

Minutes
Health Services
and
Development Agency
June 22, 2005
Meeting

AGENCY MEMBERS PRESENT

Gene Caldwell, M.D., Chairman
Carl Koella, III, Vice Chair
Bryan Atchley
Kristin Coile, designee for the Commissioner of Commerce and Insurance
David Collier, M.D., designee for the TennCare Director
Gregory Lammert
Faye Weaver, designee for the Comptroller of the Treasury

AGENCY MEMBERS ABSENT

Charles Handorf, M.D.
Peggy Troy

AGENCY STAFF PRESENT

Melanie Hill, Executive Director
Mark Farber, Assistant Executive Director
Reid Brogden, General Counsel
Jim Christoffersen, Deputy General Counsel
Rhonda Blair, Office Manager
Melissa Bobbitt, Administrative Services Assistant II
Pam Holliman, Administrative Assistant I
Jeff Grimm, Health Planner III

GUESTS PRESENT

Alley, David, Athens Regional Medical Center
Baker, Graham, Esq., Weeks, Anderson & Baker
Bolton, Keith, Surgery Center of Columbia
Brice, Diane, Dir. of Nursing, Shannondale of Maryville
Clark, Charlene, Where The Heart Is. Inc.
Collins, George H., M.D.
Cononico, Domenic, M.D.
Cook, Constance, LPN, Where The Heart Is, Inc.
Craft, Perry, Esq., Craft & Sheppard
Cross, Alix, Esq., Harwell, Howard, Hyne, Gabbert & Manner
DeFranco, Steven, SouthernCare, Inc.
Downey, Don, Stones River Hospital
Elrod, Dan, Esq., Miller & Martin
Glenn, Michael, Homechoice Health Services
Gray, Fran, Hospice of the Highland Rim
Hall, Richard, Blount Memorial Hospital
Hamrick, Jeff, SouthernCare, Inc.
Ireland, Glenn, Housecall
King, Billy, Center for ENT
Maxwell, David, Shannondale of Maryville
McDearman, Scott, Esq., Grant, Konvalinka & Harrison
McRae, Norman, Caris Homecare
Oser, Gayle
Oswalt, Jenny, Where The Heart Is, Inc.
Rooks, Sheryl

Rucker, Gladys
Schaeffgen, Philip, P. Schaeffgen & Associates, PC
Seessez, Art, Where The Heart Is, Inc.
Stocking, Sharon, M.D.
Stoudenmire, Mark, Shannondale of Maryville
Taylor, Jerry, Esq., Farris, Mathews, Branan, Bobango, Hellen & Dunlap, PLC
Thomas, Bill, Shannondale of Maryville
Velandar, David, Esq., No Place Like Home, Inc.
Weaver, Richard, Where The Heart Is, Inc.
Weis, Merry-Miller, Hospice of the Highland Rim
Weissinger, Mark Gerald, M.D.
Wellborn, John L., Development Support Group
Wright, Daniel, Interim Healthcare

Chairman Caldwell called the meeting to order at 8:42 a.m. in the Main Auditorium of the Bell South Tower, Nashville, Tennessee.

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, made the following announcements:

Compassionate Hearts Home Health's application has been deferred to the July meeting.

The Health Services and Development Agency will continue meeting at the Bell South Building for the remainder of the year with the exception of August, November and December. The August meeting is tentatively scheduled for the Davy Crockett Tower, Room 160. The November and December meeting locations have not yet been determined.

There will be 10 applications in July, 5 applications in August and possibly 16 in September.

At the July meeting, the Health Services and Development Agency will elect a vice-chair for a one (1) year term. The vice-chair is prohibited by statute from serving consecutive terms.

CERTIFICATE OF NEED APPLICATIONS

Mark Farber, Assistant Executive Director, summarized the following CON applications:

Dr. Collier was absent for presentation of the following application.

Stones River Hospital - (Woodbury, Cannon County) - Project No. CN0502-004

The initiation of fixed magnetic resonance imaging (MRI) service by conversion of a two (2) day per week mobile MRI service. A 1,000 SF addition will house the MRI services. Project Cost is \$1,240,081.00.

Don Downey representing the applicant addressed the Agency.

Mr. Koella moved for approval of the project based on: 1) Need –The need is there given the number of patients they are having to refer to other hospitals; 2) Economic Feasibility – The project is economically feasible through a commercial loan; and 3) The project does contribute to the orderly development of adequate and effective health care and they are a licensed TennCare provider.

CONDITION: Certificate of Need No. CN9911-099A is to be surrendered. Mr. Atchley seconded the motion. The motion CARRIED [6-0-0]. **APPROVED**

AYE: Weaver, Atchley, Koella, Lammert, Coile, Caldwell

NAY: None

Dr. Collier arrived.

Shannondale of Maryville Health Care Center - (Maryville, Blount County) - Project No. CN0503-015

The conversion of fourteen (14) beds in the Assisted Living Care Facility ("ACLF") Alzheimer's unit to fourteen (14) skilled nursing beds for the care of Alzheimer's and other dementia related patients. This project will discontinue the Alzheimer's care unit in the ACLF and increase the skilled nursing beds in the nursing home from thirty (30) to forty-four (44). Project Cost \$17,000.00.

Dan Elrod, Esq., representing the applicant, addressed the Agency. Diane Brice, Director of Nursing, and Richard Hall, CNO, spoke on behalf of the project. Mark Stoudenmire, CFO, Davia Maxwell and Bill Thomas, President were present in support of the project.

Mr. Atchley moved for approval of the project based on: 1) Need –The need has been shown for a locked secure unit for Alzheimer’s patients; 2) Economic Feasibility – The project is economically feasible with the cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care. With the continuum of care they are giving at this particular facility, it provides for orderly development of health care. Mr. Koella seconded the motion. The motion CARRIED [6-0-1]. **APPROVED**

AYE: Atchley, Koella, Lammert, Coile, Collier, Caldwell

NAY: None

ABSTAINED: Weaver

Mr. Lammert recused.

SouthernCare Columbia - (Columbia, Maury County) - Project No. CN0503-016

The establishment of a home care organization to provide hospice services in Maury, Humphreys, Perry, Giles, Bedford, Moore, Williamson, Rutherford, Cheatham, Dickson, Hickman, Lewis, Marshall, Lawrence, Wayne, and Lincoln counties. Davidson County was included in the Letter of Intent but the applicant dropped Davidson County from the requested service area. Project Cost \$184,240.00.

Jeff Hamrick, Development Director, addressed the Agency. Steven Defranco, Vice President was present in support of the project.

Opposing the project were Dan Elrod, Esq., representing Alive Hospice, Caris and Willowbrook Hospice; and Mary Miller-Weis, Executive Director, Hospice of the Highland Rim. Present in opposition were Norman McRae, CEO, Caris Healthcare and Fran Gray, Hospice of the Highland Rim.

Mr. Hamrick rebutted.

Mr. Koella moved for denial of the project based on: 1) Need –The current providers are doing a good job meeting the need set forth in the guidelines. They are providing adequate charity care and there is no evidence from the community that another provider would enhance the services in those counties. Mr. Atchley seconded the motion. The motion CARRIED [6-0-0]. **DENIED**

AYE: Weaver, Atchley, Koella, Coile, Collier, Caldwell

NAY: None

Surgery Center of Columbia - (Columbia, Maury County) - Project No. CN0503-018

The addition of one (1) operating room to the existing licensed ambulatory surgical treatment center (ASTC) for a total of three (3) operating rooms and three (3) procedure rooms. Project Cost \$230,576.00.

Jerry Taylor, Esq., representing the applicant, addressed the Agency. Keith Bolton and John Wellborn spoke on behalf of the project.

Ms. Coile moved for approval of the project based on: 1) Need –The need has been proven. Both the applicant and the other entities in the service area exceed the guidelines of eight hundred (800) cases or procedures per room; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care and there is no opposition expressed here from the community and they are a TennCare provider. Dr. Collier seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Weaver, Atchley, Koella, Lammert, Coile, Collier, Caldwell

NAY: None

Athens Regional Medical Center - (Athens, McMinn County) - Project No. CN0503-019

The expansion of the Emergency Department at the hospital campus. This project will not affect the hospital's current licensed one hundred eighteen (118) bed complement. Project Cost \$5,883,709.00.

David Alley, CFO, addressed the Agency. John Wellborn, Consultant, spoke on behalf of the project.

Mr. Koella moved for approval of the project based on: 1) Need –The need is clear with the limited number of procedure rooms and the volume of patients that they are seeing every year; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care because they are licensed and are taking care of a large number of TennCare patients. Ms. Coile seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Weaver, Atchley, Koella, Lammert, Coile, Collier, Caldwell

NAY: None

The Center for ENT Laser & Cosmetic Surgery, LLC - (Shelbyville, Bedford County) - Project No. CN0503-022

Addition of one operating room to the existing ambulatory surgical treatment center (ASTC) for a total of two (2) operating rooms and removal of the condition that limits the facility to ear, nose and throat, and plastic surgery procedures so it can become a multi-specialty surgery center. Project Cost \$1,069,710.00.

E. Graham Baker, Esq., representing the applicant, addressed the Agency. Domenic Canonico, M.D., Mark Gerald Weissinger, M.D., Billy King, George H. Collins, M.D. and Sharon Stocking, M.D., spoke on behalf of the project.

Speaking in opposition: William West, Esq., representing Bedford County Medical Center; and Linda Haines, Registered Nurse, Bedford County Medical Center.

Mr. Baker rebutted.

Mr. Lammert moved for approval of the project based on: 1) Need –The applicant has filled the need in Shelbyville and the Bedford County area that the hospital has not been able to fill; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project will contribute to the orderly development of health care in Bedford County. **CONDITION:** Limited to two (2) operating rooms. Ms. Weaver seconded the motion. The motion CARRIED [6-1-0]. **APPROVED**

AYE: Weaver, Atchley, Lammert, Coile, Collier, Caldwell

NAY: Koella

Compassionate Hearts Home Health, LLC - (Morristown, Hamblen County) –Project No. CN0503-023

The establishment of a home care organization providing a full range of home health services, including, but not limited to, skilled nursing, private duty nursing, physical therapy, occupational therapy, speech therapy, wound care, psychiatric consultation and social worker services will be provided. The proposed service area will include: Hamblen, Hancock, Hawkins, Jefferson, Greene, Cocke, Grainger and Claiborne counties. The parent office will be located in Morristown (Hamblen County), Tennessee. Project Cost \$88,000.00. **DEFERRED TO JULY MEETING.**

Where the Heart Is, Inc. - (Eads, Fayette County) - Project No. CN0503-024

The establishment of a home health care organization providing home health services to ventilator-dependent geriatric and pediatric patients in Shelby, Tipton, and Fayette counties. The parent office will be located in Eads (Fayette County), Tennessee. Project Cost \$145,475.00.

Perry A. Craft, Esq., representing the applicant, addressed the Agency. Jenny Oswalt, Art Seeszez, Richard Weaver, Sheryl Rooks, Constance Cook, LPN, Gladys Rucker and Charlene Clark, LPN, spoke on behalf of the project. Philip Schaeffgen, David Velandier, Esq. were present in support of the project.

Opposing were: Alix Cross, Esq., representing Housecall Medical Resources; Glenn Ireland, Housecall Medical Resources; Daniel Wright, Administrator, Home Health Care; Scott McDearman, Esq., Caroll Home Health; and Michael Glenn, President, HomeChoice Health Service.

Mr. Craft rebutted.

Mr. Koella moved for approval of the project based on: 1) Need – The need is presented for the ventilator dependent geriatric patients and for the pediatric patients. Patients limited to Shelby, Tipton and Fayette counties; 2) Economic Feasibility – The project is economically feasible with the cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care since they are going through the licensing process and are receiving important referrals from major hospitals. **CONDITION:** Limited to ventilator dependent geriatric patients and patients under the age of 21 and patients who had been served by the home health agency before their 21st birthday. Ms. Coile seconded the motion. The motion CARRIED [6-0-1]. **APPROVED**

AYE: Atchley, Koella, Lammert, Coile, Collier, Caldwell

NAY: None

ABSTAINED: Weaver

GENERAL COUNSEL'S REPORT

Discussion of Modification Requests/Policies

A memorandum concerning comprehensive set of guidelines for modification requests was provided to members for their review. Members will discuss the subject at a later date.

Discussion of Lasik Surgery

Melanie Hill and Jim Christoffersen have met with Sue Sheldon of the Attorney General's Office to discuss the performance of lasik procedures as it relates to an ASTC. Ms. Sheldon will review the applicable laws and rules and will advise the Agency on her findings at a later date.

Legislative Update

There are a number of laws relating to the Certificate of Need process that were passed this year. Copies were provided to the Health Services and Development Agency members in their notebooks. Chapter No. 125, renewing the Health Services and Development Agency for four (4) years, passed unanimously.

NEW APPEALS

Life Care at Home of Tennessee, CN0502-088D, Millennium MRI, LLC, CN0502-013A, and Premier Open Stand Up MRI, LLC, CN0502-014A

CURRENT REPORTS

Statistical Reports

The reports were accepted into the record.

Finance, Ways and Means Committee Reports

The reports were accepted into the record.

Minutes

The minutes of the May 25, 2005, meeting were accepted by unanimous voice vote.

ADJOURNMENT

There being no further business, the meeting adjourned.

Melanie M. Hill, Executive Director

MMH/pjh