



## I. October 2014—Tennessee Certificate of Need Meeting

At the October meeting of the Tennessee Health Services and Development Agency, Executive Director Melanie Hill welcomed new board member Jaclyn Austin as the Designee for the Comptroller of the Treasury. Julia Bayles, Assistant Director of the Division of Health Planning, announced that the 2014 update to the State Health Plan is in the final stages and will be sent to the Governor's office by the end of October. The 2014 update will include the new standards for nursing homes, home health, hospice, and the discontinuation of obstetrics services. In addition, the questionnaire for inpatient psychiatric beds was sent out earlier in October. Finally, the Division is in the process of revising the Joint Annual Report (JAR) form for home health, which is expected to be complete in November, as well as the JAR form for hospitals, which is expected to be completed in February 2015. Both the home health and hospital revised JARs will be in effect for the 2016 cycle.

The agency approved the following applications during the October meeting.

### A. Consent Agenda

1. **Sumner Regional Medical Center (Sumner Station Campus), Gallatin (Sumner County), Tennessee (CN1408-036):** The relocation of the linear accelerator service from the main campus at 555 Hartsville Pike, Gallatin, Tennessee, to the Sumner Station outpatient campus located at 225 Big Station Camp Boulevard, Gallatin, Tennessee, a distance of approximately 6.9 miles. The project will require a build-out of approximately 9,150 square feet of existing space and 1,570 square feet of new construction. The existing linear accelerator will be upgraded and replaced. The estimated project cost is \$10,512,421.

### B. Certificate of Need Review

1. **River Park Hospital, LLC, McMinnville (Warren County), Tennessee (CN1407-030):** The initiation of geriatric psychiatric services through the conversion of 10 existing general hospital beds to geriatric psychiatric beds by renovation of approximately 5,066 square feet of existing space on the third floor. No new beds or major medical equipment are requested. The estimated project cost is \$1,199,250.
2. **Good Samaritan Society - Fairfield Glade, Crossville (Cumberland County), Tennessee (CN1407-031):** The addition of 30 Medicare skilled nursing beds\* to its existing 30-bed facility for a total of 60 beds at an estimated project cost of \$6,535,167. *\*These beds are subject to the 2014-2015 Nursing Home Bed Pool.*
3. **TriStar Centennial Medical Center, Nashville (Davidson County), Tennessee (CN1407-032):** The renovation of the emergency department to develop a joint replacement center



of excellence that will include 10 additional operating rooms and the increase in the hospital's bed complement by 29 beds, from 657 to 686 beds. The project also includes a computed tomography (CT) scanner for the emergency department. The estimated project cost is \$96,192,007.

The following application was deferred to the November meeting.

**A. General Counsel's Report**

1. **Karing Hearts Cardiology Cardiac PET Service, Johnson City (Washington County), Tennessee (CN1311-046A):** Request for a project cost overrun of \$133,421 (from \$391,585 to \$525,006), an increase of 34.1%. The cost overrun is due to the following reasons: (1) A decision was made to purchase the positron emission tomography (PET) unit from its owner rather than to lease it, increasing the cost by \$109,214; and (2) Moving the equipment required unforeseen special transport measures which increased the cost by \$33,500. This project was approved on February 26, 2014, for the acquisition of cardiac PET equipment and the initiation of services (replacing CN1304-014A, the previously approved, unimplemented and now surrendered certificate of need). On June 30, 2014, this project was implemented and the service operational.

The next agency meeting will be held on November 19 at 8:30 a.m.

**II. Certificate of Need Program Report—Filings Since September 2014 Meeting**

**A. Applications for Certificate of Need**

1. **Life Care Centers of America, Inc. d/b/a Life Care Center of East Ridge, East Ridge (Hamilton County), Tennessee (CN1410-044):** The replacement of its current facility to replace the 40-year-old building, which will be located to an unaddressed site to the east of the existing facility at 1500 Fincher Avenue in East Ridge and the delicensure of 22 beds, from 130 beds to 108 beds. The estimated project cost is \$24,874,400.
2. **Morristown-Hamblen Hospital, Morristown (Hamblen County), Tennessee (CN1410-043):** The initiation of mobile extra-corporeal shock wave lithotripsy services using vendor-owned mobile lithotripsy medical equipment for 2 days per week on the hospital campus at an estimated project cost of \$328,900.

**III. Projects Deemed Complete for Review at November 2014 Meeting**

**A. Consent Agenda**



1. **Johnson City Medical Center, Johnson City (Washington County), Tennessee (CN1409-039):** The relocation of the 34-bed skilled nursing home from James & Cecile Quillen Rehab Hospital at 2511 Wesley Street to Johnson City Medical Center located at 400 North State of Franklin Road in Johnson City. The estimated project cost is \$21,000.  
*\*These beds are not subject to the 2014-2015 Nursing Home Bed Pool.*

**B. Certificate of Need Review**

1. **Valley Open MRI, PC, Kimball (Marion County), Tennessee (CN1407-028):** The establishment of an outpatient diagnostic center (ODC), the acquisition of magnetic resonance imaging (MRI) equipment, and the initiation of MRI services in a new, 4,380-square-foot building to be constructed at 1152 Main Street in Kimball, Tennessee, at an estimated project cost of \$2,370,547.
2. **Metro Knoxville HMA, LLC d/b/a Tennova Healthcare – Physicians Regional Medical Center, Knoxville (Knox County), Tennessee (CN1408-033):** The replacement and relocation of the 556,083-square-foot hospital consisting of 272 beds from 900 East Oak Hill Avenue in Knoxville to a site at the intersection of Middlebrook Pike and Old Weisgarber Road across from Dowell Springs Boulevard in Knoxville, a distance of approximately 9 miles from the current facility. The estimated project cost is \$303,545,204.
3. **Metro Knoxville HMA, LLC d/b/a Tennova Healthcare – Physicians Regional Medical Center, Knoxville (Knox County), Tennessee (CN1408-034):** The replacement and relocation of the 25-bed nursing home beds located in Physicians Regional Medical Center. The nursing home proposes to relocate to a site at the intersection of Middlebrook Pike and Old Weisgarber Road across from Dowell Springs Boulevard in Knoxville, a distance of approximately 9 miles from the current facility. The estimated project cost is 6,454,796.
4. **Parkridge Medical Center, Inc., Chattanooga (Hamilton County), Tennessee (CN1408-035):** The acquisition of a second MRI imaging unit for installation and use in 1,202 square feet of renovated space on the main campus of Parkridge Medical Center at 2333 McCallie Avenue in Chattanooga, Tennessee. No additional beds or changes in services are involved with this project. The estimated project cost is \$2,968,942.
5. **The Residence at Alive Hospice-Murfreesboro, Murfreesboro (Rutherford County), Tennessee (CN1408-037):** The establishment of a 10-bed residential hospice facility in a leased building in Murfreesboro near Saint Thomas Rutherford Hospital. The facility will be located at unaddressed Lot 13, which lies between Williams Drive and Carl Adams Drive, and is bounded by DCI Dialysis Clinic and by the Murfreesboro Medical Clinic/Surgicenter property at the intersection of Carl Adams Drive and Garrison Drive. The facility will be licensed separately as a residential hospice, but will operate under the



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existing provider number of Alive Hospice, Inc., a licensed and Medicare-certified home care organization providing hospice care. The estimated project cost is \$10,888,816.