TN Division of
Health Care
Finance & Administration

July 14, 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 June.

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

Sincerely,

Wendy Long MD

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
Jun-16

I. HOSPITAL BEDS

72 Beds Approved
0 Beds Delicensed
0 Beds Denied

II.

Estimated Potential New TennCare Beds:		**50**
Annual Fiscal Impact to TennCare:	$	**9,866,143**
Estimated State(35.647%):	$	**3,516,984**
Estimated Federal(64.353%):	$	**6,349,159**

III.

NURSING HOME BEDS REVIEWED THROUGH THE CERTIFICATE OF NEED PROCESS

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

0

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	Level I	Level II
	$ -	$ -
	$ -	$ -
	$ -	$ -

	State	**Federal**
	Total State	**Total Federal**
Grand Total:	**$ 3,516,983.90**	**$ 6,349,158.82**

HEALTH SERVICES AND DEVELOPMENT AGENCY
NEW BED / REPLACEMENT BED DECISIONS
FISCAL YEAR 2015 -- 2016

NEW BEDS

Jun-16

	TDH* Hospitals	TDH* Nursing Homes	Other TDH* Applications	TDMH/SA** Applications	Total		TDH* Hospitals	TDH* Nursing Homes	Other TDH* Applications	TDMH/SA** Applications	Total
Approved	0	0	0	72	72	Approved	58	63	13	72	206
Delicensed	0	0	0	0	0	Delicensed	2	0	0	0	2
Denied	0	0	0	0	0	Denied	0	0	22	0	22
Revoked/ Surrender	0	0	0	0	0	Revoked/ Surrender	0	0	0	0	0

SBH-Kingsport, LLC, Kingsport (Sullivan County), TN 37660 - CN1312-050DA SBH-Kingsport, LLC is seeking approval for the establishment of a new 72 bed free standing mental health hospital and initiation of inpatient psychiatric and substance abuse services. The proposed mental health hospital will consist of 28 inpatient beds for psychiatric care for children ages 5-17, 18 inpatient beds for adult psychiatric care for adults ages 18-64, 16 inpatient beds for geropsychiatric care for ages 55+, and 10 adult chemical dependency beds. The proposed project will accept voluntary and/or involuntary admissions. The estimated project cost is $11,717,915.00.

The Agency will review the Initial Order approving CN1312-050DA. In such a review proceeding, the Agency's review is strictly limited to the record which was developed before the Administrative Judge. No additional evidence is to be received or considered by the Agency.

At the conclusion of the review proceeding, the Agency may decide that the Initial Order should be adopted in its entirety, or it may make such modifications to the Initial Order as it deems appropriate.

NHC HealthCare Kingsport, LLC, Kingsport (Sullivan County), TN — CN1601-003
The addition of 8 new Medicare only certified SNF nursing home beds to the existing 52-Medicare only nursing home bed complement of NHC, Kingsport located at 2300 Pavilion Drive In Kingsport (Sullivan County), TN, 37660. The project includes minor renovation to accommodate the additional 8 beds. If approved, the total licensed bed complement will increase to 60 Medicare certified SNF beds. The estimated project cost is $109,800. These 8 additional beds are subject to the 2015-2016 125 Nursing Home Bed Pool.

Humphreys County Nursing Home, Waverly (Humphreys County), TN — CN1511-049
The relocation of Humphreys County Nursing Home, a 66 bed dually certified non-profit nursing home, and the addition of 25 beds from the 2015-2016 Nursing Home Bed Pool. The facility will be relocated approximately 2 miles to an unaddressed 15.4 acre site located on the east side of Fort Hill Road approximately 500 yards north of Hillwood Drive in Waverly, TN. As part of the project, the applicant seeks approval to increase its licensed bed complement from 66 to 91 total beds in a new one-story 59,000 gross square foot facility with 71 private and 10 semi-private rooms focusing on improvements that incorporate a modified Green House Concept. The estimated project cost is $14,875,239.

West Tennessee Rehabilitation Center, Jackson (Madison County), TN — CN1510-044
The establishment of a 48 bed rehabilitation hospital to be constructed on a 5.58 acre site adjacent to the main hospital campus of Jackson-Madison County General Hospital. The applicant is jointly owned by Jackson-Madison County General Hospital District and HealthSouth Corporation with management by HealthSouth. If appoved, upon completion of the request, Jackson-Madison County General Hospital will delicense its 48 inpatient rehabilitation beds. The estimated project cost is $28,276,777.

TriStar Horizon Medical Center, Dickson (Dickson County), TN — CN1510-047
The initiation of neonatal intensive care unit (NICU) services in a 6-bed Level II neonatal nursery through renovation of existing space on the 2nd floor of Horizon Medical Center located at 111 Highway 70 East in Dickson, Tennessee. The project does not involve a change to the hospital's existing 157 licensed bed complement, the acquisition of major medical equipment or the initiation or discontinuance of any other health service. The estimated project cost is $975,500.

Sumner Regional Medical Center, Gallatin (Sumner County), TN - CN1508-029
To establish a 5 treatment room free-standing, off-campus hospital emergency department. The proposed satellite emergency department will operate as a department of the hospital and is planned to be located at Sumer Regional Medical Center's existing outpatient facility known as Sumner Station located at 225 Big Station Camp Boulevard, Gallatin (Sumner County), TN 37066 which is located 6.9 miles west of the main campus. The estimated project cost is $7,081,754.

TriStar Summit Medical Center Emergency Department at Mt. Juliet, Mt. Juliet (Wilson County), TN - CN1508-031 To establish an 8 treatment room free-standing, off-campus hospital emergency department to be constructed at an unaddressed site in Wilson County in the southwest quadrant of the intersection of I-40 and Beckwith Road (near Exit 229). The site is approximately 100 yards west of Beckwith Road on an access drive at Smryna Ready Mix, whose address is 4910 Beckwith Road. The satellite emergency department is located approximately 9.9 miles east from TriStar Summit Medical Center. The estimated project cost is $11,106,634.

Stones River Manor, Murfreesboro (Rutherford County), TN - CN1506-026
The establishment of a 30 bed Medicare-certified skilled nursing home located at 205 Haynes Drive, Murfreesboro (Rutherford County), TN 37129. The estimated project cost is $2,729,126.75.

TriStar Summit Medical Center, Hermitage (Davidson County), TN — CN1505-020
TriStar Summit Medical Center seeks approval for the addition of 8 inpatient rehabilitation beds and 2 medical/surgical beds. It will delicense 6 obstetric beds by converting 6 Labor/Delivery/Recorvery/Postpartum (LDRP) beds to LDR so the net increase will result in only four additional licensed beds, resulting in an increase in bed capacity from 196 to 200. The project involves renovations of existing patient floors to include the addition of the beds. The estimated project cost is $4,892,904.

HEALTH SERVICES AND DEVELOPMENT AGENCY
ALL APPLICATIONS
FISCAL YEAR 2015 -- 2016

ALL APPLICATIONS -JUNE 2016

	Hospitals		Nursing Homes		TDMH/DD Applications		Other Applications		Total	
	# APPS	COST	# APPS	COST	# APPS	COST	# APPS	COST	# APPS	COST
Approved	1	$ 7,887,351.00	0		1	$ 11,717,915.00	0	$ -	2	$ 19,605,266.00
Denied	0	$	0	$ -	0	$ -	0	$	0	$ -
Revoked	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -
Surrender	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -

ALL APPLICATIONS - FISCAL YEAR TO DATE

	Hospitals		Nursing Homes		TDMH/DD Applications		Other Applications		Total	
	# APPS	COST	# APPS	COST	# APPS	COST	# APPS	COST	# APPS	COST
Approved	18	$ 427,242,079.04	6	$ 37,014,170.50	12	$ 32,902,318.00	22	$ 75,904,312.94	38	$ 573,062,880.48
Denied	1	$ 6,890,427.66	0		0	$ -	4	$ 37,216,809.00	5	$ 44,107,236.66
Revoked	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -
Surrender	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -