every right and remedy given hereunder or now nor hereafter existing at Law or in equity or by statute. The failure of either party to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future. A receipt by Lessor of any Basic Rent, Additional Rent or any other sum payable hereunder with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach, and no waiver of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by the waiving party. In addition to other remedies provided in this Lease, Lessor shall be entitled, to the extent permitted by applicable Law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this Lease, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Lessor at Law or in equity.

(b) Lessee hereby waives and surrenders, to the extent not prohibited by Law, for itself and all those claiming under it, including creditors of all kinds, (i) any right and privilege which it or any of them may have under any present or future constitution, statute or rule of Law to redeem the Leased Premises or to have a continuance of this Lease for the Term after termination of Lessee's right of occupancy by order or judgment of any court or by any legal process or writ, or under the terms of this Lease, or after the termination of the Term as herein provided, and (ii) the benefits of any present or future constitution, statute or rule of Law which exempts property from liability for debt or for distress for rent.

(c) In the event Lessee shall be in default in the performance of any of its obligations under this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that Lessee was in default, Lessee shall pay to Lessor all the expenses incurred in connection therewith including reasonable attorneys' fees. In the event Lessor shall, without fault on its part, be made a party to any litigation commenced

against Lessee, and if Lessee, at its expense, shall fail to provide Lessor with counsel reasonably approved by Lessor, Lessee shall pay all costs and reasonable attorneys' fees incurred or paid by Lessor in connection with such litigation.

(d) If an Event of Default has happened and is continuing, Lessor may, but shall not be obligated to, make any payment or perform any act required hereunder to be made or performed by Lessee which has not been performed within the time period specified herein for such performance, with the same effect as if made or performed by Lessee, provided that no entry by Lessor upon the Leased Premises for such purpose shall create any liability to Lessee on the part of Lessor or shall constitute or shall be deemed to be an eviction of Lessee, and no such entry shall waive or release Lessee from any obligation or default hereunder. All sums so paid by Lessor and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by Lessor in connection with the performance of any such act, together with interest thereon at the rate specified in Section 6(b) hereof, shall constitute Additional Rent payable by Lessee hereunder.

19. Notices, Demands and Other Instruments All notices, demands, requests, consents, approvals and other instruments required or permitted to be given pursuant to the terms of this Lease shall be in writing and shall be deemed to have been properly given if (i) with respect to Lessee, sent by certified or registered mail, postage prepaid, or by commercial courier, against receipt, addressed to Lessee at its address first above set forth, and (ii) with respect to Lessor, sent by certified or registered mail postage prepaid, or by commercial courier, against receipt, addressed to Lessor at its address first above set forth. All such notices shall be effective upon receipt. Lessor and Lessee shall each have the right from time to time to specify as its address for purposes of this Lease any other address in the United States of America upon giving fifteen (15) days' written notice thereof to the other.

20. Estoppel Certificates Lessee shall, at any time and from time to time, upon not less than twenty (20) days' prior written request by Lessor, execute, acknowledge and deliver to Lessor a statement in writing, executed by an authorized officer of Lessee, certifying (i) that this Lease is unmodified (other than may have been agreed in writing by the Parties) and in full effect (or, if there have been modifications, that this Lease is in full effect as modified, and setting forth such modifications), (ii) the dates to which Basic Rent, Additional Rent and all other sums payable hereunder have been paid, (iii) that to the knowledge of the signer of such certificate no default exists hereunder or specifying each such default of which the signer may have knowledge (and if any default exists, specifying the nature and period of existence thereof and what action Lessee is taking or proposes to take with respect thereto and whether notice thereof has been given to Lessee); and (iv) that, to the knowledge of the signer of such certificate, there are no proceedings pending or threatened against Lessee before or by any court or administrative agency which, if adversely decided, would materially and adversely affect the financial condition and operations of Lessee, or if any such proceedings are pending or threatened to said signers knowledge, specifying and describing the same. It is intended that any such statements

may be relied upon by Lessor or its assignees or by any prospective purchaser of the Leased Premises.

21. Signage Lessee shall not erect, maintain or display upon the Leased Premises any billboards, advertising or signs without first receiving the prior written consent of Lessor, which consent may be withheld in Lessor's sole discretion.

22. No Merger There shall be no merger of this Lease or of the leasehold estate hereby created with any other estate or interest in the Leased Premises or any part thereof by reason of the fact that the same person, firm or corporation or other entity may acquire or hold, directly or indirectly, (i) any interest in this Lease or the leasehold estate hereby created or (ii) any such other estate or interest in the Leased Premises or any part.

23. Surrender Upon the expiration or earlier termination of this lease, Lessee shall peaceably leave and surrender the Leased Premises to Lessor in the same condition in which the Leased Premises were originally received from Lessor at the commencement of the Term, except as completed, repaired, rebuilt, restored, altered or added to as permitted hereunder or required by any provision of this Lease or any other agreement between Lessor and Lessee, and except for ordinary wear and tear. Lessee shall remove from the Leased Premises on or prior to such expiration or earlier termination all property situated thereon that is not owned by Lessor, and, at its expense, shall, on or prior to such expiration or earlier termination, repair any damage caused by such removal. Lessor may cause any such property not so removed at the expiration or earlier termination to be removed from the Leased Premises and disposed of without liability to Lessor, but the cost of any such removal and disposition and the cost of repairing any damage caused by such removal shall be borne by Lessee. Lessor shall be entitled to apply the proceeds arising from such disposition to the cost of such removal, disposition or repair. Any property not removed by Lessee within thirty (30) days after the expiration or earlier termination of this Lease shall become the property of Lessor.

24. Books and Records

(a) Lessee shall keep or cause to be kept adequate records and books of account with respect to the finances and business of Lessee generally, in accordance with generally accepted accounting principles consistently applied, and shall permit Lessor by its agents, accountants and attorneys, to visit and inspect the Leased Premises and examine the records and books of account and to discuss the finances and business with the officers of Lessee, at such reasonable times and with such reasonable frequency as may be requested by Lessor.

(b) Lessee shall deliver to Lessor as soon as available annual financial statements of Lessee and such other relevant financial data as Lessor may reasonably require pertaining to Lessee or to the Leased Premises

25. Non-Recourse Anything contained herein to the contrary notwithstanding, any claim based on or in respect of any liability of Lessor under this Lease shall be enforced only against the Leased Premises and not against any other assets, properties of funds of (i) Lessor or any director, officer, general partner, limited partner, member, employee or agent of Lessor (or any legal representative, heir, estate, successor or assign of any thereof), or (ii) any other person, corporation or other entity affiliated with any of the foregoing.

26. Separability Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement, and the breach of any such covenant or agreement by Lessor shall not discharge or relieve Lessee from any of its obligations under this Lease. If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by Law.

27. Binding Effect All of the covenants, conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective successors and assigns of Lessor and Lessee to the same extent as if each successor and assign were in each case named as a party to this Lease. This Lease may not be changed, modified or discharged except by a writing signed by Lessor and Lessee.

28. Headings The headings to the various sections of this Lease have been inserted for convenient reference only and shall not to any extent have the effect of modifying, amending or changing the expressed terms and provisions of this Lease.

29. Environmental Matters.

(a) As used in this Section 29, the following items shall have meanings set forth below:

(i) "CAA" - shall mean the Clean Air Act, codified at 42 U.S.C. §§ 7401, et seq., as amended;

(ii) "CERCLA" - shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, codified at 42 U.S.C. §§ 9601, et seq., as amended;

(iii) "CWA" - shall mean the Clean Water Act, codified at 33 U.S.C. §§ 1251, et seq., as amended;

(iv) "Environmental Laws" - shall mean CERCLA, HMTA, RCRA, CAA, CWA, TSCA, RHA and the Right-to-Know Act and all other federal, local and municipal Laws, statutes, ordinances and codes, guidelines and standards relating to health, safety, sanitation, and the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials, including, without limitation, Laws and regulations regarding the discharge of water or other materials or fluids into waterways, and the rules, regulations, guidelines, decisions, orders and directives of federal, local and municipal governmental agencies, authorities and courts with respect thereto presently in effect or hereafter enacted, promulgated or implemented.

(v) "Environmental Permits" - shall mean all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Laws, on either an individual or group basis, in connection with the construction, ownership, use or operation of the Land or the Improvements, or the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials related to the Land or the Improvements;

(vi) "Hazardous Materials" - shall mean, without limitation, flammables, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum or petroleum based or related substances, hydrocarbons or like substances and their additives or constituents, and any substances now or hereafter defined as "hazardous substances," "extremely hazardous substances," "hazardous wastes" or "toxic chemicals" in CERCLA, HMTA, RCRA, CAA, CWA, TSCA, RHA, the Right-To-Know Act, or any so-called "superfund" or "superlien" Law or the regulations promulgated pursuant thereto, or any other applicable federal, state or local Law, common Law, code, rule, regulation, order, or ordinance, presently in effect or hereafter enacted, promulgated or implemented.

(vii) "HMTA" - shall mean the Hazardous Materials Transportation Act, codified at 49 U.S.C. §§ 1801, et seq., as amended;

(viii) "RCRA" - shall mean the Resource Conservation and Recovery Act of 1976, codified at 42 U.S.C. § § 6901, et seq., as amended;

(ix) "Release" - shall have the same meaning as given to that term in CERCLA, as amended, and the regulations promulgated thereunder;

(x) "RHA" - shall mean the Rivers and Harbors Appropriation Act, codified at 33 U.S.C. §§ 401, et seq., as amended;

(xi) "Right-To-Know Act" - shall mean the Emergency Planning and Community Right-To-Know Act, codified at 42 U.S.C. §§ 11001, et seq.;

(xii) "TSCA" - shall mean the Toxic Substances Control Act, codified at 15 U.S.C. §§ 2601, et seq., as amended.

(b) Lessee shall comply at all times and in all respects with the provisions of all Environmental Laws and Environmental Permits, and shall not commit any actions or omissions that result in the incurrance of any liability under such Environmental Laws and Environmental Permits. Lessee will not allow, cause or permit any Hazardous Materials to be deposited on or under the Land, or otherwise Released or threatened to be Released from or on the Land, or otherwise Released or threatened to be Released from or on the Land or the Improvements, by any person whatsoever except as normally and properly used in the operation of the Improvements and in compliance with all Environmental Laws. Lessee shall conduct all of its activities on the Land and Improvements, including, without limitation, the off-site disposal of any Hazardous Materials originating on or from the Land or Improvements, in compliance with all Environmental Laws. Lessee shall obtain or be covered by, whenever necessary appropriate Environmental Permits for its operations and shall comply in all respects with the requirements of such Environmental Permits.

(c) Lessee hereby agrees to indemnify, hold harmless and defend Lessor and its partners, officers, directors, members, lenders, agents and employees from and against any and all claims, losses, damages, liabilities, penalties, costs, assessments, expenses, demands, fines or liabilities of whatever kind or nature, in any way relating to or arising out of:

(i) The Release or threat of Release of any Hazardous Materials in, on, above, from or under the Land or Improvements during the Term hereof;

(ii) Any activity by any party on, off or within the Land or Improvements in connection with the use, handling, treatment, monitoring, removal, storage, decontamination, clean up, testing, transportation or disposal of any Hazardous Materials located at any time on, within or under the Land or the Improvements and introduced onto the Land or the Improvements at any time on or after the commencement of the Term;

(iii) The use, handling, treatment, monitoring, removal, storage, decontamination, clean-up, testing, transportation or disposal of any Hazardous Materials on, under or within the Land or the Improvements which were introduced onto the Land or into the Improvements at any time on or after the commencement of the Term and prior to the expiration or other termination of this Lease;

(iv) The performance by Lessee or any other party acting on behalf of Lessee during the Term of any inspection, investigation, audit, study, sampling, testing, removal, containment or other remedial action or other clean-up related to

Hazardous Materials on, above, within, related to, or affected by, the Land or the Improvements.

(v) The imposition, recording or filing of any lien (including, without limitation, a so-called "superlien") against the Land or the Improvements as a result of the incurrence by any party of any claims, expenses, demands, losses, costs, fines or liabilities of whatever kind or nature with respect to any actual, suspected or threatened Release of Hazardous Materials or environmental condition, on, above, within, related to, or affected by, the Land or the Improvements at any time after the Lease Commencement Date; or

(vi) The violation by Lessee of any applicable Environmental Laws or Environmental Permits with respect to the Land or the Improvements.

(d) The foregoing provisions of this Section 29 shall survive the expiration or any other termination of this Lease

30. Miscellaneous

(a) This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

(b) References to the masculine shall include the feminine and neuter and the plural shall include the singular, as the context may require.

(c) This Lease shall be construed and enforced in accordance with the Law of the State of Tennessee.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be signed in their behalf by their respective signatories thereunto duly authorized as of the date first above set forth.

LESSOR

WITNESS:

ST. JUDE CHILDREN'S RESEARCH  
HOSPITAL, INC.

By:   
James R. Downing, MD  
President and Chief Executive Officer

LESSEE

WITNESS:

ST. JUDE CHILDREN'S RESEARCH  
HOSPITAL HOME CARE, LLC

By: \_\_\_\_\_

  
James R. Downing, MD  
President and Chief Executive Officer of the  
Sole Member

APPROVED BY MASTER LESSOR

WITNESS:

AMERICAN LEBANESE SYRIAN  
ASSOCIATED CHARITIES, INC.

By: \_\_\_\_\_

  
Name: Emily Greer  
Title: Chief Administrative Officer

  
SH

EXHIBIT A--Leased Premises - See Attached

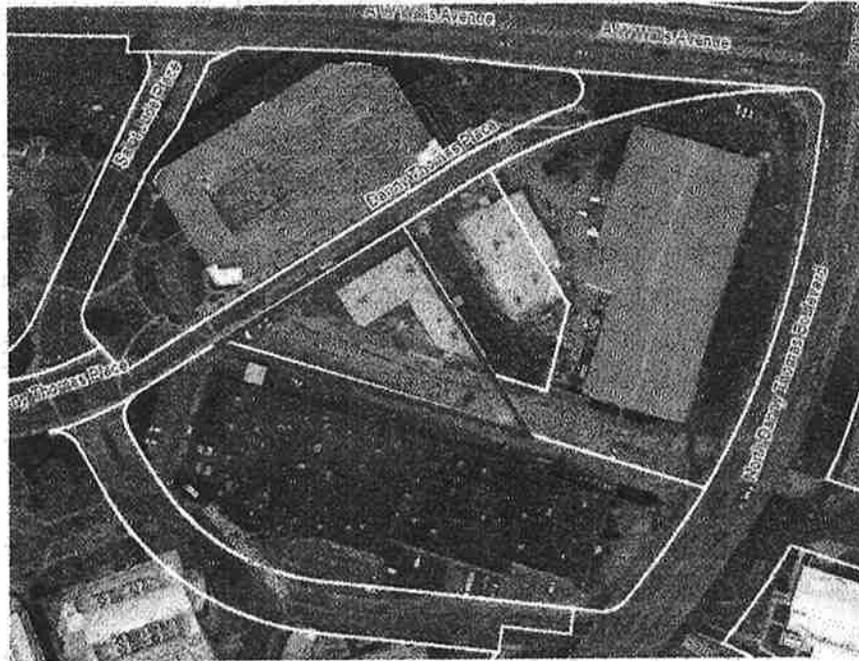
Signature: \_\_\_\_\_

  
Sara Hall (Jul 13, 2020 10:37 CDT)

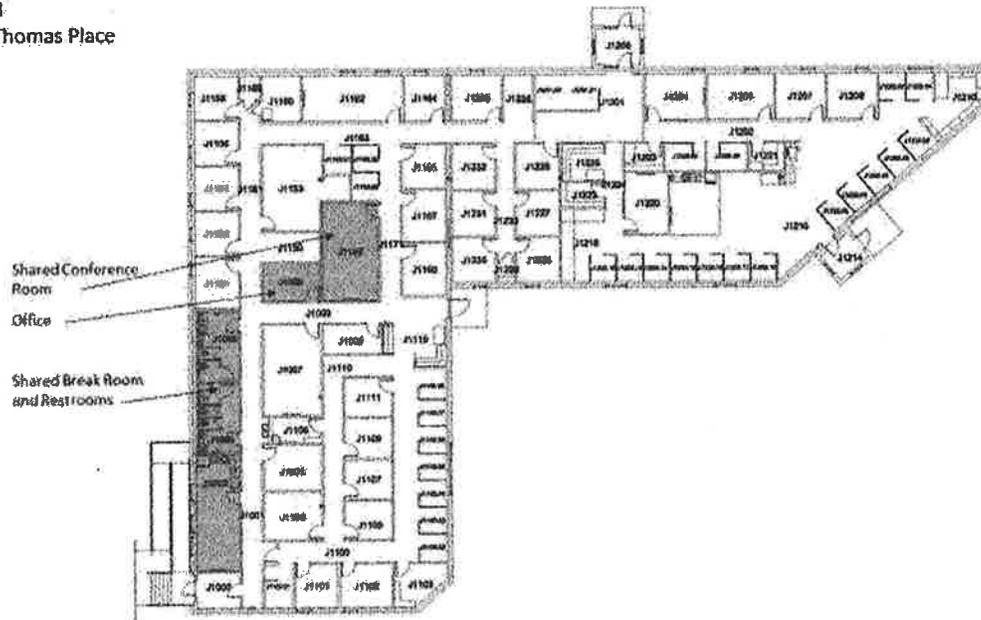
Email: sara.hall@stjude.org

## EXHIBIT A--Leased Premises

545 Danny Thomas Place  
Memphis, TN 38105  
1.107 Acres  
Parcel 00109500005C

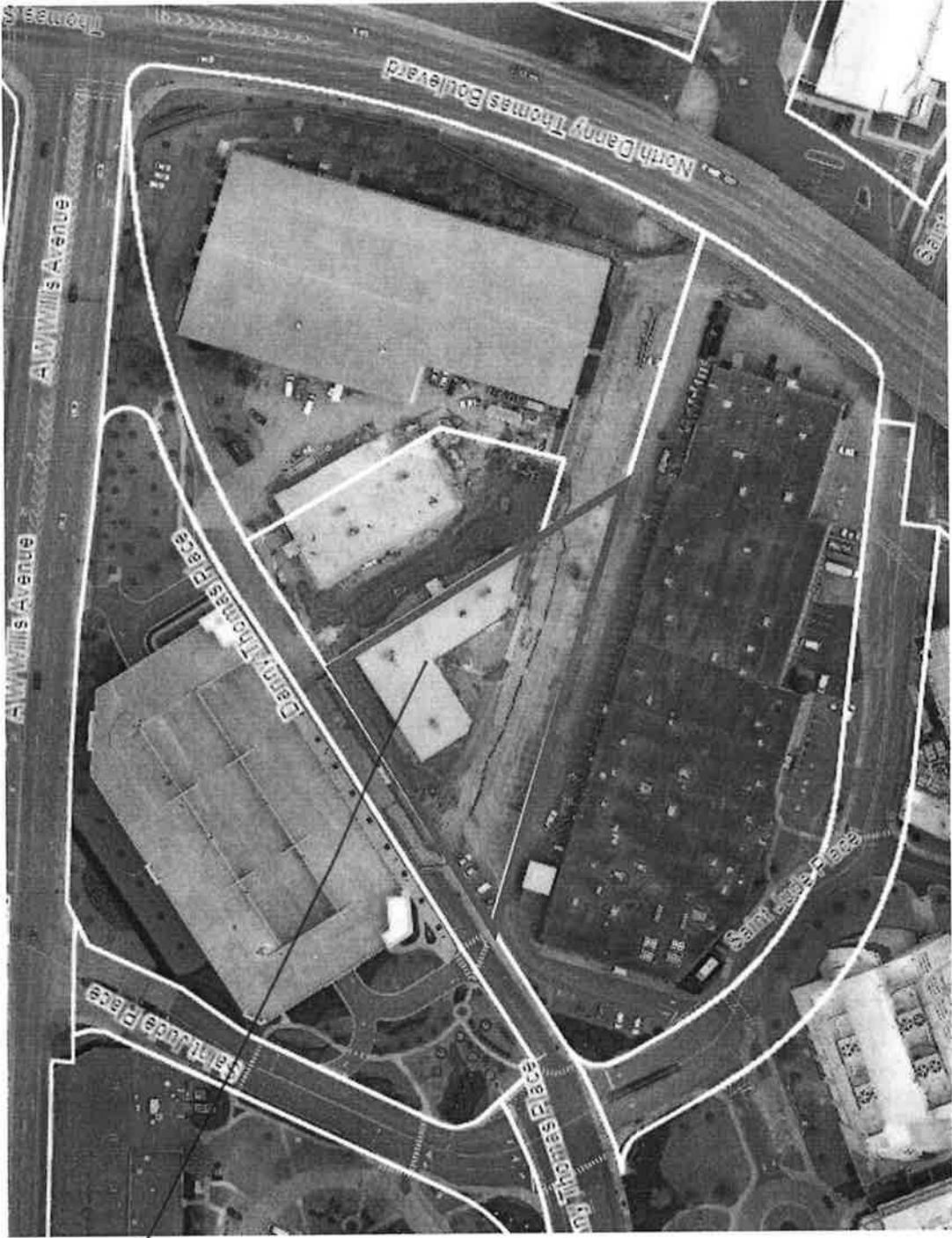


FLOOR PLAN  
545 Danny Thomas Place



**A-6B-1) a-d**

**Plot Plan**

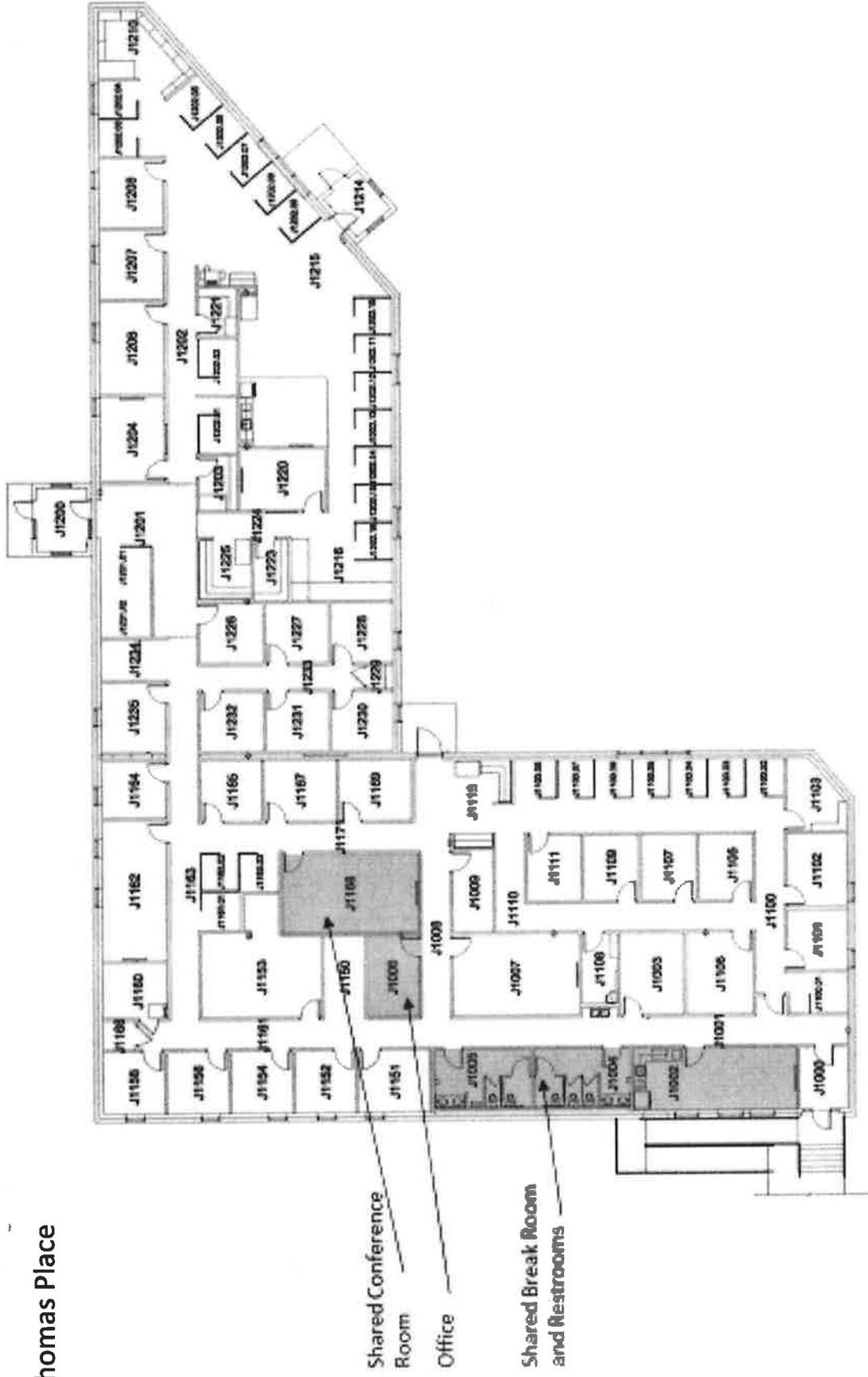


545 Danny Thomas Place  
Memphis, TN 38105  
1.107 Acres  
Parcel 00109500005C

**A-6B-2**

**Floor Plans**

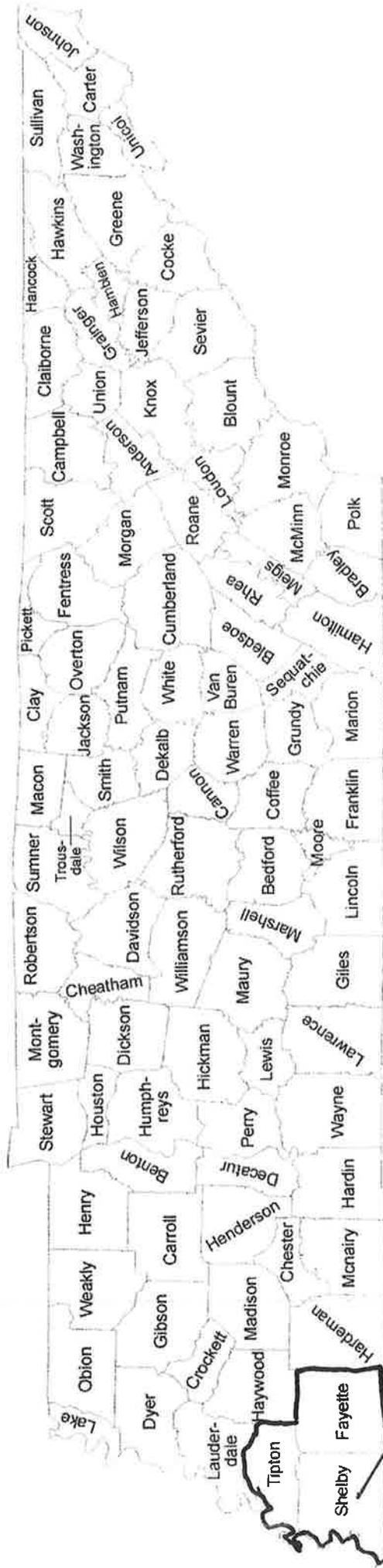
**FLOOR PLAN**  
**545 Danny Thomas Place**



**B-Need-1-SHP Criterion 10b**  
**Staff Qualifications & Training**

**B-Need-3**

**Service Area Map**



**ST JUDE CHILDREN'S RESEARCH HOSPITAL HOME CARE SERVICE AREA**



- Entrance Gates
- Patient Only Parking
- Off-Campus Parking
- Marlo Thomas Center
- Kay Kafe
- Mail Services Center
- Docks

- (A) Danny Thomas/ALSAC Pavilion
- (B) Patient Care Center
- (C) Richard C. Shadyac ALSAC Tower
- (D) Danny Thomas Research Center
- (E) Donald P. Pinkel, MD, Research Tower
- (F) Central Energy Plant
- (G) AutoZone Garage 1
- (H) Incinerator/Hazardous Waste
- (I) Chill's Care Center
- (IA) Kay Research
- (J) 545 Danny Th

- (K) 595 Build
- (L) 567 Danr
- (M) Future Re
- (MA) Future Af
- (N) 305 Build
- (O) Tamer-Ra
- (OA) Tamer-Ra
- (OE) Domino's
- (P) AutoZone

Joshua Greer, MHA, CSSGB  
 Clinical Operations Manager



## **B-Economic Feasibility-1E**

### **Documentation of Construction Cost Estimate**



**DITTO COATINGS, INC.**  
COMMERCIAL / INDUSTRIAL

**7/13/2020**

**Att: Terry Fletcher**

**Re: Painting of Room J1006**

**Scope of Work: Interior painting of one room approximately 10'x11'.  
Price includes painting of one door/frame. All labor and material is  
included in the price.**

**Price: \$290.00**

**Thank You,**

**-Andrew Ditto**

2277 Podesta Cv.  
Memphis, TN 38134  
901-373-3744 Fax 373-3772  
Cell 901-508-2745

**B-Economic Feasibility-2**  
**Funding/Financing Availability**



July 10, 2020

Mr. Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: St. Jude Children's Research Hospital Home Care, LLC

Dear Mr. Grant:

St. Jude Children's Research Hospital Home Care, LLC has filed an application for a Certificate of Need to establish a home health care agency to provide home care services to patients of St. Jude's Children's Research Hospital, at locations in Shelby, Fayette, and Tipton Counties. This LLC is wholly owned by St. Jude's Children's Research Hospital, Inc., of which I am Chief Administrative and Financial Officer.

The total project cost under your rules is \$181,594, of which \$145,964 is the estimated capital cost required to implement the project. I am writing to confirm that St. Jude's Children's Research Hospital, Inc, will provide all capital and startup funds needed to implement the service, and will also provide continuing funding to assure its financial feasibility, on an unlimited and continuing basis.

The Certificate of Need application includes our audited financial statements documenting that sufficient funds are available to make this commitment.

Sincerely,

Pat Keel  
Executive Vice President, Chief Administrative and Financial Officer  
St. Jude Children's Research Hospital, Inc.

## **B-Economic Feasibility-6A**

### **Financial Statements**

# **St. Jude Children's Research Hospital, Inc. and Subsidiaries**

**Consolidated Financial Statements as of and  
for the Years Ended June 30, 2019 and 2018, and  
Independent Auditors' Report**



**Deloitte & Touche LLP**  
6075 Poplar Avenue  
Suite 350  
Memphis, TN 38119-0112  
USA

Tel: +1 901 322 6700  
Fax: +1 901 322 6799  
[www.deloitte.com](http://www.deloitte.com)

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Governors of  
St. Jude Children's Research Hospital, Inc.  
Memphis, Tennessee

We have audited the accompanying consolidated financial statements of St. Jude Children's Research Hospital, Inc. and its wholly owned subsidiaries (collectively, the "Hospital"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Hospital's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Jude Children's Research Hospital, Inc. and its wholly owned subsidiaries as of June 30, 2019 and 2018, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

October 4, 2019

# ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2019 AND 2018

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 4,118,944	\$ 1,110,291
Accounts receivable:		
Patient care services—net	18,476,506	18,945,273
Grants and contracts	29,362,954	22,491,694
Other	2,552,031	2,758,213
Inventories	9,042,686	7,732,327
Prepaid expenses and other assets	<u>19,016,975</u>	<u>13,941,837</u>
Total current assets	82,570,096	66,979,635
ASSETS LIMITED AS TO USE	2,370,565	2,222,796
INTEREST IN NET ASSETS OF ALSAC	5,366,070,585	4,695,858,063
PROPERTY AND EQUIPMENT—Net	<u>763,227,185</u>	<u>669,110,408</u>
<b>TOTAL</b>	<b><u>\$6,214,238,431</u></b>	<b><u>\$5,434,170,902</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 83,870,233	\$ 66,806,509
Accrued payroll costs	49,392,207	41,525,290
Employee health liability costs	<u>3,902,000</u>	<u>3,945,000</u>
Total current liabilities	137,164,440	112,276,799
DEFERRED REVENUES FROM GRANTS AND CONTRACTS	14,186,821	15,399,715
OTHER LONG-TERM LIABILITIES	<u>3,197,474</u>	<u>3,621,636</u>
Total liabilities	<u>154,548,735</u>	<u>131,298,150</u>
<b>NET ASSETS:</b>		
Without donor restrictions	4,972,521,523	4,305,810,709
With donor restrictions	<u>1,087,168,173</u>	<u>997,062,043</u>
Total net assets	<u>6,059,689,696</u>	<u>5,302,872,752</u>
<b>TOTAL</b>	<b><u>\$6,214,238,431</u></b>	<b><u>\$5,434,170,902</u></b>

See notes to consolidated financial statements.

**ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT:</b>						
Net patient service revenue	\$ 109,172,619	\$ -	\$ 109,172,619	\$ 117,420,862	\$ -	\$ 117,420,862
Research grants and contracts	109,635,882	-	109,635,882	94,401,470	-	94,401,470
Net investment income	147,768	-	147,768	179,364	-	179,364
Other	<u>24,595,112</u>	<u>-</u>	<u>24,595,112</u>	<u>18,895,861</u>	<u>-</u>	<u>18,895,861</u>
Total revenues, gains, and other support	<u>243,551,381</u>	<u>-</u>	<u>243,551,381</u>	<u>230,897,557</u>	<u>-</u>	<u>230,897,557</u>
<b>EXPENSES:</b>						
Program services:						
Patient care services	490,685,639	-	490,685,639	457,825,537	-	457,825,537
Research	436,938,714	-	436,938,714	410,716,516	-	410,716,516
Education, training, and community services	<u>29,338,061</u>	<u>-</u>	<u>29,338,061</u>	<u>21,767,276</u>	<u>-</u>	<u>21,767,276</u>
Total program services	956,962,414	-	956,962,414	890,309,329	-	890,309,329
Supporting services—administrative and general	<u>64,479,887</u>	<u>-</u>	<u>64,479,887</u>	<u>60,406,303</u>	<u>-</u>	<u>60,406,303</u>
Total expenses	<u>1,021,442,301</u>	<u>-</u>	<u>1,021,442,301</u>	<u>950,715,632</u>	<u>-</u>	<u>950,715,632</u>
CHANGE IN INTEREST IN NET ASSETS OF ALSAC	<u>580,106,392</u>	<u>-</u>	<u>580,106,392</u>	<u>553,518,977</u>	<u>-</u>	<u>553,518,977</u>
LOSS FROM DISPOSAL OF PROPERTY AND EQUIPMENT	<u>(627,023)</u>	<u>-</u>	<u>(627,023)</u>	<u>(7,552,294)</u>	<u>-</u>	<u>(7,552,294)</u>
EXPENSES IN EXCESS OF REVENUES, GAINS, AND OTHER SUPPORT	(198,411,551)	-	(198,411,551)	(173,851,392)	-	(173,851,392)
NET SUPPORT RECEIVED FROM ALSAC	865,122,365	-	865,122,365	755,384,652	-	755,384,652
NET ASSETS TRANSFERRED FROM ALSAC	-	-	-	2,017,179	-	2,017,179
CHANGE IN INTEREST IN NET ASSETS OF ALSAC	-	<u>90,106,130</u>	<u>90,106,130</u>	-	<u>59,405,137</u>	<u>59,405,137</u>
CHANGES IN NET ASSETS	666,710,814	90,106,130	756,816,944	583,550,439	59,405,137	642,955,576
NET ASSETS—Beginning of year	<u>4,305,810,709</u>	<u>997,062,043</u>	<u>5,302,872,752</u>	<u>3,722,260,270</u>	<u>937,656,906</u>	<u>4,659,917,176</u>
NET ASSETS—End of year	<u>\$ 4,972,521,523</u>	<u>\$ 1,087,168,173</u>	<u>\$ 6,059,689,696</u>	<u>\$ 4,305,810,709</u>	<u>\$ 997,062,043</u>	<u>\$ 5,302,872,752</u>

See notes to consolidated financial statements.

## 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<b>2019</b>
Financial assets at year end:	
Cash	\$ 4,118,944
Accounts receivable:	
Patient care services-net	18,476,506
Grants and contracts	29,362,954
Other	2,552,031
Assets limited as to use	<u>2,370,565</u>
 Total financial assets	 56,881,000
 Less amounts not available to be used within one year:	
Assets limited as to use	<u>(2,370,565)</u>
 Financial assets available within one year	 <u>\$ 54,510,435</u>

Additionally, the Hospital has a cash management arrangement with ALSAC, generally providing for ALSAC's reimbursement of Hospital funds when Hospital expenditures are presented for payment.

## 3. ASSETS LIMITED AS TO USE

Assets limited as to use under self-insurance funding arrangements represent the Hospital's ownership of a percentage of assets in a diversified pooled investment portfolio (the "Portfolio") based on the market value after adjusting for the time-weighted holding period of any contributions and withdrawals to the Portfolio. The Portfolio is administered by a third-party custodian and maintained for the exclusive use of the Hospital. Assets limited as to use were \$2,370,565 and \$2,222,796 for the years ended June 30, 2019 and 2018, respectively.

The composition of net investment income for the years ended June 30, 2019 and 2018, is as follows:

	<b>2019</b>	<b>2018</b>
Interest and dividend income	\$ 11,974	\$ 11,469
Net realized and unrealized investment gain	<u>135,794</u>	<u>167,895</u>
 Total investment income	 <u>\$147,768</u>	 <u>\$179,364</u>

## 9. ALSAC

The accompanying consolidated financial statements do not include the individual accounts of ALSAC. Because of the Hospital's relationship as ALSAC's sole beneficiary and the overall financial inter-relationship of the Hospital and ALSAC, the Hospital's interest in the net assets of ALSAC is reported in its statements of financial position, with corresponding changes in those net assets reported in a "quasi-equity method" in the statements of activities. A summary of the financial statements of ALSAC as of June 30, 2019 and 2018, and for the years then ended is as follows:

	<b>2019</b>	<b>2018</b>
Assets:		
Cash and investments	\$ 5,191,081,747	\$ 4,540,306,597
Other assets	<u>270,024,065</u>	<u>240,293,315</u>
Total assets	<u>\$ 5,461,105,812</u>	<u>\$ 4,780,599,912</u>
Total liabilities	<u>\$ 95,035,227</u>	<u>\$ 84,741,849</u>
Net assets:		
Without donor restrictions	4,278,902,412	3,698,796,020
With donor restrictions	<u>1,087,168,173</u>	<u>997,062,043</u>
Total net assets	<u>5,366,070,585</u>	<u>4,695,858,063</u>
Total liabilities and net assets	<u>\$ 5,461,105,812</u>	<u>\$ 4,780,599,912</u>
Revenues, gains, and other support	<u>\$ 2,081,168,859</u>	<u>\$ 1,862,577,976</u>
Expenses:		
Hospital support	865,122,365	755,384,652
Other program services	142,395,893	131,996,753
Supporting services	<u>403,394,327</u>	<u>360,296,688</u>
Total expenses	<u>1,410,912,585</u>	<u>1,247,678,093</u>
Gain (loss) from disposal of property and equipment	<u>(43,752)</u>	<u>41,410</u>
Net assets transferred to the Hospital	<u>-</u>	<u>(2,017,179)</u>
Changes in net assets	670,212,522	612,924,114
Net assets—beginning of year	<u>4,695,858,063</u>	<u>4,082,933,949</u>
Net assets—end of year	<u>\$ 5,366,070,585</u>	<u>\$ 4,695,858,063</u>

## **Miscellaneous Information**

Potential Contracts for St. Jude Home Care Agency

AETNA  
 AmeriGroup of TN (TennCare)  
 AmeriHealth Caritas of LA, Inc. (LA Medicaid)  
 Arkansas Managed Care Organization  
 Baptist Health Plan (KY) formerly Bluegrass Family Health, Inc.  
 Baptist Health Services Group (BMSG)  
 Blue Cross Blue Shield TN (Commercial, TennCare and exchange products)  
 Celtic Insurance Company (Sunflower Health Plan - KS Medicaid - Centene)  
 Center Care (KY)  
 CIGNA  
 Consociate Care  
 Coventry Health Care of Missouri, Inc.  
 Coventry Healthcare of Louisiana  
 First Health/CCN  
 Health Care USA Missouri Medicaid (AETNA Better Health)  
 Health Choice of Oklahoma  
 Health Choice, LLC  
 Health Link of Mississippi  
 Health Link, Inc. (Missouri)  
 Health Management Network  
 Health Partners, Inc.  
 Health Plus, Inc.  
 Health Value Management, Inc. d/b/a Choice Care Network (Commercial + Humana KY Medicaid)  
 Healthplus of Louisiana  
 HealthSCOPE Benefits, Inc.  
 Healthy Blue (BCBS LA Medicaid product)  
 Home State Health Plan (MO Medicaid)  
 Humana Health Plan, Inc.  
 Humana Military Healthcare Services (HMHS)  
 Interlink COE Networks  
 InterPlan Health Group  
 Louisiana Health Care Connections (LA Medicaid)  
 Magnolia Health Plan, Inc. (Centene - MS Medicaid)  
 Mississippi Physician Care Network (MPCN)  
 Molina Healthcare of Mississippi (MS Medicaid)  
 MultiPlan Network - PHCS Network  
 North Alabama Managed Care, Inc. (NAMCI)  
 NOVANET, INC.  
 OPTUM Health  
 Provider Select, Inc.  
 The Initial Group  
 Three Rivers Provider Network (TRPN)  
 United Healthcare Community Plan (AmeriChoice) (Hospital)  
 United Healthcare Community Plan (AmeriChoice) (Physician)  
 United Healthcare community Plan CHIPS  
 United Healthcare Community Plan Mississippi CCN  
 United Healthcare of Louisiana (LA Medicaid)  
 United Healthcare of Tennessee (commercial and TennCare)  
 USA Managed Care Organization  
 Vantage Health Plan (HMO & PPO)  
 Verity Health Net  
 WellCare of KY (KY Medicaid)

TennCare Enrollment Report for June 2020

MCO	REGION	Total
AMERIGROUP COMMUNITY CARE	East Tennessee	136,704
AMERIGROUP COMMUNITY CARE	Middle Tennessee	164,366
AMERIGROUP COMMUNITY CARE	West Tennessee	121,637
BLUECARE	East Tennessee	215,138
BLUECARE	Middle Tennessee	168,804
BLUECARE	West Tennessee	151,162
UnitedHealthcare Community Plan	East Tennessee	139,465
UnitedHealthcare Community Plan	Middle Tennessee	166,279
UnitedHealthcare Community Plan	West Tennessee	121,460
TENNCARE SELECT HIGH	All	50,145
TENNCARE SELECT LOW	All	13,982
PACE		269
Availing MCO assignment		28
<b>Grand Total</b>		<b>1,449,437</b>

COUNTY	Female			Male			Unknown			Grand Total	
	0-18	19-20	65->	0-18	19-20	65->	0-18	19-20	65->		
ANDERSON	4,356	328	4,367	633	9,684	4,615	240	1,869	288	7,012	16,899
BEDFORD	3,761	282	3,004	241	7,268	3,838	225	1,057	128	5,249	12,517
BENTON	1,042	85	1,125	157	2,409	1,060	67	532	81	1,740	4,149
BLEDSCOE	685	73	816	119	1,693	818	52	412	76	1,356	3,051
BLOUNT	5,874	492	5,713	689	12,768	6,186	332	2,344	336	9,198	21,966
BRADLEY	6,185	474	5,986	662	13,307	6,375	369	2,377	340	9,461	22,768
CAMPBELL	2,757	263	3,367	629	7,016	2,942	212	1,675	348	5,177	12,193
CANNON	898	69	848	121	1,996	864	49	388	90	1,301	3,237
CARROLL	1,741	145	2,043	299	4,228	1,965	145	949	142	3,201	7,498
CARTER	3,043	281	3,456	639	7,419	3,285	228	1,702	272	5,487	12,968
CHEATHAM	1,860	143	1,699	181	3,883	1,883	118	653	91	2,745	6,628
CHESTER	1,098	82	1,051	115	2,346	992	76	414	77	1,559	3,905
CLABORNE	1,963	154	2,402	530	5,049	2,126	172	1,277	278	3,853	8,902
CLAY	485	38	497	119	1,150	513	35	299	46	893	2,048
COCKE	2,707	223	3,216	494	6,640	2,895	186	1,572	259	4,912	11,552
COFFE	3,695	294	3,719	405	8,413	3,886	233	1,466	180	5,765	13,878
CROCKETT	996	77	923	191	2,187	1,045	77	391	75	1,588	3,775
CROCKETT	250	250	3,212	481	7,204	3,501	191	1,474	254	5,420	12,694
GUMBERLAND	40,819	2,645	32,087	3,447	78,998	41,896	2,168	12,469	2,032	58,565	137,583
DAVIDSON	690	58	771	152	1,671	794	53	374	66	1,287	2,958
DEKALB	1,315	93	1,314	190	2,912	1,433	97	617	118	2,265	5,177
DICKSON	2,932	252	2,916	353	6,453	3,156	185	1,105	167	4,613	11,066
DYER	2,611	216	2,931	398	6,156	2,798	181	1,156	157	4,292	10,448
FAYETTE	1,744	145	1,820	287	3,996	1,834	130	697	128	2,789	6,765
FAYETTE	1,011	101	1,478	319	3,251	1,369	103	850	187	2,509	5,760
FENTRESS	1,353	181	2,092	289	4,575	2,125	158	897	142	3,322	7,897
FRANKLIN	2,014	181	2,092	289	4,575	2,125	158	897	142	3,322	7,897
GIBSON	3,296	261	3,444	533	7,534	3,488	234	1,396	247	5,365	12,899
GILES	1,649	139	1,724	206	3,718	1,673	81	724	130	2,608	6,328
GRAINGER	1,409	123	1,482	287	3,201	1,509	90	830	157	2,586	5,887
GREENE	3,840	344	4,259	675	9,118	4,180	250	2,069	366	6,865	15,983
GRUNDY	976	108	1,194	215	2,493	1,029	84	630	105	1,848	4,341
HAMBLETON	4,818	354	3,925	532	9,629	4,882	290	1,578	227	6,977	19,806
HAMILTON	18,338	1,265	17,017	2,278	38,898	19,014	1,055	6,386	1,184	27,639	66,537
HANCOCK	496	38	600	144	1,278	542	57	312	79	970	2,248
HARDEMAN	1,686	134	1,892	312	4,024	1,663	104	828	152	2,747	6,771
HARDIN	1,633	132	1,883	375	4,023	1,676	142	876	194	2,888	8,911
HAWKINS	3,205	299	3,629	557	7,710	3,450	211	1,700	290	5,651	13,361
HAYWOOD	1,353	114	1,566	286	3,209	1,472	90	512	110	2,184	5,383
HENDERSON	1,801	168	1,977	255	4,201	1,993	144	890	117	3,024	7,225
HENRY	1,917	158	2,077	279	4,431	2,012	134	933	126	3,205	7,630
HICKMAN	1,411	125	1,507	170	3,213	1,577	113	726	92	2,508	5,721
HOUSTON	470	35	575	116	1,196	499	31	263	59	852	2,048
HUMPHREYS	1,120	99	1,248	129	2,595	1,251	89	496	75	1,911	4,507
JACKSON	649	62	750	123	1,584	669	43	367	90	1,169	2,753
JEFFERSON	3,431	294	3,165	455	7,346	3,559	248	1,399	206	5,412	12,758
JOHNSON	1,043	84	1,123	269	2,519	1,115	63	642	147	1,967	4,486
KNOX	21,220	1,584	20,318	2,610	45,732	22,017	1,241	8,434	1,349	33,041	78,773
LAKE	451	39	572	138	1,200	504	37	267	63	871	2,071

COUNTY	Female			Male			Unknown			Grand Total		
	0-18	19-20	21-64	0-18	19-20	21-64	0-18	19-20	21-64		65-->	
LAUDERDALE	1,981	2,502	2,813	2,111	279	4,538	2,024	129	826	122	3,101	7,639
LAWRENCE	781	65	786	1,291	368	6,204	2,844	177	1,330	160	4,511	10,715
LEWIS	2,015	145	1,965	2,474	4,392	2,044	2,444	139	3,821	121	3,136	3,048
LINGOLN	2,501	156	2,192	2,668	5,117	2,632	1,923	101	711	91	2,826	7,228
LOUDON	1,816	125	1,671	2,071	3,819	1,491	7,027	391	2,460	419	10,297	8,536
MACON	6,830	480	6,790	818	14,918	1,745	1,786	133	2,785	133	2,785	25,215
MADISON	1,895	174	1,913	2,951	4,038	1,968	1,968	108	661	89	2,826	6,823
MARSHALL	1,895	139	1,818	1,778	4,030	1,678	1,678	214	7,978	114	5,373	6,856
MAURY	3,228	262	3,404	4,455	7,349	3,452	1,692	145	1,470	225	2,888	18,986
MCMINN	1,659	145	1,928	3,241	4,056	803	59	421	55	1,338	1,338	12,722
MEigs	792	60	874	1,033	1,829	11,725	638	3,320	320	16,003	373	6,945
MONROE	2,929	233	3,017	443	6,622	3,080	200	1,386	238	4,904	3,101	3,167
MONTGOMERY	11,300	822	10,666	741	23,619	11,725	638	3,320	320	16,003	373	11,526
MOORE	226	18	225	43	512	239	15	99	20	373	20	39,622
MORGAN	1,091	111	1,181	1,871	2,570	1,179	83	596	106	1,904	1,904	885
OBION	2,036	161	2,228	271	4,696	2,040	135	914	150	3,239	3,239	4,474
OVERTON	1,197	109	1,307	245	2,858	1,420	83	668	133	2,304	2,304	7,955
PERRY	478	41	488	87	1,094	517	31	341	49	838	838	5,162
PICKETT	254	14	274	70	612	289	25	156	43	513	513	1,125
POLK	944	99	1,080	170	2,293	989	82	525	97	1,693	1,693	1,255
PUTNAM	4,916	342	4,537	686	10,481	5,189	302	2,146	323	7,960	7,960	3,986
RHEA	2,269	201	2,363	353	5,186	2,388	154	1,074	172	3,798	3,798	18,441
ROANE	2,716	233	3,087	433	6,469	2,950	208	1,469	245	4,872	4,872	8,084
ROBERTSON	3,934	272	3,194	336	7,726	4,049	244	1,106	165	5,564	5,564	11,341
RUTHERFORD	16,856	1,151	13,488	1,140	32,635	17,431	898	4,544	509	23,382	23,382	13,290
SCOTT	1,879	182	1,970	356	4,387	1,919	117	1,007	178	3,221	3,221	56,017
SEQUIATCHIE	1,038	79	1,051	149	2,317	1,059	64	491	63	1,677	1,677	7,808
SEVIER	5,835	422	5,101	476	11,854	6,236	338	2,086	236	8,896	8,896	3,994
SHELBY	72,417	5,271	68,889	6,792	150,369	74,560	4,197	20,880	3,712	103,349	103,349	20,730
SMITH	1,089	104	1,162	152	2,507	1,191	80	457	73	1,801	1,801	253,716
STEWART	821	57	819	117	1,814	776	57	370	49	1,252	1,252	4,908
SULLIVAN	8,092	640	9,148	1,236	19,116	8,570	521	4,253	629	13,973	13,973	3,068
SUNNER	8,555	679	7,600	758	17,592	8,870	501	2,609	343	11,323	11,323	33,089
TIPTON	3,501	301	3,523	380	7,705	3,624	227	1,228	158	5,237	5,237	28,915
TROUSDALE	545	33	524	77	1,179	547	41	222	32	842	842	12,942
UNION	918	80	1,088	245	2,331	1,038	69	504	134	1,745	1,745	2,021
VAN BUREN	1,343	117	1,350	170	2,980	1,351	85	691	110	2,237	2,237	4,078
VAN WARREN	329	27	346	65	767	358	25	175	38	596	596	5,217
WASHINGTON	2,927	219	2,915	423	6,485	3,011	202	1,330	220	4,763	4,763	1,863
WAYNE	6,176	526	6,582	965	14,249	6,440	365	3,054	483	10,342	10,342	11,248
WEAKLEY	763	64	893	155	1,875	845	53	381	79	1,358	1,358	24,681
WHITE	1,908	159	1,942	285	4,294	2,007	109	832	142	3,090	3,090	3,293
WILLIAMSON	1,782	133	1,870	298	4,083	1,954	127	916	156	3,153	3,153	7,884
WILSON	3,861	286	2,961	361	7,469	4,120	223	1,279	159	5,781	5,781	7,286
Other	5,519	385	4,924	453	11,281	5,814	356	1,918	234	8,302	8,302	13,250
Grand Total	388,477	29,749	373,792	46,362	843,380	409,920	24,087	148,321	23,729	606,057	606,057	1,449,457

Reports include some membership additions that are the result of retroactivity, however, additional retroactivity may still occur. The "Other" county category reflects recipients who are Tennessee residents for which their domicile is temporarily located outside of the state.

## **Support Letters**

July 24, 2020

David Elenbaas, HSDA Health Data and Policy Administrator  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: CON Application #2007-021  
St. Jude Children's Research Hospital Home Care

Dear Mr. Elenbaas:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. **Section A, Applicant Profile, Item 3.A.1) Overview**
  - a. **Will patients living in the PSA or other immediate surrounding area (w/in or outside Tennessee) have services provided in their own homes rather than St. Jude Children's Research Hospital residences?**

Response: If patients are staying in St. Jude housing, care will be delivered there. If patients are not staying in St. Jude housing but reside in the PSA, services will be delivered in their homes.

By St. Jude policy, patients who have been accepted for treatment and reside outside of a certain distance from the hospital, which has been extended during the COVID-19 pandemic, are offered lodging in one of St. Jude's housing facilities. Patients and their caregivers reside in housing from days to years while actively receiving treatment at St. Jude or returning for follow-up care or assessment. Temporary residence in St. Jude housing provides close access to medical services at the hospital and facilitates earlier discharge from inpatient stays in many situations.

The majority of patients and families staying in St. Jude housing facilities are being treated for pediatric cancer. In addition to those children, St. Jude also provides care for patients with sickle cell anemia and other non-malignant hematologic disorders and HIV infection – the majority of whom reside in the PSA. Patients residing within the PSA are usually not eligible for St. Jude housing and thus will be served in their own homes regardless of diagnosis. The home health agency, if approved, will enable many more patients to get care outside the St. Jude clinics and hospital campus.

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July 24, 2020

- b. Are any of the proposed scope of services currently being performed on an outpatient basis in-home or in hospital residences? If so, which ones and to what extent?**

Response: Yes. Patients in the past have always come to the outpatient clinics on the St. Jude campus to receive these services, but their quality of life would have been improved if the services could have been rendered in their residences or in St. Jude housing. With the advent of the COVID-19 pandemic, reducing the number of patients in clinics became a necessity. Under Governor Lee's emergency waiver, and in accordance with authorization from the Department of Health, St. Jude began dispatching registered nurses to its residence facilities to provide a limited scope of services beginning March 23. That was to minimize patient and caregiver time outside of the protected home environment (Safer at Home) and to limit contact with other patients and families that would otherwise occur both within St. Jude clinics and also within St. Jude's transportation vehicles.

The services provided at the hospital's residences include blood draws, swabbing for diagnosis of COVID-19 infection, and dressing changes and other ongoing maintenance for long-term catheters that the majority of our pediatric cancer patients have. Nurse visits occur Monday through Friday and number an average of 10 per day. From March to the present day, more than 215 unique pediatric patients have been served under that emergency waiver.

Parents and caregivers, as well as medical providers, report high levels of satisfaction with these visits in St. Jude housing. Currently, the Department of Health's authorization is set to expire on October 7, 2020. This CON application seeks to create a permanent ability to provide these and other home care services both at the St. Jude residences and also at the private homes of St. Jude patients within Shelby, Fayette, and Tipton Counties.

In addition to the services currently provided under the emergency authorization, we plan to provide social work visits, a wider scope of skilled nursing services including assisting families with subcutaneous injections, connecting long-term central venous catheters to intravenous fluids, nutrition and antibiotics, and in-home training and observations of medical care that is performed by the family in the home setting such as managing G-tubes and tracheostomies.

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July 24, 2020

- c. It is noted that the scope of services will be phased in over time. What is the anticipated phase-in schedule for the listed scope of services?**

Response: St. Jude's intent is to provide the skilled nursing services that we are currently providing under the COVID-19 special authorization in St. Jude housing facilities during the first half of Year 1. During the second half of Year 1, St. Jude will: 1) expand to provide these same services in patient's homes within the PSA; 2) expand current skilled nursing services to include subcutaneous injections, connecting long-term central venous devices to intravenous fluids, nutrition and antibiotics, adjustment & maintenance of IV pumps for outpatient use (CADD pumps), education and trouble-shooting for medical devices (e.g., gastrostomy tubes, tracheostomies), wound care, and, demonstrations, education, assistance & assessment appointments; and 3) add Social Worker, Home Health Aide, Chaplain and Child Life Specialist services (note that Chaplain, Child Life Specialist Services, and respite care services are not necessarily reimbursable; those staff are in the staffing table but there are no revenues for their services in the Projected Data Chart).

- d. Please clarify if the proposed project will serve both pediatric and adult home health patients. If approved, what is the general criteria for discharge from the proposed home health agency?**

Response: Per St. Jude policy, pediatric, adolescent, or young adult patients eligible for acceptance for treatment at St. Jude generally must be referred by a physician or licensed independent practitioner. Acceptance is based on various criteria including patient age, medical condition, eligibility for an open therapeutic clinical research trial, and whether St. Jude is the primary local treatment center for the patient's condition. Consistent with the vision of St. Jude's founder Danny Thomas, no child is ever denied treatment based on race, color, creed, disability, national origin, sex, religion, sexual orientation or preference, or the family's ability to pay.

In all cases, accepted patients are less than 25 years of age. St. Jude continues to provide care for accepted patients until cure or "aging out" of care. The specific age of transfer from St. Jude to adult care is dependent on various factors, including the underlying disease, its treatment, and whether or not the patient is enrolled in a clinical research trial. In general, most patients are transitioned to adult care by 27 years of age, although many of them are transitioned earlier.

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Proportionally, approximately 10% of active St. Jude oncology patients are 18 years of age or older. However, utilization of home health services by St. Jude patients over the past 3 years demonstrates that only approximately 7% of contracted services were for patients 18 years and older.

The home health agency's aim is to serve all St. Jude patients for whom these services are medically necessary, regardless of age, based on the ability of the agency to provide the services and the need for the patient to come to campus. The patients will be discharged from home health services in accordance with the discharge plan established for that patient, including when the services are determined to be no longer needed or would be more appropriately provided on campus at St. Jude or another facility or with a healthcare provider for adults.

**e. Please clarify if patients discharged from St. Jude's Children's Research Hospital in the past will have an option to enroll in the proposed home health agency, or is the target population current inpatients forward?**

Response: The target population is not limited to current inpatients going forward. Because many St. Jude patients receive chemotherapy or other treatment and assessment on an outpatient basis, "discharge" from St. Jude care is not limited to inpatient discharges, and "discharge" is not the primary trigger for the home health services. These services may be needed during the ongoing, outpatient care of the patients. Thus, the home care agency will serve patients who are still under St. Jude's care, and who have heretofore been coming onto the campus to St. Jude programs and clinics.

Accepted St. Jude patients with cancer may be admitted and discharged from the hospital inpatient service multiple times during their treatment and will be seen in the outpatient clinic. St. Jude Home Care will serve them, as needed, during treatment for their cancer and potentially for a 5-year follow-up period thereafter. After this time, St. Jude will transition their care back to their referring physicians or other appropriate physicians in their home community.

Accepted St. Jude patients without cancer who have chronic diseases such as sickle cell or other blood disorders, or HIV, are treated (as inpatients and/or outpatients) from the time they are accepted until they meet criteria to be discharged from St. Jude care, e.g., by reaching a disease specific age. St. Jude's Home Health Agency will provide home

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health services as medically necessary to them throughout the course of their care.

**2. Section A, Applicant Profile, Item 3.A.4) Existing similar service providers**

**Has St. Jude Children’s Research Hospital used any of the home health agencies in the past three years to provide the services to be provided by St. Jude Home Care? If so, with which home health agencies and for how many patients?**

Response: For home health care services, St. Jude has contracted with Methodist Alliance Home Care to provide a limited subset of skilled nursing services for St. Jude patients who are initiating Total Parenteral Nutrition (TPN; nutrition-by-vein) in St. Jude housing and patient’s homes within the PSA. The numbers of unique patients for the past three years are shown in the table below. The plan is for these patients to be served by St. Jude Home Care in the future. It is a very small number of patients. Last year’s 33 patients were less than 1.2% of Methodist Alliance Home Care’s 2,793 patients reported in its Joint Annual Report.

Year	Patients
2017	56
2018	33
2019	33

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**3. Section B, Need, Item 5 (Specific Criteria – Home Health Agency).  
Current Service Area Utilization**

**Since St. Jude Home Care will have staffing independent of St. Jude Children’s Research Hospital, would it make a difference related to continuation of care if other home health agency were able to provide the same pediatric services in a patient’s home or St. Jude Children’s Research Hospital residential facility?**

Response: The home care agency will have staff selected by, and perhaps contracted from, St. Jude Children’s Research Hospital. While in a legally distinct organization, the home health clinical staff will be fully integrated into the overall St. Jude clinical organization. Specifically, the HHA policies and procedures for care and medical supplies will mimic those of St. Jude to the extent possible. This enables seamless and consistent care between the home, ambulatory and inpatient settings. Staff will be trained using St. Jude-specific educational materials and will be familiar with the complex diseases and many research procedures at St. Jude. St. Jude does not think that the volume of patients and the same type and level of care could be provided by existing home health agencies on a going forward basis.

**4. Section B, Need, Item 5 (Specific Criteria – Home Health Agency).  
Current Service Area Utilization**

**The chart showing Statewide Utilization Growth appears to be missing a line referencing years. Please correct and submit a replacement page.**

Response: Attached following this page is revised page 24R, with the row identifying the data years inserted.

**5. Section B, Need, Item 8 (Specific Criteria – Home Health Agency),  
TennCare Managed Care Organizations**

**The response notes letters are being requested from MCOs. Is it anticipated letters will be received in the near future?**

Response: Attached following this page are letters just received this week, from Amerigroup and Blue Cross/Blue Shield. A letter from another MCO is expected to be received this month and will be forwarded to you under separate cover.



[www.myamerigroup.com](http://www.myamerigroup.com)

**Amerigroup Community Care**

July 16, 2020

Jane Raymond, MBA, FACHE  
Director, Managed Care  
St. Jude Children's Research Hospital  
262 Danny Thomas Place, MS 515  
Memphis, TN 38105-3678

Re: St. Jude Children's Research Hospital Home Care, LLC

Ms. Raymond:

This letter confirms the intent to enter into contract discussions with St. Jude Children's Research Hospital Home Care, LLC for the provision of services to Medicaid members enrolled with AMERIGROUP. Providing this letter of intent does not obligate the Health Care Provider or AMERIGROUP to sign a Managed Care Contract unless an acceptable agreement can be reached between the provider and AMERIGROUP.

Should you require more information or have additional questions, please feel free to contact me at [cindy.distefano@amerigroup.com](mailto:cindy.distefano@amerigroup.com), or at 615-305-2895.

Sincerely,

Cindy G. Distefano  
Director, Network Management  
Amerigroup Community Care

Cc:



July 21, 2020

Jane Raymond  
St. Jude Children's Research Hospital  
262 Danny Thomas Place, MS 515  
Memphis, TN 38105-3678

Re: Certificate of Need Application for the St. Jude Home Health Agency

Dear Jane:

I'm writing to express our support for a Certificate of Need for the St. Jude Children's Research Hospital Home Health Agency.

As a mission-driven health plan, the health of our members' is our top priority. Among other things, this means ensuring our members have timely access to high quality medical services in an appropriate setting. As a longtime partner of St. Jude, we are particularly encouraged that the St. Jude Children's Research Hospital Home Health Agency will allow for better integration of healthcare services.

It is for these reasons that BlueCross BlueShield of Tennessee wholeheartedly supports the favorable consideration to the approval of this application.

Sincerely,

A handwritten signature in black ink that reads "Marc Barclay".

Marc Barclay  
Vice President, Provider Networks and Contracting,  
Chief Managed Care Officer  
BlueCross BlueShield of Tennessee

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July 24, 2020

**6. Section B, Need, Item 9 (Specific Criteria – Home Health Agency).  
Proposed Charges**

- a. **The charts with projected HHA costs are noted. How do the charges in these charts relate to the Gross Charges reflected on page 50 of the application? For instance, on page 50, the total charge per patient in Year 1 is \$3,196, compared to \$2996 in this section?**

Response: The same four tables appear on application pages 27 and 51, and the third table contained an error. The data in the Year One Social Work row was incorrect. It should have read as follows (corrected data is in bold type):

Projected HHA Costs and Charges Per Patient -- Year One				
Service	Cost Per Patient	Charge Per Patient	Cost Per Hour	Charge Per Hour
Skilled Nursing	\$2,027.66	\$2,996.00	n/a	n/a
Social Work	<b>\$2,802.40</b>	<b>\$4,999.28</b>	n/a	n/a

Attached after this page are revised pages 27R and 51R, correcting the Social Work cost and charge per patient. With this change, the inconsistency you noted is eliminated. The data on page 50, taken from the Projected Data Chart, are blended gross charges per patient for skilled nursing and social work services, reflecting differing times spent by each discipline. The visits for Social Work are of a longer duration than Skilled Nursing. Two-thirds of the Social Work visits are projected at durations of 45 minutes or longer, compared to Skilled Nursing where only 35% of visits are estimated at 45 minutes. The blending of the two services and their projected volumes in Year One are summarized below.

Year One	Number of Patients	Number of Visits
Skilled Nursing	328	3,276
Social Work	36	364
Totals	364	3,640

Year One	Charge/Patient	Charge/Visit	Total Gross Charges
Skilled Nursing	\$2,996.00	\$299.60	\$981,490
Social Work	\$4,999.29	\$499.93	\$181,973
Blended Totals	\$3,196.33	\$319.63	\$1,163,463

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**b. Is the data available to provide comparative cost/charge information from similar agencies in the Primary Service Area? If so, please include in this section.**

Response: Please see revised page 52R following this page. It compares charge per visit for this project's two disciplines in CY2021, compared to FYE2018 charges per visit reported in the most recent 2018 Joint Annual Reports for four existing home health agencies serving the area.

**7. Section B, Need, Item 10 (Specific Criteria – Home Health Agency).  
Access**

**It is noted in the application the applicant will only serve St. Jude Children Research Hospital's patients. In the response, the applicant states they would consider a condition limiting the agency to patients who are or were St. Jude inpatients, but not until the HSDA Agency meeting. Is there a reason the applicant cannot commit to the condition in the application? For instance, is the applicant considering expanding to other services and clientele in its long-range planning?**

Response: The applicant is not currently considering expanding the home health service area beyond the three listed PSA counties. The applicant is not considering expanding any services to patients who are not patients of St. Jude Children's Research Hospital – either as inpatients, outpatients, or clinic patients. A condition limiting the home health program to patients of St. Jude is acceptable -- but doing that at the HSDA meeting itself, with an opportunity for legal counsel to discuss its precise scope and effect in the context of questions and discussion by the HSDA members, would be preferable to agreeing to a broad and less defined condition at this stage of the process.

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July 24, 2020

- 8. Section B, Need, Item 3, Proposed Service Area**  
**a. The Primary Service Area of Shelby, Fayette, and Tipton counties. Please discuss why other adjacent counties are not included in the PSA.**

Response: St. Jude is not currently planning to staff to levels that would support home visits outside of the three PSA counties. Most active St. Jude patients who live outside of the three counties can receive St. Jude home care services if they are staying in the St. Jude residence buildings in Shelby County, where they can be served by this project.

- b. The chart on Project Utilization shows 75% of projected utilization would come from outside the PSA. Are there any specific areas that are the major sources within this 75%?**

Response: The 75% are composed of patients from throughout Tennessee, other States, and foreign countries. No one area is considered to be a major source of the active patients being treated in the residences. The mix of patient origin changes continuously. People residing within a certain mileage from St. Jude do not live in the residences. People from farther away would live in the residences.

- 9. Section B, Need, Item 5, Existing Providers Utilization**  
**Please complete the following table for home health agencies in the 3-county service area that served patients 0-17 years of age.**

**Existing Licensed HHAS & Their Utilization in the 3-County  
 Declared Service Area Ages 0-17**

<b>Agency (license #)</b>	<b>County of Parent Office</b>	<b>Date Licensed</b>	<b>Total Counties authorized in license (# counties in PSA) *</b>	<b>2017 JAR Total patients served</b>	<b>2018 JAR Total patients served</b>	<b>2019 JAR Total patients served</b>	<b>% Change 2017-2019</b>

Response: The completed table is attached following this page.

SUPPLEMENTAL Table B-Need Question 9: Pediatric Patients of HHAs Licensed for the Project Service Area									
Agency License Number	County of Parent Office	Date Agency Licensed	Home Health Agency Name	Total PSA Counties Authorized in License	State I.D. Number of Agency	2017 JAR Total Patients Age 0-17 Served in PSA	2018 JAR Total Patients Age 0-17 Served in PSA	2019 JAR Total Patients Age 0-17 Served in PSA	% Change 2017-2019
288	Haywood	6/7/84	AbilisHealth Brownsville (Careall Homecare Services)	2	38015	2	3	1	-50.0%
347	Shelby	5/9/97	Accredo Health Group, Inc.	2	79456	17	15	12	-29.4%
042	Davidson	7/17/84	Elk Valley Health Services, Inc.	3	19494	33	32	36	9.1%
610	Shelby	8/13/04	Functional Independence Home Care, Inc.	3	79496	86	73	79	-8.1%
227	Shelby	5/2/84	Home Health Care of West TN, Inc.	3	79486	58	46	39	-32.8%
618	Shelby	10/9/07	Maxim Healthcare Services, Inc.	3	79536	76	50	84	10.5%
233	Shelby	7/1/88	Methodist Alliance Home Care	3	79316	68	49	28	-58.8%
611	Shelby	7/1/05	No Place Like Home, Inc.	3	79506	108	114	77	-28.7%
224	Shelby	12/3/81	Quality Home Health Services	3	79136	26	17	83	219.2%
616	Shelby	7/1/06	Still Waters Home Health Agency	2	79526	0	0	6	0.0%
612	Fayette	8/10/05	Where the Heart Is	3	24036	53	9	18	-66.0%
<b>AREAWIDE TOTALS</b>						<b>527</b>	<b>408</b>	<b>463</b>	<b>-12.1%</b>

Source: TDH; 2017-2019 Joint Annual Reports of Home Health Agencies

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July 24, 2020

**10. Section B, Need, Item 6, Proposal Historical and Projected Utilization**

- a. The methodology is noted. How were the ‘per day’ projections arrived at?**

Response: The projected number of patients served in Year 1 is based on the approximate number of patients being served in St. Jude housing facilities under the special authorization during the COVID-19 period, and a small number of St. Jude patients receiving TPN services through Methodist Alliance Home Care. During Year 2, St. Jude plans to expand services, resulting in a moderate increase in the number of patients served.

- b. The projections include St. Jude Children’s Research Hospital’s experience in outpatient visits. Were the outpatient visits for services that will now be under St. Jude Home Care previously performed elsewhere, and if so, what were those services, how were they previously delivered, and what was their volume?**

Response: Yes, the services provided under the COVID-19 authorization (Blood draws and dressing changes) and the expanded Skilled Nursing Services (see response 1c) previously required an outpatient visit to St. Jude and its clinics. The volume would have included all such visits reported in section 1.b., on page 2, above, and includes services that continue to be provided in the clinics that could be performed in the residential setting in the future.

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July 24, 2020

**c. Please complete the following charts:**

**Utilization by Discipline – Year One**

<b>Discipline</b>	<b>Patients</b>	<b>Hours</b>	<b>Visits</b>
Skilled nursing	328	0	3,280
Home health aide			
Medical social	36	0	360
Therapies (PT,OT,ST)			
<b>Total</b>	<b>364</b>	<b>0</b>	<b>3,640</b>

**Utilization by Age Group – Year One**

<b>Age Group</b>	<b>Patients</b>	<b>% of Total</b>
0-12	233	64.0%
13-17	106	29.1%
18+	25	6.9%
<b>Total</b>	<b>364</b>	<b>100.0%</b>

**Utilization by Discipline – Year Two**

<b>Discipline</b>	<b>Patients</b>	<b>Hours</b>	<b>Visits</b>
Skilled nursing	393	0	3,928
Home health aide			
Medical social	44	0	440
Therapies (PT,OT,ST)			
<b>Total</b>	<b>437</b>	<b>0</b>	<b>4,368</b>

**Utilization by Age Group – Year Two**

<b>Age Group</b>	<b>Patients</b>	<b>% of Total</b>
0-12	280	64.0%
13-17	127	29.1%
18+	30	6.9%
<b>Total</b>	<b>437</b>	<b>100.0%</b>

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July 24, 2020

**11. Section B. Economic Feasibility Item 5.C.1), Charges Comparison**

**This section was not completed. Does the applicant have comparisons of the proposed charges for similar facilities in the service area?**

Response: Question 6b above responds to this question with revised page 52R providing comparisons of charges by discipline, for this project and for four other major home health agencies in the service area.

**12. Section B, Contribution to the Orderly Development of Health Care, Item 4. Outstanding Projects**

**Please list any outstanding CONs for St. Jude's Hospital.**

Response: See page 74 of the application. St. Jude has no outstanding projects.

**13. Proof of Publication**

**Please mail the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit an electronic publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.**

Response: The newspaper's affidavit of publication is provided following this page.

**commercial appeal**  
PART OF THE USA TODAY NETWORK

BASS BERRY SIMS PLC  
150 3 RD AVE SOUTH SUITE 2800  
  
NASHVILLE, TN 37201

**This is not an invoice**

**Affidavit of Publication**

**STATE OF WISCONSIN**  
**County of Brown**

Personally appeared before me, said Legal clerk of MEMPHIS PUBLISHING COMPANY, a corporation, publishers of The Commercial Appeal, morning and Sunday paper, published in Memphis, Tennessee, who makes oath in due form of law, that she is Legal Clerk of the said Memphis Publishing Company, and that the accompanying and hereto attached notice was published in the following edition of The Commercial Appeal to-wit :

07/10/2020

BASS BERRY SIMS PLC

308319



Subscribe and sworn to before me this 10th day of July, 2020

  
Notary Public

5-15-23  
My commission expires

# of Affidavits 1  
Ad Number: 0004273213

NANCY HEYRMAN  
Notary Public  
State of Wisconsin

**NOTIFICATION OF INTENT  
TO APPLY FOR A CERTIFICATE OF NEED**

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that St. Jude Children's Research Hospital Home Care (a proposed home health agency), owned and to be managed by St. Jude Children's Research Hospital Home Care, LLC (a limited liability company), intends to file an application for a Certificate of Need to establish a home health agency and to initiate home health services exclusively restricted to patients of St. Jude Children's Research Hospital, with a principal office located at 545 Danny Thomas Place, Memphis, TN 38105, at a capital cost estimated at \$182,000.

The proposed project will seek Home Health Agency licensure from the Board for Licensing Health Care Facilities, for a service area consisting of Shelby, Fayette, and Tipton Counties. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before July 15, 2020. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

July 10, 2020

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July 24, 2020

#### **14. Attachments, Letters of Support**

**The attachments have a section for Letters of Support, but none were included in the section. Were there letters of support that were to have been included?**

Response: St. Jude has begun to receive letters of support since the filing of the application. Following this page are letters from Methodist Le Bonheur Healthcare, Baptist Memorial Healthcare Corporation, Blue Cross/Blue Shield and Regional One Health (formerly "The MED"). Additional letters are expected over the next several days. At the end of the month all support letters will be gathered into one packet and delivered to the HSDA staff.

#### **Additional Items Submitted By Applicant**

Following this page is revised page 39R of the application. It adds agency visit data to the originally submitted page 39, which had provided only patient data.

Also submitted is a revised page 57R, the staffing table, to which annual salary data has been added.

Thank you for your assistance and consideration of our responses. We hope this provides the information needed to accept the application into the next review cycle. If more is needed, please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,



John Wellborn  
Consultant



July 22, 2020

**Via U.S. Mail and E-Mail**

Logan Grant  
Executive Director  
Tennessee Health Services & Development Agency  
Andrew Jackson Bldg., 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

**RE: St. Jude Children's Research Hospital (St. Jude)  
Certificate of Need Application No. CN2007-021**

Dear Mr. Grant:

On behalf of Methodist Le Bonheur Healthcare (MLH) in Memphis, please allow me to add our strong support to St. Jude Children's Research Hospital's above-referenced certificate of need application. This excellent project is most deserving of approval, and we sincerely hope that you, your capable staff and the members of the Agency will give it favorable consideration.

The need for this project is clear. When it comes to providing the best pediatric patient care, the continuum of care needs to be designed around what is best for the children and their families. St. Jude has determined that, in order to provide the best care possible to their unique and medically fragile patient population, it needs the capability to provide care to those patients in their homes and in St. Jude housing facilities.

Over the past 5 years we are aware that St. Jude has been expanding its population base of patients suffering from catastrophic diseases such as cancer and sickle cell disease. Thanks to the easing of some regulatory restrictions during Governor Lee's emergency declarations and approval by the TN Department of Health of requested regulatory flexibilities, St. Jude has been able to successfully shift some of their patient services from the clinic to its housing facilities to enhance infection control on campus by reducing the frequency and duration of patient and family visits to their clinics on campus. By approving this project, St. Jude will be able to continue to provide their patients and families with outstanding care in its housing facilities, as well as to provide this care in the families' homes in Shelby, Fayette and Tipton Counties.

In addition to being much needed, we also are confident that this project will readily contribute to the orderly development of healthcare in the Memphis area and beyond. St. Jude's application is focused on its unique patient population only and will not disrupt or negatively impact home health services offered by other providers, including MLH.

**Michael O. Ugwueke, DHA, FACHE**  
President and Chief Executive Officer, Methodist Le Bonheur Healthcare  
President and Chief Executive Officer, Methodist Healthcare – Memphis Hospitals  
1211 Union Avenue – Suite 700 – Memphis, TN 38104...901-478-0520...Fax: 901-478-0501

Logan Grant  
Page -2-

For all of these reasons, MLH is proud to lend its enthusiastic support to this project at St. Jude. Please let me know if we can do anything more to support this important initiative.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Ugwueke", written over a light gray rectangular background.

Michael Ugwueke  
President & CEO

**Michael O. Ugwueke, DHA, FACHE**  
President and Chief Executive Officer, Methodist Le Bonheur Healthcare  
President and Chief Executive Officer, Methodist Healthcare – Memphis Hospitals  
1211 Union Avenue – Suite 700 – Memphis, TN 38104...901-478-0520....Fax: 901-478-0501

BAPTIST MEMORIAL HEALTH CARE CORPORATION

July 23, 2020

**Via U.S. Mail and E-Mail**

Logan Grant  
Executive Director  
Tennessee Health Services & Development Agency  
Andrew Jackson Bldg., 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

**RE: St. Jude Children's Research Hospital (St. Jude)  
Certificate of Need Application No. CN2007-021**

Dear Mr. Grant:

On behalf of Baptist Memorial Health Care Corporation (BMHCC) in Memphis, please allow me to add our strong support to St. Jude Children's Research Hospital's above-referenced certificate of need application. This excellent project is most deserving of approval, and we sincerely hope that you, your capable staff and the members of the Agency will give it favorable consideration.

The need for this project is clear. When it comes to providing the best pediatric patient care, the continuum of care needs to be designed around what is best for the children and their families. St. Jude has determined that, in order to provide the best care possible to their unique and medically fragile patient population, it needs the capability to provide care to those patients in their homes and in St. Jude housing facilities.

Over the past 5 years we are aware that St. Jude has been expanding its population base of patients suffering from catastrophic diseases such as cancer and sickle cell disease. Thanks to the easing of some regulatory restrictions during Governor Lee's emergency declarations and approval by the TN Department of Health of requested regulatory flexibilities, St. Jude has been able to successfully shift some of their patient services from the clinic to its housing facilities to enhance infection control on campus by reducing the frequency and duration of patient and family visits to their clinics on campus. By approving this project, St. Jude will be able to continue to provide their patients and families with outstanding care in its housing facilities, as well as to provide this care in the families' homes in Shelby, Fayette and Tipton Counties.

In addition to being much needed, we also are confident that this project will readily contribute to the orderly development of healthcare in the Memphis area and beyond. St. Jude's application is focused on its unique patient population only and will not disrupt or negatively impact home health services offered by other providers, including BMHCC.

For all of these reasons, BMHCC is proud to lend its enthusiastic support to this project at St. Jude. Please let me know if we can do anything more to support this important initiative.

Sincerely,

A handwritten signature in black ink that reads "Jason Little". The signature is written in a cursive, flowing style.

Jason Little  
President & CEO



**Via U.S. Mail and E-Mail**

Logan Grant  
Executive Director  
Tennessee Health Services & Development Agency  
Andrew Jackson Bldg. 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

**RE: St. Jude Children's Research Hospital (St. Jude)  
Certificate of Need Application No. CN2007-021**

Dear Mr. Grant:

On behalf of Regional One Health, please allow me to add our support to St. Jude Children's Research Hospital's above-referenced certificate of need application. This excellent project is most deserving of approval, and we sincerely hope you, your staff and the members of the Agency will give it favorable consideration.

The need for this project is clear. When it comes to providing the best pediatric patient care, the continuum of care needs to be designed around what is best for the children and their families. St. Jude has determined that, in order to provide the best care possible to their unique and medically fragile patient population, it needs the capability to provide care to those patients in their homes and in St. Jude housing facilities.

Over the past 5 years, we are aware that St. Jude has been expanding its population base of patients suffering from catastrophic diseases such as cancer and sickle cell disease. Thanks to the easing of some regulatory restrictions during Governor Lee's emergency declarations and approval by the TN Department of Health of requested regulatory flexibilities, St. Jude has been able to shift some of their patient services from the clinic to its housing facilities. This shift has been successful. This has improved patients access to care during the public health emergency and enhanced infection control on the St. Jude campus by reducing the frequency and duration of patient and family visits to their clinics. By approving this project, St. Jude will be able to continue to provide their patients and families with outstanding care in its housing facilities, as well as to provide this care in the families' homes in Shelby, Fayette and Tipton Counties.

In addition to being much needed, we also are confident that this project will readily contribute to the orderly development of healthcare in the Memphis area and beyond. St. Jude's application is focused on its unique patient population only and will not disrupt or negatively affect home health services offered by other providers.

For all of these reasons, Regional One Health is proud to lend its enthusiastic support to this project at St. Jude. Please let me know if we can do anything more to support this important initiative.

Sincerely,

A handwritten signature in black ink, appearing to read 'Reginald Coopwood'.

Reginald Coopwood, M.D.  
President & CEO

July 21, 2020

Jane Raymond  
St. Jude Children's Research Hospital  
262 Danny Thomas Place, MS 515  
Memphis, TN 38105-3678

Re: Certificate of Need Application for the St. Jude Home Health Agency

Dear Jane:

I'm writing to express our support for a Certificate of Need for the St. Jude Children's Research Hospital Home Health Agency.

As a mission-driven health plan, the health of our members' is our top priority. Among other things, this means ensuring our members have timely access to high quality medical services in an appropriate setting. As a longtime partner of St. Jude, we are particularly encouraged that the St. Jude Children's Research Hospital Home Health Agency will allow for better integration of healthcare services.

It is for these reasons that BlueCross BlueShield of Tennessee wholeheartedly supports the favorable consideration to the approval of this application.

Sincerely,



Marc Barclay  
Vice President, Provider Networks and Contracting,  
Chief Managed Care Officer  
BlueCross BlueShield of Tennessee

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: ST. JUDE CHILDREN'S RESEARCH HOSPITAL  
HOME CARE

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn  
Signature/Title

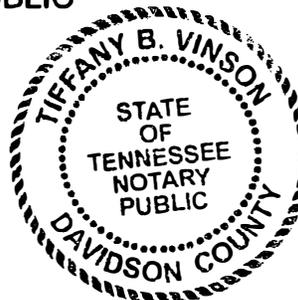
Sworn to and subscribed before me, a Notary Public, this the 27 day of July, 2020  
witness my hand at office in the County of DAVIDSON, State of Tennessee.

[Signature]  
NOTARY PUBLIC

My commission expires 03.08, 2021.

HF-0043

Revised 7/02



July 28, 2020

David Elenbaas, HSDA Health Data and Policy Administrator  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: CON Application #2007-021  
St. Jude Children's Research Hospital Home Care

Dear Mr. Elenbaas:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

**1. Section B, Need, Item 6, Proposal Historical and Projected Utilization**

**The charts on page 18 of your response in Supplemental #1 are noted. However, projections of 'Hours' were missing on the charts. Please complete the two charts on the following page:**

Please see the completed table on the following page. The only two disciplines projected the first two years are skilled nursing and medical social work. For aides and therapists we have entered "NA".

Page Two  
July 28, 2020

**Utilization by Discipline – Year One**

<b>Discipline</b>	<b>Patients</b>	<b>Average Hours per Visit</b>	<b>Hours</b>	<b>Visits</b>
Skilled nursing	328	0.54	1,753	3,276
Home health aide	NA	NA	NA	NA
Medical social	36	0.75	272	364
Therapies (PT,OT,ST)	NA	NA	NA	NA
<b>Total</b>			<b>2,025</b>	<b>3,640</b>

**Utilization by Discipline – Year Two**

<b>Discipline</b>	<b>Patients</b>	<b>Average Hours per Visit</b>	<b>Hours</b>	<b>Visits</b>
Skilled nursing	393	0.54	2,103	3,931
Home health aide	NA	NA	NA	NA
Medical social	44	0.75	327	437
Therapies (PT,OT,ST)	NA	NA	NA	NA
<b>Total</b>	<b>437</b>		<b>2,430</b>	<b>4,368</b>

Thank you for your assistance and consideration of our responses. We hope this provides the information needed to accept the application into the next review cycle. If more is needed, please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,



John Wellborn  
Consultant

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: ST. JUDE CHILDREN'S RESEARCH HOSPITAL  
HOME CARE

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete, to the best of my knowledge.

John Wellborn  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 28 day of July, 2020, witness my hand at office in the County of Davidson, State of Tennessee.

Aranka A. Mehran  
NOTARY PUBLIC

My commission expires November 06, 2023.



My Commission Expires Nov. 6, 2023