

September 13, 2016

The Honorable Larry B. Martin
Commissioner
Department of Finance & Administration
State Capitol
Nashville, TN 37219

Dear Commissioner Martin:

In accordance with the provisions of T.C.A. 68-11-1613, please find attached a summary report of hospital and nursing home bed approvals by the Tennessee Health Services Development Agency in the month of August.

Please feel free to call me if you would like any further information.

Sincerely,



Wendy J. Long, M.D.
Director

Attachment

CC: Representative Charles Sargent, Chair – House Finance, Ways and Means Committee
Senator Randy McNally, Chair – Senate Finance, Ways and Means Committee
Krista Lee, Director – Fiscal Review Committee
Georganne Martin – Legislative Budget Office

PROJECTED FISCAL IMPACT FOR BED APPROVALS

Aug-16

I. HOSPITAL BEDS

88 Beds Approved
0 Beds Delicensed
0 Beds Denied

Erlanger Behavioral Health, Chattanooga (Hamilton County), TN — CN1603-012

To establish an eighty-eight (88) bed mental health hospital located at an unaddressed site at the intersection of North Holtzclaw Avenue and Citico Avenue, Chattanooga, (Hamilton County), TN 37404. The estimated project cost is \$25,112,600.

II.

Estimated Potential New TennCare Beds: 62

Annual Fiscal Impact to
TennCare: \$ 12,123,598

Estimated State(35.647%): \$ 4,321,699

Estimated Federal(64.353%): \$ 7,801,899

III.

NURSING HOME BEDS REVIEWED THROUGH THE CERTIFICATE OF NEED PROCESS

	<u>New Beds Approved</u>	<u>Beds Delicensed</u>	<u>New Beds Denied</u>
Level I - Medicaid Only	0	0	0
Level II - Medicare Only	10	0	0
Level II - Dually Certified (Medicaid and Medicare)	0	0	0
Non-Certified (Private Pay)	0	0	0

NHC Healthcare, Cookeville, Cookeville (Putnam County), TN — CN1604-014

The addition of 10 newly constructed Medicare certified SNF nursing home beds and the renovation of 12 existing patient rooms located at NHC HealthCare Cookeville, 815 South Walnut Avenue, Cookeville (Putnam County), TN. The estimated project cost is \$4,806,490.

This annual fiscal impact projection assumes the current reimbursement rates as indicated below, 70% utilization by Medicaid patients unless otherwise known, and no patient income component. Because dually certified beds may be used for either Medicaid or Medicare reimbursement, a range of the fiscal impact is shown.

Current Reimbursement Rate:

NURSING HOME BEDS ADDED WITHOUT CERTIFICATE OF NEED REVIEW

Fiscal Impact: Medicaid Reimbursement

	<u>Level I</u>	<u>Level II</u>
\$	-	\$ -
\$	-	\$ -
\$	-	\$ -

State

Federal

Total State

Total Federal

Grand Total:

\$ 4,321,698.85

\$ 7,801,898.79

**HEALTH SERVICES AND DEVELOPMENT AGENCY
NEW BED / REPLACEMENT BED DECISIONS
FISCAL YEAR 2016 -- 2017**

NEW BEDS

Aug-16

	TDH* Hospitals	TDH* Nursing Homes	Other TDH* Applications	TDMHSA** Applications	Total	TDH* Hospitals	TDH* Nursing Homes	Other TDH* Applications	TDMHSA** Applications	Total
<u>Approved</u>	0	10	0	88	98	0	10	0	88	98
<u>Delicensed</u>	0	0	0	0	0	0	0	0	0	0
<u>Denied</u>	0	0	0	0	0	0	0	0	0	0
<u>Revoked/ Surrender</u>	0	0	0	0	0	0	0	0	0	0

Eranger Behavioral Health, Chattanooga (Hamilton County), TN — CM1603-012
To establish an eighty-eight (88) bed mental health hospital located at an unaddressed site at the intersection of North Holtzclaw Avenue and Citico Avenue, Chattanooga, (Hamilton County), TN 37404. The estimated project cost is \$25,112,800.

NHC Healthcare, Cookeville, Cookeville (Putnam County), TN — CM1604-014
The addition of 10 newly constructed Medicare certified SNF nursing home beds and the renovation of 12 existing patient rooms located at NHC HealthCare Cookeville, 815 South Walnut Avenue, Cookeville (Putnam County), TN. The estimated project cost is \$4,806,490.

**HEALTH SERVICES AND DEVELOPMENT AGENCY
ALL APPLICATIONS
FISCAL YEAR 2016 -- 2017**

ALL APPLICATIONS - AUGUST 2016

	<u>Hospitals</u>		<u>Nursing Homes</u>		<u>TDMH/DD Applications</u>		<u>Other Applications</u>		<u>Total</u>	
	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>
<u>Approved</u>	0 \$		1	\$4,806,490	3 \$	27,482,442.00	2 \$	4,688,406.29	0 \$	36,977,338.29
<u>Denied</u>	0 \$		0 \$	-	0 \$	-	0 \$	-	0 \$	-
<u>Revoked</u>	0 \$		0 \$	-	0 \$	-	0 \$	-	0 \$	-
<u>Surrender</u>	0 \$		0 \$	-	0 \$	-	0 \$	-	0 \$	-

ALL APPLICATIONS - FISCAL YEAR TO DATE

	<u>Hospitals</u>		<u>Nursing Homes</u>		<u>TDMH/DD Applications</u>		<u>Other Applications</u>		<u>Total</u>	
	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>	<u># APPS</u>	<u>COST</u>
<u>Approved</u>	0 \$		1 \$	4,806,490.00	3 \$	27,482,442.00	2 \$	4,688,406.29	0 \$	36,977,338.29
<u>Denied</u>	0 \$		0 \$	-	0 \$	-	0 \$	-	0 \$	-
<u>Revoked</u>	0 \$		0 \$	-	0 \$	-	0 \$	-	0 \$	-
<u>Surrender</u>	0 \$		0 \$	-	0 \$	-	0 \$	-	0 \$	-