



## 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

October 1, 2020

John Wellborn  
Development Support Group  
4219 Hillsboro Road, Suite #210  
Nashville, TN 37215

RE: Certificate of Need Application – Highpoint Physician Partners - CN2009-028  
For initiation of MRI services for pediatric and adult patients at 101 Physicians Way, Lebanon (Wilson County), TN 37090. The applicant is owned by Sumner Physician Practices, LLC which is ultimately owned by LifePoint Health, Inc. The estimated project cost is \$1,337,703.

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 October 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 December 16, 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 at 615-741-2364.

Sincerely,

Logan G. Grant  
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



**State of Tennessee**

**Health Services and Development Agency**

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

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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: October 1, 2020

RE: Certificate of Need Application  
Highpoint Physician Partners - CN2009-028

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 October 1, 2020 and end on December 1, 2020.

Should there be any questions regarding this application or the review cycle, please contact this office at 615-741-2364.

Enclosure

cc: John Wellborn

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

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Wilson County, Tennessee, on or before September 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 Highpoint Physician Partners (a private physician practice), owned and managed by Sumner Physician Practices, LLC (a limited liability corporation) intends to file an application for a Certificate of Need to acquire a magnetic resonance imaging (MRI) unit currently providing service at 101 Physicians Way, Suite B, Lebanon, TN 37087, and at that location to initiate outpatient MRI services for adult and pediatric orthopedic patients of Highpoint Physician Partners, at a project cost estimated for CON purposes at \$1,463,600.

The project will not require licensure as a healthcare facility. The project does not contain any other type of 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 September 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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(Signature) (Date) [jwdsg@comcast.net](mailto:jwdsg@comcast.net)  
(E-mail Address)

September 10, 2020

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: CON Application Submittal  
Highpoint Physician Partners MRI Service  
Lebanon, Wilson County

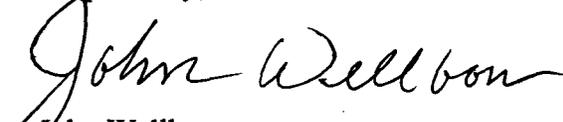
Dear Mr. Grant:

This letter transmits electronically a copy of the subject application and a copy of the filing fee. The filing fee check itself will be mailed to the HSDA offices in compliance with staff instructions. The letter of intent has already been submitted electronically.

The applicant requests consent calendar review of this application.

I am the contact person for this project. Brant Phillips of Bass, Berry and Sims is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,

  
John Wellborn  
Consultant

**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.

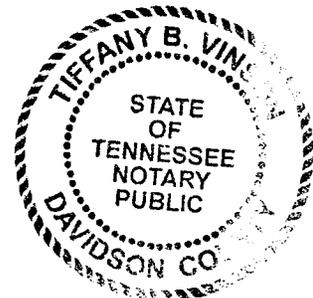
  
SIGNATURE/TITLE  
CONSULTANT

Sworn to and subscribed before me this 10 day of SEPTEMBER, 2020 a Notary  
(Month) (Year)

Public in and for the County/State of DAVIDSON

  
NOTARY PUBLIC

My commission expires 03.08, 2024.  
(Month/Day) (Year)





**CERTIFICATE OF NEED  
APPLICATION  
BY  
HIGHPOINT PHYSICIAN  
PARTNERS**

**TO INITIATE  
OUTPATIENT MRI SERVICES  
IN WILSON COUNTY**

**Filed September 2020**

## CERTIFICATE OF NEED APPLICATION (2019 Form)

### SECTION A: APPLICANT PROFILE

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

Highpoint Physician Partners			
<i>Name</i>			
101 Physicians Way, Suite B	Wilson		
<i>Street or Route</i>	<i>County</i>		
Lebanon	TN	37090	
<i>City</i>	<i>State</i>	<i>Zip Code</i>	
none			
<i>Website Address</i>			

*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		
<i>Name</i>	<i>Title</i>		
Development Support Group	jwdsg@comcast.net		
<i>Company Name</i>	<i>E-Mail Address</i>		
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
<i>Street or Route</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
CON Consultant	615-665-2022	615-665-2042	
<i>Association With Owner</i>	<i>Phone Number</i>	<i>Fax Number</i>	

**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.**

Highpoint Physician Partners, the public name of Sumner Physician Practices, LLC, the CON applicant, is a multidisciplinary physician group practice owned by LifePoint Health, Inc. Highpoint Physician Partners (“HPP”) is affiliated with LifePoint Health’s Sumner Regional Medical Center in Sumner County. Both the physician practice group and that hospital serve an area of counties east and northeast of Nashville.

Recently, the orthopedists of Tennessee Orthopedics, PC, headquartered in Lebanon in Wilson County, joined Highpoint Physician Practices. For sixteen years, Tennessee Orthopedics has provided MRI service in Lebanon for its own patients. Highpoint Physician Practices wants to continue this service at the orthopedists’ current office location, and has filed this application to become the provider of the existing MRI service, with no other significant changes. This is a change in ownership of an existing MRI service, which will continue to be limited to orthopedic patients of HPP. It is not an additional MRI for the area, or a change of location or a change in service.

The applicant will lease this existing MRI from GE and will lease the suite it occupies in the 101 Physicians Way medical office building in Lebanon. No construction or additional equipment will be required. The MRI will serve the patients of Highpoint Physician Partners. The orthopedists will continue to have practice hours in the same office building as the MRI suite and will continue to serve only orthopedic patients.

The MRI unit is uniquely suited to orthopedic patients. It is a GE Optima 1.5 Tesla unit with a wider-bore scanning tube than any other MRI in the service area. It is capable of high-resolution imaging of patients up to 500 pounds in weight, offering many choices for body positioning during scans. It is a unique resource for large patients in this rural area.

The practice first opened the MRI service at its prior office location in Lebanon in May 2004 with an open MRI. In 2016, the practice relocated to its present site at 101 Physicians Way in Lebanon and replaced the open MRI with the present wide-bore unit, which produced superior resolution images while accommodating very large patients.

## **2) Ownership Structure**

Sumner Physician Practices, LLC is a medical group of 41 providers (physicians, nurse practitioners, and physician assistants) with 18 practice offices in the service area. The public name of the group is Highpoint Physician Partners (“HPP”). The LLC is owned by LifePoint Health, Inc., through four wholly owned subsidiaries. LifePoint Health is a Nashville-based hospital company that owns Sumner Regional Medical Center and many other hospitals.

## **3) Service area**

The MRI will continue to serve its current primary service area of Wilson, Macon, Smith, Sumner, DeKalb and Trousdale Counties. For the past several years, these six counties have contributed more than 90% of the utilization of the MRI.

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

This project does not increase the number of MRI units authorized for the service area. The six-county service area contains 14.4 MRI units operated by 15 providers. These units consist of 12.4 non-specialty units (12 fixed and 2 mobile units onsite two days a week) and 2 specialized extremity units.

## **5) Project cost**

The project cost under CON rules is estimated at \$1,337,703 almost all of which is the lease outlay for the MRI suite, and the value of the leased MRI equipment. The actual capital expenditure is only \$90,000.

## **6) Funding**

All necessary funding will be provided by the applicant through a cash transfer from LifePoint Health, the applicant’s parent company, or from one of its wholly owned subsidiary companies.

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

The applicant’s projections indicate that a positive financial margin will be achieved in both the first and second years of operation.

## **8) Staffing**

The service will require direct employment of one FTE, the MRI tech. Administrative and business services will continue to be provided in the adjoining physician practice office, as they always have been.

## **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**

Many patients treated by orthopedists have physical mobility issues and travel limitations. They have difficulty walking, getting in and out of vehicles and driving longer distances than absolutely necessary. Having continued local access to this specially-designed MRI is important to their quality of care. The approval of this application will enable orthopedic patients to continue to receive efficient and inexpensive MRI services on-site at their physicians' office building in Lebanon, usually on the same day as their office visit. Such rapid on-site access will eliminate delays of having to schedule an MRI examination at another location on another day. It will also allow large patients to avoid having to be transported into Nashville to find an MRI that can serve them.

The project is consistent with applicable need criteria of the State Health Plan. It is a change of provider for an existing, operational MRI service. As such, it will not add another MRI to a service area whose average MRI utilization has not yet reached State Health Plan targets for optimal utilization.

### **2) Economic Feasibility**

The service has operated with a positive financial margin historically and it is projected to continue to do so. Its charges are consistent and lower than charges of other physician office-based MRIs in the area. Its charges will be much lower than the average charges of MRIs in hospitals or ODCs. The unit will remain contracted to Medicare and to the service area's three TennCare MCO's, which will provide broad financial accessibility to area patients. Charity care will be provided.

### **3) Quality Standards**

The MRI is accredited by the Intersocietal Accreditation Commission. The applicant is committed to continue its accreditation by either that organization or by another nationally recognized accreditation organization such as the American College of Radiology (ACR).

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

The project will enable HPP to continue providing a type of patient care that its new orthopedists have offered in their previous practice entity since May 2004: a high-resolution MRI that effectively and comfortably images very large patients. Without this option, such patients will have to travel longer distances outside the service area to find appropriate capacity. And for all types of patients, continued access to MRI imaging as they visit their orthopedist's practice office will eliminate delays of having to schedule an MRI examination at another location on another day – which saves time and money for the patient.

This change of ownership of the service does not increase the number of MRI's authorized for the service area. Therefore, the project will not have any adverse impact on other MRI providers.

This is a minimal and orderly change. The proposed change of ownership will not alter the location, scope of service or technology of an existing MRI service.

#### **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 requested on the following basis.

#### **Need**

The project will allow the applicant physician group to become the provider of an existing MRI service in Lebanon that has been an important resource for area patients for 16 years. The unit is a wide-bore unit that allows comfortable and high-resolution imaging of very large patients who weigh up to 500 pounds. No other unit in the six-county service area has that capability. The owner and provider of the service historically has been Dr. Roy Terry. He has left his former practice group and has joined the applicant physician group. To continue to provide the MRI service to area patients, it is necessary for the applicant group to become the new MRI provider.

The project does not change the location or scope of service of this MRI. It has been, and will continue to be, used solely for orthopedic patients.

The project complies with all applicable Need criteria of the State Health Plan. It does not add an MRI to an area that has not reached optimal average utilization of existing MRI units. It is accessible in drive time to more

than 80% of the service area population, being less than 40 miles from its largest communities.

### Financial Feasibility

The MRI in the project has operated and will continue to operate with a positive cash flow and operating margin.

The projected average gross charge for the service will be lower than that of any other MRI in the service area.

The cost of the project is minimal.

Full project funding is available from the applicant's parent company.

### Orderly Development

- a. The project will continue an MRI service that has been a unique and needed resource for area orthopedic patients for 16 years.
- b. The change in provider reflects only a change in the physician group that will be responsible for the continued operation of the service at its present location.

#### c. Quality

- a. The MRI is currently accredited by the Intersocietal Accreditation Commission, and will continue to be accredited by that organization or by the American College of Radiology.
- b. The unit's premises and operation conform to all applicable local, State, and Federal requirements.
- c. The applicant will maintain appropriate Quality Improvement and Medical Necessity protocols and processes for the MRI service.
- d. Emergency transfer agreements will be requested with nearby hospitals. The orthopedists whose patients will utilize the MRI already have admitting privileges Sumner Regional Medical Center (a Level III trauma center) and/or Vanderbilt Wilson Hospital.

**4. PROJECT DETAILS**

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

Sumner Physician Practices, LLC	615-328-5150
<i>Name</i>	<i>Phone Number</i>

c/o Sumner Regional Medical Center, 555 Hartsville Pike	Sumner
<i>Street or Route</i>	<i>County</i>

Gallatin	TN	37066
<i>City</i>	<i>State</i>	<i>Zip Code</i>

Send to the Attention of: Braxton Hollaway

**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>.**

These are provided in 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 LLC is a group practice of physicians. It is owned by LifePoint Health, Inc., a hospital company headquartered in the Nashville area. LifePoint Health owns the applicant LLC through a chain of wholly owned subsidiaries. An organization chart is included in Attachment Section A-4AB. LifePoint Health also owns a local hospital, Sumner Regional Medical Center.

**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.***

**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.

~~\_\_\_\_\_~~ **X—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.*

Please see Attachment Section A-6A for a copy of the executed option to lease the project space.

**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.**

The site plan is provided in 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)**

The floor plan is provided in 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 near the intersection of Franklin Road and South Hartmann Drive, which are two major traffic arteries in Lebanon. The site is immediately off of Exit 236 from I-40, the primary east-west highway through the service area. Service area patients have east-west access to Lebanon in Wilson County via State and U.S. Highways 52, 70, 70N and I-40. They have north-south access through State and U.S. Highways 109, 231, and 56/80/53.

The office building where the MRI suite is located is accessible by wheelchair van, ambulance and private vehicle. The building has been designed for ease of access for patients with mobility problems, disabilities and physical impairments. There is ample parking in front. The patient entrance is canopied. Patient registration and waiting for the MRI are in the orthopedic practice office on the ground floor. The MRI suite is nearby on the same floor.

Door-to-door transportation is available for individuals with mobility limitations, provided by the Mid-Cumberland and Upper Cumberland Human Resource Agencies that serve these and other counties. The agencies have transportation vehicles equipped with wheelchair lifts and provide personal assistance in ambulating.

The table below shows distances and drive times between the project and the principal communities in the six-county service area.

<b>Table A-Applicant Profile-6B-3): Mileage and Drive Times Between Project and Major Communities in the Primary Service Area Project Address: 101 Physicians Way, Lebanon, TN 37087</b>			
<b>Community</b>	<b>PSA County</b>	<b>Distance</b>	<b>Drive Time</b>
Smithville	DeKalb	38.0 miles	46 min.
Lafayette	Macon	36.3 miles	47 min.
Hendersonville	Sumner	32.5 miles	41 min.
Gallatin	Sumner	19.4 miles	28 min.
Portland	Sumner	36.3 miles	44 min.
Westmoreland	Sumner	30.2 miles	42 min.
White House	Sumner	34.6 miles	47 min.
Hartsville	Trousdale	21.5 miles	29 min.
Lebanon	Wilson	3.9 miles	8 min.
Mt. Juliet	Wilson	12.0 miles	15 min.

Source: Google Maps, 9-7-20.

**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	K. Residential Hospice	
E. Hospice	L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital	M. Other (Specify):	X
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID	<i>Physician-office based MRI Service</i>	

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

A. Establish New Health Care Institution	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)	I. Addition of ASTC Specialty	
D. Relocation and/or Replacement	J. Addition of Therapeutic Catheterization	
E. Initiation of MRI	X K. Other (Specify)	
F. Initiation of Pediatric MRI		

**9. Medicaid/TennCare, Medicare Participation**

MCO Contracts (Check all that apply):
<u>  </u> X <u>  </u> Amerigroup <u>  </u> X <u>  </u> United Healthcare Community Plan <u>  </u> X <u>  </u> BlueCare <u>  </u> <u>  </u> TennCare Select <u>  </u> X <u>  </u>
Medicare Provider Number: 103g704399
Medicaid Provider Number: Q023810 (Orthopedic Office Number)
Certification Type: Physician Practice Group
<b>If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?</b>
Medicare Yes <u>  </u> X <u>  </u> No <u>  </u>
Medicaid/TennCare Yes <u>  </u> X <u>  </u> No <u>  </u>

**10. Bed Complement Data**

**A. Please indicate current & proposed distribution and certification of facility beds.** Not applicable.

	<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.

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

Not applicable. 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: NA**

	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"/>	<input type="checkbox"/>	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"/>	<input type="checkbox"/>	<input type="checkbox"/>
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"/>	<input type="checkbox"/>
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. INSERT COST PSF TABLE**

This table is not applicable. There is no construction or renovation required for this project.

**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 project requires no construction or renovation. The building was opened in 2016. There is no space in the building that needs to be vacated in order to implement the project.

**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)? _____

**Not Applicable**

<b>MRI</b>	
Tesla: 1.5	Total Cost*: \$731,577
Magnet: (indicate one)	By Purchase? \$731,577 price
Breast?	By Lease? \$483,020 lease outlay
Extremity?	
Open?	Expected Useful Life (yrs): 10
Short Bore?	New? _____
Other – Wide Open Bore	Refurbished? _____
	If not new, how old (yrs)? 5 (2015)

<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.**

Attachment Section A.13B contains both a purchase quotation and a lease quotation for the equipment that the applicant intends to lease for this project.

**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.**

Lease Cost: 38 months at \$12,711.05

Calculation:  $38 \times \$12,711.05 = \$483,019.90$  lease outlay

Purchase Cost: \$731,577  
(Includes applicable freight, tax, rigging)

**D. Schedule of Operations:**

**Not applicable; this is not a mobile service.**

<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.**

The equipment is an Optima MR45w, 1.5 Tesla wide-bore MRI unit. It supports high resolution and high signal-to-noise ratio images in short examination times. It produces axial, sagittal, coronal, and oblique anatomical images, spectroscopic data, parametric maps, and dynamic images of the structures and functions of the entire body. It is applicable to the head, neck, TMJ area, spine, breast, heart, abdomen, pelvis joints, prostate blood vessels, and musculoskeletal regions of the body.

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

The premarket approval letter is provided in Attachment A.13.F.

**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. [:/www.tn.gov/hsda/hsda-criteria-and-standards.html](http://www.tn.gov/hsda/hsda-criteria-and-standards.html)**

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

**1. Utilization Standards for non-Specialty MRI Units.**

**a. An applicant proposing a new non-Specialty stationary MRI service should project a minimum of at least 2,160 MRI procedures in the first year of service, building to a minimum of 2,520 procedures per year by the second year of service, and building to a minimum of 2,880 procedures per year by the third year of service.**

This criterion is not applicable because the project does not propose to add a new MRI unit to the service area. The project is the change of ownership of an existing MRI service and the continued operation of the existing MRI under a new provider with the same medical staff.

As a matter of information, the applicant projects the following utilization for the MRI in its first three years.

<b>Table B- State Health Plan-Criterion 1a: Projected MRI Utilization of Project</b>			
	<b>Year One--2021</b>	<b>Year Two--2022</b>	<b>Year Three--2023</b>
<b>State Plan Standard</b>	2,160	2,520	2,880
<b>Project</b>	1,600	1,650	1,700
<b>% of SHP Standard</b>	74.1%	65.5%	59.0%

**b. Providers proposing a new non-Specialty mobile MRI service should project a minimum of at least 360 mobile MRI procedures in the first year of service per day of operation per week, building to an annual minimum of 420 procedures per day of operation per week by the second year of service, and building to a minimum of 480 procedures per day of operation per week by the third year of service and for every year thereafter.**

Not applicable. This is an existing fixed MRI.

**c. An exception to the standard number of procedures may occur as new or improved technology and equipment or new diagnostic applications for MRI units are developed. An applicant must demonstrate that the proposed unit offers a unique and necessary technology for the provision of health care services in the Service Area.**

This MRI unit is a unique resource for the service area. Its wide-bore configuration will accept exceptionally large patients weighing up to 500 pounds. Unless the project is approved, the unit will cease service and heavy patients needing this high-capacity equipment will have to be referred out of the service

area for MRI imaging. That would be a reduction in service for area patients, who have been able to utilize either an open MRI or this exceptionally wide-bore MRI at this medical office for the past 16 years.

**d. Mobile MRI units shall not be subject to the need standard in paragraph 1 b if fewer than 150 days of service per year are provided at a given location. However, the applicant must demonstrate that existing services in the applicant's Service Area are not adequate and/or that there are special circumstances that require these additional services.**

Not applicable. This is a fixed MRI.

**e. Hybrid MRI Units. The HSDA may evaluate a CON application for an MRI "hybrid" Unit (an MRI Unit that is combined/utilized with another medical equipment such as a megavoltage radiation therapy unit or a positron emission tomography unit) based on the primary purposes of the Unit.**

Not applicable. This will not be a hybrid unit.

**2. Access to MRI Units. All applicants for any proposed new MRI Unit should document that the proposed location is accessible to approximately 75% of the Service Area's population. Applications that include non-Tennessee counties in their proposed Service Areas should provide evidence of the number of existing MRI units that service the non-Tennessee counties and the impact on MRI unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if that data are available).**

Table A-Applicant Profile-6B-3) earlier in the application shows that the principal communities in the primary service area counties are less than 40 miles and 60 minutes' drive time of the project. Approximately 82% of the service area population lives in Wilson and Sumner Counties. The largest two communities in each of those counties are within 33 miles and 41 minutes' drive time of the MRI.

The primary service area does not include counties in other States.

**3. Economic Efficiencies. All applicants for any proposed new MRI Unit should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.**

Not applicable. This is not a proposal for a new or additional MRI unit in the service area.

**4. Need Standard for Non-Specialty MRI Units.**

A need likely exists for one additional non-Specialty MRI unit in a Service Area when the combined average utilization of existing MRI service providers is at or above 80% of the total capacity of 3600 procedures, or 2880 procedures, during the most recent twelve-month period reflected in the provider medical equipment report maintained by the HSDA. The total capacity per MRI unit is based upon the following formula:

**Stationary MRI Units:** 1.20 procedures per hour x twelve hours per day x 5 days per week x 50 weeks per year = 3,600 procedures per year

**Mobile MRI Units:** Twelve (12) procedures per day x days per week in operation x 50 weeks per year. For each day of operation per week, the optimal efficiency is 480 procedures per year, or 80 percent of the total capacity of 600 procedures per year.

This criterion is not applicable because the applicant is not proposing a new or additional non-specialty MRI unit in the service area. However, data on the utilization of existing stationary and mobile units in the service area is provided below.

In 2019, the 10.4 non-specialty MRI units based in hospitals and ODCs, both fixed and mobile, operated at an average of 2,063 procedures annually. They are the publicly accessible units. The four private physician practice units, which are restricted to patients of the practice, averaged only 764 procedures per MRI. Two of the four physician MRI's are extremity (arm and leg) units, not designed to perform other head and body studies.

	Number	2019 Procedures	Average Procedures Per Unit	Percent of Optimal Utilization (2,880)
All Non-Specialty MRI Units	12.4	23,399	1,887	65.5%
Publicly Accessible Non-Specialty Units (Hospital and ODC)	10.4	21,451	2,063	71.6%
Private/Not publicly accessible Units (Physician Office)	4.0	3,057	764	26.5%

**5. Need Standards for Specialty MRI Units.**

**a. Dedicated fixed or mobile Breast MRI Unit.** An applicant proposing to acquire a dedicated fixed or mobile breast MRI unit shall not receive a CON to use the MRI unit for non-dedicated purposes and shall demonstrate that annual utilization of the proposed MRI unit in the third year of operation is projected to be at least 1,600 MRI procedures (.80 times the total capacity of

**1 procedure per hour times 40 hours per week times 50 weeks per year), and that:**

- 1. It has an existing and ongoing working relationship with a breast-imaging radiologist or radiology proactive group that has experience interpreting breast images provided by mammography, ultrasound, and MRI unit equipment, and that is trained to interpret images produced by an MRI unit configured exclusively for mammographic studies;**
- 2. Its existing mammography equipment, breast ultrasound equipment, and the proposed dedicated breast MRI unit are in compliance with the federal Mammography Quality Standards Act;**
- 3. It is part of or has a formal affiliation with an existing healthcare system that provides comprehensive cancer care, including radiation oncology, medical oncology, surgical oncology and an established breast cancer treatment program that is based in the proposed service area.**
- 4. It has an existing relationship with an established collaborative team for the treatment of breast cancer that includes radiologists, pathologists, radiation oncologists, hematologist/oncologists, surgeons, obstetricians/gynecologists, and primary care providers.**

**b. Dedicated fixed or mobile Extremity MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Extremity MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity. Non-specialty MRI procedures shall not be performed on a Dedicated fixed or mobile Extremity MRI Unit and a CON granted for this use should so state on its face.**

**c. Dedicated fixed or mobile Multi-position MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Multi-position MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity. Non-specialty MRI procedures shall not be performed on a Dedicated fixed or mobile Multi-position MRI Unit and a CON granted for this use should so state on its face.**

Criteria 5a-5c are not applicable. The proposed unit is not a specialty unit.

**6. Separate Inventories for Specialty MRI Units and non-Specialty MRI Units.** If data availability permits, Breast, Extremity and Multi-position MRI Units shall not be counted in the inventory of non-Specialty fixed or mobile MRI Units, and an inventory for each category of Specialty MRI Unit shall be counted and maintained separately. None of the Specialty MRI Units may be replaced with non-Specialty MRI fixed or mobile MRI Units and a Certificate of Need granted for any of these Specialty MRI Units shall have included on its face a statement to that effect. A non-Specialty fixed or mobile MRI Unit for which a CON is granted for Specialty MRI Unit purpose use-only shall be counted in the specific Specialty MRI Unit inventory and shall also have stated on the face of its Certificate of Need that it may not be used for non-Specialty MRI purposes.

The applicant's data comply with this requirement. There are two specialty extremity MRI units in the five-county service area, both of them in private physician practices.

**7. Patient Safety and Quality of Care.** The applicant shall provide evidence that any proposed MRI Unit is safe and effective for its proposed use.

**a. The United States Food and Drug Administration (FDA) must certify the proposed MRI Unit for clinical use.**

Please see the Attachments for the FDA letter.

**b. The applicant should demonstrate that the proposed MRI Procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.**

The MRI's location, installation and operation will conform to all applicable Federal, State and local requirements and to the manufacturer's specifications.

**c. The applicant should demonstrate how emergencies within the MRI Unit facility will be managed in conformity with accepted medical practice.**

Emergencies will be managed using policies and procedures already established for Sumner Regional Medical Center's MRI service in Gallatin. They are provided in the Attachments under the Miscellaneous materials. They incorporate best practices for emergency response to any patient need. Medical staff are trained in emergency response. Emergency transfer agreements will be updated with Vanderbilt Wilson County Hospital and Sumner Regional Medical Center, the two largest and/or closest hospitals to the project. All orthopedic surgeons working at the MRI location will have admitting privileges at one or both hospitals. The MRI suite will continuously maintain a crash cart with appropriate equipment, medications, and supplies.

**d. The applicant should establish protocols that assure that all MRI Procedures performed are medically necessary and will not unnecessarily duplicate other services.**

Studies for patients other than Medicare must receive pre-authorization from the insurer, based on medical necessity, before a scan can be performed. For all patients, Medicare or otherwise, the Highpoint Physician Partners MRI technologist will review every order, will compare it to the diagnosis, and if questions arise will confer with the radiologist and/or the orthopedist, to establish medical necessity.

**e. An applicant proposing to acquire any MRI Unit or institute any MRI service, including Dedicated Breast and Extremity MRI Units, shall demonstrate that it meets or is prepared to meet the staffing recommendations and requirements set forth by the American College of Radiology, including staff education and training programs.**

The applicant is prepared to meet the MRI the staffing requirements and recommendations of the American College of Radiology, for its staff education and training programs.

**f. All applicants shall commit to obtain accreditation from the Joint Commission, the American College of Radiology, or a comparable accreditation authority for MRI within two years following operation of the proposed MRI Unit.**

The MRI unit is currently accredited by the Intersocietal Accreditation Commission (IAC). The applicant will maintain MRI accreditation by the IAC or by another national accreditation body such as the American College of Radiology.

**g. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.**

The applicant will request emergency transfer agreements with Sumner Regional Medical Center and Vanderbilt Wilson County Hospital. Orthopedists who will be responsible for patient care in the Sumner Physician Practices office in Lebanon are on the active medical staff of one or both facilities.

**8. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.**

The applicant will do so.

**9. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:**

**a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;**

Macon, Trousdale and Wilson Counties have been designated as medically underserved areas.

**b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program; or**

Not applicable to a physician office service.

**c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or**

The applicant already contracts with the three largest MCO's active in its service area. All studies performed on this MRI in Lebanon will be interpreted by radiologists who contract with all three of these MCO's.

**d. Who is proposing to use the MRI unit for patients that typically require longer preparation and scanning times (e.g., pediatric, special needs, sedated, and contrast agent use patients). The applicant shall provide in its application information supporting the additional time required per scan and the impact on the need standard.**

The applicant is not claiming this special consideration.

**END OF STATE HEALTH PLAN CRITERIA FOR MRI SERVICES**

**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 applicant is a physician practice group that has not previously had any approved CON projects and does not operate any licensed healthcare facilities.

One of the physician group's development objectives has been to add orthopedists. That is being accomplished over the past two years by the employment of the orthopedic specialists who have been in practice as Tennessee Orthopedics, PC in Lebanon.

Those orthopedists have offered a unique MRI service in their Lebanon office for 16 years, using practice-based units that one of them, Dr. Roy Terry, has leased from GE. Dr. Terry and his practice colleagues have been changing their practice affiliation from Tennessee Orthopedics, P.C. to Sumner Physician Practices, LLC, the applicant for this Certificate of Need. To maintain continuity of diagnostic care for their patients, Sumner Physician Practices, LLC has filed this application to become the new MRI provider in Dr. Terry's stead.

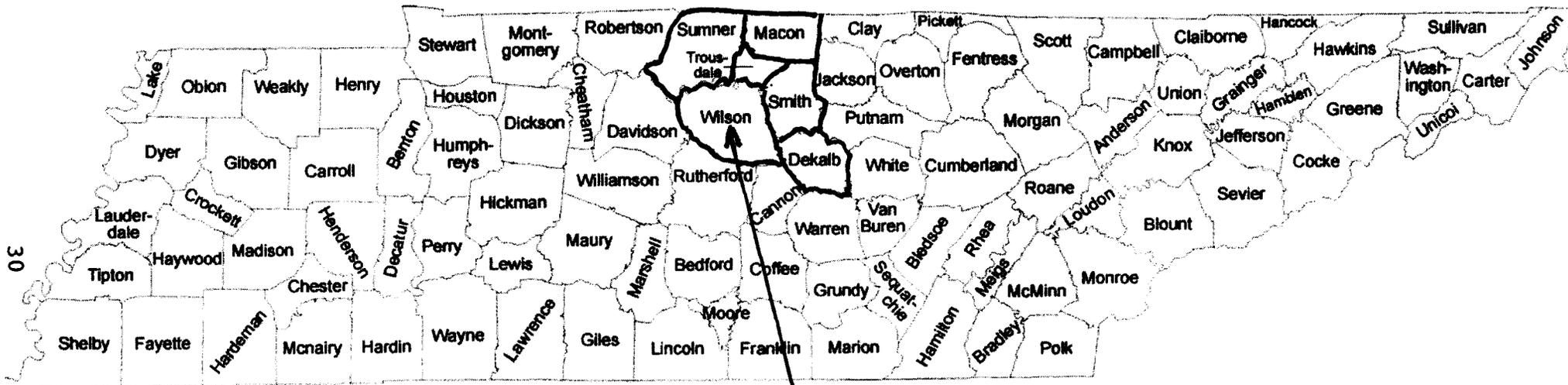
It is important for the area to continue to have access to this particular MRI, because it is the only wide bore MRI in the six-county service area. It is the only MRI that can accommodate very large patients weighing as much as 500 pounds. If it becomes unavailable, those patients will have to leave the service area to obtain MRI studies. Most have orthopedic conditions that make it uncomfortable or burdensome to drive farther than necessary for care, or to navigate complicated hospital campuses.

The orthopedists who have been using this MRI in Lebanon will continue to use it if this project is approved. The only change is that the provider of the MRI service will no longer be Dr. Roy Terry of Tennessee Orthopedics, but rather Sumner Physician Practices, LLC, Dr. Terry's new practice organization.

**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 Attachment Section B-Need-3 for a map of the service area. For convenience, another is attached following this page.

The primary service area consists of six contiguous counties east and northeast of Nashville: Wilson, Sumner, Smith, Macon, Trousdale and DeKalb Counties. Last year, consistent with the past three years, those counties contributed approximately 91% of Tennessee Orthopedics' MRI utilization. No other county contributed as much as 4%. The applicant projects that these six counties will continue to be the MRI's primary service area, with no significant change in MRI patient origin from CY2019.



**HIGHPOINT PHYSICIAN PARTNERS MRI SERVICE  
PRIMARY SERVICE AREA**

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

**MRI Utilization of Applicant's MRI in CY2019**

<b>Service Area Counties</b>	<b>Historical Utilization-- County Residents--Most Recent Year (CY 2019)</b>	<b>% of Total __x__ Procedures ___ Cases ___ Patients Other:</b>
Wilson	548	49.1%
Smith	164	14.7%
Macon	96	8.6%
Sumner	73	6.5%
Trousdale	69	6.2%
DeKalb	66	5.9%
Other (19 counties)	100	9.0%
<b>Total</b>	<b>1,116</b>	<b>100%</b>

*Source: Total procedures from HSDA Registry; percentages and distribution reflect CY2019 records of applicant.*

**MRI Utilization at Applicant's MRI in CY2021**

<b>Service Area Counties</b>	<b>Projected Utilization-- County Residents (Year One = 2021)</b>	<b>% of Total __x__ Procedures ___ Cases ___ Patients Other:</b>
Sumner	786	49.1%
Wilson	235	14.7%
Smith	138	8.6%
Macon	104	6.5%
DeKalb	99	6.2%
Trousdale	94	5.9%
Other	144	9.0%
<b>Total</b>	<b>1,600</b>	<b>100%</b>

*Source: Applicant's Projection.*

**4.**

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

The primary service area is growing rapidly in sections closest to Davidson County. It is growing overall at an 84% higher rate than the State average. By 2024, these counties will have an estimated 430,614 residents. The area has a slightly higher median household income and a slightly lower percentage of TennCare enrollees and poverty than Tennessee averages.

Sumner and Wilson Counties, the two service area counties adjoining Nashville-Davidson County, contain more than 80% of the service area residents. Compared to the other four counties, they have a much higher growth rate, much higher household incomes, and lower percentages of persons in poverty or in TennCare.

**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: Highpoint Physician Partners MRI Service  
Demographic Characteristics of Primary Service Area  
2020-2024**

Primary Service Area Counties	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 All Ages 2020	Projected Target* Population All Ages 2024	Projected Target* Population % 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 July 2020	TennCare Enrollees as % of Current Total County or Zip Code Population
DeKalb	19,716	20,002	1.5%	19,716	20,002	1.5%	100.0%	41.0	\$44,134	3,431	17.4%	5,224	26.5%
Macon	24,455	25,361	3.7%	24,455	25,361	3.7%	100.0%	38.7	\$36,246	4,426	18.1%	6,688	27.3%
Smith	19,964	20,383	2.1%	19,964	20,383	2.1%	100.0%	39.9	\$46,404	2,775	13.9%	4,363	21.9%
Sumner	191,743	203,030	5.9%	191,743	203,030	5.9%	100.0%	38.6	\$64,631	17,065	8.9%	30,277	15.8%
Trousdale	8,655	9,012	4.1%	8,655	9,012	4.1%	100.0%	39.5	\$52,864	1,610	18.6%	2,048	23.7%
Wilson	143,007	152,826	6.9%	143,007	152,826	6.9%	100.0%	39.3	\$71,513	11,155	7.8%	19,932	13.9%
<b>Service Area Total</b>	407,540	430,614	5.7%	407,540	430,614	5.7%	100.0%	39.5	\$52,632	40,461	14.1%	68,532	16.8%
<b>State of TN Total</b>	6,883,347	7,097,353	3.1%	6,883,347	7,097,353	3.1%	100.0%	38.0	\$50,972	1,053,152	15.3%	1,464,816	21.3%

Sources: TDOH Population Projections, 2017; U.S. Census; 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.**

The special need for this project is that many orthopedic patients are very large and no other MRI in the area has sufficient internal space and imaging table support to comfortably accommodate them while generating high-resolution images. This equipment has served these and other orthopedic patients at this location for years. The orthopedists in the practice are now joining a different and larger physician group. Their patients need continued access to this MRI. However, the new physician group must obtain CON approval to become the "new provider" of this MRI service, under HSDA rules.

This MRI's continuation in service under new management will ensure continued patient accessibility to specialized MRI equipment, at a convenient location on the same floor as their orthopedists' office. This will be of benefit to every group of patients named in the criterion above, all of whom might develop orthopedic issues requiring low-cost, comfortable, effective and convenient MRI imaging, and some of whom might require the sort of generous internal space that this MRI unit provides.

**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 is Table B-Need-5-Part A. It shows the most recent three years of MRI utilization in the service area. It also compares current utilization to the "optimal utilization" criterion of the State Health Plan.

There are 15 providers of MRI service in the six counties. They operate 14.4 MRI units. The ".4" are two mobile units which together are in the service area only two days out of five, or 40% of the work-week – making them equivalent to 0.4 MRI units in terms of availability. All other MRIs are fixed units. Two of the fixed units are extremity units, designated as "specialty" units under the State Health Plan.

Four of the 14 full-time fixed units are in private physician practice offices, where they are not accessible to patients from outside those practices. The remaining 10 units are in hospitals or outpatient diagnostic centers throughout the service area. They serve all referred patients.

In 2019, the publicly accessible non-specialty units averaged 2,063 units per MRI. That was 71.6% of the State Health Plan criterion for optimal utilization (2,880 procedures per MRI per year).

The private physician units are two extremity units and two full body units. They had the lowest annual utilization, which would be expected. They were utilized at an average of 764 procedures annually, which was 26.5% of the State Health Plan target. In this group, the wide bore MRI of Tennessee Orthopedics performed 1,116 procedures annually, which was 38.8% of the State Health Plan target.

During CY2019, all 14.4 units together averaged 1,702 procedures annually, which was 59.1% of the State Health Plan target for optimal utilization.

The second following page, Table B-Need-5-Part B, lists all Tennessee MRI units that provided 5% of more of each county's total MRI procedures. HSDA Registry data shows that in CY2019, residents of these six counties obtained 37,488 total MRI procedures. Approximately 66% of those were at the providers listed in the table.

**Table B-Need-5-Part A: Highpoint Physician Partners MRI Service  
MRI Utilization in the Primary Service Area, 2017-2019**

County	Provider	Number of Units in 2019	Mobile Days Used	2017 Procedures	2018 Procedures	2019 Procedures	2019 Average Utilization Per MRI	% Change in Utilization 2017-2019	2019 % of MRI Optimal Standard (State Health Plan)
Sumner	Diagnostic Center at Sumner Station	1		2,075	1,829	1,837	1,837	-11.5%	63.8%
Macon	Macon Community Hospital	1	5 days/wk	660	673	189	189	-71.4%	6.6%
Sumner	Mobile MRI Services - Hendersonville	0.2	1 day/wk	1,360	1,315	1,295	6,475	-4.8%	224.8%
Sumner	Outpatient Imaging Center at H'ville Med Cntr	1		1,617	1,500	1,686	1,686	4.3%	58.5%
Sumner	Portland Diagnostic Center	0.2	1 day/wk	295	441	397	1,985	34.6%	68.9%
Sumner	Premier Radiology Gallatin	1		0	0	1,307	1,307	NA	45.4%
Wilson	Premier Radiology Mt. Juliet	1		4,252	4,196	5,868	5,868	38.0%	203.8%
Smith	Riverview Regional Medical Center	1		469	490	516	516	10.0%	17.9%
DeKalb	Saint Thomas DeKalb Hospital	1		479	523	532	532	11.1%	18.5%
Sumner	Southern Sports Medicine Institute, PLLC*	1		203	247	278	278	36.9%	9.7%
Sumner	Sumner Regional Medical Center	1		2,871	2,958	2,880	2,880	0.3%	100.0%
Wilson	Tennessee Orthopedics, PC	1		1,372	1,099	1,116	1,116	-18.7%	38.8%
Wilson	Tennessee Sports Medicine*	2		1,718	1,567	1,663	832	-3.2%	28.9%
Sumner	TriStar Hendersonville Medical Center	1		2,894	2,797	3,028	3,028	4.6%	105.1%
Wilson	Vanderbilt Wilson County Hospital	1		2,521	2,250	1,916	1,916	-24.0%	66.5%
	<b>CY2019 Totals--All Units</b>	<b>14.4</b>		<b>22,786</b>	<b>21,885</b>	<b>24,508</b>	<b>1,702</b>	<b>7.6%</b>	<b>59.1%</b>
	<b>CY2019 Totals--All Non-Specialty Units</b>	<b>12.4</b>		<b>21,724</b>	<b>20,855</b>	<b>23,399</b>	<b>1,887</b>	<b>7.7%</b>	<b>65.5%</b>
	<b>CY 2019 Totals -- Non-Specialty Publicly Accessible Units Only</b>	<b>10.4</b>		<b>19,493</b>	<b>18,972</b>	<b>21,451</b>	<b>2,063</b>	<b>10.0%</b>	<b>71.6%</b>
	<b>CY2019 Totals -- All Restricted Physician Office Units Only</b>	<b>4</b>		<b>3,293</b>	<b>2,913</b>	<b>3,057</b>	<b>764</b>	<b>-7.2%</b>	<b>26.5%</b>

Source: MRI Unit Data from HSDA Medical Equipment Registry - 8/24/2020. Applicant formatted and calculated totals, averages, and percentages.

\* Each practice has one extremity unit, 2 total for service area.

- Notes:
1. Non-specialty units are fixed and mobile, but exclude extremity units, which are defined as specialty units in the State Health Plan.
  2. Tennessee Sports Medicine did not report utilization of its fixed and extremity units separately. Table assumes that 50% of the practice utilization was extremities.
  3. Publicly accessible units are those in hospitals or ODCs.
  4. Restricted units are those in private physician practices, available only to patients of that practice and specialty.

Non-Specialty Units Average Utilization: ((All Units - So Sports Medicine - (.5 X TN Sports Medicine)) / 12.4 = 1,887

Non-Specialty Publicly Accessible Units Utilization: (All Units - So Sports Medicine - TN Orthopedics - TN Sports Medicine) / 10.4 = 2,063

Restricted Physician Office Units Utilization: So Sports Medicine + TN Orthopedics + TN Sports Medicine / 4.0 = 764

**Table B-Need-5-Part B: Highpoint Physician Partners MRI Service  
Providers Serving 5% Or More of Service Area Patients' MRI Needs in 2019**

Provider County	Provider Type	Provider	Patient County	Number of Procedures	% of County Total Procedures
DeKalb	HOSP	Saint Thomas DeKalb Hospital	DeKalb	427	*
Davidson	HOSP	Vanderbilt University Medical Center	DeKalb	132	7.5%
Rutherford	ODC	Premier Radiology Murfreesboro	DeKalb	81	4.6%
Total MRI Procedures, Listed Providers				640	
Sumner	HOSP	Sumner Regional Medical Center	Macon	246	15.5%
Sumner	H-Imaging	Diagnostic Center at Sumner Station	Macon	127	8.0%
Davidson	HOSP	Vanderbilt University Medical Center	Macon	117	7.4%
Wilson	ODC	Premier Radiology Mt. Juliet	Macon	95	6.0%
Davidson	HOSP	TriStar Skyline Medical Center	Macon	85	5.4%
Wilson	HOSP	Vanderbilt Wilson County Hospital	Macon	84	5.3%
Sumner	HOSP	TriStar Hendersonville Medical Center	Macon	82	5.2%
Davidson	ODC	Premier Radiology Hermitage	Macon	75	4.7%
Total MRI Procedures, Listed Providers				911	
Smith	HOSP	Riverview Regional Medical Center	Smith	371	21.2%
Wilson	ODC	Premier Radiology Mt. Juliet	Smith	207	11.8%
Davidson	HOSP	Vanderbilt University Medical Center	Smith	183	10.5%
Wilson	HOSP	Vanderbilt Wilson County Hospital	Smith	141	8.1%
Davidson	HOSP	TriStar Summit Medical Center	Smith	102	5.8%
Total MRI Procedures, Listed Providers				1,004	
Sumner	HOSP	Sumner Regional Medical Center	Sumner	2,209	11.5%
Sumner	HOSP	TriStar Hendersonville Medical Center	Sumner	2,060	10.7%
Sumner	H-Imaging	Diagnostic Center at Sumner Station	Sumner	1,462	7.6%
Davidson	HOSP	Vanderbilt University Medical Center	Sumner	1,343	7.0%
Sumner	HODC	OP Imaging Center at Hendersonville Medical Center	Sumner	1,210	6.3%
Sumner	ODC	Premier Radiology Gallatin	Sumner	1,015	5.3%
Davidson	ODC	Premier Radiology Hermitage	Sumner	987	5.1%
Davidson	HOSP	TriStar Skyline Medical Center	Sumner	885	4.6%
Sumner	ODC	Mobile MRI Services - Hendersonville	Sumner	861	4.5%
Total MRI Procedures, Listed Providers				12,032	
Sumner	HOSP	Sumner Regional Medical Center	Trousdale	162	18.2%
Wilson	ODC	Premier Radiology Mt. Juliet	Trousdale	92	10.3%
Davidson	HOSP	Vanderbilt University Medical Center	Trousdale	79	8.9%
Sumner	H-Imaging	Diagnostic Center at Sumner Station	Trousdale	74	8.3%
Wilson	HOSP	Vanderbilt Wilson County Hospital	Trousdale	70	7.9%
Sumner	ODC	Premier Radiology Gallatin	Trousdale	46	5.2%
Total MRI Procedures, Listed Providers				523	
Wilson	ODC	Premier Radiology Mt. Juliet	Wilson	4,010	28.6%
Davidson	HOSP	TriStar Summit Medical Center	Wilson	1,579	11.3%
Wilson	HOSP	Vanderbilt Wilson County Hospital	Wilson	1,339	9.6%
Davidson	HOSP	Vanderbilt University Medical Center	Wilson	1,081	7.7%
Davidson	ODC	Premier Radiology Hermitage	Wilson	1,010	7.2%
Davidson	HODC	TriStar Summit Medical Center - ODC	Wilson	650	4.6%
Total MRI Procedures, Listed Providers				9,669	

Medical Equipment Registry - 8/24/2020

**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.**

<b>Table B-Need-6: Historical and Projected Utilization Of Applicant's MRI</b>						
	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Projected 2020</b>	<b>Projected 2021</b>	<b>Projected 2022</b>
Procedures	1,372	1,099	1,116	1,200	1,600	1,650
Change	--	-273	+17	+84	+400	+50
% Change	--	-19.9%	+1.6%	+7.5%	+33.3%	+3.1%

The CY2020 projection continues the increase that began in 2019. The MRI is on track to perform an estimated 1,200 procedures this year.

The increases for CY2020 and CY2021 are projected to be 400 and 450 procedures respectively. The orthopedists in this project have changed from a private practice of two physicians to a practice of 41 providers (including 18 physicians) seeing patients in 18 offices across the service area. In CY2021, the referral base for the MRI will be much larger than in past years. The larger referral base should result in a significant 400-procedure referral increase next year. This will be followed by smaller annual increases. In anticipation of increasing referrals, the applicant is beginning recruitment of another orthopedist to work full or part time in Lebanon.

## **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, 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 Cost Chart following this page complies with the above instructions. There is no construction in this project. An architect's letter is not required.

The quoted purchase price for the MRI exceeds what the applicant will pay in lease expenses during the first term of the lease; so that larger amount is entered in Section B as the MRI's fair market value. Section B also provides the cost of leasing the MRI suite, as reflected in the option to lease submitted in the Attachments.

**PROJECT COST CHART-- SUMNER PHYSICIAN PRACTICES MRI SERVICE**  
**REVISED 9-17 and 9-23 ON SUPPLEMENTAL SUBMISSIONS**

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	\$	0
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)		75,000
3. Acquisition of Site		0
4. Preparation of Site		0
5. Total Construction Cost		0
6. Contingency Fund		0
7. Fixed Equipment (Not included in Construction Contract)		0
8. Moveable Equipment (List all equipment over \$50,000 as separate attachment)		0
9. Other (Specify) _____		0

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)      suite lease outlay	516,126
2. Building only	0
3. Land only	0
4. Equipment (Specify) <u>FMV of MRI (GE Purchase Quote)</u>	731,577
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)

1,322,703

E. CON Filing Fee

15,000

F. Total Estimated Project Cost (D+E)

**TOTAL \$** 1,337,703

Actual Capital Cost/Funding	90,000
Section B Lease Outlay	516,126
Section B FMV of MRI	731,577

**SUMNER PHYSICIAN PRACTICES MRI SERVICES  
COMPARISON OF LEASE OUTLAY VS. FMV OF LEASED SPACE  
(REVISED ON SUPPLEMENTAL SUBMISSION)**

<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	1,473	\$ 32.00	\$47,136.00		0.00	\$47,136.00
Year 2	1,473	\$ 32.64	\$48,078.72		0.00	\$48,078.72
Year 3	1,473	\$ 33.29	\$49,040.29		0.00	\$49,040.29
Year 4	1,473	\$ 33.96	\$50,021.10		0.00	\$50,021.10
Year 5	1,473	\$ 34.64	\$51,021.52		0.00	\$51,021.52
Year 6	1,473	\$ 35.33	\$52,041.95		0.00	\$52,041.95
Year 7	1,473	\$ 36.04	\$53,082.79		0.00	\$53,082.79
Year 8	1,473	\$ 36.76	\$54,144.45		0.00	\$54,144.45
Year 9	1,473	\$ 37.49	\$55,227.34		0.00	\$55,227.34
Year 10	1,473	\$ 38.24	\$56,331.88		0.00	\$56,331.88
<b>1st Term Total</b>			<b>\$516,126.05</b>			<b>\$516,126.05</b>

*Note: Base lease rate and estimated pass through expenses projected to increase at 2% per year.*

<b>PROJECT SPACE--FAIR MARKET VALUE</b>	
Project Space	1,473
Building Area	26,971
Project % of Building Area	5.461%
Bldg and Land Value	\$4,879,300
<b>Market Value of Space</b>	<b>\$266,479</b>

lease appraisal calculation appraisal  
FPSC Space % X Bldg and Land Cost

State of Tennessee  Comptroller of the Treasury  
**Real Estate Assessment Data**

Home	About	New Search	Return to List
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County Number: 095

County Name: WILSON

Tax Year: 2020

**Property Owner and Mailing Address**

Jan 1 Owner:  
 PHOENIX MEDICAL OFFICE BUILDING LLC  
 101 PHYSICIANS WAY  
 SUIT 111  
 LEBANON, TN 37090

**Property Location**

Address: PHYSICIANS WAY 101

Map: 081 Grp: Ctrl Map: 081 Parcel: 120.07 Pl: S/I: 000

**Value Information**

Reappraisal Year: 2016

Land Mkt Value: \$1,389,000  
 Improvement Value: \$3,490,300  
 Total Market Appraisal: \$4,879,300  
 Assessment %: 40  
 Assessment: \$1,951,720

**General Information**

Class:	08 - COMMERCIAL		
City #:	404	City:	LEBANON
SSD1:	950	SSD2:	000
District:	21	Mkt Area:	L99
# Bldgs:	0	# Mobile Homes:	0
Utilities - Water / Sewer:	01 - PUBLIC / PUBLIC	Utilities - Electricity:	01 - PUBLIC
Utilities - Gas / Gas Type:	01 - PUBLIC - NATURAL GAS	<u>Zoning:</u>	<u>B4</u>

**Subdivision Data**

Subdivision: JPR ENTERPRISES  
 Plat Bk: 25 Plat Pg: 938 Block: Lot: 3

**Additional Description**

TENNESSEE ORTHOPEDICS/PRORATED IMPROVEMENT VALUE 36% FOR 2016 & FOR 2017 @ 100% VALUE/

**Building Information**

Building # 1  
 Improvement Type: 32 - MEDICAL OFFICE Stories: 1  
Living/Business Sq. Ft: 26,971  
 Exterior Wall: 11 - COMMON BRICK Quality: 02 - ABOVE AVERAGE  
 Act Yr Built: 2016 Condition: A - AVERAGE  
 Building Areas:

**Extra Features**

Bldg/Card#	Type	Description	Units
1	CANOPY		256
1	ASPHALT PAVING		30,000
1	LIGHTS	1 LIGHT	7
1	CANOPY		640

**Sale Information**

Sale Date	Price	Book	Page	Vac/Imp	Type Instrument	Qualification
07/02/2015		1651	315		SC	
06/04/2015		1645	596		QC	
02/10/2014	\$1,000,000	1581	2177	VACANT	WD	I
07/31/2012	\$0	1499	1974		TR	
02/29/2008	\$1,304,000	1299	1269	VACANT	WD	H
08/11/2006	\$1,304,094	1198	1068	VACANT	WD	H

**Land Information**

**Deed Acres: 3.63**      **Calc Acres: 0.00**      **Total Land Units: 3.63**  
**Land Type: 10 - COMMERCIAL**      **Soil Class:**      **Units: 3.63**

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**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;

  X   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

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

The project's capital requirements will be funded by a cash transfer from the applicant's parent company, LifePoint Health, Inc. or by one of its wholly owned subsidiaries. A letter from an officer of the LifePoint companies, attesting to funding availability, is provided in Attachment Section B-Economic Feasibility-2.

**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.**

The applicant LLC is a physician organization that is not operated under a hospital license. Staff of the HSDA have advised that Historical Data Charts for the private medical practice are not required.

**D. 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 following two pages are a Projected Data Chart for the first two full calendar years of operation of the proposed MRI service under the ownership of Highpoint Physician Partners.

O TOTAL FACILITY  
X PROJECT ONLY

**PROJECTED DATA CHART -- HIGHPOINT PHYSICIAN PARTNERS MRI SERVICE**

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

		<b>Year 2021 (Year One)</b>	<b>Year 2022 (Year Two)</b>
A.	Utilization Data (Specify unit or measure)	MRI Procedures <u>1,600</u>	<u>1,650</u>
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ <u>                    </u>	\$ <u>                    </u>
2.	Outpatient Services	<u>1,968,000</u>	<u>2,029,500</u>
3.	Emergency Services	<u>0</u>	<u>0</u>
4.	Other Operating Revenue (Specify) <u>See Page 2 of Chart</u>	<u>0</u>	<u>0</u>
	<b>Gross Operating Revenue</b>	\$ <u>1,968,000</u>	\$ <u>2,029,500</u>
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	\$ <u>1,445,058</u>	\$ <u>1,490,216</u>
2.	Provision for Charity Care	<u>9,840</u>	<u>10,148</u>
3.	Provisions for Bad Debt	<u>21,902</u>	<u>22,586</u>
	<b>Total Deductions</b>	\$ <u>1,476,800</u>	\$ <u>1,522,950</u>
	<b>NET OPERATING REVENUE</b>	\$ <u>491,200</u>	\$ <u>506,550</u>
D.	Operating Expenses		
1.	Salaries and Wages		
a.	Direct Patient Care	\$ <u>70,720</u>	\$ <u>70,720</u>
b.	Non-Patient Care	<u>3,120</u>	<u>3,120</u>
2.	Physicians Salaries and Wages	<u>0</u>	<u>0</u>
3.	Supplies	<u>3,200</u>	<u>3,300</u>
4.	Rent		
a.	Paid to Affiliates	<u>0</u>	<u>0</u>
b.	Paid to Non-Affiliates	<u>47,136</u>	<u>48,078</u>
5.	Management Fees		
a.	Paid to Affiliates	<u>0</u>	<u>0</u>
b.	Paid to Non-Affiliates	<u>0</u>	<u>0</u>
6.	Other Operating Expenses <u>See Page 2 of Chart</u>	<u>272,013</u>	<u>272,013</u>
	<b>Total Operating Expenses</b>	\$ <u>396,189</u>	\$ <u>397,231</u>
E.	<b>Earnings Before Interest, Taxes, and Depreciation</b>	\$ <u>95,011</u>	\$ <u>109,319</u>
F.	Non-Operating Expenses		
1.	Taxes	\$ <u>5,921</u>	\$ <u>4,737</u>
2.	Depreciation	<u>0</u>	<u>0</u>
3.	Interest	<u>0</u>	<u>0</u>
4.	Other Non-Operating Expenses	<u>0</u>	<u>0</u>
	<b>Total Non-Operating Expenses</b>	\$ <u>5,921</u>	\$ <u>4,737</u>
	<b>NET INCOME (LOSS)</b>	\$ <u>89,090</u>	\$ <u>104,582</u>

Chart Continues Onto Next Page

	Year 2021	Year 2022
<b>NET INCOME (LOSS)</b>	\$ <u>89,090</u>	\$ <u>104,582</u>
G. Other Deductions		
1. Annual Principal Debt Repayment	\$ <u>0</u>	\$ <u>0</u>
2. Annual Capital Expenditure	<u>0</u>	<u>0</u>
<b>Total Other Deductions</b>	\$ <u>0</u>	\$ <u>0</u>
<b>NET BALANCE</b>	\$ <u>89,090</u>	\$ <u>104,582</u>
<b>DEPRECIATION</b>	<u>\$</u>	<u>\$</u>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	\$ <u>89,090</u>	\$ <u>104,582</u>

**PROJECTED DATA CHART – OTHER EXPENSES**

**OTHER EXPENSES CATEGORIES (D6)**

	Year 2021	Year 2022
1. <u>Benefits</u>	<u>15,558</u>	<u>15,558</u>
2. <u>Repairs &amp; Maintenance</u>	<u>98,922</u>	<u>98,922</u>
3. <u>Utilities</u>	<u>5,000</u>	<u>5,000</u>
4. <u>MRI Lease</u>	<u>152,533</u>	<u>152,533</u>
<b>Total Other Expenses</b>	\$ <u>272,013</u>	\$ <u>272,013</u>

O TOTAL FACILITY  
X PROJECT ONLY

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.**

**Project Only 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/Utilization Data)</b>			\$1,230.00	\$1,230.00	None
<b>Deduction from Revenue (Total Deductions/Utilization Data)</b>			\$923.00	\$923.00	None
<b>Average Net Charge (Net Operating Revenue/Utilization Data)</b>			\$307.00	\$307.00	None

The applicant is not projecting increases in average gross operating revenue or average deductions during the next two years.

**Total Facility Chart – Not Applicable**

	Previous Year to Most Recent Year	Most Recent Year	Year One 20	Year Two 20	% Change (Current Yr to Yr 2)
	Year: 20	Year: 20			
<b>Gross Charge -- Gross Operating Revenue / PATIENT Revenue / VISIT</b>					
<b>Deduction from Revenue --Total Deductions / PATIENT Deductions / VISIT</b>					
<b>Average Net Charge -- Net Operating Revenue / PATIENT Revenue / VISIT</b>					

**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.**

The reported average charge per procedure of this MRI unit was \$1,128 last year (CY2019).

Under Highpoint Physician Partners, it is projected to be \$1,230 during each of the first two years. That will be a 9% increase over the CY2019 charge, reflecting rising costs of supplies and other expenses since 2019.

**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.**

Please see Table Economical Feasibility-5-C-1) on the following page. Last year, the Tennessee Orthopedic unit's average MRI procedure charge was the lowest in the service area, only 29% of the average charge of all providers.

Under Highpoint Physician Partners, the unit's \$1,230 proposed average charge will still be lower than that of any other MRI in the service area last year.

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

Table C-Economic Feasibility-5-C-2) on the second following page provides that data.

**Table C-Economic Feasibility-5-C-1): Highpoint Physician Partners MRI Service  
Comparison to Area Charges**

County	Provider Type	Provider	Total Procedures in 2019	Total Gross Charges in 2019	Avg Reported Charge Per Procedure in 2019
Sumner	H-Imaging	Diagnostic Center at Sumner Station	1,837	NR	NA
Macon	HOSP	Macon Community Hospital	189	NR	NA
Sumner	ODC	Mobile MRI Services - Hendersonville	1,295	\$2,653,566	\$2,049
Sumner	HODC	Outpatient Imaging Center at Hendersonville Med Center	1,686	\$12,458,054	\$7,389
Sumner	H-Imaging	Portland Diagnostic Center	397	\$3,153,979	\$7,945
Sumner	ODC	Premier Radiology Gallatin	1,307	\$2,756,875	\$2,109
Wilson	ODC	Premier Radiology Mt. Juliet	5,868	\$12,083,487	\$2,059
Smith	HOSP	Riverview Regional Medical Center	516	\$2,533,761	\$4,910
DeKalb	HOSP	Saint Thomas DeKalb Hospital	532	\$2,316,900	\$4,355
Sumner	PO	Southern Sports Medicine Institute, PLLC	278	\$717,828	\$2,582
Sumner	HOSP	Sumner Regional Medical Center	2,880	\$15,992,829	\$5,553
Wilson	PO	Tennessee Orthopedics, PC	1,116	\$1,259,331	\$1,128
Wilson	PO	Tennessee Sports Medicine	1,663	\$3,091,300	\$1,859
Sumner	HOSP	TriStar Hendersonville Medical Center	3,028	\$23,706,031	\$7,829
Wilson	HOSP	Vanderbilt Wilson County Hospital	1,916	\$12,976,736	\$6,773
		<b>CY2019 Totals for All Units</b>	<b>24,508</b>	<b>\$95,700,677</b>	<b>\$4,257</b>
		<b>CY 2019 Totals Without Physician Units</b>	<b>21,451</b>	<b>\$90,632,218</b>	<b>\$4,225</b>
		<b>Proposed Highpoint Physician Partners MRI, CY2021</b>			<b>\$1,230</b>

Source: HSDA Registry, August 2020. Totals and averages calculated by applicant.

**Table C-Economic Feasibility-5-C-2): Highpoint Physician Partners MRI Service  
Most Frequent MRI Procedures  
Current and Proposed Charges**

CPT	Descriptor	Current 2020 Medicare Allowable	Average Gross Charge	
			Year 1	Year 2
70543	MRI ORBT/FAC/NCK W/O & W/ DYE	\$382	\$1,527	\$1,527
71550	MRI CHEST W/O DYE	\$233	\$932	\$932
72141	MRI NECK SPINE W/O DYE	\$233	\$932	\$932
72146	MRI CHEST SPINE W/O DYE	\$233	\$932	\$932
72148	MRI LUMBAR SPINE W/O DYE	\$233	\$932	\$932
72156	MRI NECK SPINE W/OUT & W/ DYE	\$382	\$1,527	\$1,527
72157	MRI CHEST SPINE W/OUT & W/ DYE	\$382	\$1,527	\$1,527
72158	MRI LUMBAR SPINE W/OUT & W/ DYE	\$382	\$1,527	\$1,527
72195	MRI PELVIS W/O DYE	\$233	\$932	\$932
73218	MRI UPPER EXTREMITY W/O DYE	\$233	\$932	\$932
73220	MRI UPPER EXTREMITY W/O & W/ DYE	\$382	\$1,527	\$1,527
73221	MRI JOINT UPR EXTREM W/O DYE	\$233	\$932	\$932
73222	MRI JOINT UPR EXTREM W/ DYE	\$681	\$2,723	\$2,723
73223	MRI JOINT UPR EXTREM W/O & W/ DYE	\$382	\$1,527	\$1,527
73718	MRI LOWER EXTREMITY W/O DYE	\$233	\$932	\$932
73720	MRI LOWER EXTREMITY W/O & W/ DYE	\$382	\$1,527	\$1,527
73721	MRI JOINT LWR EXTREM W/O DYE	\$233	\$932	\$932
73722	MRI JOINT LWR EXTREM W/ DYE	\$681	\$2,723	\$2,723
73723	MRI JOINT LWR EXTREM W/O & W/ DYE	\$382	\$1,527	\$1,527

Source: Hospital Management

**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.**

The project is projected to have a positive cash flow and a positive operating margin in its first full calendar year of operation by Highpoint Physician Partners.

**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**

The income statement and balance sheet of the funding entity are provided in Attachment Section B -- Economic Feasibility-6-A.

**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.**

**Project Only Chart**

	2 <sup>nd</sup> Previous Year to Most Recent Year Year: 20	1st Previous Year to Most Recent Year Year: 20	Most Recent Yr: 20	Projected Yr 1: 2021	Projected Yr 1: 2022
Net Operating Margin Ratio	NA	NA	NA	0.19	0.22

**Total Facility Chart**

**Not Applicable**

	2 <sup>nd</sup> Previous Year to Most Recent Year Year: 20	1st Previous Year to Most Recent Year Year: 20	Most Recent Yr: 20	Projected Yr 1: 20	Projected Yr 1: 20
Net Operating Margin Ratio					

**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.**

The data below are from LifePoint Health's most recent balance sheet, for CY2019.

Total Equity	\$ 889,700,000
Long Term Debt	<u>\$7,176,100,000</u>
Total	<u>\$8,065,800,000</u>

$$\$7,176,100,000 / \$8,065,800,000 = 0.890 \times 100 = 89.0 \text{ capitalization ratio}$$

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.

<b>Table C-Economic Feasibility-7: Applicant's Projected MRI Payor Mix, Year 1</b>		
<b>Payor Source</b>	<b>Projected Gross Operating Revenue</b>	<b>As a Percent of Total Revenue</b>
Medicare/Medicare Managed Care	\$338,580.65	17.2%
TennCare/Medicaid	\$486,709.68	24.7%
Commercial/Other Managed Care	\$1,022,795.70	52.0%
Self-Pay	\$31,741.94	1.6%
Other (Specify)	\$88,172.04	4.5%
Total*	\$1,968,000.00	100.0%
Charity Care	\$9,840.00	0.5%

*\*Needs to match Gross Operating Revenue Year One on Projected Data Chart.*

*Note: Charge data rounded to nearest cent; percentages rounded to nearest tenth.*

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>

Please see the table Section C-Economic Feasibility-8 on the following page.

<b>Table C-Economic Feasibility-8: Highpoint Physician Partners MRI Service Projected Staffing</b>				
<b>Position Classification</b>	<b>FTE's CY 2020</b>	<b>Projected FTE's (Yr 1)</b>	<b>Average Wage or Contractual Rate</b>	<b>Areawide/Statewide Average Wage 2018</b>
<b>A. Direct Patient Care Positions</b>				
MRI TECH	1.00	1.00	\$65,000-\$75,000	\$58,710
<b>Total Direct Patient Care Positions</b>	<b>1.00</b>	<b>1.00</b>		
<b>B. Non-Patient Care Positions</b>				
Registration	0.10	0.10	\$15/hr	\$27,340
<b>Total Non-Patient Care Positions</b>	<b>0.10</b>	<b>0.10</b>		
<b>Total Employees (A + B)</b>	<b>1.10</b>	<b>1.10</b>		
<b>C. Contractual Staff</b>	<b>0.00</b>	<b>0.00</b>		
<b>Total Staff (A+B+C)</b>	<b>1.10</b>	<b>1.10</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.**

The project is a change of ownership of an existing physician practice MRI service from its current practice group to another much larger physician practice group. The project does not include the creation or leasing of any new space or the purchase of additional equipment. It is the least costly method of making the applicant physician group an MRI provider. No superior alternatives were identified.

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

Not applicable. No new construction or modernization is required to implement the project.

## 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.

**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.**

The applicant physician practice is not a healthcare institution. However, it has maintained compliance with applicable Federal and State regulation since it was first organized.

**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.)**

The applicant physician practice is not a healthcare institution. None of its physicians has been decertified for participation in Medicare or Medicaid.

**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%...**

No, to all three questions a-c above.

**2) Been subjected to any of the following:**

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

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

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

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

**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**

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

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

**h. Is presently subject to a corporate integrity agreement.**

No, to all eight questions a-h above.

**C. 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?**

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

The applicant will integrate the MRI into its robust existing quality and performance improvement self-assessments already in place against *Medial Group Management Association (MGMA)* and other benchmarking data.

**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.**

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

**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.**

None is applicable.

-	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?
-	For Cardiac Catheterization projects: <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>
-	For Open Heart projects: <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 standard).</li> </ul>
-	For Comprehensive Inpatient Rehabilitation Services projects: Retaining or recruiting a psychiatrist?
-	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 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.
-	For Relocation and/or Replacement of Health Care Institution projects: Describing how facility and/or services specific measures will be met.

## **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.**

The applicant physician group and Sumner Regional Medical Center are both owned by LifePoint Health, Inc., a Tennessee company that owns and operates numerous hospitals across the nation, both independently and in joint ventures with not-for-profit hospital partners. However, the applicant and Sumner Regional are not otherwise linked. The group manages itself.

As stated elsewhere, the group has transfer agreements with Sumner Regional Medical Center and can seek them at Vanderbilt Wilson Hospital as well.

**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 project will enable an important, existing MRI to continue to operate in this service area under a new physician office provide, who seeks to replace the former physician office provider.

The unit will continue to be the area's lowest-charge MRI option, and will continue to be accessible to commercial, Medicare, TennCare, and charity patients as projected in the application.

Negative Effects

The applicant has identified no negative effects. This MRI has been serving patients of this area for 16 years. It is not being replaced or moved from its present location. It is remaining within its originally approved scope of service, which is orthopedic studies. Its charges will be increased only minimally and charges will remain the lowest in the service area. The only change in the service is that a different physician entity will become the service provider.

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.**

The project is operational already with one MRI tech in place. The projected utilization of the unit during the next two years will not require a staff expansion. The staffing of the unit conforms to the requirements of the IAC, a nationally recognized accrediting body.

**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 service does not require licensure. It is already certified for serving Medicare and Medicaid/TennCare patients and has done so for many years. The applicant will pursue any required re-certification in its own name.

**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.).**

The applicant is a physician practice group serving multiple rural counties. It does not offer training rotations for healthcare professionals.

**4. Outstanding Projects:**

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

The applicant holds no outstanding Certificates of Need.

<b>Outstanding Projects</b>					
<b>CON Number</b>	<b>Project Name</b>	<b>Date Approved</b>	<b>Annual Progress Reports</b>		<b>Expiration Date</b>
			<b>Due Date</b>	<b>Date Filed</b>	

*\* 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.



## **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.**

This change of ownership project will allow the applicant's orthopedists to continue to provide area patients with an MRI capable of effectively imaging very large patients weighing up to 500 pounds. No other unit in the area can accommodate such patients. This is an area healthcare resource that has existed for 16 years in Lebanon. It should be approved to remain available.

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

The project will continue to provide effective, comfortable, and low-cost MRI imaging of orthopedic patients who cannot utilize other area MRIs due to their size. The unit is within 40 minutes' drive time from more than 80% of the area population, thereby assuring reasonable access to care.

**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.**

This principle does not apply to this project. The applicant seeks only to continue providing an existing service, with no change in location or scope of service, and no significant change in patient charges. The project does not have any impact on competition, on economic efficiency, or on the further development of the local health care system.

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

The service will be fully accredited. The proposed provider will adopt appropriate clinical protocols for monitoring clinical necessity and for emergency responses.

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

This principle does not apply to this project. No additional staff are proposed and the project is not involved with rotational training of health care profession students. The sole staff member in this project is already onsite.

### **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: Wednesday, September 9, 2020

Date LOI was Published: Thursday, September 10, 2020

A photocopy of the published notice of intent is provided in the Attachments. The full page of the newspaper is submitted with the application.

## 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.**

Not applicable to this project.

## 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.**

The Chart is 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.**

An extended schedule of completion is not requested for this project.

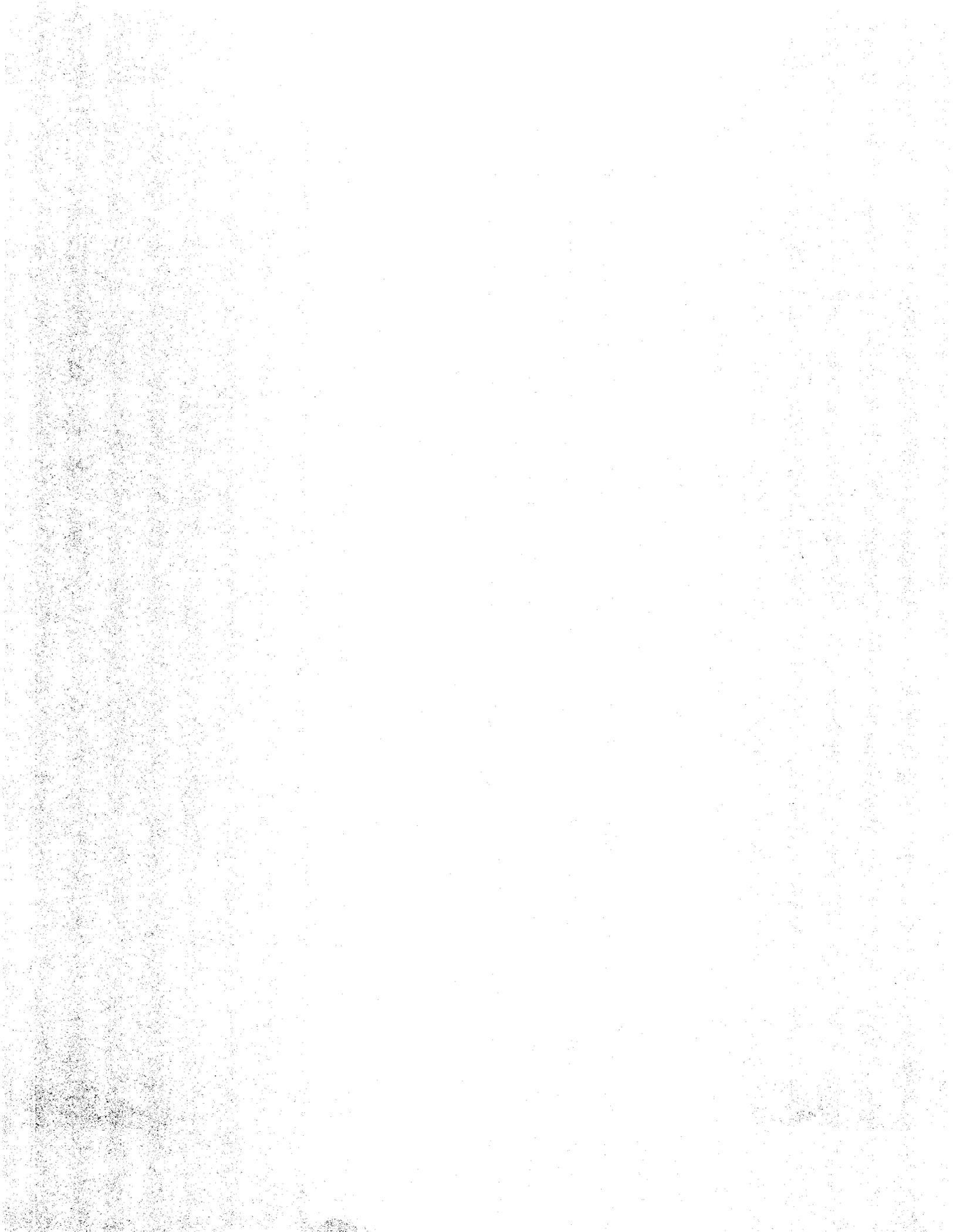
## PROJECT COMPLETION FORECAST CHART

**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	12-14-20
1. Architectural & engineering contract signed		NA
2. Construction documents approved by TDH		NA
3. Construction contract signed		NA
4. Building permit secured		NA
5. Site preparation completed		NA
6. Building construction commenced		NA
7. Construction 40% complete		NA
8. Construction 80% complete		NA
9. Construction 100% complete		NA
10. * Issuance of license		NA
11. *Initiation of service	19	1-2-21
12. Final architectural certification of payment		NA
13. Final Project Report Form (HF0055)	48	3-1-21

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

**Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.**



## **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
A-13B	Major Medical Equipment Quotes or Leases
A-13F	FDA Approval Letter

### **Section B**

B-Need-1-State Health Plan	Qualifications & Training
B-Need-3	Service Area Map
B-Economic Feasibility-2	Documentation of Funding/Financing Availability
B-Economic Feasibility-6A	Financial Statements of Funding Entity
B-Quality-2A-2)	Licensure and Accreditation

### **Miscellaneous Information**

Publication of Intent and Letter of Intent
TennCare Enrollments

**A-4AB**

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



Business Services Online > Find and Update a Business Record

# Business Information Search

As of August 23, 2020 we have processed all corporate filings received in our office through August 22, 2020 and all annual reports received in our office through August 22, 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:  Search

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000632000</u>	LLC	Sumner Physician Practices, LLC DELAWARE	Entity	Active	05/25/2010	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  
Nashville, TN 37243  
615-741-2286  
8:00 a.m. until 4:30 p.m. (Central) Monday - Friday  
[Directions](#) | [State Holidays](#) | [Methods of Payment](#)

- Business Filings and Information (615) 741-2286 | [TNSOS.CORPINFO@tn.gov](mailto:TNSOS.CORPINFO@tn.gov)
- Certified Copies and Certificate of Existence (615) 741-6488 | [TNSOS.CERT@tn.gov](mailto:TNSOS.CERT@tn.gov)
- Motor Vehicle Temporary Liens (615) 741-0529 | [TNSOS.MVTL@tn.gov](mailto:TNSOS.MVTL@tn.gov)
- Notary Commissions (615) 741-3699 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)
- Uniform Commercial Code (UCC) (615) 741-3276 | [TNSOS.UCC@tn.gov](mailto:TNSOS.UCC@tn.gov)
- Workers' Compensation Exemption Registrations (615) 741-0526 | [TNSOS.WCER@tn.gov](mailto:TNSOS.WCER@tn.gov)
- Apocryphal & Authentic Certs (615) 741-0536 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)
- Summons (615) 741-3799 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)
- Trademarks (615) 741-0531 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)
- Nonresident Fiduciaries (615) 741-0536 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)

## OUR MISSION

Our mission is to exceed the expectations of our customers, the taxpayers, by operating at the highest levels of accuracy, cost-effectiveness and accountability in a customer-centered environment.

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- [Bureau of Ethics and Campaign Finance](#)
- [Tennessee Code Unannotated](#)
- [State Comptroller](#)
- [State Treasurer](#)
- [National Association of Secretaries of State](#)
- [Title VI / EEO Information](#)

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "SUMNER PHYSICIAN PRACTICES, LLC", FILED IN THIS OFFICE ON THE NINETEENTH DAY OF MAY, A.D. 2010, AT 4:13 O'CLOCK P.M.



4825594 8100

100536448

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 8005201

DATE: 05-20-10

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 04:26 PM 05/19/2010  
FILED 04:13 PM 05/19/2010  
SRV 100536448 - 4825594 FILE

**Certificate of Formation  
of  
Sumner Physician Practices, LLC**

The undersigned, an authorized natural person, for the purpose of forming a limited liability company, under the provisions and subject to the requirements of the State of Delaware, particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the Delaware Limited Liability Company Act (the "Act"), hereby certifies that:

**FIRST:** The name of the limited liability company is Sumner Physician Practices, LLC (the "Company").

**SECOND:** The address of the registered office and the name and address of the registered agent of the Company required to be maintained by Section 18-104 of the Act is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

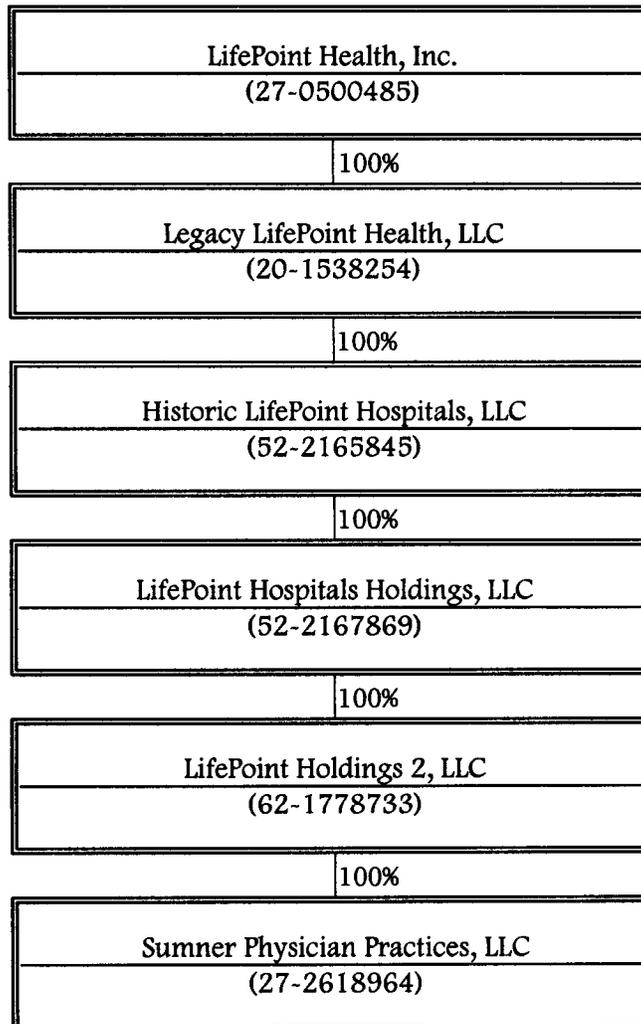
IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of May 19, 2010.

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

*M. Shipp*

Mary Kim E. Shipp  
Authorized Person

## Sumner Physician Practices, LLC Ownership Structure



The principal business address of each of the above entities (except indicated non-affiliated entities, if any) is 330 Seven Springs Way, Brentwood, TN 37027

# CERTIFICATE OF ACCREDITATION

INTERSOCIETAL ACCREDITATION COMMISSION  
MRI

*hereby recognizes*

**TENNESSEE ORTHOPEDIC PC  
MRI**

101 PHYSICIANS WAY  
LEBANON, TENNESSEE

*as an*  
ACCREDITED FACILITY  
*in the area(s) of*

MUSCULOSKELETAL MRI

GE: OPTIMA MR450: (SERIAL NO.): HM1327

*through the date of* FEBRUARY 28, 2021



• MRI •

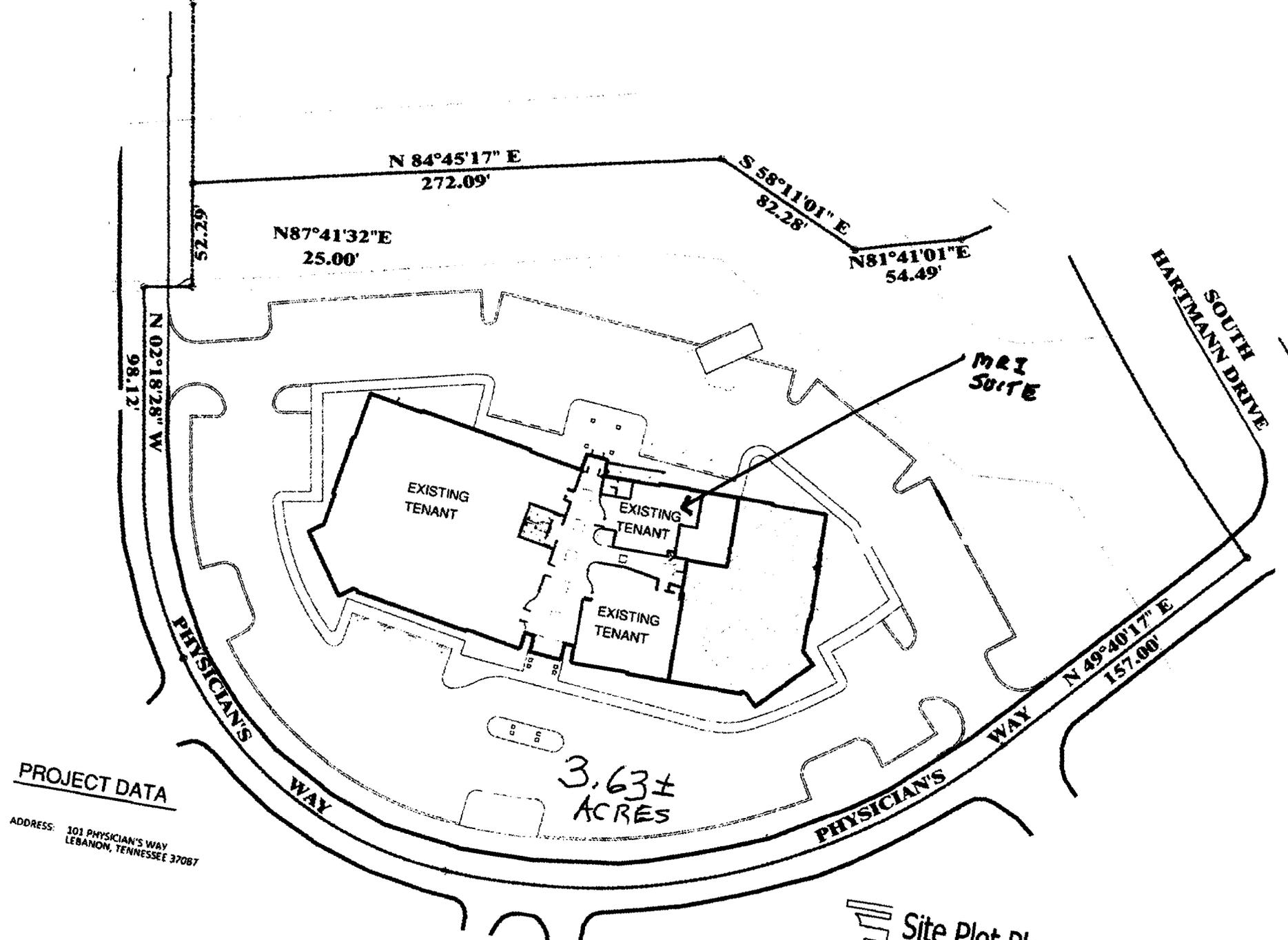
  
PRESIDENT, MRI  
  
SECRETARY, MRI

## **A.6A**

### **Site Control Documentation**

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

**Plot Plan**



**PROJECT DATA**

ADDRESS: 101 PHYSICIAN'S WAY  
LEBANON, TENNESSEE 37087

3.63±  
ACRES

**Site Plot Plan**

40 20 0 40 80  
Scale: 1"=20'-0"

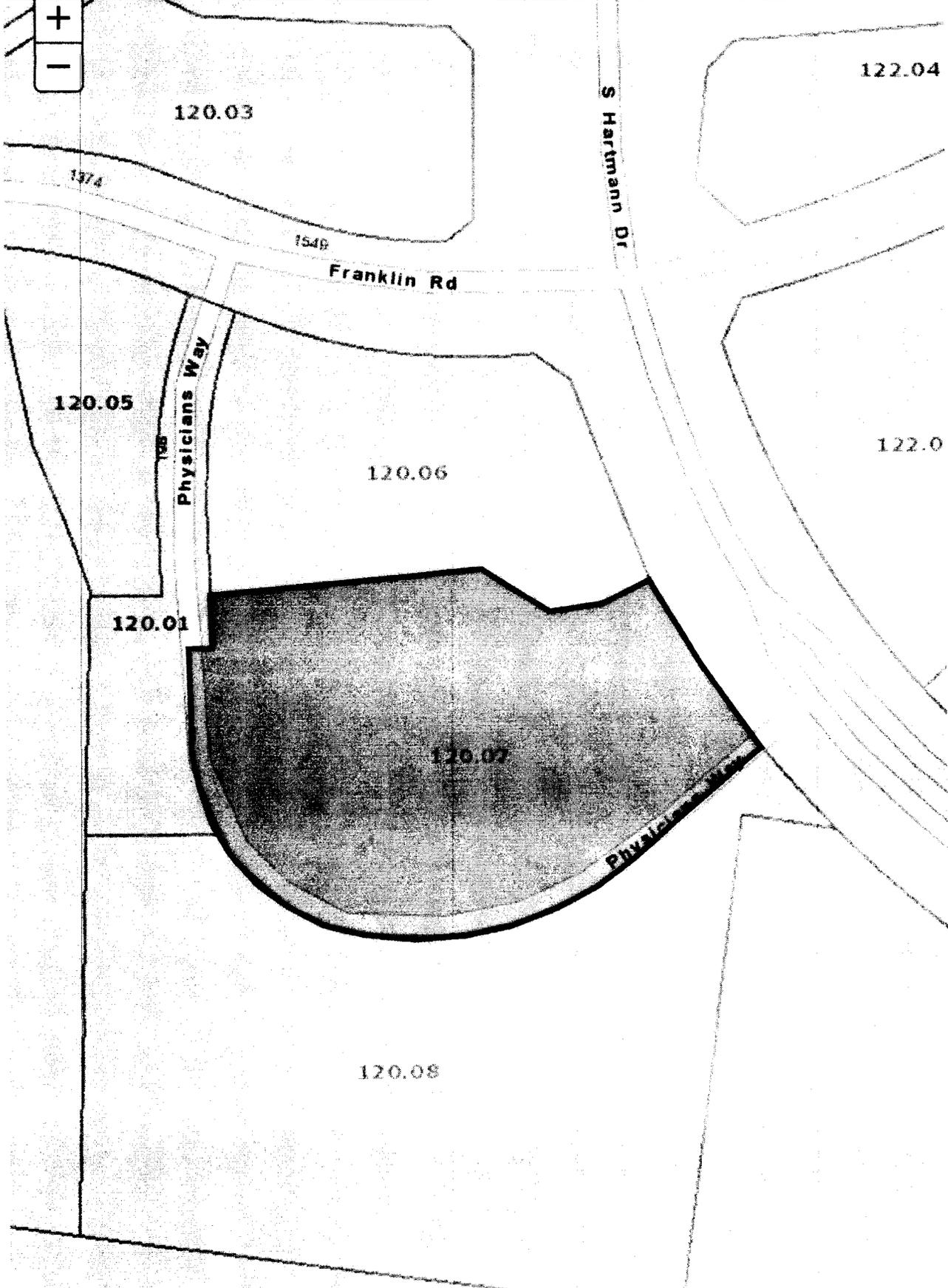


# Tennessee Property Viewer



- Aerial Photography
- Street Map
- Show FEMA DFIRM Flood Map
- Hide Property Lines

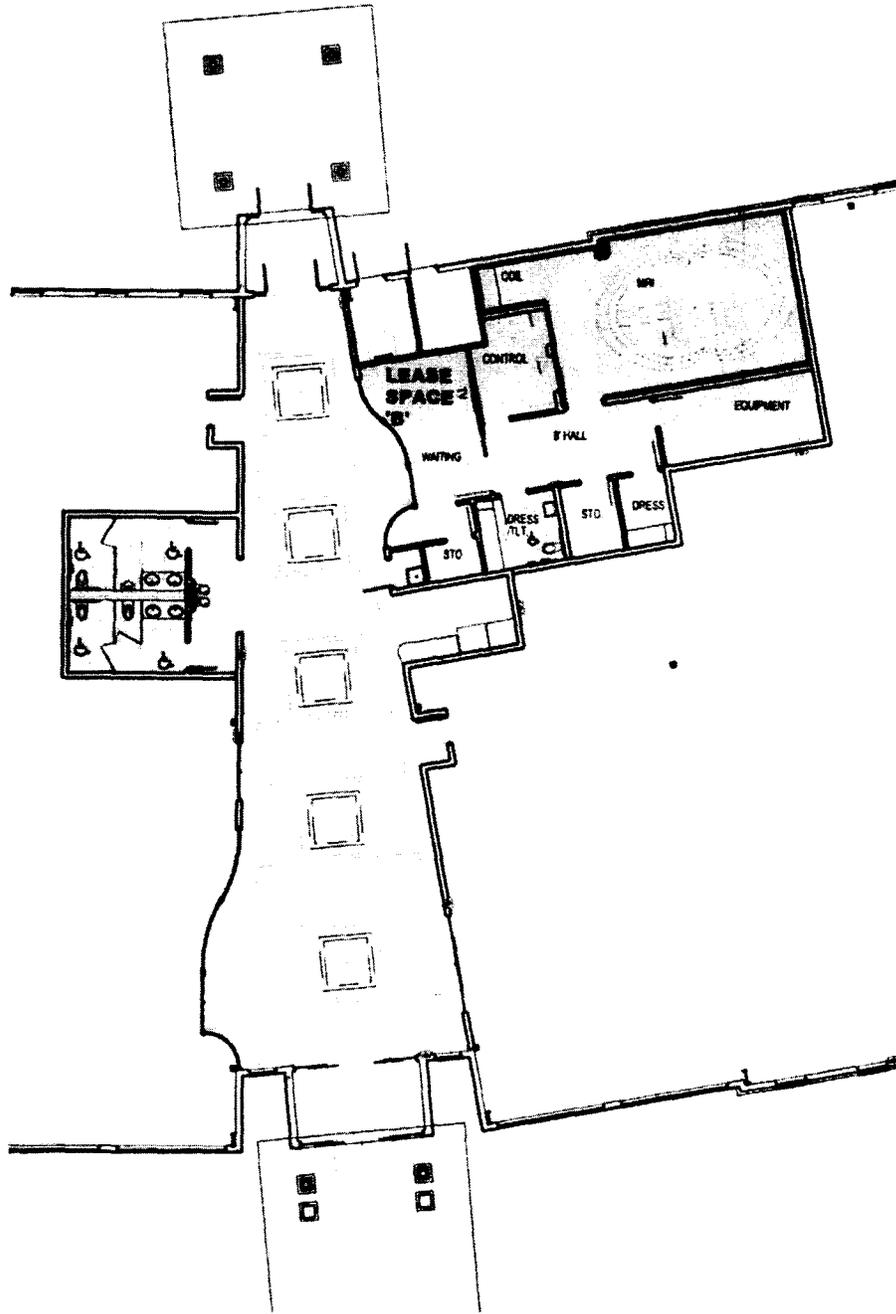
- Zoom in
- Identify
- Help



- Measure
- Search
- Search Results
- Property Details

**A-6B-2**

**Floor Plans**



**TENNESSEE ORTHOPEDICS IMAGING - SUITE 'B'**

SCALE: 1" = 20'-0"

**1,473 SQ.FT.**



**MANOUS  
DESIGN**  
110 Lakewood Rd. Lebanon, Tn. 37087  
v:615.444.6207 f:615.444.0853



ISSUED: 29 April, 2015

sketch no.

REVISED:

TENANT PLANS

1 of 2

**A-13B**

**Major Medical Equipment  
Quotes / Leases**



Quote Number: 11773

---

## Lease Termination with Asset Purchase

08/26/2020

Thank you very much for leasing with GE HFS, LLC. To terminate lease 9845167001 and purchase the OPTIMA MR450W 1.5T MR SYSTEM from GE HFS, LLC, requires a payment from TENNESSEE ORTHOPEDICS, P.C. to GE HFS, LLC totaling \$731,576.89.

The detailed summary of the amount is as follows:

Sales Price:	\$670,840.19
Sales Tax:	\$48,025.65
Unpaid Rent:	\$12,711.05
<b>Total</b>	<b>\$731,576.89</b>

This quote assumes the contract is current and in good standing for the periods through and including 08/31/2020 (the "Quote Effective Date"), including, to the extent applicable, the payment of all rents payable in arrears which relate to any period prior to and including the Quote Effective Date (even if billed after the Quote Effective Date) and is void if these conditions are not met. We require a notice of acceptance before 09/05/2020.

If you would like to take advantage of this lease termination, please call me at (414)378-7675 so that I may forward you the invoice/Bill of sale and document your acceptance.

Thank You

David Kelsey  
Senior Portfolio Manager



August 26, 2020

Sumner Physicians Practices  
101 Physicians Way  
Lebanon, TN 37090

**GE Healthcare Financial Services**, a component of GE HFS, LLC ("GEHFS"), is pleased to submit the following proposal:

Contract Description:	True lease of equipment, with a fair market value purchase option.	
Proposed Lessor:	GE HFS, LLC, or one or more of its affiliates and/or assigns.	
Proposed Lessee:	Sumner Regional Medical Center, LLC	
Equipment Description:	Optima MR450w 1.5T MRI System	
Equipment Cost:	\$1,082,592.97	<i>\$ 152,532.00 / yr \$ 483,019.90 in 38 mos</i>
Term and Rental Payment Amount:	38 payments at \$12,711.05, Monthly in Arrears, plus applicable taxes.	
Lease Rate on Equipment Cost:	0.14%	
	Note: The lease rate and rental payment amounts have been calculated based on the Swap Rate (as defined below) and an assumption that, at the time of funding, the Swap Rate will be 0.31%. GEHFS reserves the right to adjust the lease rate and rental payment amounts if this is not the case, and/or if the lease commences after December 31, 2020, and/or for other changes in market conditions as determined by GEHFS in its sole discretion. As used herein, "Swap Rate" means the interest rate for swaps that most closely approximates the initial term of the lease as published by the Intercontinental Exchange (NYSE: ICE) in its Ice Benchmark Administration Report entitled "ICE Swap Rate Historical Rates" currently available online at <a href="https://www.theice.com/marketdata/reports/180">https://www.theice.com/marketdata/reports/180</a> and determined by GEHFS by clicking on the USD Rates 1100 in the Series/Run drop down box for the Report Date selected by GEHFS, or as published by such other nationally recognized reporting source or publication as GEHFS may specify.	
End of Lease Options:	At end of Lease upon Proposed Lessee's satisfaction in full of all obligations to GEHFS under the Lease, Proposed Lessee has the <del>option</del> to either (i) purchase all (but not less than all) of the Equipment for its then fair market value, not to exceed 26.41% of Equipment Cost (ii) renew the Lease, subject to terms and conditions agreeable to the parties or (iii) return the Equipment to GEHFS in accordance with the Equipment return requirements set forth in the Lease.	
Advance Rent:	No advance rent due with signed contract. In no event shall any advance rent or advance charge or any other rent payments be refunded to Proposed Lessee. The Advance Rent will be applied as described in the lease.	
Documentation Fee:	A documentation fee of \$0.00(waived) will be charged to Proposed Lessee to cover document preparation, document transmittal, credit write-ups, lien searches and lien filing fees. The documentation fee is due upon Proposed Lessee's acceptance of this proposal and is non-refundable. This fee is based on execution of our standard documents substantially in the form submitted by us. In the event significant revisions are made to our documents at your request or at the request of your legal counsel or your landlord or mortgagee or their counsel, the documentation fee will be adjusted accordingly to cover our additional costs and expenses.	
Interim Rent:	If the lease commencement date is not the 1 <sup>st</sup> or 15 <sup>th</sup> of any calendar month (a "Payment Date"), interim rent may be assessed for the period between the lease commencement date and the Payment Date.	
Required Credit Information:	<ol style="list-style-type: none"> <li>Two years fiscal year end audited/un-audited financial statements and comparative interim statements; or tax returns and business plan.</li> <li>Such additional information as may be required.</li> </ol>	
Proposal Expiration:	This proposal and all of its terms shall expire on September 30, 2020 if GEHFS has not received Proposed Lessee's signed acceptance hereof by such date. Subject to the preceding sentence, this proposal and all of its terms shall expire on December 31, 2020 if the lease has not commenced by such date.	

The summary of proposed terms and conditions set forth in this proposal is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed herein would be subject to future negotiations. Moreover, by signing the proposal, the parties acknowledge that, except for the provisions concerning confidentiality set forth herein: (i) this proposal is not a binding commitment on the part of any person to provide or arrange for financing on the terms and conditions set forth herein or otherwise; (ii) any such commitment on the part of GEHFS would be in a separate written instrument signed by GEHFS following satisfactory completion of GEHFS' due diligence, internal review and approval process (which approvals have not yet been sought or obtained); (iii) this proposal supersedes any and all discussions and understandings, written or oral between or among GEHFS and any other person as to the subject matter hereof; and (iv) GEHFS may, at any level of its approval process, decline any further consideration of the proposed financing and terminate its credit review process. Proposed Lessee hereby acknowledges and agrees that GEHFS reserves the right to syndicate (via a referral, an assignment or a participation) all or a portion of the proposed leasing/financing transaction to one or more banks, leasing or finance companies or financial institutions (a "Financing Party"). In the event GEHFS elects to so syndicate all or a portion of the proposed leasing/financing transaction (whether before or after any credit approval of the proposed leasing/financing transaction by GEHFS) and is unable to affect such syndication on terms satisfactory to Proposed Lessee and/or GEHFS, GEHFS may, in its discretion, decline to enter into, and/or decline any further consideration of, the proposed financing. Proposed Lessee hereby further acknowledges and agrees that, in connection with any such syndication, GEHFS may make available to one or more Financing Parties any and all information provided by or on behalf of Proposed Lessee to GEHFS (including, without limitation, any third party credit report(s) provided to or obtained by GEHFS).

Except as required by law, neither this proposal nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed leasing/financing transaction and then only on the condition that such matters may not be further disclosed. Nothing herein is to be construed as constituting tax, accounting or legal advice by GEHFS to any person.

To the extent permitted by applicable law, you hereby authorize GEHFS to file in any jurisdiction as GEHFS deems necessary any initial Uniform Commercial Code financing statements that identify the Equipment or any other assets subject to the proposed financing described herein. If for any reason the proposed leasing/financing transaction is not approved, upon your satisfaction in full of all obligations to GEHFS, GEHFS will cause the termination of such financing statements. You acknowledge and agree that the execution of this proposal and the filing by GEHFS of such financing statements in no way obligates GEHFS to provide the financing described herein. By signing below, you hereby consent to and authorize GEHFS to perform all background, credit, judgment, lien and other checks and searches as GEHFS deems appropriate in its sole credit judgment.

We look forward to your early review and response. If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at (615) 854-3687.

Sincerely yours,

*Donald Diffendorf*  
GE Healthcare  
Healthcare Financial Services,  
a component of GE HFS, LLC

**A-13F**

**FDA Approval Letter**

K091536



JUL 17 2009

GE Healthcare

3200 N. Grandview Blvd.  
Waukesha, WI 53188  
USA

## Section 5 - 510(k) Summary

This 510(k) summary of safety and effectiveness information is submitted in accordance with the requirements of 21 CFR Part 807.92(c).

**Submitter:** GE Healthcare  
3200 N. Grandview Blvd.  
Waukesha, WI 53188

**Contact Person:** Mark Stauffer  
Regulatory Affairs Leader

**Telephone:** 262 - 521 - 6891  
**Fax:** 262 - 521 - 6439  
**Email:** [mark.x.stauffer@ge.com](mailto:mark.x.stauffer@ge.com)

**Date Prepared:** 15 May 2009

### Device Name:

**Proprietary Name:** Optima MR450w  
**Classification Name:** Magnetic Resonance Diagnostic System, 21 CFR 892.1000, 90-LNH

**Predicate Device:**  
GE Discovery® MR450 System (K083147)

### Device Description:

The 1.5T GE Optima MR450w features a superconducting magnet operating at 1.5 Tesla. The data acquisition system accommodates up to 32 independent receive channels in various increments, and multiple independent coil elements per channel during a single acquisition series. The system uses a combination of time-varying magnetic fields (gradients) and RF transmissions to obtain information regarding the density and position of elements exhibiting magnetic resonance. The system can image in the sagittal, coronal, axial, oblique and double oblique planes, using various pulse sequences and reconstruction algorithms. The 1.5T GE Optima MR450w is designed to conform to NEMA DICOM standards (Digital Imaging and Communications in Medicine).

**Indications for Use:**

The Optima MR450w is a whole body magnetic resonance scanner designed to support high resolution and high signal-to-noise ratio images in short exam times. It is indicated for use as a diagnostic imaging device to produce axial, sagittal, coronal, and oblique anatomical images, spectroscopic data, parametric maps, or dynamic images of the structures or functions of the entire body. The indication for use includes, but is not limited to, head, neck, TMJ, spine, breast, heart, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal regions of the body. Depending on the region of interest being imaged, contrast agents may be used.

The images produced by the Optima MR450w reflect the spatial distribution or molecular environment of nuclei exhibiting magnetic resonance. These images and spectra, when interpreted by a trained physician yield information that may assist in diagnosis.

**Comparison with Predicate Devices:**

The indications for use for the Optima MR450w System are similar to those for the GE Discovery® MR450 System.

**Comparison statement between Optima MR450w and Discovery MR450 System :**

The GE Optima MR450w is a new device design that is similar to the previously cleared 1.5T HDx MR system (K052293) with the main difference being the static magnet physical dimensions, which reflect the design objective of creating a larger diameter patient enclosure (bore). Both systems utilize superconducting magnets, gradients, and radio frequency coils and electronics to acquire data in single voxel, two-dimensional, or three-dimensional datasets. The operating software is common to both systems, as are the user applications provided with the system or offered as options.

**Summary of Studies:**

As stated in the FDA document "Guidance for the Submission of Premarket Notifications for Magnetic Resonance Diagnostic Devices" the following parameters have been measured

and documented through testing to NEMA, IEC or ISO standards (as referenced throughout this submission and listed in Section 9:

**Performance:**

- Signal-to-noise ratio (SNR)
- Geometric distortion
- Image uniformity
- Slice thickness
- Spatial resolution

**Safety**

- Static field strength
- Acoustic noise
- dB/dt
- RF heating (SAR)
- Biocompatibility

The Optima MR450w has been designed to comply with applicable IEC standards. It shall be certified by a Nationally Recognized Testing Laboratory to conform to IEC, UL and CSA standards prior to commercialization of the system.

**Conclusion:**

It is the opinion of GE that the GE Optima MR450w 1.5T system is substantially equivalent to the Discovery MR450 1.5T system.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Food and Drug Administration  
9200 Corporate Boulevard  
Rockville MD 20850

GE Medical Systems LLC  
% Mr. Daniel W. Lehtonen  
Senior Staff Engineer-Medical Devices  
Intertek Testing Services NA, Inc.  
2307 E. Aurora Rd., Unit B7  
TWINSBURG OH 44087

JUL 17 2009

Re: K091536  
Trade/Device Name: Optima MR 450w  
Regulation Number: 21 CFR 892.1000  
Regulation Name: Magnetic resonance diagnostic device  
Regulatory Class: II  
Product Code: LNH  
Dated: July 2, 2009  
Received: July 6, 2009

Dear Mr. Lehtonen:

We have reviewed your Section 510(k) premarket notification of intent to market the device referenced above and have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act) that do not require approval of a premarket approval application (PMA). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration.

If your device is classified (see above) into either class II (Special Controls) or class III (PMA), it may be subject to additional controls. Existing major regulations affecting your device can be found in the Code of Federal Regulations, Title 21, Parts 800 to 898. In addition, FDA may publish further announcements concerning your device in the Federal Register.

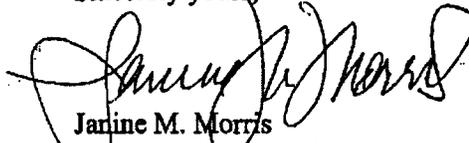
Please be advised that FDA's issuance of a substantial equivalence determination does not mean that FDA has made a determination that your device complies with other requirements of the Act or any Federal statutes and regulations administered by other Federal agencies. You must comply with all the Act's requirements, including, but not limited to: registration and listing (21 CFR Part 807); labeling (21 CFR Part 801); medical device reporting (reporting of medical

device-related adverse events) (21 CFR 803); good manufacturing practice requirements as set forth in the quality systems (QS) regulation (21 CFR Part 820); and if applicable, the electronic product radiation control provisions (Sections 531-542 of the Act); 21 CFR 1000-1050.

If you desire specific advice for your device on our labeling regulation (21 CFR Part 801), please go to <http://www.fda.gov/AboutFDA/CentersOffices/CDRH/CDRHOffices/ucml15809.htm> for the Center for Devices and Radiological Health's (CDRH's) Office of Compliance. Also, please note the regulation entitled, "Misbranding by reference to premarket notification" (21 CFR Part 807.97). For questions regarding the reporting of adverse events under the MDR regulation (21 CFR Part 803), please go to <http://www.fda.gov/cdrh/mdr/> for the CDRH's Office of Surveillance and Biometrics/Division of Postmarket Surveillance.

You may obtain other general information on your responsibilities under the Act from the Division of Small Manufacturers, International and Consumer Assistance at its toll-free number (800) 638-2041 or (240) 276-3150 or at its Internet address <http://www.fda.gov/cdrh/industry/support/index.html>.

Sincerely yours,



Janine M. Morris  
Acting Director, Division of Reproductive,  
Abdominal, and Radiological Devices  
Office of Device Evaluation  
Center for Devices and Radiological Health

Enclosure

## Indications for Use

510(k) Number (if known): K091536

Device Name: Optima MR450w

### Indications for Use:

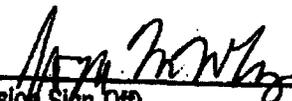
The Optima MR450w is a whole body magnetic resonance scanner designed to support high resolution and high signal-to-noise ratio images in short exam times. It is indicated for use as a diagnostic imaging device to produce axial, sagittal, coronal, and oblique anatomical images, spectroscopic data, parametric maps, or dynamic images of the structures or functions of the entire body. The indication for use includes, but is not limited to, head, neck, TMJ, spine, breast, heart, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal regions of the body. Depending on the region of interest being imaged, contrast agents may be used.

The images produced by the Optima MR450w reflect the spatial distribution or molecular environment of nuclei exhibiting magnetic resonance. These images and spectra, when interpreted by a trained physician yield information that may assist in diagnosis.

Prescription Use  X  AND/OR Over-the-Counter Use \_\_\_\_\_  
(21 CFR 801 Subpart D) (21 CFR 807 Subpart C)

(PLEASE DO NOT WRITE BELOW THIS LINE - CONTINUE ON ANOTHER PAGE IF NEEDED)

Concurrence of CDRH, Office of Device Evaluation (ODE)

  
\_\_\_\_\_  
(Division Sign-Off)  
Division of Reproductive, Abdominal and  
Radiological Devices  
510(k) Number K091536

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



# SUMNER

Regional Medical Center

HIGHPOINT HEALTH SYSTEM

---

September 1, 2020

Tennessee Health Services and Development Agency  
502 Duaderick Street  
Andrew Jackson Bldg., 9th Floor  
Nashville, TN 37243  
Attn: Board Members

Re: Affirmation of Sumner Regional Medical Center's ("SRMC") Medical Emergency Treatment  
Obligation for CON Application.

Dear Board Members:

Any hospital patient at Tennessee Orthopedics PC MRI, a provider-based department of SRMC, who experiences a medical emergency may be transferred to one of two dedicated emergency departments operated by SRMC.

If a patient presents to an emergency department, the patient will be evaluated to determine whether the patient has an emergency medical condition, and stabilized and treated in accordance with SRMC's obligations under The Emergency Medical Treatment and Labor Act (EMTALA). To the extent that SRMC has the capacity to provide the care the patient needs for such an emergency, that care will be provided.

Sincerely,

Susan Peach  
Chief Executive Officer  
Sumner Regional Medical Center  
HighPoint Health System

# American Board of Orthopaedic Surgery

INCORPORATED 1934

HEREBY CERTIFIES THAT

**Roy Clarence Terry**

HAVING MET THE MAINTENANCE OF CERTIFICATION REQUIREMENTS  
OF THE BOARD AND HAVING BEEN EXAMINED IS RECERTIFIED FOR  
THE PRACTICE OF THE SPECIALTY OF

**ORTHOPAEDIC SURGERY**

JANUARY 1, 2017

*D. W. Wink*  
PRESIDENT

*D. W. Wink*  
VICE-PRESIDENT

*James L. Robinson, MD*  
PRESIDENT-ELECT

*J. L. C.*  
SECRETARY

*D. W. Wink*  
TREASURER

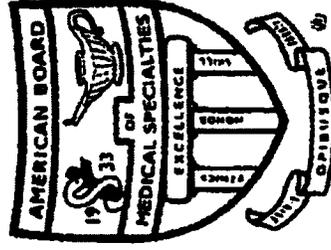
*R. M. M.*

*Frank S. ...*

*T. ...*

*John ...*  
*John M. Flynn*

*Charles ...*  
*Rick Wright*



VALID THROUGH DECEMBER 31, 2026

## **CURRICULUM VITAE**

**ROY CLARENCE TERRY, M.D.**

1616 West Main Street, Su 200  
Lebanon, TN 37087  
(615) 449-0990

### **PROFESSIONAL EXPERIENCE:**

Tennessee Orthopaedics  
1616 West Main St., Suite 200  
Lebanon, TN 37087  
Orthopaedic Surgeon, August 1994-present

### **CERTIFICATION:**

Diplomat American Board of Orthopaedic Surgery  
Part I Orthopaedic Board Exam-July 1994  
Part II Orthopaedic Board Exam-July 1996  
Fellow-American Academy of Orthopaedic Surgeons

### **EDUCATION:**

Orthopaedic Surgery Residency, July 1989-June 1994  
University of Mississippi Medical Center  
Jackson, MS

AO Fellowship, February 1993-May 1993  
Orthopaedics of Jackson Hole  
Ken Lambert, MD-Fellowship Director  
Jackson, WY

Doctor of Medicine, August 1985-May 1989  
University of North Carolina at Chapel Hill  
121 MacNider Hall  
Chapel Hill, NC 27514

Bachelor of Science, Microbiology, August 1981-June 1985  
Magna Cum Laude with General Honors  
University of Georgia at Athens  
Athens, GA

**AWARDS:**

M. Beckett Howorth Award  
Second Honors  
Resident's Day Presentation

Phi Beta Kappa  
Golden Key National Honor Society  
Omega Deuteron Kappa Honorary Society

**PUBLICATIONS AND PRESENTATIONS:**

DeLee JC, Drez DJ Jr, eds  
Orthopaedics Sports Medicine: Principles and Practice  
"The Knee: Complications of Knee Surgery", 1994,  
Roberts T, Terry RC

St. John KR, Zardiackus LD, Terry RC, Teusdall RD, Cooke SE,  
Mitias LM, "Microscopic and Histological Analysis of the Response of Bone  
to a Synthetic Composite Bone Graft in the Canine"

Green, WB, Terry RC, DeMasi RA, Herrington RT, "Effect of Race and Gender on  
Neurologic Level in Myelomeningocele", *Developmental Medicine and Child Neurology*

**MEDICAL SOCIETIES:**

American Medical Association  
American Academy of Orthopaedic Surgeons

**MEDICAL LICENSES:**

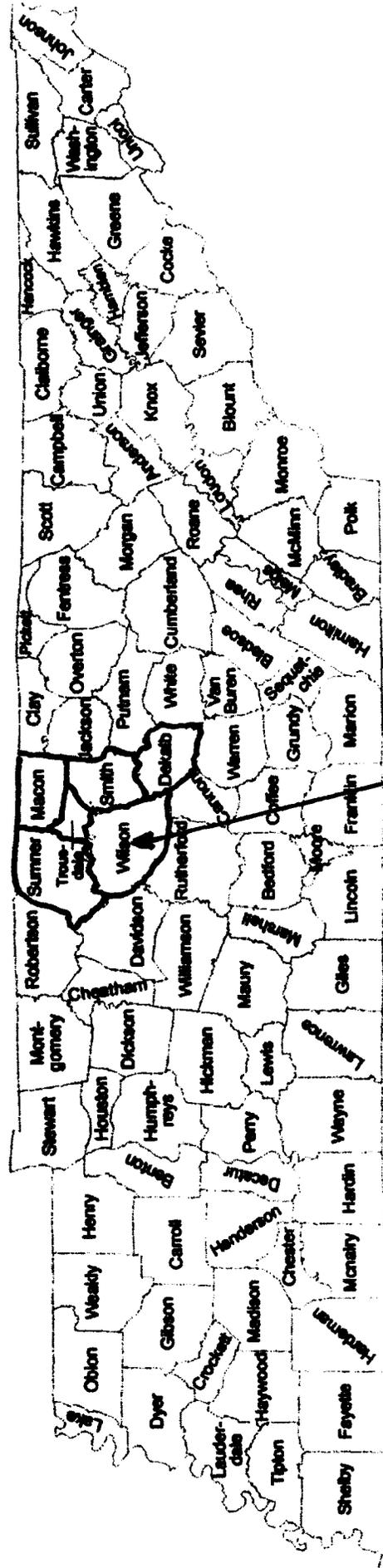
Tennessee	025540	1994
Mississippi	12573	1989
Wyoming	T188	1993
Georgia	041011	1995

**HOSPITAL PRIVILEGES**

University Medical Center	Lebanon, TN
Summit Medical Center	Hermitage, TN
Carthage General Hospital	Carthage, TN
Macon County Hospital	Lafayette, TN
Trousdale Medical Center	Hartsville, TN
Sumner Regional Medical Center	Gallatin, TN

**B-Need-3**

**Service Area Map**



**HIGHPOINT PHYSICIAN PARTNERS MRI SERVICE  
PRIMARY SERVICE AREA**

## **B-Economic Feasibility-2**

### **Funding/Financing Availability**

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

### **Financial Statements**

**B-Quality-2A-2)**

**Licensure and Accreditation**



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February 15, 2018

AMERICAN ACADEMY OF  
NEUROLOGY

AMERICAN ACADEMY OF  
ORTHOPAEDIC SURGEONS

AMERICAN ASSOCIATION OF  
PHYSICISTS IN MEDICINE

AMERICAN SOCIETY OF  
NEUROIMAGING

AMERICAN SOCIETY OF  
RADIOLOGIC TECHNOLOGISTS

INTERNATIONAL SOCIETY FOR  
MUSCULOSKELETAL IMAGING  
IN RHEUMATOLOGY

SOCIETY FOR CARDIOVASCULAR  
MAGNETIC RESONANCE

CARDIOLOGY  
MEMBERS AT-LARGE

RADIOLOGY MEMBERS AT-LARGE

Jeffrey Huggett, MD  
Sandra Thorne, RT(R)(CT)(MR)  
Tennessee Orthopedic PC  
101 Physicians Way  
Lebanon, Tennessee 37090

Re: Reaccredit Application #143281

Dear Dr. Huggett and Ms. Thorne:

I would like to take this opportunity to congratulate you on seeking and acquiring MRI accreditation by the Intersocietal Accreditation Commission (IAC). You and your staff are to be commended for demonstrating your facility's pursuit of excellence in the field of MRI.

Upon receipt and review of recently submitted material, your facility has been awarded accreditation in the following area of MRI:

**Musculoskeletal MRI**

**Shipped Certificate Package**

The Certificate Package is sent via UPS ground shipping to the Technical Director and contains the following items:

- Two copies of the certificate identifying each clinical area in which your facility was granted accreditation;
- A press release announcing your facility's accreditation, along with a media list form to select local recipients of the news;
- Two Accreditation Decals imprinted with the Seal of Accreditation, a complimentary lapel pin, embroidered patch and one sample patient information brochure.

**Downloadable Marketing Kit**

The IAC now offers materials to market your accreditation through your facility's online account. The Marketing Kit contains the Seal of Accreditation as well as a personalized press release and media form for use by your facility.

To obtain your facility's new marketing items:

1. Login to the secure Online Accreditation portal at [www.iaconlineaccreditation.org](http://www.iaconlineaccreditation.org);
2. Select the Applications tab from the options listed across the top of the screen;
3. Adjacent to your granted application, there will be a star icon in the Available Action(s) column. Click on the star to view the instructions to download the marketing materials.

If you have any other questions regarding promotion of your facility's accreditation status, the Seal of Accreditation or the press release and media form, please call the IAC office at 443-973-3239 or 800-838-2110 and ask to speak to Marketing/Communications or e-mail [marketing@intersocietal.org](mailto:marketing@intersocietal.org).



Tennessee Orthopedic PC  
February 15, 2018  
Page 2 of 2

Thank you for participating in the process of accreditation and congratulations on acquiring MRI accreditation from the Intersocietal Accreditation Commission. By demonstrating substantial compliance to the requirements outlined in the *IAC Standards*, you have demonstrated a commitment to quality patient care.

For questions related to the review of your application or the accreditation certificates, please contact Corey Mabry or Nancy Merrill, Directors of Accreditation, at the IAC office.

Sincerely,



Nancy J. Merrill, BS, RT(R)(M)(CT)  
Director of Accreditation – CT / MRI / Carotid Stenting

Enclosures

### MRI Equipment Evaluation Summary

Site: Tennessee Orthopedics-Lebanon

Date: 11/28/17

Survey Date: 11/17/17

MRI System Manufacturer: General Electric Model: Optima 450W

Medical Physicist/MRI Scientist: James Stoner

Signature: *James Stoner*

Equipment Evaluation Tests		Pass/Fail
1.	Table Positioning, Setup and Scanning	PASS
2.	Console Assessment	PASS
3.	Soft Copy Displays (Monitors)	PASS
4.	Film Printer QC (if applicable)	PASS
5.	Magnetic Field Homogeneity	PASS
	Method of Testing	BANDWIDTH DIFFERENCE
6.	Center Frequency	63.912904

**Tests Using the ACR Phantom**

7.	Geometric Accuracy	PASS
8.	High-contrast Spatial Resolution	PASS
9.	Low-contrast Detectability	PASS
10.	Slice Position Accuracy	PASS
11.	Slice Thickness Accuracy	PASS
12.	<i>Image Intensity Uniformity</i>	PASS
13.	<i>Percent Signal Ghosting</i>	PASS
14.	<i>Artifact Analysis</i>	PASS
	<i>(Test listed in italics above are also evaluated for all RF coils below.)</i>	
15.	Radio Frequency Coils	PASS
	Were all clinically used coils evaluated?      Yes <u>X</u> No <u>  </u>	PASS
16.	MR Safety Program Assessment	PASS

**Medical Physicist's or MRI Scientist's Recommendations for Quality Improvement**

## **Miscellaneous Information**

Brandon Rackley, Susan Rosback,  
Ronnie Steine, Gredonna Wilkerson,  
Chris Wood, Rick Zahner

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0004365357

**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 Highpoint Physician Partners (a private physician practice), owned and managed by Sumner Physician Practices, LLC (a limited liability corporation) intends to file an application for a Certificate of Need to acquire a magnetic resonance imaging (MRI) unit currently providing service at 101 Physicians Way, Suite B, Lebanon, TN 37087, and at that location to initiate outpatient MRI services for adult and pediatric orthopedic patients of Highpoint Physician Partners, at a project cost estimated for CON purposes at \$1,463,600.

The project will not require licensure as a healthcare facility. The project does not contain any other type of 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 September 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.

MAINTAIN YOUR INDEPENDENCE AT HOME!



are. Whenever you can birth a baby, Williams said afterward. "You play a match and you go home and you're still changing diapers," said Williams, whose daughter turned 3 on Sept. 1 and is a little older than Pironkova's son. "It's like a double life. It's really surreal."

rankings at all - this was her first tournament of any sort in more than three years, because she left the tour to become a mother. "It's unbelievable," Williams said about Pironkova's impressive return to competition. "Wow, I couldn't even do that." When the players stepped out onto

11th consecutive appearance. "I never give up," Williams said. "I've just got to keep going." Two more victories would allow her to claim a record-tying 24th Grand Slam singles title. But she'll want to avoid another slow start. "In the beginning, I was a little fa-

filled with athleticism and brilliance that in any other, non-pandemic year would be marked by thousands of folks rising to their feet for delirious roars and raucous applause. She needed both of these points to reverse a deficit that reached the scale of a set and a break after 45 minutes of her quarterfinal against Tsvetana Piron-

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

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Wilson County, Tennessee, on or before September 10, 2020, for one day.

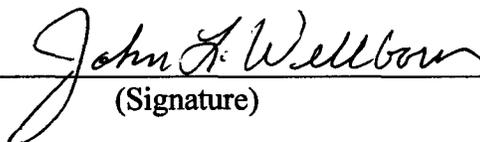
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---

	9-9-20	jwdsg@comcast.net
(Signature)	(Date)	(E-mail Address)

TennCare Enrollment Report for July 2020

AMERIGROUP COMMUNITY CARE	East Tennessee	140,426
AMERIGROUP COMMUNITY CARE	Middle Tennessee	168,087
AMERIGROUP COMMUNITY CARE	West Tennessee	123,946
BLUECARE	East Tennessee	217,978
BLUECARE	Middle Tennessee	171,611
BLUECARE	West Tennessee	152,813
UnitedHealthcare Community Plan	East Tennessee	142,489
UnitedHealthcare Community Plan	Middle Tennessee	170,004
UnitedHealthcare Community Plan	West Tennessee	123,728
TENNCARE SELECT HIGH	All	39,500
TENNCARE SELECT LOW	All	13,905
PACE		273
Awailing MCO assignment		56

COUNTY	Female				Male				Unknown				Grand Total		
	0-18	19-24	25-64	65+	Female Total	0-18	19-24	25-64	65+	Male Total	0-18	19-24		25-64	65+
ANDERSON	4,402	328	4,410	644	9,784	4,640	248	1,891	283	7,062					16,846
BENTON	1,048	95	1,144	156	2,443	1,072	65	539	81	1,757					4,200
BLOUNT	5,921	501	5,788	689	12,899	6,242	351	2,371	335	9,299					22,198
BREWER	6,381	481	6,078	605	13,485	6,459	385	2,079	245	8,569					22,054
CAMPBELL	2,789	261	3,403	632	7,085	2,968	214	1,682	354	5,218					12,303
CARROLL	1,748	146	2,058	300	4,252	1,965	141	959	139	3,204					7,456
CHEATHAM	1,879	142	1,714	185	3,920	1,890	120	660	91	2,761					6,681
CLAIBORNE	1,991	158	2,426	533	5,108	2,136	180	1,294	289	3,899					9,007
COCKE	2,722	235	3,247	496	6,700	2,926	187	1,586	265	4,964					11,664
CROCKETT	3,754	305	3,762	413	8,234	3,882	236	1,208	185	5,503					13,737
CROCKETT	998	81	928	190	2,197	1,050	78	392	79	1,599					3,796
DAVIDSON	41,239	2,723	32,530	3,436	79,928	42,324	2,242	12,628	2,018	59,212					139,140
DEKALB	1,328	96	1,337	187	2,948	1,432	102	623	119	2,276					5,224
DICKSON	2,965	252	2,955	381	6,533	3,185	190	1,117	167	4,659					11,192
DYER	2,641	218	2,970	391	6,220	2,833	181	1,169	156	4,339					10,559
FAYETTE	1,758	147	1,881	285	4,031	1,839	135	704	109	2,807					6,838
FENTRESS	1,362	98	1,499	319	3,278	1,367	108	858	188	2,521					5,799
FENTRESS	2,091	185	2,124	293	4,634	2,159	156	819	103	3,369					7,993
GIBSON	3,317	273	3,494	537	7,621	3,503	240	1,419	252	5,414					13,035
GREEN	1,662	144	1,782	208	3,796	1,677	89	728	100	2,625					6,421
GRAINGER	1,417	126	1,509	284	3,336	1,521	93	836	157	2,607					5,943
GREENE	3,877	352	4,321	682	9,232	4,208	263	2,009	372	6,993					16,225
GRUNDY	972	114	1,199	215	2,500	1,036	86	636	108	1,866					4,366
HAMILTON	18,512	1,304	17,213	2,294	39,323	19,210	1,085	6,476	1,197	27,968					67,291
HARDEMAN	1,699	133	1,907	310	4,049	1,682	106	837	151	2,776					6,825
HAWKINS	3,272	301	3,665	552	7,790	3,465	227	1,718	298	5,708					13,498
HENDERSON	1,824	169	1,999	255	4,247	1,947	149	830	117	3,043					7,290
HICKMAN	1,411	132	1,521	174	3,238	1,592	110	727	92	2,521					5,759
HUMPHREYS	1,130	100	1,267	130	2,627	1,262	93	505	77	1,937					4,564
JEFFERSON	3,444	295	3,201	454	7,394	3,559	246	1,415	202	5,422					12,816
KNOX	21,416	1,630	20,596	2,624	46,266	22,245	1,285	8,523	1,359	33,412					79,678
LAKE	458	48	578	137	1,209	512	36	245	63	653					1,862

	Female				Male				Unknown		Unknown Total	Grand Total
LAUDERDALE	1,991	170	2,122	281	4,564	2,039	135	837	120	3,131		7,885
LEWIS	784	65	798	129	1,776	836	52	351	61	1,300		3,076
LOUDON	2,523	152	2,228	270	5,173	2,648	146	932	134	3,860		8,033
MADISON	6,888	500	6,860	819	15,067	7,080	406	2,498	418	10,402		25,469
MARSHALL	1,914	142	1,835	181	4,072	1,980	118	667	89	2,854		6,926
MCMINN	3,252	273	3,435	452	7,412	3,482	233	1,490	223	5,428		12,840
MEIGS	795	62	883	99	1,839	798	62	421	54	1,335		3,174
MONTGOMERY	11,521	849	10,814	737	23,921	11,865	668	3,389	322	16,244		40,185
MORGAN	1,098	118	1,191	186	2,593	1,189	85	536	108	1,918		4,511
OVERTON	1,208	111	1,326	247	2,892	1,428	87	677	136	2,328		5,220
PICKETT	252	14	276	71	613	288	26	160	43	517		1,130
PUTNAM	4,965	357	4,597	689	10,608	5,232	319	2,171	321	8,043		18,651
RHEA	2,729	238	3,121	426	6,514	2,967	216	1,481	243	4,907		11,421
RUTHERFORD	17,061	1,183	13,701	1,140	33,085	17,622	925	4,633	517	23,697		58,782
SCOTT	1,039	82	1,060	147	2,328	1,055	65	494	63	1,677		4,005
SEQUATCHIE	73,067	5,379	66,658	6,833	151,937	75,238	4,328	21,140	3,735	104,441		268,378
SHELBY	830	58	825	115	1,828	782	58	381	49	1,270		3,098
SHELBY	8,626	686	7,713	767	17,792	8,978	509	2,649	349	12,485		30,277
SUMNER	556	36	527	79	1,198	549	38	232	31	850		2,048
TAYLOR	822	80	1,095	247	2,594	1,094	72	567	136	1,758		4,352
TROUSDALE	1,352	118	1,366	173	3,009	1,361	89	705	111	2,266		5,275
VAN BUREN	2,940	224	2,942	422	6,528	3,024	210	1,339	226	4,799		11,327
WASHINGTON	762	69	907	153	1,891	863	52	387	77	1,379		3,270
WEAVER	1,977	162	1,972	295	4,356	2,022	115	889	141	3,122		7,478
WHITE	1,793	135	1,879	305	4,112	1,979	130	927	159	3,195		7,307
WILLIAMSON	5,586	396	5,014	462	11,458	5,930	355	1,948	241	8,474		19,932
WILSON	762	69	907	153	1,891	863	52	387	77	1,379		3,270
Other	3,307	262	3,307	300	7,000	3,300	237	1,073	51	4,747		11,847
<b>Grand Total</b>	<b>397,029</b>	<b>30,470</b>	<b>378,330</b>	<b>46,514</b>	<b>852,343</b>	<b>413,631</b>	<b>24,834</b>	<b>150,140</b>	<b>23,868</b>	<b>612,473</b>		<b>1,484,816</b>

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.

September 20, 2020

Phillip M. Earhart, Deputy Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: CON Application #2009-028  
Highpoint Physician Partners -- Initiation of MRI Services

Dear Mr. Earhart:

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., Item 1.**

**The ZIP code of 37087 is noted as the proposed new MRI location. However, the HSDA equipment registry states the zip code is 37090. Please clarify, and if necessary provide a corrected copy of the first page of the application.**

You are correct; the zip code in other public records is 37090. The 37087 zip code was taken from the 2016 CON application to move the MRI to its present location and from the actual CON certificate issued to that project. A revised page 1R is attached following this page.

**2. Section A, Applicant Profile, Item 6.A**

**Please provide the site control (Option to Lease) documentation referenced in Attachment A-6A.**

The executed lease option is provided following this page. Note that the address on the premises on the first page also carries the zip code 37087. The applicant is requesting an amended first page of the option and will forward the correction to the HSDA under separate cover.

**Please provide a copy of the current property deed that demonstrates the lessor has site control.**

The managing member of the applicant LLC has provided the tax assessor's documentation of ownership on page 40c of the application. He asks that this be sufficient evidence.

## OPTION TO LEASE

This Option to Lease ("**Option Agreement**") is made and entered into as of the date of the last party to sign (the "**Effective Date**"), as set forth below, by and between **Phoenix Medical Office Building, LLC**, a Tennessee limited liability company ("**Owner**") and **Sumner Physician Practices, LLC**, a Delaware limited liability company ("**Sumner**").

**WHEREAS**, Owner is the record owner of the building located at 101 Physician's Way, Lebanon, Tennessee 38087 (the "**Building**");

**WHEREAS**, Sumner wishes to acquire from Owner the right and option to lease certain office space in the Building commonly known as the MRI suite, consisting of 1,473 rentable square feet (the "**Option Premises**"), as more particularly depicted as "Lease Space 'B'" on Exhibit A hereto; and

**WHEREAS**, Owner is willing to grant to Sumner the right and option to lease the Option Premises on the terms and conditions set forth herein.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Option.** During the Option Term (as defined below), Owner, in consideration for the Option Price (as defined below) the receipt of which is acknowledged, grants to Sumner, and Sumner hereby accepts, the irrevocable, exclusive right and option to lease the Option Premises upon the terms and conditions set forth herein (the "**Lease Option**"). During the Option Term (as defined below), Owner further agrees that Sumner shall have the right to enter upon the Option Premises for the purpose of inspecting or measuring the Option Premises in preparation for Sumner's occupancy.
2. **Option Price.** As consideration for the Lease Option, Sumner shall pay to Owner, within ten (10) business days after the Effective Date, the sum of \$100.00.
3. **Option Term.** The Lease Option may be exercised by Sumner at any time beginning on the Effective Date and expiring at 11:59 pm Central Time on the date that is one (1) year after the Effective Date or, if the date that is one (1) year after the Effective Date is a Saturday, Sunday or legal holiday, on the first business day thereafter (the "**Option Term**").
4. **Exercise of Option; Notice Address.** Sumner may exercise the Lease Option by providing notice of exercise to Owner by U.S. Mail, hand-delivery, electronic mail or facsimile, at the address set forth below.

Phoenix Medical Office Building, LLC  
101 Physician's Way, Suite 111  
Lebanon, Tennessee 38087  
Attention: Roy C. Terry, M.D.  
Email: blue7sky@aol.com  
Facsimile: \_\_\_\_\_

Such notice shall be deemed timely if dispatched by Sumner at any time prior to the expiration of the Option Term. If Sumner does not exercise its Lease Option in accordance with the terms and conditions of this Agreement within the Option Term, the Lease Option shall automatically expire upon the expiration of the Option Term without notice or further action by either party.

5. Lease Agreement. In the event Sumner exercises the Lease Option in accordance with the terms hereof, Owner shall, within 10 days after receipt of Sumner's notice of exercise of the Lease Option, execute a lease agreement in substantially the same form as that certain Lease Agreement with a commencement date of May 1, 2020 between Owner, as landlord, and Sumner, as tenant, for Suite 111 in the Building, modified as necessary to reflect (i) the description of the Option Premises and floor plan attached hereto as Exhibit A; (ii) a Commencement Date mutually agreeable to Owner and Sumner occurring not more than thirty (30) days after the full execution of the lease; (iii) an Initial Term equal to ten (10) Lease Years, with two (2) renewal options for five (5) years each; (iv) an Annual Base Rent Rate equal to \$32.00 per square foot of the Option Premises for the first Lease Year, which rate shall increase upon the commencement of each subsequent Lease Year by two percent (2%); and (v) that the lease is a "gross lease" and Landlord shall be solely responsible for the payment of all amounts payable in connection with the ownership, management, maintenance and operation of the Building and common areas.
  
6. Owner's Representations and Warranties. As inducement for Sumner to enter into this Agreement and to consummate the transactions contemplated hereby, Owner represents and warrants to Sumner that, as of the date of execution of this Option Agreement and as of the Effective Date (as such term is defined in the Lease) of the Lease, there will be no other leases affecting all or any part of the Option Premises and no written promises, understandings, agreements or commitments between Owner and any other party concerning the sale, conveyance, lease, use or occupancy of any interest in the Option Premises or any part thereof.
  
7. Miscellaneous.
  - a. This Option Agreement shall be governed by the laws of the state where the Option Premises is located.
  
  - b. Sumner may assign this Option Agreement without the consent of Landlord to any entity controlling, controlled by or under common control with Sumner.
  
  - c. This Option Agreement sets forth the entire agreement between the parties and supersedes all prior or contemporaneous agreements or understandings (whether oral or written), if any, between the parties with respect to the subject matter of this Agreement.
  
  - d. This Option Agreement may be amended only in writing signed by both parties.

**SIGNATURES FOLLOW ON NEXT PAGE**

IN WITNESS WHEREOF, this Option to Lease is executed by the parties as of the date and year of the last party to sign as set forth below.

**SUMNER:**

**Sumner Physician Practices, LLC**  
a Delaware limited liability company

By:   
(Signature)

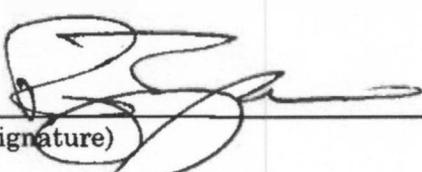
Name: David Reynolds

Title: Regional Vice President

Date: 9/17/2020

**OWNER:**

**Phoenix Medical Office Building, LLC,**  
a Tennessee limited liability company

By:   
(Signature)

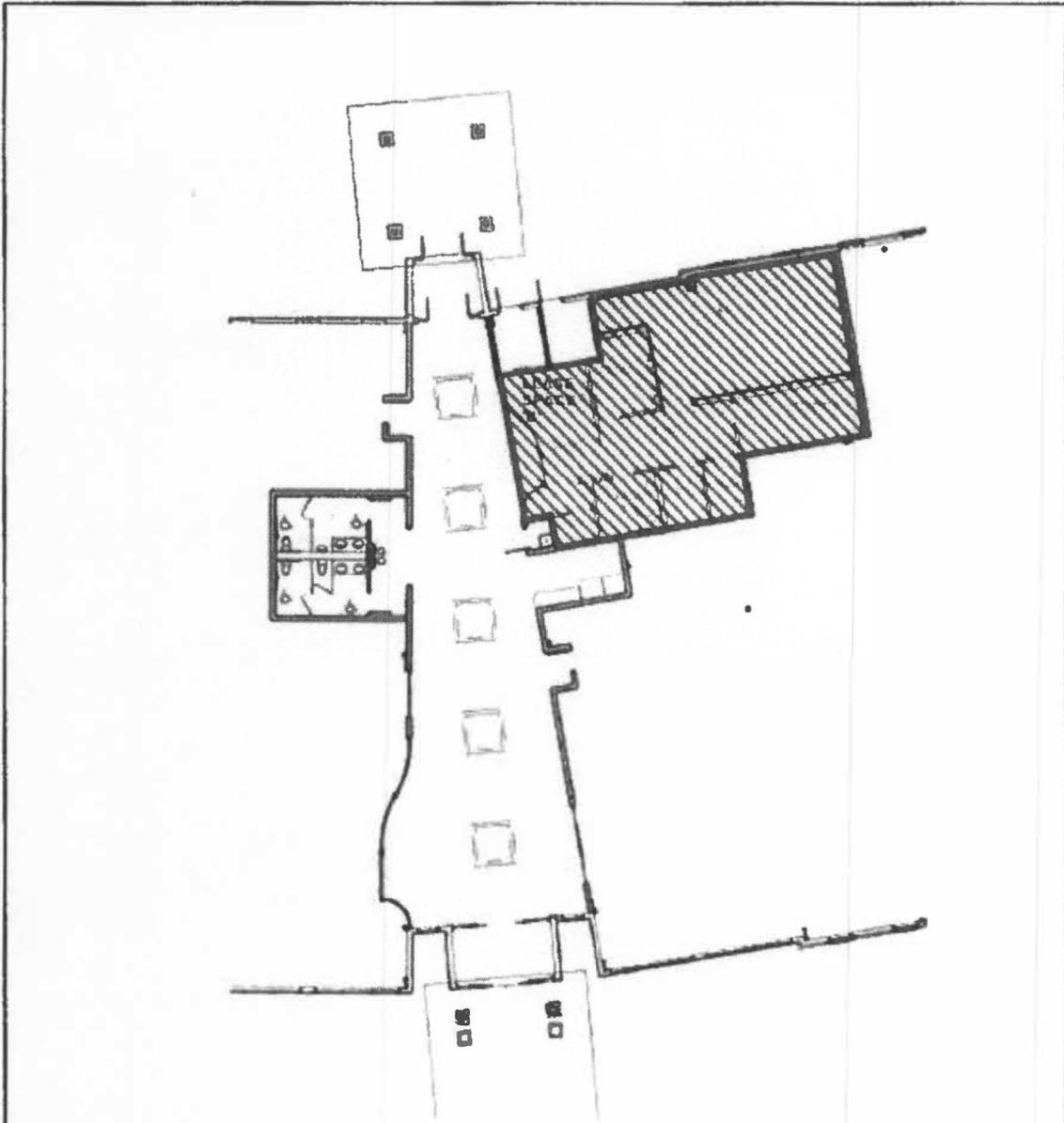
Name: Reg Teymo

Title: President

Date: 9/17/2020

**EXHIBIT A**

**Floor Plan**



**TENNESSEE ORTHOPEDICS IMAGING - SUITE 'B'**

SCALE: 1" = 20'-0"

1,473 SQ.FT.



 MANOUS DESIGN 110 S. GARDNER ST.   MEMPHIS, TN 38107 901.528.4307   901.528.4307	 TENNESSEE ORTHOPEDICS IMAGING	REVISED 29 April, 2015	Sheet No.
		TENANT PLANS	1 of 2

Page Two  
September 20, 2020

**3. Section A, Applicant Profile, Item 6.B (Plot Plan)**

**The plot plan is noted. However, please provide a replacement plot plan that identifies the three existing tenants.**

The three existing tenants are Highpoint Orthopedics, LLC (Suite B, where this MRI located, which was identified in the floor plan submitted), Phoenix Ambulatory Surgery Center and Star Physical Therapy. A revised floor plan is attached following this page. The spaces are labeled. The physician office "Provider Offices" occupies the area on both sides of the public restrooms, across the hall from the MRI in Suite B and the Surgery Center and the Physical Therapy spaces.

**4. Section A, Applicant Profile, Item 7 (Type of Institution)**

**It is noted the applicant is a physician-office based MRI service. Please place a check mark beside that designation and provide a replacement page 11.**

The requested revised page 12R is attached following this page.

**5. Section A, Applicant Profile, Item 9 (Medicaid/TennCare)**

**Please clarify why the applicant plans to not contract with TennCare Select.**

The applicant will contract with TennCare Select. That has been clarified in revised page 12R following this page.

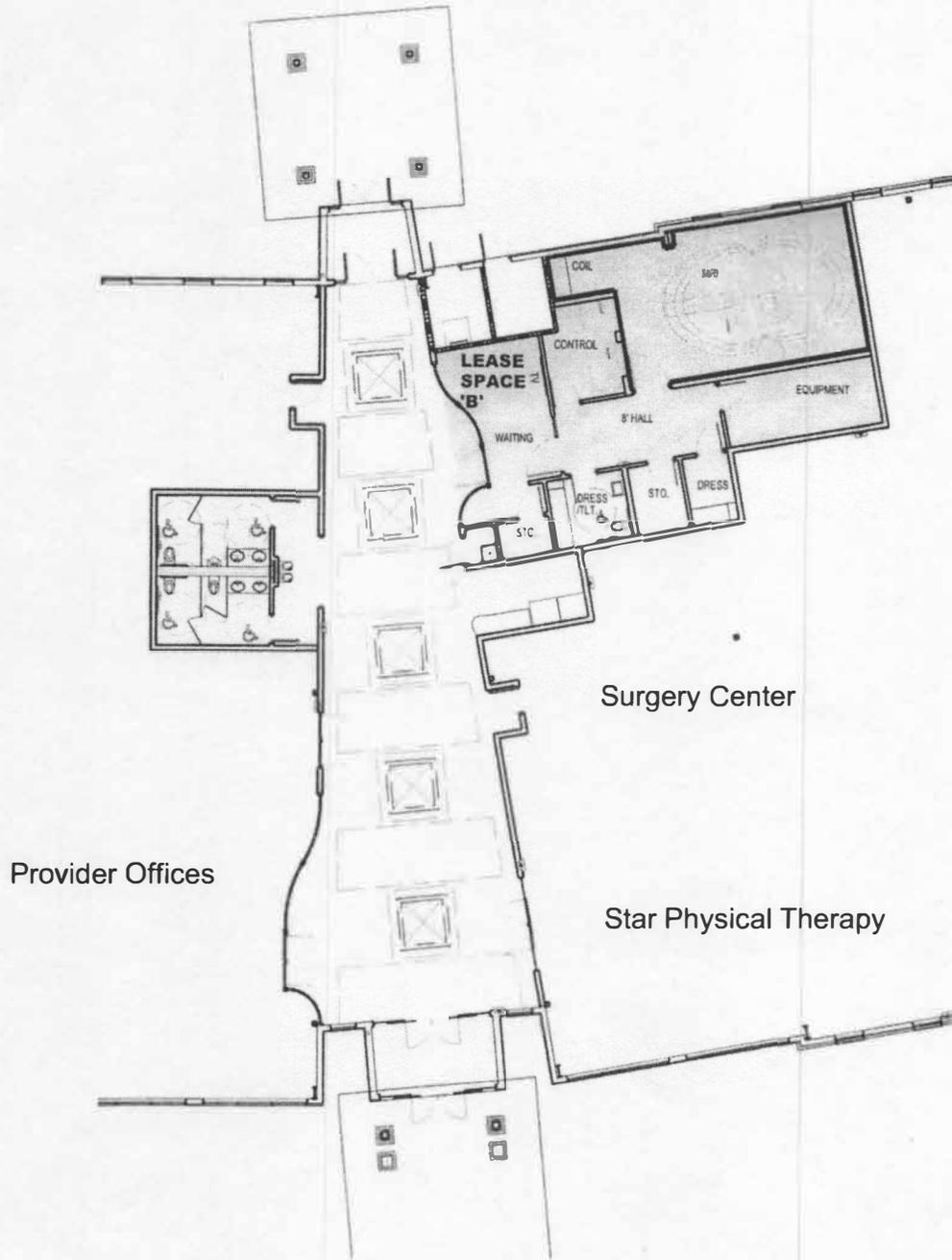
**If approved, it appears the applicant will be a newly owned physician-office based MRI service. If so, please complete the section on the bottom of page 12 indicating if certification will be sought for Medicare and/or Medicaid/TennCare and submit a replacement page 12.**

That has been clarified in revised page 12R following this page.

**6. Section B Need Item 1 (Project Specific-MRI), Item 7.C Emergencies**

**Please provide the emergency procedures referenced in the application as being located in the attachments listed under "miscellaneous materials".**

The applicant will model its emergency procedures on those in place at the Imaging Department of Sumner Regional Medical Center. A sample of those materials is attached at the end of this letter

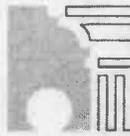


TENNESSEE ORTHOPEDICS IMAGING - SUITE 'B'

SCALE: 1" = 20'-0"

1,473 SQ.FT.



 <b>MANOUS DESIGN</b> 110 Lakewood Rd. Lebanon, TN 37087 v.615.444.6207 f.615.444.0853		ISSUED: 29 April, 2015	sketch no.
		REVISED:	
		TENANT PLANS	1 of 2

Page Three  
September 20, 2020

**7. Section B. (Need) Item 5**

**In paragraph five on page 35, the applicant notes in 2019 the publicly accessible non-specialty MRI units averaged 2,063 units per MRI, or 65.5% of the State Health Plan criteria. However, it appears the calculation of 65.5% is incorrect. Please correct and submit a replacement page.**

That should have said 71.6%, as shown in the table on page 36. Attached following this page is a corrected revised page 35R.

**What was the percentage of 2019 Tennessee Orthopedic, P.C. MRI procedures that were provided to pediatric patients?**

Approximately 12% were pediatric patients.

**8. Section B. (Need) Item 6**

**Please explain the reasons MRI utilization dropped from 1,372 procedures in 2017 to 1,099 procedures in 2018.**

The decrease was caused by the departure of two orthopedists and a physician assistant, who relocated to a different medical practice. All three were able to order MRI procedures.

**Please indicate what percentage of MRI procedures in project Year One will be provided to pediatric patients.**

It should continue to be approximately 12%.

**9. Section B. (Economic Feasibility) Item 2 Funding**

**Please provide the referenced documentation from the applicant's financial representative of the availability of cash reserves to finance the proposed project.**

LifePoint Health, Inc. is the parent of the applicant through wholly owned subsidiaries. Attached following this page is a funding letter from J. Michael Grooms, President of LifePoint Corporate Services General Partnership, one of those entities. That subsidiary will provide the funding, which it in turn will obtain from LifePoint Health, Inc., of which Mr. Grooms is Senior Vice President and Chief Accounting Officer. LifePoint Health's income statement and balance sheet are provided in response to your question #11 below.

# LifePoint Corporate Services, General Partnership

September 17, 2020

Logan Grant, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson State Office Building, Ninth Floor  
500 Deaderick Street  
Nashville, Tennessee 37243

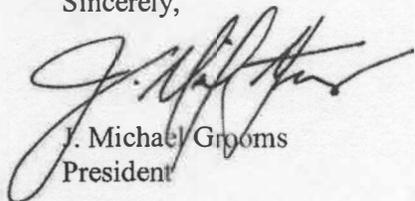
RE: CON Application by Sumner Physician Practices, LLC, for MRI Service

Dear Mr. Grant:

Sumner Physician Practices, LLC ("Sumner PP") is applying for a Certificate of Need to initiate MRI services in Lebanon in Wilson County. As President of LifePoint Corporate Services, General Partnership ("LCSGP"), I am writing to confirm that LCSGP will provide the approximately \$90,000 in funding required to implement this project.

Sumner PP and LCSGP are both wholly-owned subsidiaries of LifePoint Health, Inc. ("LifePoint"), of which I am Senior Vice President and Chief Accounting Officer. Because LifePoint does not have financial statements available at the subsidiary level, I am providing financial statements for LifePoint to be included in the application.

Sincerely,



J. Michael Grooms  
President

Page Four  
September 20, 2020

**10. Section B, Economic Feasibility, Item 5.B.**

**On page 47, the applicant indicates there will be an 8% increase over the 2019 charge. However, it appears to be a 9% increase. Please clarify.**

It will be 9.0%. Attached following this page is a revised page 47R.

**11. Section B, Economic Feasibility, Item 6.A**

**Please provide the referenced financial documents located in Attachment B-Economic Feasibility-6A.**

The latest income statement and balance sheet of LifePoint Health, Inc. are attached following this page.

**12. Section B, Economic Feasibility, Item 6.C.**

**Please provide the requested Capitalization Ratio.**

Attached following this page is revised page 52R showing that calculation. The data used are from the LifePoint Health balance sheet submitted in response to your question #11 above. The data used for the calculation are marked on that balance sheet.

**13. Section B, Quality Measures, Item 2.C**

**Please provide a brief overview of Medial Group Management Association (MGMA) benchmarking data.**

MGMA (Medical Group Management Association) is a nonprofit organization that provides and obtains productivity and quality resource materials to further the success of providers and practices across the nation. <https://www.mgma.com/about/organization>. The applicant has received benchmarking data from MGMA that can be cross-referenced with recent MRI usage and productivity, after acquisition of the MRI. This data along with LifePoint's internal system quality information will ensure quality standards of care are met. The hospital's internal Radiology Director will also assist with quarterly skills assessments of the MRI staff to ensure high quality patient care. A radiologist will also routinely review image quality of the MRI to ensure quality.

**ANNUAL REPORT**  
**OF**  
**LIFEPOINT HEALTH, INC.**  
**FOR THE**  
**FISCAL YEAR ENDED DECEMBER 31, 2019**  
**PREPARED IN ACCORDANCE WITH**  
**ANNUAL REPORT ON FORM 10-K**  
**(AS MODIFIED UNDER DEBT AGREEMENTS)**

---

**LifePoint Health, Inc.**  
**(Exact Name of Company as Specified in Its Charter)**

---

**Delaware**  
**(State or Other Jurisdiction of**  
**Incorporation or Organization)**

---

**27-0500485**  
**(I.R.S. Employer Identification No.)**

---

**330 Seven Springs Way**  
**Brentwood, Tennessee**  
**(Address of Principal Executive Offices)**

---

**37027**  
**(Zip Code)**

---

**(615) 920-7000**  
**(Company's Telephone Number, Including Area Code)**

---

At March 12, 2020, there were 100 outstanding shares of common stock of LifePoint Health, Inc.



Ernst & Young LLP  
222 2<sup>nd</sup> Avenue South  
Suite 2100  
Nashville, TN 37201

Tel: (615) 252 2000  
Fax: (615) 242-9128  
ey.com

## Report of Independent Auditors

Board of Directors and Shareholders of  
LifePoint Health, Inc.

We have audited the accompanying consolidated financial statements of LifePoint Health, Inc. (formerly known as RegionalCare Hospital Partners Holdings, Inc.), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, comprehensive loss, equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of LifePoint Health, Inc. (formerly known as RegionalCare Hospital Partners Holdings, Inc.) at December 31, 2019 and 2018, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with U.S. generally accepted accounting principles.

*Ernst & Young LLP*

March 12, 2020

**LifePoint Health, Inc.**  
**Consolidated Balance Sheets**  
**As of December 31, 2019 and 2018**  
*(In millions, except for share and per share amounts)*

ASSETS	2019	2018
<b>Current assets:</b>		
Cash and cash equivalents	\$ 748.1	\$ 58.9
Accounts receivable	1,167.9	1,108.9
Inventories	225.9	224.4
Prepaid expenses	92.7	92.7
Other current assets	172.2	227.8
	<u>2,406.8</u>	<u>1,712.7</u>
<b>Property and equipment:</b>		
Land	236.1	265.7
Buildings and improvements	2,709.9	2,784.5
Equipment	1,383.6	1,079.2
Construction in progress	148.6	436.5
	<u>4,478.2</u>	<u>4,565.9</u>
Accumulated depreciation	(618.8)	(248.8)
	<u>3,859.4</u>	<u>4,317.1</u>
Intangible assets, net	73.5	74.5
Other long-term assets	380.0	319.8
Goodwill	2,961.2	2,567.6
<b>Total assets</b>	<b>\$ 9,680.9</b>	<b>\$ 8,991.7</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 340.6	\$ 318.3
Accrued salaries	319.3	343.5
Other current liabilities	446.0	422.2
Current maturities of long-term debt	69.9	58.4
Long-term debt, net	1,175.8	1,142.4
Long-term portion of reserves for self-insurance claims	196.5	194.0
Other long-term liabilities	164.9	146.5
<b>Total liabilities</b>	<b>8,643.4</b>	<b>7,902.3</b>
Redeemable noncontrolling interests	147.8	136.1
<b>Equity:</b>		
<b>LifePoint Health, Inc. stockholders' equity:</b>		
Common stock, \$0.01 par value; 30,000 shares authorized; 100 shares issued and outstanding at December 31, 2019 and 2018	-	-
Capital in excess of par value	1,295.8	1,308.3
Accumulated other comprehensive loss	(7.5)	(3.1)
Accumulated deficit	(424.5)	(381.8)
<b>Total LifePoint Health, Inc. equity</b>	<b>863.8</b>	<b>923.4</b>
Noncontrolling interests	25.9	29.9
<b>Total equity</b>	<b>889.7</b>	<b>953.3</b>
<b>Total liabilities and equity</b>	<b>\$ 9,680.9</b>	<b>\$ 8,991.7</b>

7,176,100,000

**LifePoint Health, Inc.**  
**Consolidated Statements of Operations**  
**For the Years Ended December 31, 2019, 2018 and 2017**  
*(In millions)*

	2019	2018	2017
Revenues	\$ 8,752.8	\$ 2,778.1	\$ 1,872.8
Salaries and benefits	4,044.0	1,329.4	874.3
Supplies	1,471.7	484.5	323.2
Other operating expenses, net	2,140.6	709.2	469.4
Depreciation and amortization	378.7	129.0	80.6
Interest expense, net	577.6	186.1	126.1
Merger, acquisition and other transaction-related costs	76.9	141.5	7.8
Impairments of goodwill and long-lived assets	3.3	78.4	14.1
Other non-operating losses, net	5.5	7.8	16.7
	<u>8,698.3</u>	<u>3,065.9</u>	<u>1,912.2</u>
Income (loss) before income taxes	54.5	(287.8)	(39.4)
Provision for (benefit from) income taxes	77.9	0.2	(1.3)
Net loss	(23.4)	(288.0)	(38.1)
Less: Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(19.3)	(5.7)	(7.3)
Net loss attributable to LifePoint Health, Inc.	<u>\$ (42.7)</u>	<u>\$ (293.7)</u>	<u>\$ (45.4)</u>

**LifePoint Health, Inc.**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2019, 2018 and 2017**  
*(In millions)*

	2019	2018	2017
<b>Cash flows from operating activities:</b>			
Net loss	\$ (23.4)	\$ (288.0)	\$ (38.1)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	378.7	129.0	80.6
Other non-cash amortization	39.5	9.9	5.8
Non-cash interest expense	27.1	5.8	-
Stock-based compensation	4.8	7.0	0.7
Impairments of goodwill and long-lived assets	3.3	78.4	14.1
Other non-operating losses, net	5.5	7.8	16.7
Deferred income taxes	2.2	(0.6)	(1.7)
Reserve for self-insurance claims, net of payments	(5.4)	2.3	(3.2)
Changes in cash from operating assets and liabilities, net of effects of acquisitions and divestitures:			
Accounts receivable	(57.4)	(48.1)	17.8
Inventories, prepaid expenses and other current assets	(36.7)	(0.2)	(15.5)
Accounts payable, accrued salaries and other current liabilities	(53.6)	(9.6)	37.7
Income taxes payable/receivable	134.2	53.0	(2.9)
Other	(5.2)	(19.7)	(6.4)
Net cash provided by (used in) operating activities	413.6	(73.0)	105.6
<b>Cash flows from investing activities:</b>			
Acquisitions, net of cash acquired	(4.4)	(5,345.9)	(112.9)
Purchases of property and equipment	(336.7)	(319.7)	(145.1)
Proceeds from sales of hospitals and other ancillary businesses	6.4	-	93.5
Other	24.6	19.9	13.4
Net cash used in investing activities	(310.1)	(5,645.7)	(151.1)
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings	-	5,125.0	37.6
Payments of borrowings	(28.3)	(189.3)	(1.7)
Net change in ABL Facility and Prior ABL Facility	(20.0)	10.0	10.0
Proceeds from lease financing	700.0	38.0	100.5
Repayment of MPT lease obligation in connection with hospital sale	-	-	(64.3)
Payments of debt financing costs	(18.1)	(207.0)	(0.9)
Cash (distributed to) contributed by parent	(10.9)	1,000.0	(37.6)
Distributions and other cash transactions associated with noncontrolling interests and redeemable noncontrolling interests	(18.0)	(6.0)	(3.9)
Capital and financing lease payments and other	(19.0)	(10.0)	(7.7)
Net cash provided by financing activities	585.7	5,760.7	32.0
Change in cash and cash equivalents	689.2	42.0	(13.5)
Cash and cash equivalents at beginning of period	58.9	16.9	30.4
Cash and cash equivalents at end of period	\$ 748.1	\$ 58.9	\$ 16.9
<b>Supplemental disclosure of cash flow information:</b>			
Interest payments	\$ 515.8	\$ 138.1	\$ 127.3
Capitalized interest	\$ 11.1	\$ 17.4	\$ 6.1
Property and equipment acquired under capital and financing leases	\$ 22.4	\$ 3.1	\$ 1.6
Income tax (refunds) payments, net	\$ (58.5)	\$ (53.7)	\$ 0.8

Page Five  
September 20, 2020

#### 14. Proof of Publication

**Please submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.**

We are awaiting receipt of this affidavit. It was requested in writing when the applicant placed the legal notice early in September. It will be provided to you under separate cover once received.

#### Additional Supplemental Information From the Applicant

The terms in the lease option were adjusted subsequent to submission of the application, by agreement of the parties. The square footage of Suite B was increased to reflect use of rentable rather than usable square feet. The lease rate was reduced and the parties agreed that the applicant/lessee would not pay additional "pass-through" costs normally charged in addition to the space lease, i.e., a pro rata share of common area expenses, taxes, etc. These changes reduced the annual lease cost.

This savings requires revisions to the Project Cost Chart and several pages in the application that refer to lease or project cost. It does not require a change in the filing fee or the funding information. Attached after this signature page are revised pages 3R, 40a-R, 40b-R, 44R, 45R and 51R.

Also attached is a revised page 43R, correcting the name of the Projected Data Chart.

Thank you for your assistance. 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



Origination: 9/18/2020  
Effective: 9/18/2020  
Approved:  
Last Revised:  
Expiration:  
Policy Area: Medical Imaging – MRI  
Applicability: HighPoint Health Partners

## Code Blue MR Suite

### SCOPE:

Magnetic Resonance (MR) Services

### PURPOSE:

To safely perform a Code Blue when a patient is in the MR environment.

### POLICY:

Due to the high magnetic field (strength) of the magnets located in MR Services at HighPoint Orthopedic Associates, it is imperative that those responding to a call for assistance are aware of, and comply with, MR safety protocols. This includes physicians, nurse practitioners, physician assistants, imaging technologists, paramedics, security personnel and others. An orderly and efficient process to minimize risks to patients, staff and equipment must be followed.

### PROCEDURE:

#### HighPoint Health Partners

1. In the event that a Code Blue must be called for a patient located in the MR suite, the MR staff will initiate the Code Blue by doing an overhead page that reaches all of the building.
2. The MR staff will remove the patient from the magnetic field by undocking the exam table--keeping the patient safety rails up--and moving the patient to the main hallway of the building. The MR staff will close door to the magnet room.
3. The MR staff will initiate cardio-pulmonary resuscitation (CPR) on the patient. Staff from the Ambulatory Surgery Center or staff from HighPoint Orthopedic Associates if staff from the Surgery Center are unavailable will bring the departmental crash cart to the patient's location. Upon arrival of staff, they will call 911.
4. The MR and medical imaging staff will remain available to assist the code team. MR staff will make the patient's records—any documentation that occurred after patient arrival and prior to code available.
5. Once "Code Blue" has ended, MR staff will make materials and pharmacy aware of any locks broken on the crash cart and supplies that were used.
6. MR staff will complete report of incident.

### CROSS REFERENCE:

Policy C-323 Code Blue

Policy C-333 Crash Cart Integrity and Restocking

Policy C-339 Resuscitation Review Process

## **REFERENCES:**

American College of Radiology (ACR) Guidance Document for Safety MR Practices: 2007

HealthStream MRI Safety Course



Origination: 9/18/2020  
Effective: 9/18/2020  
Approved:  
Last Revised:  
Expiration:  
Policy Area: Medical Imaging – MRI  
Applicability: HighPoint Health Partners

## Fire and Magnetic Resonance (MR) Safety, MRI-05

### SCOPE:

Magnetic Resonance (MR) Services

### PURPOSE:

To provide guidance for staff and public safety officers or fire fighters in the event a fire occurs in the MR suite at HighPoint Orthopedic Associates.

### POLICY:

HighPoint Health Partners Emergency Management Plan, Fire Prevention and Response shall be followed with additional MR safety aspects described below.

### PROCEDURE:

#### HighPoint Health Partners Response to a Fire in the Magnet Room:

1. Press the **Emergency Off** button. Pressing the Emergency Off button turns off **all** electrical power to the MR system, including the MR console and the patient table, however, the magnet remains live. Hence, this action **does not** produce a **quench**.
2. Evacuate the MR suite—patients, visitors and staff.
3. Use only nonmagnetic fire extinguishers, which are located in the control room at HighPoint Orthopedic Associates.
4. All personnel, including firefighters, must be screened prior to entry into the magnet room.
5. If the fire is not extinguished after emptying the available fire extinguishers and the firefighters need to take ferromagnetic equipment into the MRI magnet room, the magnetic field must be removed by pressing the “**Quench**” button located in the MR magnet room. There are three buttons in at HighPoint Orthopedic Associates one on the scanner, one in control room, and one in the main hallway of the building.

#### HighPoint Health Partners Response to a fire in the MR computer room:

1. Press one of the **Emergency Off** buttons. There is one on the keypad of scanner and one in the control room. This will disconnect electrical power.
2. Use only fire extinguishers rated for an electrical fire. If the fire is not extinguished after emptying the available extinguisher or if one’s personal safety is jeopardized, evacuate the room and allow the sprinkler system to activate.

## **CROSS REFERENCE:**

SRMC Emergency Management Plan, Fire Prevention and Response

## **REFERENCES:**

American College of Radiology (ACR) Guidance Document for Safe MR Practices

GE Medical Systems MR Safety Guide, pages 63-67



Origination: 9/18/2020  
Effective: 9/18/2020  
Approved:  
Last Revised:  
Expiration:  
Policy Area: Medical Imaging – MRI  
Applicability: HighPoint Health Partners

## Magnetic Resonance (MR) Controlled Quench, MRI-06

### SCOPE:

Magnetic Resonance (MR) Services located at HighPoint Orthopedic Associates

### PURPOSE:

To provide guidelines to initiate a controlled quench.

### POLICY:

MR imaging systems at HighPoint Orthopedic Associates are provided with a magnet emergency stop button located on the scanner, in the control room, and in the main hallway of the building. It is a red button located on the wall with a clear protective cover labeled "For Emergency Use Only! Caution! Depressing button will quench magnet!"

### Definitions:

- A **quench** is defined as the loss of superconductivity of the current-carrying coil, or the rapid loss of the magnetic field, that may occur unexpectedly in a superconducting magnet. As the magnet becomes resistive, heat will be released that can result in rapid evaporation of liquid helium in the cryostat. This occurs when the temperature of the magnet windings rise above 9.5 Kelvin (K), and become electrically resistive. The magnet windings heat up resulting in vaporization of 100 to 150 liters of Helium in less than one minute. This can occur due to equipment malfunction and increased temperature of the magnet.
- A **controlled quench** is defined as a planned or intentional quench that is performed by qualified personnel in emergency situations.

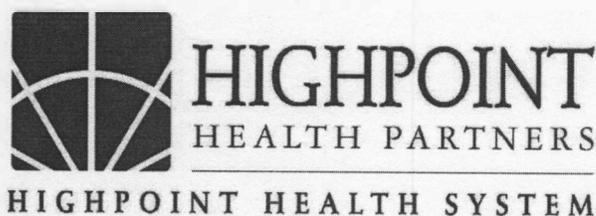
### PROCEDURE:

The emergency stop button should be used only under the following conditions:

1. Forces, due to the high magnetic field, that may cause patient or personnel injury, requiring **immediate shutdown** of the magnetic field.
2. Fires requiring **immediate shutdown** of the magnetic field to permit entry by fire department personnel.
3. Any other situation that would require **immediate** relief from the high magnetic field as an alternative to the usual controlled ramp down of the magnetic field.

### REFERENCES:

American College of Radiology (ACR) Guidelines for MRI Safety



Origination: 9/18/2020  
Effective: 9/18/2020  
Approved:  
Last Revised:  
Expiration:  
Policy Area: Medical Imaging – MRI  
Applicability: HighPoint Health Partners

## Screening for Magnetic Resonance (MR) Safety

### SCOPE:

Magnetic Resonance Services

### PURPOSE:

To ensure proper safety of persons entering the MR unit.

### POLICY:

#### Screening

There are potential risks in the MR environment, not only for the patient but also for the accompanying family members, attending health care professionals, and others who find themselves in the magnetic fields of MR scanners, such as security or housekeeping personnel, firefighters, police, etc.

1. All patients must have a MR screening form completed with signature of the patient or legal representative. MR technologist will also review information with patient prior to entering the scan room. A portable magnetic screening device may also be used prior to the patient or family member entering the MR suite. This device is not to enter the MRI suite being that it is ferrous. One member of the family may accompany patient and will be screened in the same manner.
2. Screening of all patients unable to provide their own reliable history (unconscious, unresponsive, confused, or poor historian) will be performed in a twofold process;
  - a. Immediate family will be consulted as to the patient's medical/surgical history to answer MR screening form.
  - b. MR personnel (technologist, radiologist, etc.) will physically examine the patient for scars or deformities that might indicate an implanted device and use portable metal detector to pre-screen. If possible implanted device is in question or family/representative cannot be contacted or confidently answer questions, screening films will be ordered if there is no recent imaging available to clear patient. Screening films to include: 2 view skull, 1 view chest, 1 view abdomen.
3. All PERSONNEL needing to enter the MRI suite to accompany patient will be screened by MR technologist and portable magnetic screening device will be used prior to personnel entering room

### **Table Weight Limit**

As outlined by in the manufacturer user manual, the scanner weight limit is 350 pounds.

### **Pregnancy**

"Present data have not conclusively documented any deleterious effects of MR imaging exposure on the developing fetus. Therefore, no special consideration is recommended for the first, versus any other, trimester in pregnancy. Nevertheless, as with all interventions during pregnancy, it is prudent to screen women of reproductive age for pregnancy prior to permitting them access to MR imaging environments. If pregnancy is established, consideration should be given to reassessing the potential risks versus benefits of the pending study in determining whether performance of the requested MR examination could safely wait until the end of the pregnancy."

1. All female patients of childbearing age will be questioned as to their last menstrual period.
2. Any patient who is pregnant or suspects a possibility of being pregnant will not be scanned or enter the restricted magnetic field area without the recommendation of a Radiologist.
3. Any patient who is possibly pregnant should postpone their examination until four days after the onset of menstrual cycle or get a serum pregnancy test prior to being scanned.
4. Patients who are pregnant but according to their provider's opinion that the benefits of proceeding with the examination outweigh the risks involved will be scanned with the Radiologist's approval. Particular caution should be exercised during the first trimester if possible. Gadolinium based contrast agents will not be given.
5. Patients who are pregnant that require an MR procedure must sign a release form verifying they understand the risks related to the study.

### **Metal and Implanted Devices**

Metallic devices, implanted or loose, should be properly identified as MR SAFE or MR CONDITIONAL. These implants and/or foreign body will be cross-referenced with the appropriate literature (including MRI safety website) and/or radiologist's approval. MR CONDITIONAL objects will be scanned according to recommended parameters for patient safety.

Any device, implanted or loose, deemed MR UNSAFE or CONTRAINDICATED will not be scanned. The patient's appointment will be canceled and the referring physician's office will be notified.

New MR COMPATIBLE devices will follow procedure of MR CONDITIONAL devices and will have to have radiologist approval prior to scanning.

1. Any patient undergoing an MR procedure must remove all readily removable metallic personal belongings and devices on or in them (e.g., watches, jewelry, pagers, cell phones, body piercing, if removable, contraceptive diaphragms, metallic drug delivery patches, and clothing items that may contain metallic fasteners, hooks, zippers, loose metallic components, or metallic threads, and cosmetics containing metallic particles such as eye makeup).
2. Any patient that has an implanted device must provide documentation (post operative notes or device card from manufacture) of the make, model, and year the device was implanted. Once the technologist has the proper information, the technologist can then determine the compatibility of the device with the MRI.
  - a. If a patient has a foreign body and the patient has been cleared to scan, instruct the patient to alert the MRI technologist IMMEDIATELY of any heating or pulling that may occur. If

injury results, the Radiologist will be notified and advise on further treatment if necessary. An incident report will be completed should injury occur.

3. Patients with a history of potential ferromagnetic foreign object penetration must undergo further investigation prior to being scanned. Examples of acceptable screening methods include patient history, radiographs, prior Computed Tomography (CT) or MR of the questioned anatomic area, or access to written documentation as to the type of implant or foreign object that might be present.
4. Patients with cardiac stents placed eight weeks or less from the date of MR exam must provide documentation about the stent to determine safety. If the patient cannot provide this documentation, the MR technologist must research and obtain the information and determine the amount of time needed to wait before scanning. If the cardiac stents were placed longer than eight weeks, the MR exam can be safely scanned.
5. All patients who have a history of orbit trauma by potential ferromagnetic foreign body for which they sought medical attention are to have their orbits cleared by orbit radiograph (two views), by review and assessment of CT to the orbits, or MR (obtained since the suspected traumatic event).
6. In the event that a foreign body is discovered during an ongoing scan, the scan will be discontinued IMMEDIATELY. The patient should be exited from the scanner at the slowest table speed in order to avoid adverse injury or dislodgement of said foreign body and the Radiologist will be notified. The technologist will then be instructed on how to treat the patient, if any treatment is necessary, by the Radiologist. An incident report will also be completed.

## REFERENCES:

American College of Radiology (ACR) Guidance Document for MR Safety: 2013.

GE High Definition (HD) 1.5 Tesla Magnetic Resonance User Manual located in the Medical Imaging Conference Room.

American College of Cardiology Foundation, ACCF/ACR/AHA/NASCI/SCMR 2010 Expert Consensus Document on Cardiovascular Magnetic Resonance, CMR Safety: 2010.

Radiological Society of North America (RSNA). Coronary Arterial Stents: Safety and Artifacts during MR Imaging. Jurgen Hug, MD, Eike Nagel, MD, Axel Bornstedt, PhD, Bernhard Schnackenburg, PhD, Helmut Oswald, PhD and Eckart Fleck, MD. 2000.

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

HIGHPOINT PHYSICIAN PARTNERS MRI  
(SUMNER PHYSICIAN PRACTICES, LLC)

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of 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  
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 21<sup>st</sup> day of September, 2020, witness my hand at office in the County of DAVIDSON, State of Tennessee.

*[Signature]*  
NOTARY PUBLIC

My commission expires May 2, 2022

HF-0043

Revised 7/02



September 23, 2020

Phillip M. Earhart, Deputy Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: CON Application #2009-028  
Highpoint Physician Partners -- Initiation of MRI Services

Dear Mr. Earhart:

This letter responds to your second 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., Item 3., Executive Summary, Item A. 5 (Project Cost)**

**Please revise the project cost from \$1,463,581 to \$1,337,703, and submit a replacement page 3 (labeled as 3R).**

The revised page 3R is attached following this page.

**2. Section A, Applicant Profile, Item 6.A**

**The site control (Option to Lease) documentation referenced in Attachment A-6A is noted. Please submit the amended first page of the option referenced in the supplemental #1 response.**

The revised first page of the option is attached following this page.

**OPTION TO LEASE**

This Option to Lease ("Option Agreement") is made and entered into as of the date of the last party to sign (the "Effective Date"), as set forth below, by and between Phoenix Medical Office Building, LLC, a Tennessee limited liability company ("Owner") and Sumner Physician Practices, LLC, a Delaware limited liability company ("Sumner").

WHEREAS, Owner is the record owner of the building located at 101 Physician's Way, Lebanon, Tennessee ~~37097~~ (the "Building"); *37090 9/23/20*

WHEREAS, Sumner wishes to acquire from Owner the right and option to lease certain office space in the Building commonly known as the MRI suite, consisting of 1,473 rentable square feet (the "Option Premises"), as more particularly depicted as "Lease Space 'B'" on Exhibit A hereto; and

WHEREAS, Owner is willing to grant to Sumner the right and option to lease the Option Premises on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Option.** During the Option Term (as defined below), Owner, in consideration for the Option Price (as defined below) the receipt of which is acknowledged, grants to Sumner, and Sumner hereby accepts, the irrevocable, exclusive right and option to lease the Option Premises upon the terms and conditions set forth herein (the "Lease Option"). During the Option Term (as defined below), Owner further agrees that Sumner shall have the right to enter upon the Option Premises for the purpose of inspecting or measuring the Option Premises in preparation for Sumner's occupancy.
2. **Option Price.** As consideration for the Lease Option, Sumner shall pay to Owner, within ten (10) business days after the Effective Date, the sum of \$100.00.
3. **Option Term.** The Lease Option may be exercised by Sumner at any time beginning on the Effective Date and expiring at 11:59 pm Central Time on the date that is one (1) year after the Effective Date or, if the date that is one (1) year after the Effective Date is a Saturday, Sunday or legal holiday, on the first business day thereafter (the "Option Term").
4. **Exercise of Option; Notice Address.** Sumner may exercise the Lease Option by providing notice of exercise to Owner by U.S. Mail, hand-delivery, electronic mail or facsimile, at the address set forth below.

Phoenix Medical Office Building, LLC  
 101 Physician's Way, Suite 111  
 Lebanon, Tennessee ~~37097~~ 37090 *9/23/20*  
 Attention: Roy C. Terry, M.D.  
 Email: blue7sky@aol.com  
 Facsimile: \_\_\_\_\_

Such notice shall be deemed timely if dispatched by Sumner at any time prior to the expiration of the Option Term. If Sumner does not exercise its Lease Option in accordance with the terms and conditions of this Agreement within the Option Term, the Lease Option shall automatically expire upon the expiration of the Option Term without notice or further action by either party.

Page Two  
September 23, 2020

**Section B. (Economic Feasibility) Item 1 Project Cost Chart**

**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. Please revise the Section B information on the bottom of the Project Cost Chart to reflect \$516,126 in suite lease outlay and \$731,577 assigned to MRI FMV.**

Those footnotes to the Project Cost Chart have been revised on page 40a-R2, following this page. The footnote total of \$1,247,703 has been divided into the two portions requested.

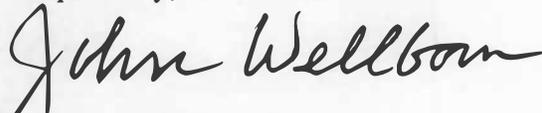
**Proof of Publication**

**Please submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.**

A copy of the publication affidavit is attached following this page.

Thank you for your assistance. 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 OF PUBLICATION

0004365357  
Newspaper The Tennessean

State of Tennessee

Account Number NAS-300253JS  
Advertiser BASS BERRY AND SIMS PLC

BASS BERRY AND SIMS PLC  
BASS BERRY  
150 3RD AVE S STE 2800  
NASHVILLE, TN 37201

TEAR SHEET  
ATTACHED

Jackie Cooper Sales Assistant for the above mentioned newspaper,  
hereby certify that the attached advertisement appeared in said newspaper on the following dates:

09/10/20

Jackie Cooper

Subscribed and sworn to before me this 11 day of September 2020

Angela Murray  
Notary Public



place an ad online 24/7 at [Tennessean.com/classifieds](http://Tennessean.com/classifieds) | call 615-242-SALE

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## Buy

## Sale

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## Easton South

THE ESTATE OF ESTATE SALE - 3804 I LN, Friday, Sept. 11 & Sat. 12, 2020, 9 a.m. - 3 p.m. at the corner of Irv. & Estes Road. (In Hills & Bell Meade) - Furniture, Memorabilia, Oriental Rug, Collectibles, and Pictures, etc. (404)630-7191

er- BIG, big sale! 5612 Fri & Sat, 7am-? Fruit, Nintendo, walker, etc.

## Easton Southwest

Denton Estate Sales 615-292-5765

Sept. 11, 12

Head Estate Sale Cherry Rd., 37205 7am to 4pm

on Pike Area Sale person Pike, 37207 to 4 / Sat: 8 to 3

o to berenicedenon.com

car that looks good Tennessee Classifieds.

classifieds or Call 615-242-SALE



## Domestic Pets



POODLES - Absolutely checked, ready to go Call 931-982-3699

## Williamson County

Brentwood, Moving Sale, 9602 Stanfield Road, Sept 11/12, 8am-3pm. Dir: House is behind Liberty Methodist Church. Furniture, tools, antiques, etc.

Franklin: 1509 Sunset Dr. Fri 9/11 & Sat 9/12, 7a-3p. Antiques, Books, Costume Jewelry, Furniture, Records, Tools & MUCH MORE!

## Assorted Merch

all kinds of things...

## General Merchandise

2 Bueral plots at Mount Olivet Cemetery, Nashville, TN. Garden of Gethsemane, Plot 180-D, Spaces 3 & 4, \$6,000, 402-486-1332

45 RPM RECORDS - 50 records of Everly Brothers, Chuck Berry, Carl Perkins, others, \$2 each. (615)298-4572

4 Grave Plots: Harpeth Hills Chapel Hill sec. Beautiful location. \$10,000 abo 931-206-4155 or 931-209-1979

★ I BUY ★ OLD STEREO EQUIPMENT ★ Speakers, amps, Tuners. Please Call: 615-260-9569

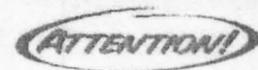
PRESIDENTIAL DOLLARS, complete set of all 39 presidents on one dollar coins, in album, \$70. (615)298-4572

TOM SEAVER-- Wheaties box with Seaver on front, \$15; Alex Rodriguez on box, \$10. (615)298-4572

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Buying Coins, Gold, Silver or Platinum Silver proof sets, Confederate currency, old currency & graded coins 615-497-9852

## Wanted to Buy



WANTED \* WATCHES \* Buying Vintage Watches, I buy vintage watches. Rolex Omega & many others, working or not. Especially wanted are divers & chronographs. I don't buy quartz (battery) watches. Call Anytime! 24-7. (615)305-2818

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## Public Notices

### 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 Highpoint Physician Partners (a private physician practice), owned and managed by Sumner Physician Practices, LLC (a limited liability corporation) intends to file an application for a Certificate of Need to acquire a magnetic resonance imaging (MRI) unit currently providing service at 101 Physicians Way, Suite B, Lebanon, TN 37087, and at that location to initiate outpatient MRI services for adult and pediatric orthopedic patients of Highpoint Physician Partners, at a project cost estimated for CON purposes at \$1,463,600.

The project will not require licensure as a healthcare facility. The project does not contain any other type of 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 September 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.

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**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

HIGHPOINT PHYSICIAN PARTNERS MRI  
(SUMNER PHYSICIAN PRACTICES, LLC)

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of 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  
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 21<sup>st</sup> day of September, 2020, witness my hand at office in the County of DAVIDSON, State of Tennessee.

*[Signature]*  
NOTARY PUBLIC

My commission expires May 27, 2022

HF-0043

Revised 7/02

