



I. November 2014—Tennessee Certificate of Need Meeting

At the November meeting of the Tennessee Health Services and Development Agency, Jeff Ockerman announced that a draft of the State Health Plan was sent to the agency with a request to review by November 25. The agency is also in the process of reviewing and revising the home health joint annual report form, as well as the criteria and standards for inpatient psychiatric beds. The Division of Health Planning has also solicited requests from the agency for other standards and criteria to review and revise for the 2015 State Health Plan update.

The agency approved the following applications during the November meeting.

A. Consent Agenda

1. **Princeton Transitional Care, Johnson City (Washington County), Tennessee (CN1409-039):** The relocation of the 34-bed* nursing home from James H. & Cecile C. Quillen Rehabilitation Hospital at 2511 Wesley Street to 400 North State of Franklin Road in Johnson City. There will be no change in either facility's licensed beds, and 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. **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. In approving the application, the agency granted a 1-year extension of the expiration date of the certificate of need and will require the delicensure of 91 beds.
2. **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. In approving the application, the agency granted a 1-year extension of the expiration date of the certificate of need.
3. **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.

- 4. 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 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.

C. 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 percent. 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.
- 2. Metro Knoxville HMA, LLC d/b/a Tennova Healthcare - North Knoxville Medical Center (f/k/a Mercy Health System, Inc. d/b/a Mercy Medical Center North), Powell (Knox County), Tennessee (CN1106-0119A):** Request for a 1-year extension of the expiration date from December 1, 2014, to December 1, 2015. This project was approved on October 26, 2011, for the acquisition of a second linear accelerator to be located and utilized on the Tennova Healthcare - North Knoxville Medical Center campus. The project cost is \$4,694,671.
- 3. Campbell Clinic Surgery Center, Germantown (Shelby County), Tennessee (CN1208-040A):** Request for a 24-month extension of the expiration date from January 1, 2015, to January 1, 2017. This project was approved on November 14, 2012, for expansion of the surgery center by adding approximately 21,000 square feet of space. The ambulatory surgical treatment center (ASTC) is limited to orthopaedics and pain management. The project cost is \$13,277,258.



The following application was withdrawn.

A. 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.

The next agency meeting will be held on December 17 at 8:30 a.m.

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

A. Letters of Intent

1. **Erlanger East Hospital, Chattanooga (Hamilton County), Tennessee:** The acquisition of a replacement linear accelerator that will be part of a satellite cancer center. No other health services will be initiated or discontinued. The estimated project cost is \$10,532,530. This letter of intent is void.
2. **The Stern Cardiovascular Foundation, Inc., Memphis (Shelby County), Tennessee:** The establishment of cardiac catheterization services within the existing facility to be block-leased and managed by Baptist Memorial Hospital and located in approximately 7,648 square feet and limited to Stern patients while the facility is leased. The estimated project cost is \$1,120,214. This letter of intent is void.

B. 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. **Waynesboro Health & Rehabilitation Center, Waynesboro (Wayne County), Tennessee (CN1411-045):** The relocation and replacement of Wayne Care Nursing Home's 46-bed facility from 505 South Main Street (License No. 277) to Waynesboro Health & Rehabilitation Center's 109-bed (License No. 178) facility at 104 J.V. Mangubat Drive, with construction of an addition for a combined 155-bed dually certified nursing home with an 18-bed Memory Care Unit. The estimated project cost is \$5,658,318.



3. **Pentech Health, Inc., Nashville (Davidson County), Tennessee (CN1411-046):** The establishment of a home care organization and initiation of home health services for specialized skilled nursing home services under physician-ordered plans for patients: (1) implanted intrathecal pumps and (2) receiving immunoglobulin-G replacement therapy. The proposed service area is all 95 counties in Tennessee and the estimated project cost is \$142,028.
4. **Southern Hills Surgery Center, Brentwood (Williamson County), Tennessee (CN1411-047):** The relocation of an existing ASTC from 260 Wallace Road in Nashville to an unaddressed site at the Northeast corner of the intersection at Old Hickory Boulevard and American General in Brentwood. The estimated project cost is \$17,500,000.

III. Projects Deemed Complete for Review at December 2014 Meeting

A. Consent Agenda

1. **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.

B. Certificate of Need Review

1. **Implanted Pump Management, LLC, Knoxville (Knox County), Tennessee (CN1407-027):** The establishment of a home care organization and the initiation of home health services limited to intrathecal pump services. The parent office will be located at 200 Prosperity Place #102, Knoxville, Tennessee 37932. There are no branch offices proposed for this project. The service area includes all 95 counties in Tennessee. The estimated project cost is \$13,038.00.
2. **Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Medical Center, Chattanooga (Hamilton County), Tennessee (CN1409-038):** The acquisition of a 3.0 T magnetic resonance imaging (MRI) scanner at Erlanger Medical Center, 975 East 3rd Street, Chattanooga, Tennessee. The estimated project cost is \$4,597,711.
3. **St. Jude Children's Research Hospital, Memphis (Shelby County), Tennessee (CN1409-040):** The modification of the hospital requiring a capital expenditure greater than \$5 million and the addition of 2 licensed beds. Fifty-four acute care beds will be located on floors 3 through 5 of current shelled space to be finished in the Kay Research and Care Center. Fifty-two of the beds will be replacement beds and 2 will be new licensed beds. The project will also involve the finish-out of 2 shelled-in connectors to an adjoining building



and relocation of the respiratory therapy department. The project will increase the licensed bed capacity from 78 to 80 beds. The estimated project cost is \$62,500,516.

4. **Sumner Regional Medical Center (Sumner Station Campus), Gallatin (Sumner County), Tennessee (CN1409-041):** The initiation of positron emission tomography (PET) service at the existing Sumner Station outpatient campus. The project will also include the build-out of approximately 1,425 square feet of existing space and the purchase of a PET/CT system. The estimated project cost is \$2,887,845.
5. **University of Tennessee Medical Center, Knoxville (Knox County), Tennessee (CN1409-042):** The modification of the hospital requiring a capital expenditure greater than \$5 million dollars and the addition of 44 licensed beds. The project includes renovation and new construction totaling approximately 55,302 square feet in the following areas: (1) expansion and renovation of the neonatal intensive care unit consisting of approximately 9,758 square feet of new construction and renovation of 55,302 square feet; (2) the addition of approximately 16,850 square feet of new space and renovation of 1,262 square feet of existing space, which will house a new addition to the intensive care unit; and (3) the renovation of approximately 12,000 square feet of existing space to convert it from non-inpatient care space to inpatient rooms. Twenty-eight of the 44 beds are anticipated to be allocated as medical/surgical beds and 16 as intensive care unit beds. The project will increase the licensed bed capacity from 581 to 625. The estimated project cost is \$26,292,001.