

HEALTH SERVICES AND DEVELOPMENT AGENCY
MINUTES
May 27, 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
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, DDMS
Amonette, D. Andrew, Esq., Wyatt, Tarrant & Combs, LLP
Baggett, Cecil, Hon., Mayor, City of Erin
Barrick, William, Esq.
Boleyn, Tara, CNO, Harton Regional Medical Center
Brawley, Carrie, Behavioral Health Care Center at Clarksville
Brent, Michael D., Esq., Bradley Arant Boult Cummings, LLP
Brown, Dere, National HealthCare Corporation
Buck, Jack, CEO, Crockett Hospital
Coats, Bryant, CEO, RHA/Trenton MR, Inc.
Copeland, John, CFO, Crockett Hospital
Corritore, Danell, Tennessee Department of Health
Culp, Joe, Tennessee Department of Health
Dalton, Dana L., Minister

Delage, Kay, Skyline Medical Center
Day, Edwin W., Consultant
Duncan, Bruce, National HealthCare Corporation
Edwards, Karen
Elrod, Dan H., Esq., Miller & Martin
Faulk, Mike, Hon., Senator
George, Bob, CEO, United Regional Medical Center
Gibson, Mark
Gillispie, Yvette, CEO, Patients Choice Medical Center of Erin, TN
Gooch, Warren, Esq., Kramer Rayson, LLP
Gregory, Luke, Vanderbilt University Medical Center
Hanson, Bonnie, Horizon Medical Center
Harkness, Eric, Planning & Research Coordinator, Division of Health Planning, Tennessee Department of F. & A.
Harris, Vickie, Renaissance Consulting
Harrison, Mike, Hon., State Representative
Harvey, Allison
Helton, Peggy, Administrator, Interim Health Care of East Tennessee
Houchin, Barbara, Executive Director, St. Thomas Health Services
Johnson, John T., PhD, Director of Development, Comcare, Inc.
Key, Charles, Esq., Wyatt, Tarrant & Combs, LLP
Latham, Dr. Larry, Assistant Commissioner, Facility Services, Division of Mental Retardation
Ligon, Betsy, President, Houston County Chamber of Commerce
Looney, Kim Harvey, Esq., Waller, Lansden, Dortch & Davis
Meelhan, Ray
Marion, G. Greg, Hon., Mayor, Hancock County
Marshall, John, CEO, Horizon Medical Center
Noe, Kim, Interim Health Care of East Tennessee
Poling, Becki, Director Hospital Services, Tennessee Dept. of Mental Health/Developmental Disabilities
Roberts, Matt, CEO, Harton Regional Medical Center
Rosenblatt, Josh, Esq., Waller, Lansden, Dortch & Davis
Russell, Richard, THCA
Shoemaker, Ray, CEO, Patients Choice Medical Center of Erin, TN
Stephenson, Kate, Esq., Trauger & Tuke
Swatley, Terry, DDMS
Taylor, Jerry W., Esq., Farris, Mathews, Branam, Bobango, Hellen & Dunlap, PLC
Thiessen, Nancy, CEO, Comcare, Inc.
Thomas, Cathy, CFO, Comcare, Inc.
Thompson, Ann R., RN, BSN, MBA, Director of Licensure, Tennessee Department of Health
Trauger, Byron R., Esq., Trauger & Tuke
Trent, Anita, RN Director, Hancock Home Health Agency
Ward, Ken, CFO, Harton Regional Medical Center
Wellborn, John L., Consultant, Development Support Group
West, William H., Esq., Baker, Donelson, Bearman, Caldwell & Berkowitz
Wilson, Melissa, State of Tennessee, Comptroller's Office
Woulfe, Karen

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

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, made general announcements.

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

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Mark Farber summarized the following CON applications:

RHA/Trenton MR, Inc. - (Trenton, Gibson County) - Project No. CN0902-011

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), TN 38382 to 403 South Church Street, Trenton (Gibson County), TN 38382. The project includes a relocation of existing ICF/MR beds. No additional new beds will be added. Project Cost \$707,092.00.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: Dr. Larry Latham, Assistant Commissioner, Facility Services, Division of Mental Retardation; and Terry Swatley, DDMS. Present in support were: Karen Woulfe; and Bryant Coats, CEO, RHA/Trenton MR, Inc.

Ms. Weaver moved for approval of the project based on: 1) Need – There is a need to relocate the patients and this is a replacement facility; 2) Economic Feasibility – The project is economically feasible; and 3) The project does contribute to the orderly development of adequate and effective health care. Mr. Morris 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. CN0902-012

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), TN 38382, to 407 South Church Street, Trenton (Gibson County), TN 38382. The project includes a relocation of existing ICF/MR beds. No additional new beds will be added. Project Cost \$742,552.00.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Karen Woulfe and Terry Swatley, DDMS. Present in support were: Dr. Larry Latham, Assistant Commissioner, Facility Services, Division of Mental Retardation; and Bryant Coats, CEO, RHA/Trenton MR, Inc.

Mr. Lammert moved for approval of the project based on: 1) Need – The project meets a need in terms of meeting the requirements under the lawsuits; 2) Economic Feasibility – The project's economical feasibility is met by tax exempt bonds; and 3) The project does contribute to the orderly development of adequate and effective health care by allowing these individuals to live in a community setting. Ms. Weaver seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

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

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. No new construction is required. Project Cost \$13,000.00.

Charles Key, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: Yvette Gillispie, CEO, Patients Choice Medical Center of Erin, TN; and Ray Shoemaker, CEO, Patients Choice Medical Center of Erin, TN. Present in support were: Betsy Ligon, President, Houston County Chamber of Commerce; Cecil Baggett, Mayor, City of Erin; and D. Andrew Amonette, Esq., Wyatt, Tarrant & Combs, LLP.

Opposing the project on behalf of Behavioral Health Care Center at Clarksville were Michael Brent, Esq., representing and Carrie Brawley; and on behalf of Horizon Medical Center, Centennial Medical Center and Skyline Medical Center were Jerry Taylor, Esq., representing; and John Marshall, CEO, Horizon Medical Center.

Becki Poling, Director Hospital Services, Tennessee Department of Mental Health/Developmental Disabilities, responded to questions from members.

Ms. Gillispie rebutted.

Mr. Brent and Mr. Taylor provided summation for the opposition.

Mr. Key provided summation for the applicant.

Mr. Lammert moved for approval of the project based on: 1) Need – There is a need for these services for individuals who want to stay in the community. This project will not have an adverse impact on other applicants approved in the adjoining counties; 2) Economic Feasibility – The project's economic feasibility can be met through cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care by allowing the hospital to meet a need. Ms. Weaver seconded the motion. The motion CARRIED [7-1-1]. **APPROVED**

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

NAY: Handorf

ABSTAINED: Koella

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.

DEFERRED FROM THE MARCH MEETING.

John T. Johnson, PhD, Director of Development, addressed the Agency on behalf of the project. Speaking in support of the project was Dr. Larry Latham, Assistant Commissioner, Facility Services, Division of Mental Retardation. Present in support of project was: Nancy Thiessen, CEO, Comcare, Inc.; and Cathy Thomas, CFO, Comcare, Inc.

Becki Poling, Director Hospital Services, Tennessee Department of Mental Health/Developmental Disabilities, responded to questions from members.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is well established by moving patients with these disabilities into the community with the proper mode of care; 2) Economic Feasibility – The project is economically feasible through cash reserves and commercial loan; and 3) The project does contribute to the orderly development of adequate and effective health care since it refurbishes existing facilities for the use of these individuals. Mr. Lammert seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

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

NAY: None

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.

DEFERRED FROM THE MARCH MEETING.

John T. Johnson, PhD, Director of Development, addressed the Agency on behalf of the project. Speaking in support of the project was Dr. Larry Latham, Assistant Commissioner, Facility Services, Division of Mental Retardation. Present in support of project was: Nancy Thiessen, CEO, Comcare, Inc.; and Cathy Thomas, CFO, Comcare, Inc.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is established and well noted that the care of these individuals with these disabilities is improved by moving them closer to the community; 2) Economic Feasibility – The project is economically feasible through cash reserves and

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commercial loan; and 3) The project does contribute to the orderly development of adequate and effective health care since it refurbishes existing facilities. Ms. Weaver seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

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

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.

DEFERRED FROM THE MARCH MEETING

John T. Johnson, PhD, Director of Development, addressed the Agency on behalf of the project. Speaking in support of the project was Dr. Larry Latham, Assistant Commissioner, Facility Services, Division of Mental Retardation. Present in support of project was: Nancy Thiessen, CEO, Comcare, Inc.; and Cathy Thomas, CFO, Comcare, Inc.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is established and it is recognized that the care of these patients is improved by moving them closer to the community services; 2) Economic Feasibility – The project is economically feasible through cash reserves and commercial loan; and 3) The project does contribute to the orderly development of adequate and effective health care since it refurbishes existing facilities for the use of these individuals. Ms. Weaver seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

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

Hancock County Home Health Agency - (Sneedville, Hancock County) - Project No. CN0812-121

The addition of three (3) counties to the existing licensed home health service area of Hancock County. The requested additional counties are: Claiborne, Grainger and Hawkins. The application also seeks to establish a hospice agency to provide hospice services in Claiborne, Grainger, Hancock and Hawkins counties. The home health agency and the hospice agency will be separately licensed. The office is located at 147 Court Street, Sneedville (Hancock County), TN 37869. Project Cost \$35,000.00.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Senator Mike Faulk; State Representative Mike Harrison; Greg Marion, Mayor, Hancock County; Rev. Dana L. Dalton; Anita Trent, Hancock Home Health Agency; and Mark Gibson, Hancock Home Health Agency.

Opposing the project were: Peggy Helton, Interim Health Care of East Tennessee; and William West, Esq., representing Amedisys Home Health.

Mr. Taylor rebutted.

Ms. Helton provided summation for the opposition.

Mr. Taylor provided summation for the applicant.

Ms. Weaver moved for approval of the project based on: 1) Need – The need is met because they are serving patients that do not have the means to get to other places; and other home health agencies will probably not be providing services in that area; 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 in that these individuals will provide services to a population that is otherwise not served. Ms. Burns seconded the motion. The motion CARRIED [6-2-1]. **APPROVED**

AYE: Jones, Weaver, Bishop, Burns, Morris, Koella

NAY: Gaither, Handorf

ABSTAINED: Lammert

Mr. Morris left meeting.

Tullahoma HMA, Inc. d/b/a Harton Regional Medical Center - (Tullahoma, Coffee County) - Project No. CN0902-006

The increase in project cost approved under CN0609-074A from \$18,875,814 to \$24,418,051. The number of licensed beds nor the scope of the project will change as a result of this application. No change in service nor any major medical equipment requested. Project Cost \$5,542,237.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Bob George, CEO, United Regional Medical Center spoke in support of the project. Present in support were: Tara Boleyn, CNO, Harton Regional Medical Center; Ken Ward, CFO, Harton Regional Medical Center; Matt Roberts, CEO, Harton Regional Medical Center; and Edwin W. Day, Consultant.

Dr. Handorf moved for approval of the project based on: 1) Need – The project is needed as previously discussed; 2) Economic Feasibility – The project is economically feasible and deemed necessary due to costs over runs funded through cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care as previously discussed. Mr. Lammert seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

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

NAY: None

West Tennessee Neurosciences - (Jackson, Madison County) - Project No. CN0902-009

The relocation of magnetic resonance imaging (MRI) services from the existing location of 614 Skyline Drive to 700 West Forest Avenue, Jackson (Madison County), TN 38301. As a part of the relocation a replacement MRI unit will be purchased. Project Cost \$3,032,675.00.

DEFERRED TO THE JUNE MEETING

Crockett Hospital - (Lawrenceburg, Lawrence County) - Project No. CN0902-010

The conversion of six (6) acute care beds to swing beds. This project does not contain medical equipment, initiate or discontinue any other type of health services, and it will not change the hospital's total licensed bed complement. Project Cost \$50,000.00.

Jack Buck, CEO, Crockett Hospital addressed the Agency on behalf of the project. Present in support were: John Copeland, CFO, Crockett Hospital; and John L. Wellborn, Consultant.

Mr. Jones moved for approval of the project based on: 1) Need – The project is needed; 2) Economic Feasibility – The project is economically feasible; and 3) The project does contribute to the orderly development of adequate and effective health care. Mr. Lammert seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

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

NAY: None

GENERAL COUNSEL'S REPORT

James Christoffersen summarized the following requests for modifications:

Lebanon Surgical Center - (Lebanon, Wilson County) - Project No. CN0702-011

The replacement and relocation of the existing multi-specialty surgery center from 1414 Baddour Parkway, Lebanon (Wilson County), TN 37087 to a leased site on the campus of University Medical Center at 1401 Baddour Parkway, Lebanon (Wilson County), TN 37087. The existing facility will be replaced with a 15,665 square foot facility and will increase operating rooms from one (1) to three (3) and increase procedures rooms from one (1) to two (2). The facility will be constructed by a third party and leased back to the applicant for an initial period of ten (10) years. This project was approved May 23, 2007 with a project cost of \$8,625,538.00 and an expiration date of July 1, 2009

DEFERRED TO THE JUNE MEETING

Dr. Handorf recused.

Alliance Health Services, Inc. d/b/a Methodist Alliance Hospice - (Memphis, Shelby County) - Project No. CN0709-067

Request for a two (2) year extension of the expiration date from February 1, 2010 to February 1, 2012. This project was approved on December 12, 2007 for the establishment of a thirty (30) bed residential hospice facility and the initiation of residential hospice services. The service area includes Shelby, Fayette and Tipton Counties. Project Cost \$9,179,386.00.

Kate Stephenson, Esq., representing the applicant, addressed the Agency.

Ms. Weaver requested a six month progress update.

Mr. Jones moved for approval of the request for a two year extension from February 1, 2010 to February 1, 2012. Mr. Lammert seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

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

CONTESTED CASE UPDATE

Mr. Christoffersen provided a contested case update.

OTHER BUSINESS

Mr. Christoffersen provided a legislative update stating that the Agency's Sunset was extended to 2013.

MINUTES

The minutes of the April 22, 2009, meeting were accepted by unanimous voice vote.

ADJOURNMENT

There being no further business, the meeting adjourned.

Melanie M. Hill, Executive Director

MMH/mab