

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

August 25, 2021

AGENCY MEMBERS PRESENT

R.G. Rick Chinn, Vice-Chairman
Thomas Alsup
Paul Korth
Corey Ridgway
Jaclyn Harding, Designee for Comptroller
Keith Gaither, Designee for TennCare

AGENCY MEMBERS ABSENT

Douglas Scarboro, Chairman
Dr. Kenneth Patric
Laura Beth Brown
Todd Taylor
Lisa Jordan, Designee for Department of Commerce and Insurance

AGENCY STAFF PRESENT

Logan Grant, Executive Director
Jim Christoffersen, General Counsel
Lowavia Eden-Hoback, Office and Resource Manager
Phillip Earhart, Deputy Director
Alecia Craighead, Information and Data Analyst
Thomas Pitt, HSD Examiner
Trang Wadsworth, HSD Examiner
Katie Thomas, Executive Administrative Assistant

COURT REPORTER

April Daniel

GUESTS PRESENT

Laura Gaffney
Byron Trauger
Tina Prescott
Vanessa Prescott
David Key
Mike Brent
Travis Swearingen
Jerry Taylor
John Wesley Williams
Dere Brown
Steven Hopland
Ann Reed
Dan Elrod
Saili Joshi
W.M. Rodney
Roger Manning
Kelsey Duley

Camille Barkalow
Sanjeen Kumar
John Braun
Brian Barbeito

CALL TO ORDER:

The meeting was called to order at 9:00 a.m. by Mr. Chinn with the following members present: Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. A quorum was established with six members being present.

DIRECTOR'S ANNOUNCEMENTS

- The next meeting in October will be held in Cordell Hull Building, Senate Hearing Room I.
- Today's meeting will include votes on the authorization of emergency rules, authorization for the regulatory rulemaking process, and authorization to lower application fees.
- Today's meeting will include a presentation by Phillip Earhart detailing the revised CON Application process and an introduction to HSDA's newest staff member, Trang Wadsworth.

APPROVAL OF MINUTES

Mr. Chinn presented the June 23, 2021 minutes for approval.
Mr. Korth moved for approval with Ms. Harding providing the second.
The motion CARRIED [6-0-0] unanimously by voice vote. **APPROVED**

CONSENT CALENDER

University of Tennessee Medical Center, Jamestown (Fentress County), TN – CN2106-020

Request: The establishment of a free-standing emergency department (FSED) to be located at 208 Central Avenue West, Jamestown (Fentress County), Tennessee, 38556. The proposed service area consists of Fentress County. The applicant is owned by University Health Service, Inc. (UHS). Estimated project cost: \$5,372,213.

Mr. Ridgway moved for approval with Mr. Korth providing the second.

Six members voted to approve the application— Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. The motion CARRIED [6-0-0].

CERTIFICATE OF NEED APPLICATIONS

Three certificate of need applications were considered under TCA § 68-11-1609(b) which notes the conditions that must be met in order to grant a certificate of need—when the action proposed in the application is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care facilities or services.

Phillip Earhart introduced each of the three applications under consideration with two being approved and one being denied.

Grassland Surgery Center, Franklin (Williamson County), TN – CN2103-011

Mr. Ridgway recused.

Request: The establishment of a single-specialty ambulatory surgical treatment center (ASTC) limited to plastic and reconstructive surgery with two operating rooms located at 1200 Old Hillsboro Road, Franklin (Williamson County), TN 37069. The proposed service area consists of Davidson, Rutherford, Sumner, and Williamson counties. The applicant is owned by Grassland Surgery Center, LLC. Estimated project cost is \$3,513,102.

Due to a lack of quorum, this application was rolled to the next hearing.

Select Specialty Hospital-West Tennessee, LLC, Jackson (Madison County), TN – CN2105-016

Request: The establishment of a 50-bed satellite Long Term Care Hospital, located on the fifth and sixth floors within the Jackson-Madison County General Hospital (JMCGH) located at 620 Skyline Drive, Jackson (Madison County), Tennessee 38301. The proposed service area consists of Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardeman, Hardin, Henderson, Haywood, Henry, Lake, Lauderdale, Madison, McNairy, Obion, and Weakley Counties. The applicant is owned by Select Medical Corporation. Estimated project cost: \$24,139,859.

Mr. Ridgway moved for approval with Mr. Alsup providing the second.

Factual and Legal Basis for Approval:

Need – There are no long-term care hospital facilities in the primary service area, and certainly this will have the effect of relieving some of the strains on current ICU capacities within the hospital.

Economic Feasibility – The 24-million-dollar-plus project will be funded by Select Medical Holdings Corporation. They have adequate resources to fund that. And, in year two, 17 percent operating margins are projected.

Healthcare that Meets Appropriate Quality Standards – They will seek accreditation from the Joint Commission and have provided a staffing plan that will ensure appropriate quality and delivery of care.

Contribution to the Orderly Development of Healthcare - They're working in collaboration, obviously, with Jackson - Madison County General Hospital with a hospital-in-a-hospital model and there is no opposition.

Six members voted to approve the application— Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. The motion CARRIED [6-0-0].

Medical Care, PLLC, Elizabethton (Carter County), TN – CN2105-018

Request: The initiation of a 1.5 Tesla MRI service for pediatric and adult patients in the practice's medical office building located at 1500 West Elk Avenue, Elizabethton (Carter County), TN 37643. The proposed service area counties include Carter, Johnson, Sullivan, Unicoi, and Washington Counties. Medical Care PLLC is owned by Arnold Hopland, MD; Jeffrey Hopland, MD; and Kenneth Hopland, MD. Estimated Project Cost: \$1,871,705.

Mr. Alsup moved for approval with Ms. Harding providing the second.

Factual and Legal Basis for Approval:

Need – There is no opposition and a limited service area available.

Economic Feasibility – It will be provided through cash reserves.

Healthcare that Meets Appropriate Quality Standards – They meet the quality standards, and they will be seeking accreditation in the first year of operation, along with their current accreditations.

Contribution to the Orderly Development of Healthcare - There are limitations of the other areas in the area, and there is no opposition to this.

Six members voted to approve the application— Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. The motion CARRIED [6-0-0].

Poplar Ridge Surgery Center, LLC, Memphis (Shelby County), TN – CN2103-008

Request: The establishment of a multi-specialty ambulatory surgical treatment center ("ASTC"), for the performance of surgical procedures in the areas of gynecological surgery, interventional radiology vascular access, and oral & maxillofacial surgery. The ASTC will be located at 6584 Poplar Avenue, Memphis (Shelby County), TN 38138. The proposed service area consists of Fayette, Hardeman, Haywood, Lauderdale, Shelby, and Tipton Counties. A small percentage of patients will reside in Marion, Arkansas; Northeast Arkansas; and Northern Mississippi. The applicant is owned by Sanjeev Kumar, MD; Salil Joshi, MD; and Jorge Salazar MD. The estimated project cost is \$2,012,000.

Mr. Ridgway moved to deny the application with Mr. Korth providing the second.

Factual and Legal Basis for Denial:

Need – There is an incompleteness of the application and concerns.

Economic Feasibility -There are concerns around economic feasibility as a result of understatements in the actual size and scope requirements of the facility.

Healthcare that Meets Appropriate Quality Standards – There are concerns around appropriate quality standards as a result of understatements in the actual size and scope requirements of the facility.

Contribution to the Orderly Development of Healthcare – There are concerns around orderly development of care and health care as a result of understatements in the actual size and scope requirements of the facility.

Six members voted to deny the application— Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. The motion CARRIED [6-0-0].

GENERAL COUNSEL

Mr. Christoffersen provided a Contested Case Update.

OTHER BUSINESS

A vote was taken to authorize the emergency rules.

Mr. Alsup moved for approval with Ms. Harding providing the second.

Six members voted to approve the authorization— Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. The motion CARRIED [6-0-0].

A vote was taken to authorize the regulatory rulemaking process.

Mr. Ridgway moved for approval with Mr. Korth providing the second.

Six members voted to approve the authorization— Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. The motion CARRIED [6-0-0].

A vote was taken to authorize lowering the application fees.

Ms. Harding moved for approval with Mr. Alsup providing the second.

Six members voted to approve the authorization— Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. The motion CARRIED [6-0-0].

A vote was taken to elect Vice Chairman.

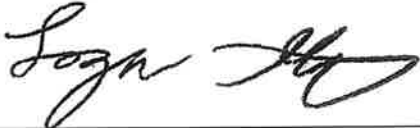
Mr. Ridgway was nominated.

Korth moved for approval with Alsup providing the second.

Six members voted to elect Mr. Ridgway – Ridgway, Gaither, Korth, Alsup, Harding, and Chinn. The motion CARRIED [6-0-0].

ADJOURNMENT

There being no further business, the meeting adjourned.



Logan Grant, Executive Director

HSDA Minutes provide a brief summary of agency actions. A detailed record of each meeting (recording and transcript) is available upon request by contacting the HSDA office.

