State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

AGENDA

Legislative Plaza
Room 12
Sixth Avenue North & Union Street
Nashville, TN

Wednesday, June 22, 2016
8:30 a.m. CST

I. CALL TO ORDER

II. ROLL CALL

III. DIRECTOR'S ANNOUNCEMENTS

IV. APPROVAL OF MINUTES

V. STATE HEALTH PLAN UPDATE

A. Update: Jeff Ockerman, Director of Health Planning, Department of Health

VI. CERTIFICATE OF NEED APPLICATIONS

A. Blount Memorial Hospital, Maryville (Blount County), TN — CN1603-011
The establishment of a 14 treatment room 17,250 GSF free standing Emergency Department to be located at 2410 Highway 411 South, Maryville (Blount County), Tennessee 37801. The proposed facility will be operated under the license of Blount Memorial Hospital, Inc., and include ancillary services including but not limited to medical lab, CT, X-Ray and ultra-sound. The project cost is $7,887,351.

VII. GENERAL COUNSEL'S REPORT

A. The Farms at Bailey Station Skilled Nursing Facility, Collierville (Shelby County), TN — CN1303-008A
Request for an 23 month extension from August 1, 2016 to July 1, 2018.

The project was previously approved June 26, 2013, by a 10-0 vote.

The establishment of a skilled nursing facility consisting of thirty (30)* Medicare certified skilled nursing beds to be part of a continuing care retirement community (CCRC). The estimated project cost is $7,301,961.

*These beds are subject to the 2012-2013 Nursing Home Bed Pool.

B. The Farms at Bailey Station, Collierville (Shelby County), TN — CN1311-045A
Request for an 15 month extension from April 1, 2017 to July 1, 2018.

The project was previously approved February 26, 2014, by a 7-0 vote.

The addition of thirty (30)* Medicare-certified skilled beds to be part of the thirty (30) Bed SNF approved by CN1303-008A for a total of 60 SNF beds. The estimated project cost is $6,306,575.00.

*These beds are subject to the 2013-2014 Nursing Home Bed Pool

C. The Residence at Alive Hospice Murfreesboro, Murfreesboro (Rutherford County), TN—CN1408-037A
Request for an 12 month extension from January 1, 2017 to January 1, 2018.

The project was previously approved November 19, 2014, by a 8-0 vote.

The establishment of a ten (10) bed residential hospice in Murfreesboro (Rutherford County). 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 $10,888,816.00.

D. Contested Case Update

VIII. REVIEW OF ADMINISTRATIVE LAW JUDGES INITIAL ORDER

A. SBH-Kingsport, LLC, Kingsport (Sullivan County), TN 37660 - CN1312-050DA

SBH-Kingsport, LLC is seeking approval for the establishment of a new 72 bed free standing mental health hospital and initiation of inpatient psychiatric and substance abuse services. The proposed mental health hospital will consist of 28 inpatient beds for psychiatric care for children ages 5-17, 18 inpatient beds for adult psychiatric care for adults ages 18-64, 16 inpatient beds for geropsychiatric care for ages 55+, and 10 adult chemical dependency beds. The proposed project will accept voluntary and/or involuntary admissions. The estimated project cost is $11,717,915.00.

The Agency will review the Initial Order approving CN1312-050DA. In such a review proceeding, the Agency's review is strictly limited to the record which was developed before the Administrative Judge. No additional evidence is to be received or considered by the Agency.

At the conclusion of the review proceeding, the Agency may decide that the Initial Order should be adopted in its entirety, or it may make such modifications to the Initial Order as it deems appropriate.

IX. EMERGENCY RULE MAKING

Pub. Ch. 1043, enacted in April, 2016, directs the Health Services and Development Agency to adjust fees by rule to provide that the program is self-sufficient. To comply, fees must necessarily be adjusted upward.

The Agency will consider which fees to raise, and by how much, to augment monies saved by staff reductions and other cost-cutting measures to comply with the requirement that the Agency be self-sufficient, while facing an anticipated loss of approximately $560,000 – $610,000 per FY due to Pub. Ch. 1043.
An Emergency Rule may not be effective for longer than 180 days, per TCA 4-5-208

X. RULEMAKING

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XI. OTHER BUSINESS

A. POLICY DISCUSSION: Delegation of authority to the Executive Director pursuant to TCA § 68-11-1606(d) re. *approval or denial of modifications, changes of conditions or ownership, and extensions of certificates of need.*

B. AUDIT COMMITTEE REPORT: Thom Mills, Audit Committee Chair

XII. ADJOURNMENT