

HEALTH SERVICES AND DEVELOPMENT AGENCY

MINUTES

December 15, 2021

AGENCY MEMBERS PRESENT

Douglas Scarboro, Chairman
Corey Ridgway, Vice-Chairman
R.G. Rick Chinn
Dr. Kenneth Patric
Thomas Alsup
Paul Korth
Todd Taylor
Laura Beth Brown
Lisa Jordan, Designee for Department of Commerce and Insurance
Nicole Shaffer, Designee for Comptroller

AGENCY MEMBERS ABSENT

Keith Gaither, Designee for TennCare

AGENCY STAFF PRESENT

Logan Grant, Executive Director
Phillip Earhart, Deputy Director
Jim Christoffersen, General Counsel
Lowavia Eden-Hoback, Office and Resource Manager
Alecia Craighead, Data and Analysis Administrator
Thomas Pitt, HSD Examiner
Trang Wadsworth, HSD Examiner
Katie Thomas, Interdepartmental Liaison and Communications Officer
Joel Clinton, Statistical Research Analyst
John Carr, Budget Analysis Director 2
Consuelo Baker, Executive Administrative Assistant

COURT REPORTER

April Daniel

GUESTS PRESENT

Ann R Reed
Byron Trauger
Clark Spoden
Dere Brown
Ginna Felts
Elizabeth Jones
Jerry Taylor
John Wellborn
Michael Brent
Travis Swearingen
Trent Sansing
Graham Baker
James Loden

Robert Limyansky
Robert Suggs
M. Sarah Elliott
Byron Trauger
Keith Gaither
Warren Gooch
Dan Elrod
Dr. Wright Pinson
John Morgan Wright
Stephan Russ
Rep. Tim Rudd
Brannon Mangus
Joseph A. Little III
Brandon Whitt
Natalie K. Rollman
Susana Irias Donaghey
John Mack Green
M. Fagaz Malik
Gordon B. Ferguson
M. Clark Spoden
Louis F. Caputo
Mitch Edgeworth
Casey Burgdorf, MD
Rev. James McCarroll
Lee Moss
Patti Nelson
John E. Winters
Ruth Portacci
Neal Kelley
Teresa Collins
Guy B Mioton
Daze Humphrey
Tim Adams
Greg James, MD
David Whetstone, MD
Brian Wilcox, MD
Kristen O'Connor
Brady Allen, MD
Julian Yang, MD
April Hackney
David Sellers, MD
Matthew R. Pierre
Alex Villa
Mayor Joe Pitts
Rep. Jason Hodges
Bryon Covitt
J. Douglas Overbey
Donald Jones, MD
Stephanie D. Coleman
Mark Jones, MD

CALL TO ORDER:

The meeting was called to order at 9:00 a.m. by Mr. Scarboro with the following members present: Alsup, Shaffer, Taylor, Ridgway, Patric, Korth, Brown, Jordan, Chinn, and Scarboro. A quorum was established with ten members being present.

DIRECTOR'S ANNOUNCEMENTS

- The next meeting in January will be held in Davy Crockett Towers, Hearing Room IA.

APPROVAL OF MINUTES

Mr. Scarboro presented the October 27, 2021 minutes for approval.

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

The motion CARRIED [10-0-0] unanimously by voice vote. **APPROVED**

CONSENT CALENDER

Caris Healthcare, Nashville (Davidson County), TN – CN2109-030

Request: The addition of Coffee County to the existing 22-county in-home hospice service area of Caris HealthCare, Nashville License #606, with a parent office located at 2525 Perimeter Circle, Suite 136 Nashville (Davidson County), TN, 37214. If approved, Coffee County will be removed from Caris Healthcare license #605 with a parent office located at 642 Heritage Park Drive, Suite 101 and 102, Murfreesboro (Rutherford County), TN. The proposed service area is Coffee County. The applicant is owned by Caris Healthcare L.P. The estimated project cost is \$5,500.

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

Condition: Coffee County will be removed from Caris Healthcare (license #605).

Factual and Legal Basis for Approval:

Need – The applicant is not adding an additional in-home hospice provider to Coffee County as a result of the surrender of Coffee County from the other license.

Consumer Advantage – The proposed project will have no impact on existing patient charges and will not reduce consumer access to in-home hospice services to Coffee County residents.

Healthcare that Meets Appropriate Quality Standards – The applicant is licensed by the Department of Health and is Medicare and TennCare certified. The applicant scores higher than the national average in all seven Medicare hospice care quality measures. Medicare compares the official CMS website for reporting quality measures for care provided by hospice providers. It is an administrative cleanup. And the way their licenses are configured now, most of the southwest counties are assigned to the Nashville office, and the Murfreesboro office tends to serve counties to the east. So it makes more sense to move Coffee County, which is in more contiguous to the other Nashville-based counties, to the Nashville license. And the plan is to actually establish a Coffee County branch office, which will then better serve that southwest

middle Tennessee area. The proposed project will have no impact on existing patient charges and will not reduce consumer access to in-home hospice services to Coffee County residents.

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

CERTIFICATE OF NEED APPLICATIONS

One Certificate of Need application was 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.

PC 557 eliminated TCA § 68-11-1616, which had provided that “each decision rendered by the Health Services and Development Agency shall include written documentation and explanation of the factual and legal basis upon which the agency grants or denies the Certificate of Need.” PC 557 only requires this for applications that are denied.

Therefore, for applications filed on or after the effective date of the relevant portions of PC 557 (10/1/2021), a simple motion to approve an application will suffice, and a motion to deny must include an explanation of the factual and legal basis as to why one or more of the criteria have not been met.

Phillip Earhart introduced each of the five applications under consideration with all five being approved.

Music City Surgery Center, Goodlettsville (Davidson County), TN – CN2109-025

Ridgway recused.

Request: The establishment of a single-specialty ambulatory surgical treatment center (“ASTC”) containing two operating rooms and one procedure room that will provide outpatient ophthalmologic surgery and ancillary services. The project will be located on the ground floor of the Loden Vision Center’s medical office building at 520 Rivergate Parkway, Goodlettsville (Davidson County), TN 37072. The proposed service area consists of Davidson, Robertson, Rutherford and Sumner Counties. The applicant is owned by the Loden ASC 2021 Family Trust. The estimated project cost is \$6,963,638.

This project was filed under the former rules where detailed specifications in motions were required to be stated.

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

Condition: Limited to outpatient ophthalmologic surgery and ancillary services.

Factual and Legal Basis for Approval:

Need – Although there are some technical numbers not met by the proposal, this is a replacement for the closure of a previous surgical center in the same area and that current cases are done elsewhere, sometimes in the hospital setting, which is more expensive. And the center that is proposed will offer retinal surgery and also corneal transplant, which is not available locally to patients. It will offer them at a cost savings.

Economic Feasibility – The majority of the financing will be a long-term lease, and it looks like it will be quite feasible.

Healthcare that Meets Appropriate Quality Standards – The surgeons involved will seek AAAHC accreditation.

Contribution to the Orderly Development of Healthcare - There is no opposition. It clearly is giving a service to people in the area proposed that they don't currently have. They will see a large majority of Medicare, and they will commit to continue their charity work.

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

Tennova Healthcare Clarksville, Clarksville (Montgomery County), TN – CN2109-027

Request: The establishment of a 12-bed satellite hospital with an emergency department to be located at an unaddressed tract located at 2275 Trenton Road, Clarksville (Montgomery County), Tennessee 37040. The proposed service area consists of Montgomery County. The applicant is owned by Clarksville Health Systems, G.P. The estimated project cost is \$57,745,000.

Brown and Ridgway recused.

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

Eight members voted to approve the application— Shaffer, Jordan, Patric, Korth, Alsup, Scarboro, Taylor, and Chinn. The motion CARRIED [8-0-0].

University Diagnostics, Knoxville (Knox County), TN – CN2109-028

Request: The establishment of an Outpatient Diagnostic Center (ODC) providing CT, Ultrasound, Echo Vascular and X-ray services at 1975 Town Center Boulevard, Knoxville (Knox County), TN 37922. The proposed service area consists of Blount and Knox Counties. The applicant is owned by University Diagnostics, LLC. The estimated project cost is \$2,371,020.

Taylor recused.

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

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

Pain Management of the South, Lenoir City (Loudon County), TN – CN2109-029

Request: The establishment of a single-specialty ambulatory surgical treatment center, to provide interventional pain management services, injections, surgeries, and procedures, to be located at 149 Kelsey Lane, Lenoir City (Loudon County), TN 37772. The proposed ASTC will have one (1) operating room and one (1) procedure room in Year 1, adding a second procedure room in Year 2. The proposed service area consists of Blount, Loudon and McMinn Counties. The applicant is owned and managed by Pain Medicine of the South, LLC. The estimated project cost is \$1,691,576.

Taylor recused.

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

Nine members voted to approve the application— Shaffer, Jordan, Patric, Korth, Brown, Ridway, Alsop, Scarboro, and Chinn. The motion CARRIED [9-0-0].

Condition: Limited to interventional pain management services, injections, surgeries, and procedures.

Karing Hearts Cardiology Heart and Vascular Center, Johnson City (Washington County), TN – CN2105-015

Request: The establishment of a single-specialty ambulatory surgical treatment center ("ASTC"), and the initiation of diagnostic cardiac catheterization services. The project will be limited to adult cardiac device surgery and adult diagnostic cardiac catheterization. This project will be co-located with Karing Hearts Cardiology PC within a medical office building located at 701 North State of Franklin Road, Johnson City (Washington County), Tennessee 37604. The proposed service area consists of Carter, Greene, Johnson, Unicoi and Washington Counties. The applicant is owned by Karing Hearts Cardiology Heart and Vascular Center, LLC. The estimated project cost is \$2,963,606.

OPPOSITION: Ballad Health & Quillen College of Medicine, Office of the Dean

Withdrawn on 12-1-2021

Vanderbilt Rutherford Hospital, Murfreesboro (Rutherford County), TN – CN2109-026

Request: The establishment of a 42-bed full-service acute care hospital to be located at an unaddressed site on Veterans Parkway in the southeastern quadrant of the intersection of Veterans Parkway and S.R. 840 in Murfreesboro (Rutherford County), TN 37218. The project also seeks to initiate cardiac catheterization services. The proposed service area consists of Rutherford County. The applicant is owned by Vanderbilt University Medical Center. The estimated project cost is \$144,276,600.

OPPOSITION: Advanced Health/Premier Radiology, St. Thomas Rutherford Hospital, St. Thomas Stones River Hospital, Tennessee Oncology Associates, The Surgical Clinic, TriStar StoneCrest Medical Center, Unity Medical Center, United Surgical Partners International, Williamson Medical Center, Ascension St. Thomas Rutherford, Ascension St. Thomas, Middle TN Emergency Physicians, Pediatrix Neonatology, Ascension St. Thomas Heart Lebanon, Ascension St. Thomas Heart Rutherford, Blue Cross Blue Shield, ; and several non-health providers.

Dr. Patric moved for approval with detailed explanation with Mr. Jordan providing the second.

Factual and Legal Basis for Approval:

Need – Despite the fact that it does not meet the current criteria for bed need and occupancy, the guideline for that, I believe there's compelling information presented here, both in writing and in testimony today, that particularly in the pediatric population and some of the other more specialized areas like in cardiac, that there is indeed need and that we should allow consumers to make that choice once this is established.

Healthcare that Meets Appropriate Quality Standards – Vanderbilt, obviously, has a long history of high quality care, and they will seek licensure accreditation and certification of this facility. And, as I said earlier, it has nothing -- it's not a commentary on other facilities available in the area.

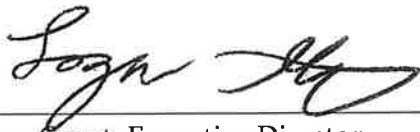
Consumer Advantage – I believe that we have heard substantial testimony from consumers or in some cases people who represent those consumers that are not in any way financially affiliated with any of the organizations that are either for or against this particular intervention and particularly the pediatric population in Rutherford County. And so I believe that consumers see this as an advantage and should be allowed that choice. And I agree with Senator Reeves, that I think this is good for the consumers. Also, with regards to consumer advantage, recognizing that many of those consumers are likely to be in the TennCare population, the report from the Tennessee Department of Health recognized that Vanderbilt is indeed a key provider in the TennCare program, and despite the opposition from Blue Cross, will be contracted with all MCOs and has stayed as the current provider.

Five members voted to approve the application— Shaffer, Jordan, Patric, Taylor, and Scarboro. Chinn voted nay. The motion CARRIED [5-1-0].

OTHER BUSINESS

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.

