



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, May 25, 2016

8:30 a.m. CST

I. CALL TO ORDER

II. ROLL CALL – **10 present: Jordan, Mills, Gaither, Ridgway, Doolittle, Wright, Burns, Fleming, Grandy, Johnson**

III. DIRECTOR’S ANNOUNCEMENTS

IV. APPROVAL OF MINUTES: **Motion to approve—Mr. Doolittle, 2nd—Mr. Wright, Unanimous voice vote (10-0-0)**

V. STATE HEALTH PLAN UPDATE

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

VI. CERTIFICATE OF NEED APPLICATIONS

Ms. Burns recused.
APPROVED
Motion: Mr. Doolittle
2nd: Mr. Wright (9-0-0)

A. Children's Hospital at Erlanger and Erlanger East Hospital, Chattanooga (Hamilton County), TN – CN1601-002

The initiation of a 10 bed Level 3 Neonatal Intensive Care service, through the transfer of 10 medical/surgical beds from Erlanger Medical Center to Erlanger East Hospital located at 1755 Gunbarrel Road in Chattanooga (Hamilton County), TN, 37416 and reclassification of the 10 beds as Level III Neonatal Intensive Care beds. These beds will be built in 8,805 sf of new construction resulting in a project cost in excess of \$5M. If approved, the licensed bed complement of Erlanger East Hospital will increase from 113 to 123 total beds. The project does not contain the acquisition of major medical equipment or the initiation or discontinuance of any other health service. The estimated project cost is \$7,021,555. **Deferred from April 2016 meeting.**

APPROVED
Motion: Ms. Burns
2nd: Ms. Jordan

B. CAH Acquisition Company 11, LLC d/b/a Lauderdale Community Hospital, Ripley (Lauderdale County), TN – CN1601-004

The construction and replacement of a 25 bed Critical Bed Access Hospital

(10-0-0)

located at 326 Asbury Avenue, Ripley (Lauderdale County), TN 38063. The estimated project cost is \$20,262,987.

Mr. Ridgway and Ms. Burns recused.

APPROVED

Motion: Mr. Wright
2nd: Mr. Mills
(8-0-0)

- C. TriStar Centennial Medical Center, Nashville (Davidson County), TN – CN1602-008

To acquire an additional 1.5 Tesla MRI unit at a cost in excess of \$2 million. The project will also renovate existing space of the imaging department located on the 1st floor of the hospital inpatient tower. If approved, the proposed unit will be 1 of 4 MRI units operated under the hospital’s license on the main hospital campus at 2300 Patterson Street, Nashville, TN, 37203. The estimated project cost is \$3,128,317.

Mr. Ridgway and Dr. Fleming recused.

APPROVED

Motion: Ms. Burns
2nd: Mr. Wright and Mr. Doolittle
(8-0-0)

- D. Methodist Healthcare-Memphis Hospitals d/b/a Methodist University Hospital Memphis (Shelby County), TN CN1602-009

Modification of a hospital requiring a capital expenditure greater than \$5 million and the addition of major medical equipment. The construction and renovation of approximately 470,000 square feet of space at Methodist University Hospital located at 1211-1265 Union Avenue in Memphis (Shelby County), TN 38104. The project involves the onsite replacement and modernization of the hospital campus including the construction of a new patient tower and an adjacent building to consolidate ambulatory services. The project will not increase or decrease the hospital’s existing 617 licensed beds. Of the 617 licensed beds, 204 beds will be relocated to the new patient tower and 28 medical-surgical beds will be converted for use as critical beds. As a part of the project, the hospital will add an interoperative, GE Discovery 3.0 Tesla MRI unit (iMRI), an Elekta Versa Linear Accelerator unit and will relocate existing PET, CT and infusion equipment and services. The estimated project cost is \$280,000,000.

Four year expiration.

VIII. GENERAL COUNSEL’S REPORT

Mr. Ridgway and Ms. Burns recused.

APPROVED

Motion: Mr. Wright
2nd: Mr. Doolittle
(8-0-0)

- A. Hendersonville Medical Center, Hendersonville (Sumner County), TN CN1302-002A

Request for an 18 month extension from August 1, 2016 to January 1, 2018

The project was previously approved June 26, 2013, by a 5-3 vote.

The construction of a new 4th floor of medical/surgical beds and the initiation of neonatal intensive care services in a new 6-bed level II-B neonatal nursery on the main campus of Hendersonville Medical Center located in Hendersonville (Sumner County), TN. The hospital currently holds a single consolidated licensed for 148 general hospital beds, of which 110 are at its main Hendersonville campus and 38 are at its satellite campus at 105 Redbud Drive, Portland (Sumner County), TN. The project will relocate 13 beds from the satellite campus to the main campus, resulting in 123 licensed beds at the Hendersonville campus and 25 licensed beds at the Portland satellite campus. The estimated project cost is \$32,255,000. The project was opposed by Baptist Hospital and Marta Papp, M.D., Neonatologist.

- B. Contested Case Update

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. ADJOURNMENT