

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

December 16, 2020

AGENCY MEMBERS PRESENT

Douglas Scarboro, Chair
R.G. Rick Chinn, Vice-Chair
Laura Beth Brown
Paul Korth
Dr. Kenneth Patric
Corey Ridgway
Todd Taylor
Keith Gaither, Designee for TennCare
Rachel Buckley, Designee for Comptroller
Lisa Jordan, Designee for Commerce & Insurance Commissioner

AGENCY MEMBERS ABSENT

Thomas Alsup

AGENCY STAFF PRESENT

Logan Grant, Executive Director
Jim Christoffersen, General Counsel
Lowavia Eden-Hoback, Office and Resource Manager
Phillip Earhart, Deputy Director
Steve Bock, Administrative Assistant I
Alecia Craighead, Information and Data Analyst
Dave Elenbaas, HSDA Health Data and Policy Administrator

COURT REPORTER

April Daniel

GUESTS PRESENT

A. Clark
Abraham Schacter-Gampel
Anthony Ruscella
B. McIntosh
Brandon Vincent
Brant Phillips
Bryan Kaegi
Bryce Fitzgerald
Byron Trauger
Camille Barkalow
Chad Smith
Charlotte Burns
Christopher Puri

Cindy Frazier
CJ Duncan
Clint Hall
Dan Elrod
Dere Brown
Elyssa Katz
Graham Baker
Jerry Taylor
Joe Burchfield
John Doyle
John Wellborn
Jonathan Freiden
Kimberly Workman
Kristan Perkins
Kristi Hayes
Lauren Gaffney
Madeline Dozier
Matt Kroplin
Michael Brent
Michael Genovese
Michael Perley
Page Smith
Pat Sherman
Patti Cotten
Robin Shainb
Sarah Coplon Barlow
Stephen Shroyer
Susan Peach
Travis Swearingen
Wesley Geminn
Zach Roberts

CALL TO ORDER:

The meeting was called to order at 8:30 a.m. by Mr. Scarboro with the following members present: Ridgway, Jordan, Gaither, Korth, Chinn, Buckley, Patric, Taylor and Scarboro. A quorum was established with nine members being present. Brown arrived after roll call.

DIRECTOR'S ANNOUNCEMENTS

- The February 24, 2021 board meeting will be held by WebEx.
- Logan Grant updated about the Agency Sunset Review Hearing, to happen when Legislation convenes.

APPROVAL OF MINUTES

Mr. Scarboro presented the October 28, 2020 minutes for approval.

The motion CARRIED [8-0-0] unanimously by voice vote. **APPROVED**

CERTIFICATE OF NEED APPLICATIONS

Five 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 five applications under consideration with all five being approved.

Highpoint Physician Partners, LLC, Lebanon (Wilson County), TN CN2009-028

Ms. Brown recused

Request: The initiation of MRI services for pediatric and adult patients at 101 Physicians Way, Lebanon, (Wilson County), TN 37090. The estimated project cost is \$1,337,703.

Ms. Jordan moved to approve the application with Dr. Patric providing the second.

Factual and Legal Basis for Approval:

Need – The need for MRI services to orthopedic patients in this service area has already been established for Tennessee Orthopaedics. The CON is required to simply change the ownership of an existing MRI so that Highpoint Physician Partners can continue offering the MRI services previously offered by Tennessee Orthopaedics to its patients before the two practices combine.

Economic Feasibility – The project cost is mostly the assumption of the fair market value of the MRI and the facility lease by the new owner, and these costs can be funded by cash reserves. The project is expected to be profitable in the first year of operation.

Healthcare that Meets Appropriate Quality Standards – The applicant is already certified by Medicare and TennCare and will seek appropriate licensure from the Department of Health, and it will also seek accreditation by the Intersocietally Association Commission.

Contribution to the Orderly Development of Healthcare – Because this is simply a change of ownership of an existing MRI that will continue to be used by the same physicians, there should not be any negative impact on any other provider, no duplication of services, and no addition of MRI services to the service area.

Nine members voted to approve the application— Ridgway, Jordan, Gaither, Patric, Korth, Buckley, Taylor, Chinn and Scarboro. The motion CARRIED [9-0-0].

Natchez Center for Behavioral Medicine, LLC, Dickson (Dickson County), TN CN2009-029

Request: The establishment of a 16-bed geriatric mental health hospital located at an unaddressed site at Highway 46 and Turkey Creek Road, Dickson (Dickson County), TN 37055. The estimated project cost is \$5,709,429.

Mr. Ridgway moved to approve the application with Dr. Patric providing the second.

Factual and Legal Basis for Approval:

Need – On the basis of need, this facility will be the only one of its kind, once constructed, within the seven-county service area. It currently does not have any geriatric mental health services. And, as it stands today, there is a bed need, and we recognize that there will be a slight surplus once this facility is instituted and operational but the expansion of the actual service and the fact that it will serve more than just the over-65 population justifies its need.

Economic Feasibility – Both owners, NHC and Reliant Healthcare, have demonstrated within the application their ability to fund the project, and there is a positive operating margin in year two of operation.

Healthcare that Meets Appropriate Quality Standards – This facility will achieve the appropriate accreditations and licensure necessary to be a quality provider in its space.

Contribution to the Orderly Development of Healthcare – There is overwhelming support evidenced within the application, and the applicant will have appropriate transfer agreements with the TriStar Horizon Medical Center.

Ten members voted to approve the application—Ridgway, Jordan, Gaither, Patric, Korth, Brown, Buckley, Taylor, Chinn and Scarboro. The motion CARRIED [10-0-0].

Encore Surgical Institute, Cordova (Shelby County), TN CN2009-030

Request: The establishment of a single-specialty ambulatory surgical treatment center limited to the provision of pain management related services, located at 8132 Country Village Drive, Suite 102, Cordova (Shelby County), TN 38016. The estimated project cost is \$1,606,310.

Ms. Jordan moved for approval with Mr. Ridgway providing the second.

Factual and Legal Basis for Approval:

Need – Need has been established by the number of procedures Dr. Hall currently performs at his clinic, which will move to the ASTC. By having the procedures performed at an ASTC procedure room as opposed to in his clinic, anesthesia can be administered which will allow for safer and more comfortable treatment. Also, this project will provide for better monitored recovery of patients and a dedicated recovery room. The applicant projects the ASTC optimal utilization standard for procedure room will be exceeded in the first year of operation.

Economic Feasibility – The project can be funded by a commercial loan and is expected to be profitable in the first year of operation.

Healthcare that Meets Appropriate Quality Standards – Initially, all procedures will be performed by Dr. Hall, who is double board certified in both anesthesiology and pain management. The applicant will be licensed by the Department of Health and will seek certification from Medicare and Medicaid and accreditation from the Accreditation Association of Ambulatory Healthcare

Contribution to the Orderly Development of Healthcare - The applicant will have transfer agreements with Baptist Memorial Collierville and Methodist Germantown. Because Dr. Hall is currently performing these procedures at his clinic, this project will not impact existing ASTCs in the service area.

Ten members voted to approve the application— Ridgway, Jordan, Gaither, Patric, Korth, Brown, Buckley, Taylor, Chinn and Scarboro. The motion CARRIED [10-0-0].

Hospice of Hope – Tennessee, LLC, Cordova (Shelby County), TN CN2008-026

Request: The establishment of an in-home hospice agency located in Shelby County. The proposed in-home hospice program will include end of life Jewish traditions and customs. The applicant's administrative offices will be located in leased office space within the Memphis Jewish Home and Rehabilitation Center located at 36 Bazeberry Road, Cordova (Shelby County), TN 38018. The proposed service area consists of Shelby County. The estimated project cost is \$648,272.

OPPOSITION: Caris Healthcare (Withdrawn when conditions were agreed upon with the applicant)

Ms. Jordan moved for approval with the following three conditions (which were agreed upon by Caris Healthcare and the applicant, and read into the record by Mr. Christoffersen):

1. The ownership of the home care hospice will be maintained under the same ownership as any residential hospice for which the applicant obtains a license;
2. The hospice will seek and maintain accreditation by the National Institute for Jewish Hospice; and
3. The home care hospice will not become operational until a Certificate of Need application is filed for the residential hospice.

Dr. Patric providing the second.

Factual and legal Basis for Approval:

Need – There currently is not a hospice provider that works specifically with the Jewish community to provide this special end-of life observances and customs unique to the Jewish faith.

Economic Feasibility – The project can be funded by cash reserves and is expected to be profitable in the second year of operation.

Healthcare that Meets Appropriate Quality Standards – The applicant will be managed by an experienced hospice management company. It will obtain licensure from the Department of Health and certification by Medicare and Medicaid and will be accredited by the National Institute for Jewish Hospice and the Community Health Accreditation Program. The applicant will commence to adhering to the standards of practice set forth by the National Hospice and Palliative Care Organization.

Contribution to the Orderly Development of Healthcare - The applicant will have a relationship with Memphis Jewish Home and Rehab Center where the hospice's offices will be located. Because the applicant is targeting the Jewish community, it is not expected to have a significant negative impact on existing hospice providers.

Ten members voted to approve the application with CONDITIONS — Ridgway, Jordan, Gaither, Patric, Korth, Brown, Buckley, Taylor, Chinn and Scarboro. The motion CARRIED [10-0-0].

South Nashville Comprehensive Treatment Center, Nashville (Davidson County), TN CN2009-027

Request: The establishment of a non-residential substitution-based treatment center for opiate addiction to be located at 1420 Donelson Pike, Suite B-19, Nashville (Davidson County), TN 37217. The estimated project cost is \$1,331,511.

OPPOSITION: Was filed by Behavioral Health Group (WITHDRAWN ON 12/14/2020)

Ms. Brown moved for approval with Dr. Patric providing the second.

Factual and Legal Basis for Approval:

Need – In terms of access, the applicant will provide driving distances from the proposed treatment facility clinic location to each of the counties in the proposed three-county service area. All counties in the proposed service area are within the 60-mile radius, and the criterion has been met. They also addressed parity in terms of access with the geography and attempts to meet patient needs.

Economic Feasibility – A letter from the Comprehensive Treatment Center chief financial officer attests that the applicant has sufficient assets to implement the project by a cash transfer from the Comprehensive Treatment Center group.

Healthcare that Meets Appropriate Quality Standards – The applicant commits to obtain and/or maintain quality standards. If approved, the applicant will be licensed by the Department of Mental Health and Substance Abuse Services.

Contribution to the Orderly Development of Healthcare – From 2014 to 2018, the proposed service area experienced an 8 percent increase of admissions and a 48 percent increase in outpatient visits associated with opioid abuse. Opioid overdose and heroin overdoses increased by approximately 118 percent and 234 percent respectfully. The proposed project will provide an additional treatment choice for consumers seeking opioid treatment care in the proposed service area. The three-county proposed service area is targeted to meet only 14.7 percent of its needs without a treatment facility. The State Health Plan review criteria states that the service area counties currently meets less than 20 percent of the need, for the outpatient treatment center care should be considered high-need counties, which should be given special consideration.

Ten members voted to approve the application— Ridgway, Jordan, Gaither, Korth, Patric, Brown, Buckley, Taylor, Chinn and Scarboro. The motion CARRIED [10-0-0].

Oak Ridge Surgery Center, LLC, Oak Ridge (Anderson County), TN – CN2007-018

Request: The establishment of a single specialty ambulatory surgical treatment center (ASTC) located at 101 Donner Drive, Oak Ridge (Anderson County), TN 37830. If approved, the ASTC will provide interventional pain management procedures and injections in one (1) procedure room and no operating rooms within a 3,484 square foot facility. The applicant is owned by Oak Ridge Surgery Center, LLC. The estimated project cost is \$994,650.

Applicant requested a deferral to February 2021 meeting.

Mr. Scarboro moved for approval to defer the application to February 2021 with Dr. Patric providing the second.

Ten members voted to defer the application— Ridgway, Jordan, Gaither, Patric, Korth, Brown, Buckley, Taylor, Chinn and Scarboro. The motion CARRIED [10-0-0].

General Counsel

Behavioral Healthcare Center at Clarksville, Inc., Clarksville (Montgomery County), TN – CNo701-008A

Request: To accept involuntary commitments of adult psychiatric patients (18-64), in addition to the focus upon geriatric psychiatric patients (primarily 65+) described in CNo701-008A.

Dr. Patric moved for approval with Mr. Korth providing the second.


Factual and Legal Basis for Approval:

I move for approval of the modification on the basis of recommendation of Agency staff.

Ten members voted to approve the application— Ridgway, Jordan, Gaither, Patric, Korth, Brown, Buckley, Taylor, Chinn and Scarboro. The motion CARRIED [10-0-0].

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 at 615-741-2364.

