



Tennessee Health Care CON Update

April 5, 2012

TENNESSEE CON TEAM

The Tennessee Health Services and Development Agency (“HSDA”) is responsible for regulating the health care industry in Tennessee through the Certificate of Need Program. A Certificate of Need (“CON”) is a permit for the establishment or modification of a health care institution, facility or service at a designated location. Members of the HSDA meet monthly to review and consider CON applications, and attorneys from the BABC Certificate of Need Practice Team regularly attend such meetings, and also review communications from the HSDA. This newsletter is provided to our clients and friends to provide a summary of recent and upcoming activities before the HSDA. Please contact any member of our Practice Team if you would like more information.



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I RESULTS FROM MARCH 2012 MEETING OF THE HSDA

Certificate Of Need Applications Presented

1. Alexian Village Health and Rehabilitation Center, Signal Mountain (Hamilton County), TN - CN1110-042. The replacement of the existing 114-bed nursing home. The proposed new facility will remain on the Alexian Village of Tennessee campus, moving from 671 to 622 Alexian Way, Signal Mountain (Hamilton County), TN 37377. There will be no change in the number of beds at the facility, no new services will be initiated, and no services will be discontinued.

OPPOSITION: None

RESULTS: Approved

2. NHC at Indian Path, Kingsport (Sullivan County), TN - CN1106-022. The establishment of a new 30-bed nursing home certified for Medicare participation. The project will be located in the existing building at the site of the old Indian Path Pavilion.

OPPOSITION: The Wexford House; Asbury Place Kingsport; Holston Manor; The Cambridge House; Church Hill Health Care & Rehab Center; Brookhaven Manor; Bristol Health & Rehabilitation Center; Greystone Health Care Center.

RESULTS: Withdrawn

3. St. Thomas Outpatient Imaging - St. Thomas, Nashville (Davidson County), TN - CN1110-039. The establishment of an outpatient diagnostic center (ODC) in 7,737 gross square feet of leased space within a medical office building located on the campus of St. Thomas Hospital. The ODC will be established through construction and renovations. The facility will augment diagnostic imaging services currently provided by St. Thomas Hospital and will provide radiographic/fluoroscopic imaging, CT scanning, ultrasound imaging, and MRI services.

OPPOSITION: None

RESULTS: Approved

4. St. Thomas Outpatient Imaging - Baptist, Nashville (Davidson County), TN—CN1112-052. The initiation of PET/CT services and the acquisition of PET/CT equipment. If approved, Baptist Hospital will retire its PET/CT and all PET scans performed on the Baptist campus will be at St. Thomas Outpatient Imaging-Baptist. The project does not contain any other type of major medical equipment or seek

to initiate any other health service.

OPPOSITION: None

RESULTS: Approved

Requests Presented on the General Counsel’s Report

1. Johnson County Community Hospital, Mountain City (Johnson County), TN - CN0809-069A. Request for modification for the mobile MRI services limitation to increase from two days per month to four days per month. This project was approved on December 18, 2008 for the initiation of magnetic resonance imaging (MRI) services limited to two days per month.

OPPOSITION: None

RESULTS: Approved

2. Natchez Surgery Center, Dickson (Dickson County), TN—CN1002-011A. Request of modification for extension of the expiration date for three years from July 1, 2012, to July 1, 2015; a reduction in the number of operating rooms from three to two and procedure rooms from three to one; and a reduction in square footage by 4,965, from 15,424 to 10,459 square feet. This project was approved on May 25, 2010, for the establishment of an ambulatory surgical treatment center (ASTC) with three operating rooms and three procedure rooms and to change the project’s organizational form to permit physician ownership. Upon approval, CN0801-001A was surrendered which was for a similar facility at this site.

OPPOSITION: None

RESULTS: Deferred to May meeting

II APPLICATIONS DEEMED COMPLETE IN FEBRUARY (TO BE HEARD IN MAY)

NAME AND LOCATION	DESCRIPTION
<p>Colonial Hills Nursing Center Maryville (Blount County), TN 37803 CN1202-003</p>	<p>The renovation of a nursing home. The number of licensed beds will be reduced by 83, from 203 to 120. Private resident rooms will increase by 67, from 23 to 90, as a result of the project. No services will be initiated or discontinued and no major medical equipment is requested.</p>
<p>Memorial Hospital Ooltewah Satellite Cancer Center with Linear Accelerator Ooltewah (Hamilton County), TN 37363 CN1202-004</p>	<p>The establishment of a satellite hospital service to be called Memorial Ooltewah Satellite Cancer Center. The project includes the relocation, replacement and upgrade of a linear accelerator (LA) for the purpose of providing radiation therapy. If approved, the LA at the main campus will be decommissioned. The project involves new construction of 8,773 GSF and acquisition of a multifunctional LA. The project will not affect the licensed bed complement of Memorial Hospital or involve the discontinuance of a health care service.</p>
<p>Horizon Medical Center Emergency Department Dickson (Dickson county), TN 37055 CN1202-008</p>	<p>To establish a satellite emergency department facility located at its Natchez Medical Park campus approximately one-half mile south of Exit 172 on I-40. The project will be located at 109 Natchez Park Drive, Dickson (Dickson County), TN 37055, and will be physically connected to the diagnostic services in the Natchez Ambulatory Care Center that is currently operating at 101 Natchez Park Drive, Dickson (Dickson County), TN 37055. Horizon Medical Center is licensed as a 157-bed general hospital by the Tennessee Department of Health. The proposed satellite ED facility will provide the same full emergency diagnostic and treatment services as the main hospital, but will utilize the adjacent Natchez Ambulatory Care Center for diagnostic tests such as CT scanning, x-ray, and selected laboratory tests. The project does not contain major medical equipment, or initiate or discontinue any other health service, or affect any facility’s licensed bed complements.</p>

NAME AND LOCATION	DESCRIPTION
<p>PCET Surgery Center Knoxville (Knox County), TN 37909 CN1202-009</p>	<p>The establishment of a single-specialty ambulatory surgical treatment center (ASTC) in a medical office building. Use of this facility will be limited to patients of Pain Consultants of East Tennessee, PLLC, an established physician practice that is moving to an office suite adjoining this project. The facility will be licensed by the Tennessee Department of Health as an ambulatory surgical treatment center limited to pain management with one surgical procedure room and one operating room. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complement.</p>
<p>McKendree Village Hermitage (Davidson County), TN 37076 CN1202-010</p>	<p>The addition of 30 Medicare-skilled nursing facility nursing home beds to the 150 nursing home beds it currently operates. Upon Certificate of Need approval and the licensure of this project, McKendree Village will operate a 180-licensed-bed nursing home facility. McKendree Village will provide Medicare- or Medicaid-skilled nursing facility services in these proposed 30 nursing home beds. *Subject to the 2011-2012 Nursing Home Bed Pool.</p>
<p>Parkridge Medical Center Chattanooga (Hamilton County), TN 37421 CN1202-005</p>	<p>The relocation of 16 of 25 currently licensed geriatric psychiatric beds to a new satellite campus to be called Parkridge Valley Adult Services, located at 7351 Standifer Gap Road, Chattanooga (Hamilton County), TN; the conversion of remaining nine geriatric beds to acute medical surgical beds to remain located at Parkridge Medical Center; and the addition of 16 acute medical surgical beds to Parkridge Medical Center which has 275 licensed hospital beds at its main campus which will not increase if this application is approved. If approved, Parkridge Medical Center is a 519-bed general hospital licensed by the Tennessee Department of Health. It currently has two satellite locations. The net result of this application is that this site will operate as a general acute hospital with no psychiatric services on site.</p>
<p>Parkridge Valley Hospital Chattanooga (Hamilton County), TN 37421 CN1202-006</p>	<p>The addition of 16 additional child and adolescent psychiatric beds to the 68 beds currently located on the satellite campus at 2200 Morris Hill Road, Chattanooga (Hamilton County), TN; and the relocation of all 48 of its licensed adult psychiatric beds to a new campus site. The current licensed hospital bed complement at Parkridge Valley Hospital which is a satellite location of Parkridge Medical Center will decrease from 116 beds to 84 beds. Parkridge Medical Center and its satellite locations are licensed by the Department of Health. A 24-bed Mental Health Residential Treatment Facility licensed by the Department of Mental Health will also continue to operate at this site. The net result of this application is that only child and adult psychiatric beds will operate at this location.</p>
<p>Parkridge Valley Adult Services Chattanooga (Hamilton County), TN 37421 CN1202-007</p>	<p>The relocation of 48 adult psychiatric beds from Parkridge Valley Hospital at 2200 Morris Hill Road, Chattanooga (Hamilton County), TN to a new campus to be called Parkridge Valley Adult Services, located at 7351 Standifer Gap Road, Chattanooga (Hamilton County), TN; and the relocation of 16 geriatric psychiatric beds from Parkridge Medical Center located at 2333 McCallie Avenue, Chattanooga (Hamilton County), TN to the new Adult Services campus. Parkridge Valley Adult Services will operate as a 64-bed satellite hospital of Parkridge Medical Center. If this application is approved, it will add a third satellite campus to license of Parkridge Medical Center. The net result of this application is that all adult (including geriatric) psychiatric services will operate at this site.</p>

III LOI/APPLICATIONS FILED IN MARCH

NAME AND ADDRESS	DESCRIPTION
Clarksville Pain Consultants Clarksville, TN 37040	Montgomery County: Establishment of an ASTC limited to performing radiologically assisted pain management procedures and interventions; will include one Class A surgery/procedure room to utilize existing fluoroscopic/Ultrasound equipment for injections/nerve blocks, ablations. (Letter of Intent filed, but voided when application was not filed.)
Hemophilia Preferred Care of Memphis Memphis, TN 38104	Shelby County: The establishment of a home health agency and initiation of home health services limited to patients suffering from hemophilia or similar blood disorders and who are patients of the pharmacy operated by Hemophilia Preferred Care of Memphis.
Collins Chapel Health & Rehabilitation Center Memphis, TN	Shelby County: Establish a nursing home with 28 Medicare SNF beds and to provide skilled nursing facility services.
The Pavilion – THS Lebanon, TN 37087	Wilson County: Proposed to build an addition to existing facility and the addition of 24 dually certified SNF beds for a total of 84 licensed beds. There will be no change in services currently provided.
Rainbow Home Health, LLC Ashland City, TN 37015	Cheatham County: To establish a home health organization and initiate home health services in Cheatham County to provide nursing services, including speech, occupational, and physical therapy; wound care; and home health aides to provide IV therapy services.
Premier Radiology Edmondson Pike Nashville, TN 37027	Davidson County: Relocation from Nashville to Brentwood, as part of the foot building; one each of existing MRI and CT scanner will be replaced; current services will be extended to add equipment for imaging, mammography.
Hearth, LLC Chattanooga, TN 37408	Hamilton County: The establishment of a hospice agency serving Bledsoe, Bradley, Hamilton, McMinn, Marion, Meigs, Polk, Rhea and Sequatchie Counties. Serving Medicare, TennCare, commercially insured and private pay patients and will be licensed by the TN Dept. of Health.

IV NEXT MEETING INFORMATION

The next meeting of the HSDA will be April 24, 2012, at the AT&T Tower Auditorium and will be held at 8:30 a.m. Central Time. Currently there are two applications on the agenda.

1. CN1111-046

Maury Regional Ambulatory Surgery Center, LLC (Spring Hill (Maury County), TN)

The establishment of a multi-specialty ambulatory surgical with two operating suites and two procedure rooms, to be managed and staffed by Vanderbilt University Medical Center.

\$7,894,178.00.

2. CN1201-001

Interventional Pain Physicians Surgery Center (Smyrna (Rutherford County), TN)

The establishment of a single-specialty ambulatory surgical treatment center, limited to pain management, with one surgical procedure room.

\$844,622.00.



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