

**RULES
OF
THE HEALTH SERVICES AND DEVELOPMENT AGENCY**

**CHAPTER 0720-09
DEFINITIONS**

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0720-09-.01 Definitions

0720-09-.01 DEFINITIONS. The following terms shall have the following meanings.

- (1) "Agency" means the Tennessee Health Services and Development Agency.
- (2) "Ambulatory surgical treatment center" is as defined in T.C.A. § 68-11-201.
- (3) "Capital expenditure" in relation to a proposed establishment of, modification, renovation, or addition to a health care institution, means an expenditure by or on behalf of a health care institution which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance. Any series of expenditures, each less than the threshold, but which when taken together are in excess of the threshold, directed toward the accomplishment of a single goal or project, requires a certificate of need. Any series of related expenditures made over a twelve (12) month period will be presumed to be a single project.
 - (a) Establishment, modifications, additions, or renovations. In calculating the capital expenditure for establishment, modifications, additions, or renovations, "capital expenditure" is the amount per construction bid or total amount of invoices for the single project excluding major medical equipment.
 - (b) Equipment. The cost of all medical equipment, whether fixed or moveable, is considered in calculating the amount of the examination fee. The cost for such fixed and moveable equipment includes, but is not necessarily limited to all costs, expenditures, charges, fees and assessments which are reasonably necessary to put the equipment into use for the purpose applied for. Such costs specifically include, but are not limited to, the following:
 1. Maintenance agreements, covering the expected useful life of the equipment;
 2. Federal, state and local taxes, and other government assessments; and
 3. Installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding.If the acquisition is by lease, the cost is either the fair market value of the equipment or the total amount of lease payments, whichever is greater.
 - (c) Lease, loan, or gift. In calculating the value of a lease, loan, or gift, the "cost" is the fair market value of the above-described expenditures. In the case of a lease, the cost is the fair market value of the lease or the total amount of the lease payment, whichever is greater.
- (4) "Certification period" means the period of time beginning on the date of issuance of a certificate of need and ending on the expiration date of a certificate of need, as established by statute, rule, or order of the Agency.

(Rule 0720-09-.01, continued)

- (5) "Change of location" means a change of the specific location of an existing institution, facility, or service.
- (6) "Executive director" means the chief administrative officer of the Agency and the appointing authority, exercising general supervision over all persons employed by the Agency, as defined in T.C.A. § 68-11-1606.
- (7) "Expiration date" is the date by which activity authorized by a certificate of need must be implemented. The expiration date may be established by statute, by rule, or by order of the Agency.
- (8) "Home health service" is as defined in T.C.A. § 68-11-201.
- (9) "Hospital" is as defined in T.C.A. § 68-11-201.
- (10) "Intellectual disability institutional habilitation facility" means a facility which offers on a regular basis health related services to individuals with intellectual disabilities who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide but, because of physical or mental condition require residential care and services (more than room and board) and involves health related care under the supervision of a physician. Such a facility also offers an intensive program of habilitative services, as licensed by the Department of Intellectual and Developmental Disabilities.
- (11) "Long-term categories" includes nursing home services, regardless of the length of stay, and any other health service which is intended or reasonably expected to result in an average length of stay of 21 days or longer.
- (12) "Neonatal intensive care unit" means a special care unit staffed and equipped to provide professional intensive treatment for the care of newborns with severe or complicated illnesses and/or high-risk newborn infants, staffed by a neonatologist and specialized nurses and in which bassinets are used as licensed beds.
- (13) "Not directly related to patient care" may include the following types of single, isolated expenditures:
 - (a) Telephone systems;
 - (b) Non-clinical data processing systems;
 - (c) Heating and/or air conditioning systems;
 - (d) Energy conservation devices;
 - (e) Parking facilities;
 - (f) Roof repairs;
 - (g) Medical office buildings;
 - (h) Warehouses; and
 - (i) Cafeterias.
- (14) "Nursing home" is as defined in T.C.A. Title 68, Chapter 11, Part 2.

(Rule 0720-09-.01, continued)

- (15) "Outpatient diagnostic center" is as defined in T.C.A. Title 68, Chapter 11, Part 2.
- (16) "Person" where the context requires, may refer to any natural person, legal entity, facility, or institution, as defined in T.C.A. § 68-11-1602.
- (17) "Residential hospice" is as defined in T.C.A. Title 68, Chapter 11, Part 2.
- (18) "Service area" means the county or counties, or portions thereof, representing a reasonable area in which a health care institution intends to provide services and in which the majority of its service recipients reside.
- (19) "Substantive amendment" as used in T.C.A. § 68-11-1607 means any amendment which has the effect of increasing the number of beds, square footage, cost, or other elements which are reasonably considered in the discretion of the Agency to be integral components of the application. A reduction of the above referenced components may be considered a substantive amendment if the amendment and supporting documentation are not received by the staff and Agency in a timely manner, necessary to allow the Agency to make an informed decision. Nothing in this rule shall be interpreted as limiting the Agency's authority to approve or deny all or part of any given application.

Authority: T.C.A. §§ 4-5-201, et seq., 4-5-202, and 68-11-1605; 2016 Tenn. Pub. Acts Ch. 1043; and 2021 Tenn. Pub. Acts Ch. 557. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005. Amendments filed October 24, 2017; effective January 22, 2018. Emergency rules filed September 28, 2021; effective through March 27, 2022.