



I. March 2015—Tennessee Certificate of Need Meeting

At the March meeting of the Tennessee Health Services and Development Agency, Jeff Ockerman announced that the 2014 State Health Plan has been delivered to the Governor's office for signature, but will likely not be signed until after the legislature adjourns. In addition, the draft proposals for inpatient psychiatric services should be available for comment at the end of April.

The agency approved the following applications during the March meeting.

A. Consent Agenda

- 1. The Home Option by Harden Healthcare, Oak Ridge (Anderson County), Tennessee (CN1510-001):** The initiation of home health services in Blount, Campbell, Claiborne, Grainger, Monroe, Morgan, Roane, and Scott Counties. If approved, the applicant's sister agency, Gentiva Certified Healthcare Corporation, proposes to de-license the same 8 counties. The agency is located at 800 Oak Ridge Turnpike, Suite A208, Oak Ridge (Anderson County), Tennessee, and is currently licensed for Anderson, Jefferson, Knox, Loudon, Sevier, and Union Counties. The estimated project cost is \$38,000.
- 2. Advanced Diagnostic Imaging, P.C. d/b/a Southern Sports Medicine Institute, Gallatin (Sumner County), Tennessee (CN1501-002):** The continuance of in-office magnetic resonance imaging (MRI) services limited to extremities approved in Thomas L. Gautsch, MD, PC (CN0110-088A), under the ownership of Advanced Diagnostic Imaging, PC d/b/a Southern Sports Medicine Institute (SSMI), an existing multi-specialty physician practice group that Dr. Gautsch is joining. Other than the change in ownership, no change in site, equipment, or imaging services will occur. The estimated project cost is \$624,935.
- 3. Baby + Company Nashville, Nashville (Davidson County), Tennessee (CN1501-003):** The relocation of an approved but unimplemented CON (CN1406-022) for a birthing center from leased space at 2106 21<sup>st</sup> Avenue, Nashville (Davidson County), to leased space at 3212 West End Avenue, Nashville (Davidson County). The facility will include 4 birthing suites, 3 examination rooms, and various support areas in approximately 7,800 square feet. The estimated project cost is \$2,080,111.

B. Certificate of Need Review

- 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 the existing 130-bed facility with a new 108-bed facility on the same campus located at 1500 Fincher Avenue, East Ridge (Hamilton County). Twenty-two beds will be de-licensed. The estimated project cost is \$24,874,400.



2. **Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger East Hospital, Chattanooga (Hamilton County), Tennessee (CN1412-048):** The initiation of radiation therapy service with the acquisition of a linear accelerator located at Erlanger East to complement oncology services and to replace an existing linear accelerator at Erlanger Medical Center. The project will decrease the number of linear accelerators from two to one. The estimated project cost is \$10,532,562.

### C. General Counsel's Report

1. **Behavioral Healthcare Center at Memphis, Memphis (Shelby County), Tennessee (CN0711-089AE):** The request for a modification and third extension of the expiration date. The project was approved on May 28, 2008, for the establishment of a 16-bed mental health hospital and the initiation of inpatient psychiatric services. The inpatient beds and services will be focused on the geriatric population, and all 16 beds will be designated as geriatric psychiatric beds. The modifications will reduce the estimated project cost to \$2,734,737, which is a reduction of \$3.9 million. The modification request includes the following: (a) relocation from a freestanding building into a dedicated and newly constructed addition of the building occupied by Harbor View, Inc. Concurrent with licensure of the 16-bed mental health hospital for geriatric patients, 17 nursing home beds at Harbor View Nursing and Rehabilitation Center will be de-licensed; (b) a reduction in square footage from 32,500 square feet to 10,912 square feet; (c) a reduction in the approved project cost from \$6,643,912 to \$2,734,737; and (d) a change in the description from the "unaddressed site" language to 1513 North Second Street, Memphis, Tennessee 38107. The extension request is for an additional 9 months, which would extend the expiration from July 1, 2015, to April 1, 2016.

2. **University of Tennessee Medical Center, Knoxville (Knox County), Tennessee (CN1005-022AE):** The request for a 3-month extension of the expiration date from April 1, 2015, to July 1, 2015. This project was approved on August 25, 2010, for construction of a 28,000 square foot addition to the existing surgery facilities to house 13 new operating rooms. The project also included the renovation of approximately 12,000 square feet of existing space and a new endovascular suite. The project cost was estimated to be \$18,432,272.

The agency denied the following applications during the March meeting.

#### A. Certificate of Need Review

1. **Saint Thomas Midtown Hospital, Nashville (Davidson County), Tennessee (CN1412-049)\*:** The establishment of a satellite emergency department (ED) that will have 8 treatment rooms and will be physically connected to Premier Radiology. The ED will provide full emergency diagnostic and treatment services at the hospital and will utilize



Premier Radiology for diagnostic services. The estimated project cost is \$65,757,172. \*Please note that this application was heard as a simultaneous review with the application filed by TriStar Southern Hills Emergency Department at I-65.

- 2. TriStar Southern Hills Emergency Department at I-65, Brentwood (Davidson County), Tennessee (CN1412-050):** The establishment of a satellite ED in a leased building to be constructed at the intersection of Old Hickory Boulevard and American General Way in Brentwood, Tennessee. The facility will contain 8 treatment rooms for emergency diagnostic and treatment services, including laboratory services. The estimated project cost is \$11,316,699.

The following applications were deferred.

**A. 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 (Knox County), Tennessee. There are no branch offices proposed for this project. The service area includes all 95 counties in Tennessee and the estimated project cost is \$13,038. This application has been deferred up to 90 days.
- 2. Pentec 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 parent office will be located in leased space at 424 Church Street, Suite 2000, Nashville, Tennessee, and no branch offices are proposed. The applicant plans to utilize Pentec Health's existing pharmacy whose compounding branch site is located at the parent office at 4 Creek Parkway in Boothwyn, Pennsylvania. The pharmacy has an active Tennessee license. The proposed service area is all 95 counties in Tennessee except Hancock, Perry, and Van Buren Counties and the estimated project cost is \$142,028. This application has been deferred up to 90 days.
- 3. Southern Hills Surgery Center, Brentwood (Williamson County), Tennessee (CN1411-047):** The relocation of an existing ambulatory surgical treatment center 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 \$17,357,832. This application was deferred to the May meeting of the agency.

The next agency meeting will be held on May 27 at 8:30 a.m.



II. Certificate of Need Program Report—Filings in March 2015

A. Letters of Intent

1. **Hero Healthcare, LLC, Oliver Springs (Morgan County), Tennessee (CN1503-0):** The establishment of a home care organization and initiation of home health services restricted to provide services to a single patient in Anderson County. This letter of intent is void.

B. Applications for Certificate of Need

1. **Parkridge Medical Center, Chattanooga (Hamilton County), Tennessee (CN1503-007):** The renovation and expansion of several patient care and support departments, and acquisition of an additional cardiac catheterization laboratory and a bone densitometry unit at its main campus. The estimated project cost is \$61,414,477.
2. **Methodist Healthcare-Memphis Hospitals d/b/a Methodist South Hospital, Memphis (Shelby County), Tennessee (CN1503-008):** The renovation and expansion of the emergency department and related areas. The project involves approximately 12,800 square feet of new space and 9,950 square feet of renovated space. The estimated project cost is \$8,722,247.
3. **Turner Surgery Center, LLC, Nashville (Davidson County), Tennessee (CN1503-009):** The establishment of a specialty ambulatory surgical treatment center, limited to implantation of spinal neurostimulator devices and other pain management procedures. The estimated project cost is \$544,150.
4. **Baptist Memorial Group, Inc. d/b/a Baptist Medical Group, Memphis (Shelby County), Tennessee (CN1503-010):** The relocation and initiation of magnetic resonance imaging (MRI) services from Baptist Rehabilitation-Germantown to Baptist Medical Group. The estimated project cost is \$1,259,000.

III. Projects Deemed Complete for Review at May 2015 Meeting

A. Certificate of Need Review

1. **Scott Hamilton Proton Center, Franklin (Williamson County), Tennessee (CN1502-004):** The establishment of a proton therapy center for cancer patients to be constructed at an unaddressed site containing approximately 11.6 acres located on the east side of Carothers Parkway between the intersection of Physician's Way and Williamson Medical Center, the acquisition of proton therapy equipment and related components, and the initiation of outpatient proton therapy services at an estimated project cost of \$109,057,664.



2. **Chattanooga-Hamilton County Hospital d/b/a Erlanger East Hospital, Chattanooga (Hamilton County), Tennessee (CN1502-005):** The modernization of the 2004 certificate of need (CN0504-047AE), which is currently in process, by upgrading the cardiac catheterization laboratory to perform interventional cardiac procedures from Erlanger East Hospital. The estimated project cost is \$303,000.
3. **Trustpoint Hospital, LLC, Murfreesboro (Rutherford County), Tennessee (CN1502-006):** The addition of 33 beds such that the bed complements will change as follows: adult psychiatric will increase from 31 to 59 beds, geriatric psychiatric will change from 28 to 36 beds, medical detoxification beds will increase from 10 to 18 beds, and physical rehabilitation will decrease from 27 to 16 beds. There will be a total bed increase from 96 to 129 beds. All bed increases will occur within existing space and will be licensed as hospital beds. The estimated project cost is \$935,000.