



## **I. November 2013—Tennessee Certificate of Need Meeting**

At the November meeting of the Tennessee Health Services Development Agency, as part of the Director's Announcements, Executive Director Melanie Hill announced that an emergency Certificate of Need hearing was held on November 12 to consider an application filed by Pioneer Community Hospital of Scott, which was approved. See Section I.A. below for the details of the application. In addition, Jeff Ockerman announced that the nursing home questionnaire has been sent out and responses are due by November 26. The agency plans to finalize the new nursing home standards in December after reviewing responses to the nursing home questionnaire. Mr. Ockerman further noted that the home health standards are still in process, but the agency plans to finalize the new standards in January. Accordingly, the 2013 Health Plan will include the new standards for both nursing homes and home health agencies and will be sent to Governor Bill Haslam for approval by the end of January.

### **A. Emergency Certificate of Need Review**

The agency approved the following application during the November 12 emergency meeting.

1. **Pioneer Community Hospital of Scott, Oneida (Scott County), Tennessee (CN1311-041):** The discontinuation of obstetrics services at Pioneer Community Hospital of Scott. The five obstetrical beds will be converted to medical/surgical beds, and the licensed acute care bed complement at the hospital will remain at 25. The estimated project cost is \$5,000. The application was heard at an emergency hearing because the Tennessee Department of Health refused to renew the hospital's license as the hospital had discontinued obstetrics services without first obtaining a certificate of need from the agency.

### **B. General Counsel's Report**

The agency approved the following request during the regular November meeting.

1. **McKendree Village, Hermitage (Davidson County), Tennessee (CN1202-010A):** Request for a 13-month extension of the expiration date from July 1, 2014, to August 1, 2015.

### **C. Agency Review of Administrative Law Judge's Initial Order**

1. **East Tennessee Radiation Therapy Services, Knoxville (Knox County), Tennessee (CN1108-030), Contested Case Docket No. 25.00-115208J:** Review of administrative law judge's initial order of May 30, 2013, denying the certificate of need application, which was previously approved by the agency, to acquire a linear accelerator (LA), initiate outpatient radiation therapy services, and establish an ambulatory surgical treatment center limited to radiation therapy services in Knox County with an estimated project cost of \$8,885,379.



Such a review proceeding is in the nature of appellate review. The agency review is strictly limited to the record, which was developed before the administrative law judge. No additional evidence is to be received or considered by the agency.

At the conclusion of the review proceeding, the agency voted to reinstate the certificate of need, with five voting in favor of reinstatement and three voting against reinstatement. Two members recused, and one was absent.

The next agency meeting will be held on December 18, 2013, at 8:30 a.m.

## II. Certificate of Need Program Report—Filings Since October 2013 Meeting

### A. Applications for CON

1. **Shelby County Health Corporation d/b/a The Regional Medical Center of Memphis, LLC, Memphis (Shelby County), Tennessee (CN1311-044):** The establishment of a 20 skilled-bed nursing unit to be licensed as nursing home beds and operated as a department of The MED. All beds will be certified for both Medicare and Medicaid. The estimated project cost is \$300,000.
2. **The Farms at Bailey Station, Collierville (Shelby County), Tennessee (CN1311-045):** The addition of 30 skilled nursing facility beds, certified for Medicare participation, to be part of the 30-bed skilled nursing facility approved by CN1303-008A, for a total of 60 skilled nursing facility beds as part of a continuing care retirement community, which includes assisted living beds and units and independent living units. The estimated project cost is \$7,250,000.
3. **Methodist Healthcare—Memphis Hospitals d/b/a Le Bonheur Children's Hospital, Memphis (Shelby County), Tennessee (CN1311-042):** The establishment of a pediatric outpatient center to include the acquisition of magnetic resonance imaging (MRI) and computed tomography (CT) equipment and initiation of those services to be operated as an outpatient department of the children's hospital. The center will provide a full array of pediatric outpatient diagnostic services. The estimated project cost is \$26,798,857.
4. **Methodist Healthcare—Memphis Hospital d/b/a West Cancer Center, Germantown, (Shelby County), Tennessee (CN1311-043):** The establishment of a comprehensive cancer center, the relocation of LA, positron emission tomography (PET), CT, and magnetic resonance imaging (MRI) services and equipment, the replacement of an MRI and acquisition of an additional LA, and the establishment of ambulatory operating rooms. The center will be operated as an outpatient department of the hospital. The estimated project cost is \$60,554,193.



5. **Karing Hearts Cardiology, PLLC, Johnson City (Washington County), Tennessee (CN1311-046):** The acquisition of a cardiac PET scanner and initiation of PET services at an estimated project cost of \$500,000.

### III. Projects Deemed Complete for Review at December 2013 Meeting

#### A. Consent Agenda

1. **NHC Homecare, Murfreesboro, Murfreesboro (Rutherford County), Tennessee (CN1310-036).** The addition of Franklin County to the existing counties of Bedford, Cannon, Clay, Coffee, Cumberland, Davidson, Dekalb, Fentress, Grundy, Jackson, Macon, Marshall, Morgan, Overton, Pickett, Putnam, Rutherford, Smith, Trousdale, Van Buren, Warren, White, Williamson, and Wilson. The estimated project cost is \$3,000.
2. **NHC Homecare, Springfield, Springfield (Robertson County), Tennessee (CN1310-037).** The addition of Macon County to the existing counties of Cheatham, Davidson, Montgomery, Robertson, Sumner, and Wilson. If approved, NHC Homecare, Murfreesboro, will delicense Macon County from its service area. The estimated project cost is \$3,000.
3. **The Jackson Clinic, Jackson (Madison County), Tennessee (CN1310-038).** The relocation of existing MRI and CT services from the campus of Jackson Clinic Professional Association, located at 616 West Forest Avenue, to a newly constructed addition to the clinic's north campus medical office building at 2859 Highway 45 Bypass in Jackson and the replacement/upgrade of one MRI unit. The estimated project cost is \$1,978,943.

#### B. Certificate of Need Review

1. **MUA of Middle Tennessee, LLC, Nashville (Davidson County), Tennessee (CN1308-031).** The addition of interventional pain management services to a single specialty ambulatory surgical treatment center (ASTC) with one procedure room that is currently authorized to provide only manipulation under anesthesia (MUA) services, which are manual, not operative, surgical procedures. The estimated project cost is \$113,000.
2. **Vanderbilt University Hospitals, Nashville (Davidson County), Tennessee (CN1309-034).** The expansion and renovation to the existing third-floor operating suite by four operating rooms and by providing shell space for future expansion of two additional operating rooms at 1211 Medical Center Drive in Nashville. The estimated project cost is \$7,535,709.