

HEALTH SERVICES AND DEVELOPMENT AGENCY
MINUTES
MARCH 25, 2009

AGENCY MEMBERS PRESENT

Koella, Carl, III, Chair
Handorf, Charles, M.D., Vice Chair
Bishop, Jimmy
Burns, Charlotte
Gaither, Keith, designee for the TennCare Director
Jones, Clark
Lammert, Gregory
Morris, John, designee for the Commissioner of Commerce and Insurance
Weaver, Faye, designee for the Comptroller of the Treasury

AGENCY MEMBERS ABSENT

Atchley, Bryan

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Bobbitt, Melissa, Administrative Services Assistant III
Brogden, Reid, General Counsel
Christoffersen, Jim, Deputy General Counsel
Craighead, Alecia, Statistical Analyst III
Earhart, Phillip, Health Planner III
Farber, Mark, Assistant Executive Director
Finchum, Rhonda, Office Manager
Wells, Phil, Health Planner III

GUESTS PRESENT

Addison, Wayne
Barnes, Johnathan, Maxim Healthcare Services
Beard, Bert
Bobo, Michelle, Tennessee Association for Home Care
Boone, Kathy, Director of Operations, RHA/DDMS
Brent, Michael D., Esq., Bradley Arant Boult Cummings, LLP
Brown, Dere, National HealthCare Corporation
Coats, Bryan, CEO, RHA/Trenton MR, Inc.
Corritore, Danell, Department of Health
Crutcher, Donna, Tennessee Comptroller's Office
Culp, Joe, Department of Health
Day, Edwin W., Consultant
Earp, Joe
Harkness, Eric, Planning & Research Coordinator, Division of Health Planning, Finance & Administration
Harris, Vickie, Renaissance Consulting
Hawkins, Gregg, Tennessee Comptroller's Office
Houchin, Barbara, Executive Director, St. Thomas Health Services
Huggins, Mike, Tennessee Hospital Association
Izzi, Lisa
Latham, Larry, M.D., Assistant Commissioner, Division of Mental Retardation Services

Looney, Kim Harvey, Esq., Waller, Lansden, Dortch & Davis
McLeary, Don
McLeary, Mary
Merville, LaDonna, Hospital Alliance of Tennessee
Ockerman, Jeff, Director, Health Planning, Tennessee Department of Finance & Administration
Parrish, Jeff, General Counsel, Tennessee Health Management
Poling, Becki, Director Hospital Services, Tennessee Department of Mental Health/Developmental Disabilities
Rickerts, Tom
Sloves, Harold
Southwick, Bill
Stephenson, Kate, Esq., Trauger & Tuke
Swatley, Terry, President, DDMS
Taylor, Jerry W., Esq., Farris, Mathews, Bobango, PLC
Thompson, Ann R., RN, BSN, MBA, Director of Licensure, Department of Health
Trauger, Byron R., Esq., Trauger & Tuke
West, William H., Esq., Baker, Donelson, Bearman, Caldwell & Berkowitz
Whiteside, Brandon, Administrator, Clarksville Nursing & Rehabilitation Center
Wilcox, Janet
Wilson, Melissa, Tennessee Comptroller's Office

Chairman Koella, called the meeting to order at 8:30 a.m. in Meeting Rooms H-K, of The Sommet Center, Nashville, Tennessee.

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, made general announcements and included: 1) Patient's Choice of Erin Tennessee was deferred to the May meeting; and 2) HSDA meetings are scheduled to be held at The Sommet Center through June, 2009.

OTHER BUSINESS

- 1) State Health Plan – Jeff Ockerman, Director, Division of Health Planning, Finance & Administration discussed the status of the state health plan.

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON applications:

Patients' Choice Medical Center of Erin Tennessee - (Erin, Houston County) - Project No. CN0812-116

The initiation of inpatient geriatric psychiatric services through the addition of ten (10) licensed beds in the existing hospital. Initiating the service does not require new construction. Project Cost \$13,000.00.

DEFERRED TO THE MAY MEETING

Clarksville Nursing and Rehabilitation Center, Inc. aka Clarksville Manor Nursing and Rehab Center - (Clarksville, Montgomery County) - Project No. CN0812-120

The relocation and replacement of Clarksville Nursing and Rehabilitation Center and the addition of thirty (30)* skilled nursing home beds. The facility will relocate from 2134 Old Ashland City Road, Clarksville (Montgomery County), TN to a new site located at 900 Professional Park Drive, Clarksville (Montgomery County), TN near the new Gateway Medical Center. Upon approval the replacement facility will have a total of 113 dually certified nursing home beds. This project had previously been approved (CN0608-066A) but the certificate of need expired before completion. Project Cost \$14,166,042.00. *These beds will be subject to the Nursing Home Bed Pool of 2008-2009.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Brandon Whiteside, Administrator, Clarksville Nursing & Rehabilitation Center; and Jeff Parrish, General Counsel, Tennessee Health Management.

HEALTH SERVICES AND DEVELOPMENT AGENCY

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Mr. Jones moved for approval of the project based on: 1) Need – They established the need by the formula presented in the application; 2) Economic Feasibility – The project is economically feasible though cash reserves and operating leases; and 3) The project does contribute to the orderly development of adequate and effective health care. Mr. Bishop seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Jones, Gaither, Weaver, Lammert, Bishop, Burns, Morris, Koella
NAY: None

Dr. Handorf arrived.

RHA/Trenton MR, Inc. - (Trenton, Gibson County) - Project No. CN0810-084

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, to Site A, 301 Eaton Street, Trenton (Gibson County), Tennessee 38382. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$723,652.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Bryan Coats, CEO, RHA/Trenton MR, Inc.; Larry Latham, M.D., Assistant Commissioner, Division of Mental Retardation Services; Janet Wilcox; Mary McLeary; Lisa Izzi; Harold Sloves; Tom Rickerts; Terry Swatley, President, DDMS; and Kathy Boone, Director of Operations, RHA/DDMS. Don McLeary was present in support of the project.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is self evident due to the pending closure of The Winfrey Center; 2) Economic Feasibility – The project is economically feasible through tax exempt bond funding; and 3) The project does contribute to the orderly development of adequate and effective health care in that it represents the standard of care for patients with these disabilities. Ms. Weaver seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jones, Gaither, Weaver, Handorf, Lammert, Bishop, Burns, Morris, Koella
NAY: None

RHA/Trenton MR, Inc. - (Trenton, Gibson County) - Project No. CN0810-085

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, to Site B, 301 Eaton Street, Trenton (Gibson County), Tennessee 38382. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$714,802.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Bryan Coats, CEO, RHA/Trenton MR, Inc.; Larry Latham, M.D., Assistant Commissioner, Division of Mental Retardation Services; Janet Wilcox; Mary McLeary; Lisa Izzi; Harold Sloves; Tom Rickerts; Terry Swatley, President, DDMS; and Kathy Boone, Director of Operations, RHA/DDMS. Don McLeary was present in support of the project.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is self evident due to the pending closure of The Winfrey Center; 2) Economic Feasibility – The project is economically feasible through tax exempt bond funding; and 3) The project does contribute to the orderly development of adequate and effective health care in that it represents the standard of care for patients with these disabilities. Ms. Weaver seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jones, Gaither, Weaver, Handorf, Lammert, Bishop, Burns, Morris, Koella

NAY: None

RHA/Trenton MR, Inc. - (Trenton, Gibson County) - Project No. CN0810-092

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, to Site A, without a current address adjacent to 2210 S. Hwy 45 Bypass, Trenton (Gibson County), Tennessee 38382. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$733,552.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Bryan Coats, CEO, RHA/Trenton MR, Inc.; Larry Latham, M.D., Assistant Commissioner, Division of Mental Retardation Services; Janet Wilcox; Mary McLeary; Lisa Izzi; Harold Sloves; Tom Rickerts; Terry Swatley, President, DDMS; and Kathy Boone, Director of Operations, RHA/DDMS. Don McLeary was present in support of the project.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is self evident due to the pending closure of The Winfrey Center; 2) Economic Feasibility – The project is economically feasible through tax exempt bond funding; and 3) The project does contribute to the orderly development of adequate and effective health care in that it represents the standard of care for patients with these disabilities. Mr. Lammert seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jones, Gaither, Weaver, Handorf, Lammert, Bishop, Burns, Morris, Koella
NAY: None

RHA/Trenton MR, Inc. - (Trenton, Gibson County) - Project No. CN0810-093

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, to Site B, without a current address adjacent to 2210 S. Hwy 45 Bypass, Trenton (Gibson County), Tennessee 38382. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$782,092.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Bryan Coats, CEO, RHA/Trenton MR, Inc.; Larry Latham, M.D., Assistant Commissioner, Division of Mental Retardation Services; Janet Wilcox; Mary McLeary; Lisa Izzi; Harold Sloves; Tom Rickerts; Terry Swatley, President, DDMS; and Kathy Boone, Director of Operations, RHA/DDMS. Don McLeary was present in support of the project.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is self evident due to the pending closure of The Winfrey Center; 2) Economic Feasibility – The project is economically feasible through tax exempt bond funding; and 3) The project does contribute to the orderly development of adequate and effective health care in that it represents the standard of care for patients with these disabilities. Mr. Lammert seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jones, Gaither, Weaver, Handorf, Lammert, Bishop, Burns, Morris, Koella
NAY: None

RHA/Trenton MR, Inc. - (Three Way, Madison County) - Project No. CN0810-097

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, 101 Turner Loop Road, Three Way (Madison County), Tennessee 38343. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon

completion of this project. Project Cost \$1,136,240.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE APRIL MEETING

RHA/Trenton MR, Inc. - (Three Way, Madison County) - Project No. CN0810-098

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, 102 Turner Loop Road, Three Way (Madison County), Tennessee 38343. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$1,124,780.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE APRIL MEETING

RHA/Trenton MR, Inc. - (Oakfield, Madison County) - Project No. CN0810-103

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, 361 Oakfield Rd., Oakfield (Madison County), Tennessee 38362. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$1,136,240.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE APRIL MEETING

RHA/Trenton MR, Inc. - (Oakfield, Madison County) - Project No. CN0810-104

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, 367 Oakfield Rd., Oakfield (Gibson County), Tennessee 38362. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$1,136,240.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE APRIL MEETING

RHA/Trenton MR, Inc. - (Three Way, Madison County) - Project No. CN0810-105

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, 201 & 202 Cobblestone Drive, Three Way (Madison County), Tennessee 38343. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$1,148,195.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE APRIL MEETING

RHA/Trenton MR, Inc. - (Three Way, Madison County) - Project No. CN0810-106

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, 218 & 219 Cobblestone Drive, Three Way (Madison County), Tennessee 38343. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as

ICF/MR beds upon completion of this project. Project Cost \$1,159,655.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE APRIL MEETING

RHA/Trenton MR, Inc. - (Trenton, Gibson County) - Project No. CN0811-109

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, to Site A, 1132 High Street, Trenton (Gibson County), Tennessee 38382. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$720,802.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Bryan Coats, CEO, RHA/Trenton MR, Inc.; Larry Latham, M.D., Assistant Commissioner, Division of Mental Retardation Services; Janet Wilcox; Mary McLeary; Lisa Izzi; Harold Sloves; Tom Rickerts; Terry Swatley, President, DDMS; and Kathy Boone, Director of Operations, RHA/DDMS. Don McLeary was present in support of the project.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is self evident due to the pending closure of The Winfrey Center; 2) Economic Feasibility – The project is economically feasible through tax exempt bond funding; and 3) The project does contribute to the orderly development of adequate and effective health care in that it represents the standard of care for patients with these disabilities. NOTE: This property is located at Site A, 1132 High Street, Trenton (Gibson County), Tennessee 38382. Mr. Lammert seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jones, Gaither, Weaver, Handorf, Lammert, Bishop, Burns, Morris, Koella
NAY: None

RHA/Trenton MR, Inc. - (Trenton, Gibson County) - Project No. CN0811-110

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, to Site B, 1132 High Street, Trenton (Gibson County), Tennessee 38382. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$715,342.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Bryan Coats, CEO, RHA/Trenton MR, Inc.; Larry Latham, M.D., Assistant Commissioner, Division of Mental Retardation Services; Janet Wilcox; Mary McLeary; Lisa Izzi; Harold Sloves; Tom Rickerts; Terry Swatley, President, DDMS; and Kathy Boone, Director of Operations, RHA/DDMS. Don McLeary was present in support of the project.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is self evident due to the pending closure of The Winfrey Center; 2) Economic Feasibility – The project is economically feasible through tax exempt bond funding; and 3) The project does contribute to the orderly development of adequate and effective health care in that it represents the standard of care for patients with these disabilities. NOTE: This property is located at Site B, 1132 High Street, Trenton (Gibson County), Tennessee 38382. Mr. Lammert seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jones, Gaither, Weaver, Handorf, Lammert, Bishop, Burns, Morris, Koella
NAY: None

RHA/Trenton MR, Inc. - (Jackson, Madison County) - Project No. CN0811-114

The establishment of a four (4)-bed* ICF/MR home to house the relocation of four (4) ICF/MR beds from The Margie and Thomas Winfrey Center, 2055 Highway 45 Bypass, Trenton (Gibson County), Tennessee 38382, to 89 Windale Drive, Jackson (Madison County), Tennessee 38305. This project includes a relocation of existing ICF/MR beds. No additional beds will be added. These four existing ICF/MR beds will continue to be licensed by the Tennessee Department of Mental Health and Developmental Disabilities as ICF/MR beds upon completion of this project. Project Cost \$1,105,130.00. * These beds will not be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE APRIL MEETING

Comcare, Inc. - (Greeneville, Greene County) - Project No. CN0812-117

The establishment of a four (4)*-bed ICF/MR program in an existing facility. This program will service four (4) people who will transfer from Greene Valley Developmental Center or other State Developmental Centers. The program will be licensed by the Tennessee Department of Mental Health and Developmental Disabilities. Project Cost \$298,417.00. * These beds will be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE MAY MEETING

Comcare, Inc. - (Greeneville, Greene County) - Project No. CN0812-118

The establishment of a four (4)*-bed ICF/MR program in an existing facility. This program will service four (4) people who will transfer from Greene Valley Developmental Center or other State Developmental Centers. The program will be licensed by the Tennessee Department of Mental Health and Developmental Disabilities. Project Cost \$298,417.00. * These beds will be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE MAY MEETING

Comcare, Inc. - (Greeneville, Greene County) - Project No. CN0812-119

The establishment of a four (4)*-bed ICF/MR program in an existing facility. This program will service four (4) people who will transfer from Greene Valley Developmental Center or other State Developmental Centers. The program will be licensed by the Tennessee Department of Mental Health and Developmental Disabilities. Project Cost \$298,417.00. * These beds will be subject to the 40 bed ICF/MR Bed Pool for 2008-2009.

DEFERRED TO THE MAY MEETING

GENERAL COUNSEL'S REPORT

Reid Brogden summarized the following requests for modifications:

Tennessee Sports Medicine Surgery Center - (Mt. Juliet, Wilson County) - Project No. CN0411-103A

Request for a ninety (90) day extension of the expiration date from April 1, 2009 to July 1, 2009. The applicant asserts that economic turmoil has resulted in some delays with the suppliers for the construction company. As of February 27, 2009, the project was 85-90% complete. This project was approved on February 23, 2005 for the establishment of an ambulatory surgical treatment center (ASTC) limited to pain management services to the TSMSC's patients with a project cost of \$1,877,445.00.

William H. West, Esq., representing the applicant, addressed the Agency.

Mr. Jones moved for approval of the request for a ninety (90) day extension of the expiration date from April 1, 2009 to July 1, 2009. Dr. Handorf seconded the motion. The motion CARRIED [9-0-0].

APPROVED

AYE: Jones, Gaither, Weaver, Handorf, Lammert, Bishop, Burns, Morris, Koella
NAY: None

MINUTES

The minutes of the February 25, 2009, meeting were accepted by unanimous voice vote.

CONTESTED CASE UPDATE

Jim Christoffersen, Deputy General Counsel, presented an update on Contested Cases.

ADJOURNMENT

There being no further business, the meeting adjourned.

Melanie M. Hill, Executive Director

MMH/mab