



September 11, 2019

The Honorable Stuart McWhorter
Commissioner
Department of Finance & Administration
State Capitol
Nashville, TN 37219

Dear Commissioner McWhorter:

In accordance with the provisions of T.C.A. 68-11-1613, please find attached a summary report of hospital and nursing home bed approvals by the Tennessee Health Services Development Agency in the month of August.

Please feel free to call me if you would like any further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gabe Roberts', written over a light blue horizontal line.

Gabe Roberts
Director

Attachment

CC: Representative Susan Lynn, Chair – House Finance, Ways and Means Committee
Senator Bo Watson, Chair – Senate Finance, Ways and Means Committee
Krista Lee Carsner, Director – Fiscal Review Committee
Georganne Martin – Legislative Budget Office

PROJECTED FISCAL IMPACT FOR BED APPROVALS
August 2019

I. <u>BED TYPE</u>	<u>INPATIENT BEDS</u>	<u>MENTAL HEALTH BEDS</u>	<u>NURSING FACILITY BEDS</u> Level I - Medicaid Only Level II - Medicare Only Level II - Dually Certified (Medicaid and Medicare) Non-Certified (Private Pay) Total	<u>HOSPICE BEDS</u>	<u>REHABILITATION BEDS</u>
Beds Approved		28		0	40
Beds Delicensed		0		0	
Beds Denied		0		0	
Per Diem Cost		\$ 565.40		\$ -	\$ 367.22
Estimated Potential New TennCare Beds:		20		-	28

II. BED TYPE FISCAL IMPACT

Estimated State(35.647%):
Estimated Federal(64.353%)

	<u>STATE</u>	<u>FEDERAL</u>	
Annual Fiscal Impact to TennCare for Inpatient Hospital Beds	\$ -	\$ -	-
Annual Fiscal Impact to TennCare for MH Hospital Beds	\$ 1,441,887.20	\$ -	2,603,017.56
Annual Fiscal Impact to TennCare for NF Beds	\$ -	\$ -	-
Estimated Potential Annual Fiscal Impact to TennCare for Hospice Beds	\$ -	\$ -	-
Estimated Potential Annual Fiscal Impact to TennCare for Rehabilitation Beds	\$ 1,337,819.40	\$ -	2,415,145.51

This annual fiscal impact projection assumes the current reimbursement rates as indicated below, 70% utilization by Medicaid patients unless otherwise known, and no patient income component. Because dually certified beds may be used for either Medicaid or Medicare reimbursement, a range of the fiscal impact is shown.

Current Reimbursement Rate:

III. NURSING HOME BEDS ADDED WITHOUT CERTIFICATE OF NEED REVIEW

<u>Fiscal Impact: Medicaid Reimbursement</u>		<u>Level I</u>		<u>Level II</u>
	\$	-	\$	-
	\$	-	\$	-
	\$	-	\$	-
		<u>State</u>		<u>Federal</u>
Total Part III:	\$	-	\$	-
Grand Total:		<u>Total State</u>	2,779,706.61	<u>Total Federal</u>
	\$			\$ 5,018,163.08

HEALTH SERVICES AND DEVELOPMENT AGENCY
 NEW BED / REPLACEMENT BED DECISIONS
 FISCAL YEAR 2019 – 2020

NEW BEDS

August 2019

	Totals for the Month				Totals for the Fiscal Year			
	TDH+ Hospitals	TDH+ Nursing Homes	Other TDH+ Applications	TDH/HSA+ Applications Total	TDH+ Hospitals	TDH+ Nursing Homes	Other TDH+ Applications	TDH/HSA+ Applications Total
Approved	40	0	0	40	40	0	0	40
Delivered	0	0	0	0	0	0	0	0
Denied	0	0	0	0	0	0	0	0
Renewed/ Surrender	0	0	0	0	0	0	0	0
10% Bed Increase Per PC1043	29	0	0	29	29	0	0	29

St. Thomas Rehabilitation Hospital, LLC (Nashville, Davidson County), TN – CH1005-015
 The establishment of a 40-bed freestanding rehabilitation hospital to be located at an unaddressed site at the East corner of 27th Avenue North and Patterson Street on the campus of St. Thomas Blount Hospital, Nashville, (Davidson County), TN 37208. The applicant is owned by affiliates of St. Thomas Health (St. Thomas Network, 51% owned) and Kindred Health (KHD Development FT, LLC, 49% owned). The estimated project cost is \$48,000,000.

**HEALTH SERVICES AND DEVELOPMENT AGENCY
NEW BED / REPLACEMENT BED DECISIONS - PAYOR SOURCE BREAKDOWN
FISCAL YEAR 2019 -- 2020**

GROSS REVENUE ON APPROVED/DENIED BEDS

August 2019

Gross Revenue	TDH+ Hospitals	TDH+ Nursing Homes	Totals for the Month			Total
			Other TDH+ Applications	TDMH/SA** Applications		
Approved						
Gross Revenue						
Medicare	\$19,742,374.00	\$0.00	\$0.00	\$0.00	\$19,742,374.00	
TennCare/Medicaid	\$754,398.00	\$0.00	\$0.00	\$0.00	\$754,398.00	
Commercial/Other Managed Care	\$9,359,253.00	\$0.00	\$0.00	\$0.00	\$9,359,253.00	
Self Pay	\$1,094,993.00	\$0.00	\$0.00	\$0.00	\$1,094,993.00	
Charity Care	\$2,696,232.00	\$0.00	\$0.00	\$0.00	\$2,696,232.00	
Other	\$55,647.00	\$0.00	\$0.00	\$0.00	\$55,647.00	
Denied						
Gross Revenue						
Medicare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
TennCare/Medicaid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Commercial/Other Managed Care	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Self Pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Charity Care	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

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Self Pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Charity Care	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

**HEALTH SERVICES AND DEVELOPMENT AGENCY
ALL APPLICATIONS
FISCAL YEAR 2019 -- 2020**

ALL APPLICATIONS - August 2019

	<u>Hospitals</u>		<u>Nursing Homes</u>		<u>TDMH/DD Applications</u>		<u>Other Applications</u>		<u>Total</u>	
	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>
<u>Approved</u>	2	\$ 119,260.12	0	-	1	\$ 15,000.00	6	\$ 154,835.16	9	\$ 289,095.28
<u>Denied</u>	0	\$ -	0	-	0	-	1	\$ 72,716.00	1	\$ 72,716.00
<u>Revoked</u>	0	\$ -	0	-	0	-	0	\$ -	0	\$ -
<u>Surrender</u>	0	\$ -	0	-	0	-	0	\$ -	0	\$ -

ALL APPLICATIONS - FISCAL YEAR TO DATE

	<u>Hospitals</u>		<u>Nursing Homes</u>		<u>TDMH/DD Applications</u>		<u>Other Applications</u>		<u>Total</u>	
	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>
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<u>Revoked</u>	0	\$ -	0	-	0	-	0	\$ -	0	\$ -
<u>Surrender</u>	0	\$ -	0	-	0	-	0	\$ -	0	\$ -