



I. August 2014—Tennessee Certificate of Need Meeting

At the August meeting of the Tennessee Health Services Development Agency, Jeff Ockerman announced that public hearings have been scheduled on September 9 and September 16 for the proposed nursing home and hospice standards, respectively. In addition, the agency's initial draft of the proposed new standards for the discontinuance of obstetrical services and the agency's revised draft of the proposed new standards for home health services will be distributed in September.

The agency approved the following applications during the August meeting.

A. Consent Agenda

1. **Alexian Village Health and Rehabilitation Center, Signal Mountain (Hamilton County), Tennessee (CN1406-026):** The replacement of a 114-bed\* nursing home on the Alexian Village campus. The replacement facility was originally approved under CN1110-042A on March 28, 2012. The facility has been built, but the certificate of need expired on May 1, 2014, prior to the final inspection by the Tennessee Department of Health. The facility will move from 671 Alexian Way to 622 Alexian Way, Signal Mountain, Tennessee. There will be no change in the number of beds at the facility, no new services initiated, and no new services discontinued. The estimated project cost is \$22,718,154. \*These beds are not subject to the 2014-2015 Nursing Home Bed Pool.

B. Certificate of Need Review

1. **BHG Jackson Treatment Center, Jackson (Madison County), Tennessee (CN1405-014):** The relocation of BHG Jackson Treatment Center, a non-residential substitution-based treatment center for opiate addiction, from its current site at 1869 Highway 45 Bypass, Suite 5, to 58 Carriage House Drive, Suites A and B, in Jackson. The estimated project cost is \$1,274,050.
2. **Lakeway Regional Hospital, Morristown (Hamblen County), Tennessee (CN1405-013):** The discontinuation of obstetrical (OB) services. The 16 OB beds will be redistributed to general medical/surgical beds and the hospital's current 135 licensed-bed complement will not change. The estimated project cost is \$33,000.
3. **Maxim Healthcare Services, Johnson City (Washington County), Tennessee (CN1405-015):** The establishment of a home care organization to provide services in Carter, Johnson, Sullivan, Unicoi, and Washington Counties with the parent office located at 208 Sunset Drive, Suite 503, in Johnson City, Tennessee. The estimated project cost is \$463,825.



### C. General Counsel's Report

- 1. Horizon Health & Rehab Center (formerly known as United Regional Medical Center Nursing Home), Manchester (Coffee County), Tennessee (CN0707-061AME):** 1) Request for a 24-month extension of the expiration date from December 18, 2014, to December 18, 2016; 2) Modification of the project cost to be \$10,696,697.00, or such lesser amount as the HSDA may determine; and 3) Determination that the conversion of Health Services Manchester, LLC into Health Services Manchester, Inc., a Tennessee nonprofit corporation, is not a change of ownership and will not disturb the status of the Health Services Manchester entity as the proper current and future holder of CN0707-061AME.

The project was originally approved on December 12, 2007, for the relocation and replacement of the existing 72-bed nursing home from 1001 McArthur Drive to the intersection of McArthur Drive and Oak Drive, Manchester (Coffee County), Tennessee, with an extended expiration date of February 1, 2010. The project was appealed and once the appeal was dismissed, the expiration date was extended by operation of law until December 18, 2012. On October 24, 2012, a first extension was requested and approved which extended the expiration date until December 18, 2014. The new estimated project cost is \$10,696,697.00.

- 2. Dyersburg Regional Medical Center, Dyersburg (Dyer County), Tennessee (CN1403-007A):** Request by Agency staff for the consideration of a slight modification of a condition, as proposed by Jackson-Madison County General Hospital (JMCGH) and Dyersburg Regional Medical Center (DRMC). On July 23, 2014, DRMC was approved with a condition related to the recruitment of two interventional cardiologists for the expansion of cardiac catheterization services from diagnostic-only procedures to include interventional (therapeutic) cardiac catheterization procedures. The estimated project cost was \$367,763.00.

The agency unanimously denied the following application during the August meeting.

### D. Certificate of Need Review

- 1. Hospice Alpha, Inc., Linden (Perry County), Tennessee (CN1404-010):** The establishment of a hospice agency at 102 North Poplar Street in Linden, Tennessee, and the initiation of hospice services in the following counties: Benton, Chester, Decatur, Hardin, Henderson, Hickman, Humphreys, Lawrence, Lewis, McNairy, Perry, and Wayne. The estimated project cost is \$95,500.

The next agency meeting will be held on September 24 at 8:30 a.m.

## II. Certificate of Need Program Report—Filings Since July 2014 Meeting



A. Applications for Certificate of Need

1. **Implanted Pump Management, Knoxville (Knox County), Tennessee (CN1407-027):** The establishment of a home care organization and initiation of home health services limited to intrathecal pump services to be provided within all 95 counties in the state from one office located at 200 Prosperity Place #102, Knoxville, Tennessee. The estimated project cost is \$8,100.
2. **Valley Open MRI, PC, Kimball (Marion County), Tennessee (CN1407-028):** The establishment of an outpatient diagnostic center (ODC) and the initiation of magnetic resonance imaging (MRI) services at an estimated project cost of \$2,162,079.
3. **Watauga Recovery Center Johnson City, P.C., Johnson City (Washington County), Tennessee (CN1407-029):** The establishment of a non-residential substitution-based treatment center for opiate addiction offering methadone and buprenphine to treat and prevent withdrawal symptoms. The estimated project cost is \$249,000.
4. **Metro Knoxville HMA, LLC d/b/a Tennova Healthcare – Physicians Regional Medical Center, Knoxville (Knox County), Tennessee (CN1408-033):** The construction of a 556,083-square-foot replacement hospital consisting of 272 beds and 24 operating/procedure rooms providing acute care, obstetrical services, critical care, level IIB neonatal nursery, cardiac catheterization, lithotripsy, open heart surgery, radiation therapy, as well as the relocation of 1 positron emission tomography (PET) scanner, 1 linear accelerator, and 3 magnetic resonance imaging (MRI) machines. The estimated project cost is \$303,545,204.
5. **Metro Knoxville HMA, LLC d/b/a Tennova Healthcare – Physicians Regional Medical Center, Knoxville (Knox County), Tennessee (CN1408-034):** The replacement/relocation has been filed for the hospital from 900 East Oak Hill Avenue to the intersection of Middlebrook Pike and Old Weisgarber Road. Twenty-five nursing home beds will be located in a unit constructed as part of the proposed new hospital, but no new beds will be added. The estimated project cost is 6,454,796.
6. **Parkridge Medical Center, Inc., Chattanooga (Hamilton County), Tennessee (CN1408-035):** The acquisition of a 3.0 Tesla MRI imaging unit on the main campus. No additional beds or changes in services are involved with this project. The estimated project cost is \$2,968,942.
7. **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 project does



not contain major medical equipment or initiate or discontinue any other health services. The estimated project cost is \$10,889,000.

### III. Projects Deemed Complete for Review at September 2014 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. **Coram Alternate Site Services, Inc. d/b/a Coram CVS/Specialty Infusion Services, Knoxville (Knox County), Tennessee (CN1406-017):** The establishment of a home health agency to provide the following specialized home health services related to home infusion: administer home infusion products and related infusion nursing services, by way of example and not limitation; line maintenance; infusion equipment repair and replacement; and dressing changes on central lines and external access ports. The proposed service area includes the following counties: Anderson, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Fentress, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, McMinn, Meigs, Monroe, Moore, Morgan, Pickett, Polk, Roane, Scott, Sevier, Sullivan, Unicoi, Union, Van Buren, and Washington counties from its licensed home-infusion pharmacy which will be located at 10932 Murdock Drive, Suite 101A, Knoxville, Tennessee. The estimated project cost is \$95,200.
2. **Coram Alternate Site Services, Inc. d/b/a Coram CVS/Specialty Infusion Services, Memphis (Shelby County), Tennessee (CN1406-018):** The establishment of a home health agency to provide the following specialized home health services related to home infusion: administer home infusion products and related infusion nursing services, by way of example and not limitation; line maintenance; infusion equipment repair and replacement; and dressing changes on central lines and external access ports. The proposed service area includes the following counties: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Houston, Lake, Lauderdale, Madison, McNairy, Obion, Perry, Shelby, Stewart, Tipton, Wayne, and Weakley. The agency will be located at 1680 Century Center, Suite 12, Memphis, Tennessee. The estimated project cost is \$98,000.



3. **Skyline Medical Center, Nashville (Davidson County), Tennessee (CN1406-020):** The addition of 10 medical-surgical and intensive care beds on the main campus by renovation of existing spaces and closure of 10 beds at the satellite Madison campus. The total licensed bed count of 385 beds will not change, but will result in an increase in beds at the main campus from 213 to 223 beds, and will reduce the satellite Madison campus from 172 to 162. The project does not include major medical equipment or any new health service. The estimated project cost is \$3,951,732.
4. **Vanderbilt University Hospitals, Nashville (Davidson County), Tennessee (CN1406-021):** The construction and renovation and the addition of 108 licensed beds. The project includes the expansion and renovation of various existing facilities on its campus at 1211 Medical Center Drive, Nashville, Tennessee, including the build-out of 3 previously approved floors at Monroe Carell Jr. Children's Hospital at Vanderbilt to accommodate: 1) the relocation of the obstetrical program, the newborn nursery, and the neonatal unit currently located in Vanderbilt University Hospital to Monroe Carell Jr. Children's Hospital at Vanderbilt; 2) the addition of 23 obstetrics beds and 24 neonatal beds. The space vacated in Vanderbilt University Hospital will be renovated to accommodate the addition of 61 adult acute care inpatient beds. Other areas in Vanderbilt University Hospital will be renovated to accommodate a total of 63 observation beds. The project will require approximately 79,783 square feet of renovation, 126,686 square feet of new construction, and will increase the total licensed bed number by 108. The project does not involve the initiation of new health services or acquisition of major medical equipment. The estimated project cost is \$118,276,950.
5. **Baby + Company Nashville, Nashville (Davidson County), Tennessee (CN1406-022):** The establishment of a birthing center to include five birthing suites, three examination rooms, and various support areas in approximately 4,350 square feet of leased space located at 2106 21<sup>st</sup> Avenue, Nashville, Tennessee. The project does not involve licensed beds, the acquisition of major medical equipment, or the initiation of health care services for which a certificate of need is required. The estimated project cost is \$2,536,437.
6. **Life House Hospice, Inc., Cookeville (Putnam County), Tennessee (CN1406-023):** The establishment of a home care organization to provide hospice services in Putnam County. The hospice agency will be located at Life House Hospice, a residential hospice, at 570 State Street, Cookeville, Tennessee, providing both in-home and residential care. The estimated project cost is \$8,800.
7. **Regional One Health Imaging, LLC, Memphis (Shelby County), Tennessee (CN1406-024):** The establishment of an outpatient diagnostic center (ODC) including the initiation of MRI services along with CT, mammography, x-ray/fluoroscopy, and ultrasound services.



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No new beds or major medical equipment are involved other than listed above. The estimated project cost is \$5,345,900.