

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

June 27, 2018

AGENCY MEMBERS PRESENT

Grandy, Joe, Chair
Korth, Paul, Vice-Chair
Mills, Thom
Patric, Kenneth, M.D.
Taylor, Todd
Scarboro, Douglas
Jordan, Lisa, Designee for the Commissioner of Commerce and Insurance
Gaither, Keith, Designee for TennCare
Harding, Jaclyn, Designee for the Comptroller of the Treasury
Alsup, Thomas

AGENCY MEMBERS ABSENT

Ridgway, Corey

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Christoffersen, Jim, General Counsel
Craighead, Alecia, Information and Data Analyst
Earhart, Phillip, HSD Examiner
Eden-Hoback, Lowavia, Executive Assistant
Farber, Mark, Deputy Director

COURT REPORTER

Daniel, April

GUESTS PRESENT

Alley, David, CFO, Starr Regional Medical Center
Allred, Bailey, Administrator, All Heart Home Care
Armour, Larry
Basham-Saif, Angela, Associate CNO, Erlanger Health System
Benton, Tony, CEO, Tennova Healthcare Tennessee East Market
Blackwell, Lynnae, DOS, NHC HomeCare
Boone, Libby, Director Clinical Operations, Maxim Healthcare Services, Inc.
Brent, Michael, Esq., Bradley Arant Boult Cummings, LLP
Brown, Dere, Director of Health Planning and License/Certification, NHC
Buckheit, Ron, M.D., Hamilton County EMS Medical Director
Byram, Mark, M.D., Envision Emcare
Calendine, Chad, President, Premier Radiology
Carmen, Janeen, RN, AVP Nursing
Cartwright, Keith, Mayor, Sequatchie County
Chafin, Marty, Consultant, Chafin Consulting Group, Inc.
Cherry, Kris, CNO, Tennova Cleveland
Childers, Lisa, Assistant CEO, Tennova Healthcare
Clark, Nathaniel, CMO, Vanderbilt, Psychiatric Hospital
Conley, Joanna, CEO, TriStar Southern Hills Medical Center
Deakins, Sandy, V.P. Client Operations, Care Centers Management
Ditto, Paula, Retired, Private Citizen
Dyer, Janice, Director, CHI Memorial
Elrod, Dan, Esq., Butler Snow
Everett, Inga, SVP, Bank of America

Faulkner, Cathy, Admin, Peerless Pediatrics
 Felts, Ginna, Business Development, Vanderbilt University Medical Center
 Fernandez, Carol, Private Citizen
 Few, Walter Lee III, M.D., Erlanger Health System
 Fitzgerald, Bryce, Esq., Kramer and Rayson, LLP
 Foss, Coleman, CEO, Tennova Cleveland
 Gautsch, Thomas, M.D., Southern Sports Medicine
 Gaw, Mark, CFO, PhyData, LLC
 Gibson, Matthew, CEO, Erlanger Health System
 Gilbert, Tyler, Esq., Waller Lansden
 Gooch, Warren, Esq., Kramer and Rayson, LLP
 Guha, Subir, M.D., Gallatin Family Practice
 Herr, Michael, COO, Starr Regional Medical Center
 Holloway, Christopher, M.D., TriStar Medical Group at The Crossings
 Homes, George, M.D., Family Practice Associates at Southern Hills Hospital
 Johnson, Dan, Former CEO, Copper Basin Medical Center
 Johnson, William, CMO, Tennova Cleveland
 Kroplin, Matt, Esq., Burr and Forman
 Lane, Karla, Administrator, NHC
 Lockman-Douglas, Alice, Real Estate Broker, Can McCormack Realty & Auctions, Inc.
 Looney, Kim, Esq., Waller Lansden
 Madden, Cassie, Esq., CHSPSC, LLC
 Mallard, Theresa, Operations Manager, All Heart Home Care
 Matthews, Sandra, RN, Quality First Home Care
 Mazurek, David, M.D., Sumner Medical Group
 McGill, Andrew, SVP, CHI Memorial
 McKay, Martin, Planning, Erlanger Health System
 Mendiratta, Sudave, M.D., Erlanger, UT College of Medicine, Apollo MD
 Meyer, Trey, Project Manager, CHI Memorial
 Michelson, Barry, M.D., Tennova Healthcare
 Moore, Debra, Administrator of Oncology Services, CHI Memorial
 Myer, Trey, Project Manager, CHI Memorial
 Nabors, Glenn, Radiologist, Sumner Regional Medical Center
 Nelson, James, Esq., Waller Lansden
 Nichols, Jimmy, Area VP, Maxim Healthcare Services
 Nichols, Mark, CEO, Starr Regional Medical Center
 Norton, Jameson, CEO, Vanderbilt Psychiatric Hospital
 Orama, Meggie, RN, Option Care
 Peach, Susan, CEO, Sumner Regional Medical Center
 Phillips, Brant, Esq., Bass Berry Sims
 Phipps, Laurie, Area President of Clinicals, Maxim Healthcare Services, Inc.
 Quill, William, CMO, Erlanger Health System
 Reed, Ann, R., RN., BSN, MBA, TDH, Div. of Health Licensure and Regulation, Office of HCF
 Reed, Casey, Director of Radiology, Sumner Regional Medical Center
 Rhodes, Cynthia, CNO, Erlanger Childrens Hospital
 Rider, Steven, Director Business Operations, Maxim Healthcare Services, Inc.
 Sansing, Trent, TDH, Director of Division and Planning
 Silvers, Marietha, Administrator, The Surgery Center of Cleveland
 Smith, Robert W., SVP, Bank of America
 Spiegel, Kevin, President and CEO, Erlanger Health System
 Stokes, Jep, Facility CEO, Acadia Healthcare
 Swearingen, Travis, Esq., Butler Snow
 Taylor, Jerry W., Esq., Burr & Forman
 Teaff, Robert, Regional Comptroller, Maxim Healthcare Services, Inc.
 Thel, Mark, M.D., Chattanooga Heart Institute
 Trauger, Byron, Esq., Trauger and Tuke
 Wall, Teresa, Regional COC, Care Centers Management
 West, Anita, CFO, Care Centers Management
 Wellborn, John, Consultant, Development Support Group
 Williams, Ryan, COO, Sumner Regional Medical Center
 Winick, Joe, Lead Executive, Erlanger Health System
 Young, Laura, CNO, TDMHSAS

CALL TO ORDER:

The meeting was called to order at 8:30 a.m. by Chairman Grandy with the following members present: Jordan, Gaither, Korth, Mills, Taylor, Patric, Harding, Alsup, and Grandy. A quorum¹ was established with nine members being present. Mr. Scarboro arrived at 8:35 after roll call.

APPROVAL OF MINUTES

Chairman Grandy presented the April 25, 2018 minutes for approval, whereupon Dr. Patric moved for approval with Ms. Jordan providing the second. The minutes were unanimously adopted, and approved as presented.

DIRECTOR’S ANNOUNCEMENTS:

Chairman Grandy and Audit Chair Mills were recognized for their service to the Health Services and Development Agency since their terms were ending.

New appointees to the agency include Home Care Representative Ms. Laura Beth Brown and Mr. Rick Chinn, Jr., Consumer Representative appointed by the Lieutenant Governor. Their terms run from July 1, 2018 to June 30, 2021.

The remaining 2018 HSDA meetings will be held at the Cordell Hull Building on August 22, October 24, and December 12.

STATE HEALTH PLAN UPDATE

TDH Division of Health Planning Director Jeff Ockerman reported the 2017 update to the State Health Plan was still in the internal review process and would be forwarded to Governor Haslam for review and approval when complete. He also noted input was being sought regarding which CON Criteria and Standards should be revised next.

CERTIFICATE OF NEED APPLICATIONS

Nine certificate applications were considered under TCA § 68-11-1609(b) which notes the conditions that must be met in order to grant a certificate of need—when the action proposed in the application 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 facilities or services.

Deputy Director Farber introduced each of the nine applications under consideration with seven being approved and two denied.

The seven approved applications and the factual and legal basis² for the decisions follow:

¹ Quorum Requirement- Six members shall constitute a quorum. TCA §-68-11-1604(e) (3)

² Approve all or part of a certificate of need, upon any lawful conditions that the agency deems appropriate and enforceable on the grounds that those parts of the proposal appear to meet the applicable criteria. TCA §-68-11-1609 (a) (1)

Approved Applications:

**Christian Care Center of Medina f/k/a Milan Health Care Center, Medina (Gibson County), TN—
CN1802-006**

Request: The relocation and replacement of a 66-bed dually certified nursing home within Gibson County from 8060 Stinson Road in Milan to an undeveloped site on State Highway 45E and Sonic Drive in or near the city limits of Medina, a distance of approximately 10 miles. The facility, which has held an inactive license since June 2017, was acquired by its current ownership in July 2017. The estimated project cost is \$10,172,313.

Dr. Patric moved for approval with Ms. Harding providing the second.

Factual and Legal Basis for approval:

Need – This is a replacement nursing home currently with an inactive license since 2017. Relocation of ten miles enhances the likelihood of reaching 53% in one year and 93% in two years because of the population growth data in that area. Renovation of the facility built in 1949, would probably not meet 2018 standards so replacement would be realistic;

Economic Feasibility – The costs are within reason. Financing has been obtained through the Bank of Tennessee.

Healthcare that Meets Appropriate Quality Standards – The applicant plans to be licensed by TennCare and Medicare, and plans to seek Joint Commission accreditation;

Contribution to the Orderly Development of Healthcare – There is no opposition. Transfer agreements will be obtained. This will restore the local nursing home availability within a ten miles to the prior site county for patients that needed to be relocated at that time, and staffing is not expected to be a problem.

Ten members voted to approved the appliation— Scarboro, Jordan, Gaither, Korth, Mills, Taylor, Patric, Harding, Alsup, and Grandy. The motion CARRIED [10-0-0] with the certificate of need being granted.

TriStar Southern Hills Medical Center Emergency Department at Antioch, Antioch (Davidson County), TN – CN1803-017

Ms. Harding recused.

Request: The establishment of a satellite emergency department facility with 11 treatment rooms. The project will be located at an unaddressed site west of I-24, Exit 60, on the east side of Cane Ridge Parkway at its intersection with Century Farms Parkway in Antioch, in Davidson County. The applicant is owned by HCA Health Services of Tennessee. It will be under the administrative control of TriStar Southern Hills Medical Center and will operate as an outpatient department of the hospital. The estimated project cost is \$13,833,982.

Mr. Mills moved for approval of the project with Dr. Patric providing the second.

Factual and Legal Basis for approval:

Need – The applicant exceeds the ED capacity level by 52 percent of the standard benchmark average of 1,432 visits per room as they averaged 2,178 visits per room. On the high end, the standard is 1,613. So

they definitely exceed the high-end standard. The need is there because the goal is to decompress their patient volume, and this project allows for that decompression at the main Southern Hills' campus. The new freestanding ED will shorten travel times for existing Southern Hills' patients, and TriStar's increase in ED utilization was up 10.2 percent from 2014 to 2016; whereas, Southern Hills was up 13.5 percent at the same time frame alluding to the need for services. This will also allow faster access to ED services, especially for patients with life-threatening conditions in the Antioch area;

Economic Feasibility – CFO Eric Lawson has attested to the available capital needed to fund this project from cash reserves, and the project will be profitable in both year one and year two;

Healthcare that Meets Appropriate Quality Standards – The freestanding ED will be licensed by the Tennessee Department of Health. It will get accredited by the Joint Commission on Accreditation of Healthcare Organizations, and be certified by the Medicare and TennCare programs;

Contribution to the Orderly Development of Healthcare – TriStar has 71 freestanding EDs, giving them experience, expertise, and efficiency in operation. This application addressed the need of the Antioch service area where a majority of the Southern Hills' hospital patients originate. Expansion of the hospital campus ED would cause disruption to patient care and be very costly and would not address the ED needs of the Antioch area. The current hospital ED is bound by existing facilities making expansion impossible. Sixty percent of the ED patients in year one are TriStar patients with others from growth in the area through migration to Antioch. Transfer agreements do exist with TriStar, Centennial, and Vanderbilt as high acuity levels of care are needed

Nine members voted to approve the application— Scarboro, Jordan, Gaither, Korth, Mills, Taylor, Patric, Alsup, and Grandy. The motion CARRIED [9-0-0] with the certificate of need being granted.

Vanderbilt HC/Option Care IV Services, Nashville (Davidson County), TN – CN1803-012

Mr. Mills and Ms. Harding recused.

Request: This application is for the addition of 27 counties in east and west Tennessee to the existing 33-county middle Tennessee area for a home health agency limited to infusion patients only. The expanded service area would include Anderson, Bledsoe, Blount, Bradley, Cumberland, Fayette, Hardin, Haywood, Knox, Hamilton, Morgan, Hardeman, Jefferson, Lauderdale, Loudon, Marion, McMinn, McNairy, Meigs, Monroe, Polk, Rhea, Roane, Sevier, Shelby, Tipton, and Sequatchie counties. The principal office is located at 624 Grassmere Park Drive, Suite 22 in Nashville, Davidson County. The applicant is owned by Option Care Infusion Services, LLC. The estimated project cost is \$15,000.

Ms. Jordan moved for approval of the project with Mr. Taylor providing the second.

Factual and Legal Basis for approval:

Need – The project is needed to improve access to specialty home infusion therapy. It is estimated to grow by nine percent annually over the next five years. The project is needed so that ALS patients can have access to the new FDA-approved drug since the applicant is the only national home infusion provider to participate in the limited network through this drug. By approving the CON, very medically fragile patients can be treated in their homes rather than having to be transported to a medical facility;

Economic Feasibility – There's no cost to expand into the 27 counties other than the \$15,000 CON filing fee, and the project is estimated to be profitable in the first year of operations;

Healthcare that Meets Appropriate Quality Standards – The applicant is licensed by the Department of Health, accredited by the Accreditation Commission for Health Care, and is certified by the Pharmacy Compounding Accreditation Board and Joint Commission;

Contribution to the Orderly Development of Healthcare – As previously stated, the applicant is the only specialty home infusion provider in the network to deliver and administer the first drug approved by the FDA in 20 years to treat ALS. Therefore, should be no negative impact on other providers. This project will allow Tennesseans in both rural and urban areas to receive infusion therapy in their homes. This will not only be more convenient and more comfortable for the patients but will also lower the overall costs for those services.

Eight members voted to approve the application— Scarboro, Jordan, Gaither, Korth, Taylor, Patric, Alsup, and Grandy. The motion CARRIED [8-0-0] with the certificate of need being granted.

Maxim Healthcare Services, Brentwood (Williamson County), TN – CN1803-013

Mr. Mills recused.

Request: The addition of seven counties to the existing nine-county service area of a home health agency that primarily serves private duty patients but has no limitations. The expanded service area would include Bedford, Cannon, Coffee, Dekalb, Hickman, Marshall, and Maury counties. The principal office is located at 115 East Park Drive, Suite 200, in Brentwood, Williamson County. The applicant is owned by Maxim Healthcare Services, Incorporated. The estimated project cost is \$90,000.

Dr. Patric moved for approval of the project with Ms. Harding providing the second.

Factual and Legal Basis for approval:

Need – This is a subset of a pediatric population. Complex care that requires home healthcare that is frequently as much as 24 hours a day and requires very highly trained and technical nurses. There are letters of support with regards to that need from the physicians that take care of those patients and also from the Department of Health;

Economic Feasibility – Economic feasibility shouldn't be an issue due to it being low financing;

Healthcare that Meets Appropriate Quality Standards- It will be certified by the agencies and is certified in other counties;

Contribution to the Orderly Development of Healthcare –The numbers would indicate that existing agencies are not taking care of a very large number of these very complicated patients. That comes about, again, based on the letters that are coming from physicians that take care of these patients in the hospitals.

Five members voted to approve the application— Scarboro, Taylor, Patric, Harding, Grandy—with four voting no— Jordan, Gaither, Korth, Alsup. The motion CARRIED [5-4-0] with the certificate of need being granted.

Premier Radiology, Gallatin (Sumner County), TN – CN1803-014

Request: The establishment of an outpatient diagnostic center and the initiation of magnetic resonance imaging services. A fixed 1.5 Tesla MRI unit and a fixed 16-slice computed tomography unit will be located at a new building under construction at 110 St. Blaise Road in Gallatin, Sumner County. If approved, Advanced Diagnostic Imaging, PC, will surrender two previously implemented Certificates of Need for MRI services at project implementation. The applicant is owned by Middle Tennessee Imaging, LLC. The estimated project cost is \$6,078,275.

Ms. Jordan moved for approval of the project ***contingent upon Advanced Diagnostic Imaging surrendering the two previously implemented Certificates of Need for MRI services at project implementation***, with Mr. Mills providing the second.

Factual and Legal Basis for approval:

Need – Need has been demonstrated based on the projected utilization coming from just the referrals from the Saint Thomas Medical Partners Gallatin Care Center. The project is also needed to reduce the number of Sumner County residents who migrate out in order to receive MRI services;

Economic Feasibility – The project will be funded by a commercial loan. The applicant estimates the project will be profitable by year two of operations;

Healthcare that Meets Appropriate Quality Standards – Middle Tennessee Imaging has experience operating other outpatient diagnostic clinics in the region. They are Medicare/Medicaid certified, and accredited by the American College of Radiology. The applicant will obtain the required license by the Department of Health and commits to maintaining all applicable quality standards;

Contribution to the Orderly Development of Healthcare – This will offer a lower cost alternative to hospital-based imaging. Also, with the decommissioning of the extremities-only MRI, there will not be an increase in the number of MRIs operating in the service area and, therefore, should have no significant negative impact to existing MRI providers.

Mr. Alsup stepped out of the meeting and did not vote.

Eight members voted to approve the application— Scarboro, Jordan, Gaither, Korth, Mills, Taylor, Patric, Harding— with Grandy voting no. The motion CARRIED [8-1-0] with the certificate being granted with the following **CONDITION: *Advanced Diagnostic Imaging will surrender the two previously implemented Certificates of Need for MRI services at project implementation.***

Vanderbilt University Medical Center, Nashville (Davidson County), TN – CN1803-016

Ms. Harding recused.

Request: The addition of 14 adult psychiatric beds to the existing 92-bed Vanderbilt Psychiatric Hospital, which operates under the license of Vanderbilt University Medical Center, for a total of 106 psychiatric beds. Vanderbilt University Medical Center is currently licensed for 1,029 beds and has the following additional beds under construction: 134 approved via the CON process and 68 beds via the Public Chapter 1043 exemption process. Upon completion, the licensed bed total will be 1,245. The applicant is owned by Vanderbilt University Medical Center. The facility is located on the campus of VUMC at 1211 Medical Center Drive in Nashville, Davidson County. The estimated project cost is \$4,214,113.

Mr. Mills moved for approval of the project with Mr. Taylor providing the second.

Factual and Legal Basis for approval:

Need – During fiscal year 2017, the occupancy was 91.3 percent. It will alleviate the extreme high occupancy and overcrowding. In order for them to keep the continuity and comprehensive care, they need to add the additional 14 beds. The project will reduce the compromises of timely transfers and will improve the ability of Vanderbilt to transfer after the patients are medically stable;

Economic Feasibility – There are cash reserves, as attested by CFO and treasurer Cecelia Moore, that will fund the project. The project is projected to be profitable in the first year;

Healthcare that Meets Appropriate Quality Standards – They will be licensed by the Tennessee Department of Health. They will be Joint Commission accredited, and will have Medicare and TennCare certification;

Contribution to the Orderly Development of Healthcare – The applicant does take involuntary and indefinite admissions. The applicant will expand their multi-disciplinary approach to treat a full range of behavioral diagnoses with comorbidity conditions that require consultations and intervention. Vanderbilt Psychiatric Hospital employees have a unique understanding of the culture and diversity among patients. They use a “quality interactions” model allowing access to patients, cultural beliefs, and value.

Nine members voted to approve the application— Scarboro, Jordan, Gaither, Korth, Mills, Taylor, Patric, Alsup, and Grandy. The motion CARRIED [9-0-0] with the certificate of need being granted.

Crestwyn Behavioral Health, Memphis (Shelby County), TN – CN1803-018

Mr. Grandy recused.

Request: The addition of 14 psychiatric beds to the existing 66-bed mental health hospital resulting in 80 beds. The increase in licensed bed capacity will be achieved by adding new beds and converting existing ones as follows: The addition of three adult beds, increasing the total from 33 to 36, the addition of 16 child and adolescent beds, increasing the total from 16 to 32, and the conversion of dual diagnosis beds, reducing the total from 17 to 12, a reduction of five beds. Crestwyn Behavioral Health is located at 9485 Crestwyn Hills Cove in Memphis, Shelby County. The applicant is owned by Crestwyn Health Group, LLC, doing business as Crestwyn Behavioral Health. The estimated project cost is \$91,000.

Dr. Patric moved for approval with Mr. Mills providing the second.

Factual and Legal Basis for approval:

Need – While there may be an average of 80% occupancy, there are times, such as in January of this past year, where it was 98% occupancy, making the need significant;

Economic Feasibility – Because of the way they've structured the facility to begin with, this is only going to run about \$91,000, well within their cash reserves;

Healthcare that Meets Appropriate Quality Standards – They have Department of Health, Joint Commission, TennCare, and Medicare licensure. They will also have those for the additional beds;

Contribution to the Orderly Development of Healthcare – There's no opposition, and their foresight on adding these beds is accounting for trend in the area.

Nine members voted to approve the application—Scarboro, Jordan, Gaither, Mills, Taylor, Patric, Harding, Alsup, and Korth. The motion CARRIED [9-0-0] with the certificate of need being granted.

Denied Applications:

Mr. Gaither and Mr. Grandy recused.

The following two applications were heard under simultaneous review³ procedures due to the similarity of service area, location, facility type and service to be provided.

The legal and factual basis for the denials⁴ follows:

³ Simultaneous Review - TCA §-68-11-1607 (c) and Health Services and Development Agency Rule 0720-10-.02

⁴ Disapprove part or all of the application and deny a certificate of need on the grounds that the applicant has not affirmatively demonstrated that those parts of the proposal met the applicable criteria. TCA §-68-11-1609 (a) (2).

Erlanger Bradley County, Cleveland (Bradley County), TN — CN1802-011

Request: The establishment of a satellite emergency department facility with seven treatment rooms and the initiation of cardiac catheterization services at an unaddressed site, otherwise described as 2.9 acres, at the southeast quadrant of Exit 20 northbound on U.S. Interstate 75, accessed via Cherokee Gateway Boulevard, Cleveland (Bradley County), TN. The applicant is owned by Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System. It will be under the administrative control of Erlanger Medical Center and will operate as an outpatient department of the hospital. The estimated project cost is \$11,297,935.

Mr. Mills moved for denial of the project with Mr. Taylor providing the second.

Factual and Legal Basis for Denial:

Orderly Development of Health Care—There is a significant concern with the orderly development as it will significantly impact a market shift to Hamilton County, which would be harmful to both patients, the community, and the physicians.

Six members voted to deny the application— Scarboro, Jordan, Korth, Mills, Taylor, Patric— with Harding and Alsup voting no. The motion CARRIED [6-2-0] with the certificate of need being denied.

Tennova Healthcare— Cleveland, Cleveland (Bradley County), TN — CN1803-015

Request: The establishment of a satellite emergency department facility with eight treatment rooms at 680 Stuart Road NE, Cleveland (Bradley County), TN. The applicant is owned by Cleveland Hospital Company, LLC d/b/a Tennova Healthcare – Cleveland. It will be under the administrative control of Tennova Healthcare-Cleveland and will operate as an outpatient department of the hospital. The estimated project cost is \$12,081,195.

Dr. Patric moved for denial of the project with Mr. Scarboro providing the second.

Factual and Legal Basis for Denial:

Need—With regards to need, there is minimal evidence that this is needed given the capacity of the emergency room at the mother facility, which is only three miles away. By their own admission, improving efficiencies has actually been able to decrease some of their utilization in the emergency room. In particular, with some focus on behavioral health.

Orderly Development of Health Care— With regards to the orderly development, there is opposition from other facilities in the surrounding area, this will have an impact on them, particularly the Starr facility.

Six members voted to deny the application— Scarboro, Jordan, Taylor, Patric, Alsup, Korth —with Mills and Harding voting no. The motion CARRIED [6-2-0] with the certificate of need being **denied**.

GENERAL COUNSEL'S REPORT

General Counsel Christoffersen described the following:

Extension Request:

Stones River Manor – CN1506-026AEE: Request for a 2 month extension, from 7/1/2018 to 9/1/2018, because the project was waiting for Tennessee Department of Health occupancy approval.

The project was approved on 9/23/2015 for the establishment of a 30-bed Medicare-certified skilled nursing home located at 205 Haynes Drive, with an estimated total cost of \$2,729,126.75. The project had received two extensions—six months extending it to May 1, 2018 at which time it was 80% complete and two months which extended it to July 1, 2018, while waiting for Tennessee Department of Health occupancy approval.

Dr. Patric moved for approval with Mr. Korth providing the second.

Ten members voted to approve the request— Scarboro, Jordan, Gaither, Korth, Mills, Taylor, Patric, Harding, Alsup, and Grandy. The motion CARRIED [10-0-0] with the extension request being approved.

Contested Case Update:

There had been no significant changes with contested cases.

OTHER BUSINESS

Audit Committee Report

Audit Chair Mills reported that he and the executive director had met on May 21st, 2018 to discuss audit committee business. He noted the Audit Committee had previously recommended that board members give more detail in their motions and that staff had developed a tool to assist board members which he hoped they had found helpful.

He also noted that at the October 25, 2017 Audit Committee meeting the committee had reviewed the charter and recommended the full board adopt a revision which would change the term of audit committee members—from a one-year term to two—for continuity of membership. He then moved for approval of the charter revision with Ms. Harding providing the second. The motion CARRIED [10-0-0] unanimously by voice vote with the charter revision, from a one-year term to two years, being approved.

Audit Committee Member/Chair Appointment

Mr. Scarboro and Mr. Taylor will serve on the committee with Ms. Jordan, Mr. Gaither, and Dr. Patric. Dr. Patric will serve as chair.

ADJOURNMENT

There being no further business, the meeting adjourned.


Melanie M. Hill, Executive Director

HSDA Minutes provide a brief summary of agency actions. A detailed record of each meeting (recording and transcript) is available upon request by contacting the HSDA office at 615-741-2364.