**HEALTH FACILITIES COMMISSION**
**AUGUST 28, 2024**
**APPLICATION REVIEW**

| | |
|---|---|
| NAME OF PROJECT: | Cedar Recovery |
| PROJECT NUMBER: | CN2405-014 |
| ADDRESS: | 1805 Burgess Falls Road<br>Cookeville (Putnam County), TN 38506 |
| LEGAL OWNER: | Cedar Recovery of Middle Tennessee, LLC<br>5000 Crossings Circle, Suite 103<br>Mt. Juliet, TN 37122 |
| OPERATING ENTITY: | N/A |
| CONTACT PERSON: | Jerry Taylor<br>(615) 716-2297 |
| DATE FILED: | June 3, 2024 |
| PROJECT COST: | $2,505,702 |
| PURPOSE FOR FILING: | Establishment of a non-residential substitution-based opioid treatment center for opiate addiction and to initiate opiate addiction treatment |

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## Staff Review

***Note to Commission members: This staff review is an analysis of the statutory criteria of Need, Consumer Advantage Attributed to Competition, and Quality Standards, including data verification of the original application and, if applicable, supplemental responses submitted by the applicant. Any Health Facilities Commission (HFC) Staff comments will be presented as a "Note to Commission members" in bold italics.***

**PROJECT DESCRIPTION**

This application is for the establishment of a nonresidential substitution-based treatment center for opiate addiction and the initiation of opiate addiction treatment services located at 1805 Burgess Falls Road, Cookeville (Putnam County), Tennessee 38506.

**Executive Summary**

- If approved, the applicant projects the proposed project will open for service in July 2025.
- There are no licensed non-residential substitution-based opioid treatment centers for opiate addiction (OTPs) in the 12-county service area for the project.
- The applicant, Cedar Recovery, owns and operates eleven (11) office-based opiate treatment (OBOT) facilities and two (2) Intensive Outpatient Programs (IOP) in East and Middle Tennessee. The applicant's other OBOTs are located in McKenzie, Clarksville, Nashville, Lebanon, Shelbyville, Columbia, Cookeville, Athens, Clinton, and two (2) in Knoxville. The applicant also operates an OBOT in Bristol, VA.
- The applicant's OBOT facility in Cookeville was opened on May 15th, 2023 and is currently serving approximately (190 patients) month-over-month.
- This proposed facility would be the second of Cedar's treatment centers to include methadone treatment as one of the treatment modalities available. A Certificate of Need was recently approved for the establishment of an OTP in Knox County, TN under CN2401-002A - Cedar Recovery which was approved in March 2024. The project is on-track to open in January of 2025.
- The applicant states that its medical and counseling providers deliver an integrated and multi-disciplinary approach to treating Opioid Use Disorder (OUD).
- The applicant will pursue CARF accreditation, which is currently held by its OBOT facilities.
- The applicant's treatment model includes group and individual therapy, counseling, care coordination, and peer recovery support in additions to the administration of medications.
- Please see application Item 1E. on Pages 6 & 7 for the applicant's executive summary overview that includes project description, ownership, service area, existing similar service providers, project cost, and staffing.

***Note to Commission members: The acronym "OTP" refers to an Opioid Treatment Program or "Non-Residential Substitution-based Treatment Center for Opiate Addiction", the definition of which includes, but is not limited to, standalone clinics offering methadone, products containing buprenorphine such as Subutex and Suboxone, or products containing any other formulation designed to treat opiate addiction by preventing symptoms of withdrawal, with the goal of the service recipient becoming free from any drug which is not medically indicated.***

***A detailed comparison between an OTP and an OBOT is provided on page 11 of this summary.***

**Consent Calendar:** ☐ Yes ☒ No

- Executive Director's Consent Memo Attached: ☒ Not applicable

**Facility Information**

- The 4,264 square foot facility will be part of a larger building space consisting of approximately 25,000 square feet will include dosing stations (6), intake rooms (2), treatment rooms (9), group treatment room (1), pharmacy, safe, lab, waiting area, and staff offices. See Attachment 10A – Floor Plan.
- The applicant has provided an option to lease agreement for the property between the landlord, Marzio Keiling and the tenant, Cedar Recovery of Middle Tennessee, LLC over a 10-year lease period. See Attachment 9A – Option to Lease Agreement and Attachment 12A – Plot Plan.
- The applicant anticipates it will operate Monday through Friday from 5am – 11am, Saturdays and Sundays from 5am to 8am.

***Note to Commission members: The option to lease agreement includes an option to master lease the entire 25,000 square foot facility. The applicant states that it has agreed to limit its hours in consideration of the existing tenant in the same building, 931 Elite Sports. In the future, Cedar will work with the community stakeholders to seek additional hours to expand access to patients, including, but not limited to, afternoon hours, evening hours, and extended hours.***

**Ownership**

- The applicant, Cedar Recovery is owned by Cedar Recovery of Middle Tennessee, LLC. The applicant is a Tennessee Limited Liability Company which currently has 14 members with varying percentages of ownership. An ownership table is included in Attachment 7A.

**Project Cost Chart**

- The total project cost is $2,505,702. Of this amount, the highest line-item costs of the project are Construction Costs ($1,590,631) and Facility Lease Costs ($569,446).
- For additional information, please see Project Costs Chart on page 11 of the application.

## NEED

The applicant provided the following supporting the need for the proposed project**:**

- The need to reduce travel burdens for patients in the service area. The applicant states that the average driving distance from the proposed service area (PSA) counties to the existing OTPs in Tennessee is 109 miles. The average distance from the PSA counties to the proposed Cedar Recovery OTP is 34.5 miles. See Attachment 1N(2) for a driving distance chart.

- The need to increase access to the OTP level of care as each of the twelve counties in the service area are determined to be "high need" counties according to the non-residential substitution-based opioid treatment criterion and standards need formula.
- The need to expand the continuum of care in the service area by being a referral source for hospitals, OBOTs, outpatient SUD programs, and detox facilities for those patients in need of methadone treatment or buprenorphine treatment in an OTP setting that offers more structure.
- The need to support service area patients who do not have access to any residential treatment programs as an evidence-based treatment option.
- The need to reduce or eliminate unnecessary ER/ED visits and non-fatal overdoses that lead to hospital admissions.
- The need to reduce over-crowding and/or narrow wait lists at existing treatment facilities by offering patients an option, even temporarily, while they await admission to another treatment facility.

*(For applicant discussion, see Original Application, Item 2E, Pages 9 & 10)*

**SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW**
**Non-Residential Opioid Treatment Programs**

All applicable criteria and standards appear to be met.

*Please see Attachment 1N for a full listing of the criteria and standards and the applicant's responses.*

**Service Area Demographics**

- The proposed service area consists of the following 12 counties in the Upper Cumberland Region: Putnam (clinic site), Clay, Cumberland, DeKalb, Fentress, Jackson, Macon, Overton, Pickett, Smith, Van Buren, White Counties. (*see Attachment 2N for a county level map*).
- The target population is the adult population age 18 and older. (*See Attachment 3A*R *for more demographic details.*)

| | 2024 Population | | 2028 Population | | % Change | | TennCare % |
|---|---|---|---|---|---|---|---|
| | Total | 18+ | Total | 18+ | Total | 18+ | |
| Putnam | 84,778 | 66,405 | 88,381 | 69,317 | 4.3% | 4.4% | 23.3% |
| Clay | 7,659 | 6,195 | 7,654 | 6,221 | -0.1% | 0.4% | 26.9% |
| Cumberland | 64,464 | 54,012 | 66,753 | 56,190 | 3.6% | 4.0% | 20.8% |
| DeKalb | 21,454 | 17,048 | 21,988 | 17,559 | 2.5% | 3.0% | 25.8% |
| Fentress | 19,032 | 15,262 | 19,155 | 15,435 | 0.6% | 1.1% | 32.0% |
| Jackson | 12,055 | 9,945 | 12,175 | 10,058 | 1.0% | 1.1% | 25.0% |
| Macon | 25,925 | 19,659 | 26,960 | 20,477 | 4.0% | 4.2% | 27.8% |
| Overton | 23,089 | 18,351 | 23,508 | 18,738 | 1.8% | 2.1% | 22.5% |
| Pickett | 4,990 | 4,190 | 4,910 | 4,138 | -1.6% | -1.3% | 23.5% |
| Smith | 20,764 | 16,229 | 21,151 | 16,602 | 1.8% | 2.3% | 21.8% |
| Van Buren | 5,903 | 4,776 | 5,836 | 4,763 | -1.1% | -0.3% | 24.8% |
| White | 28,600 | 22,729 | 29,381 | 23,503 | 2.7% | 3.4% | 26.5% |
| **Service Area** | **318,713** | **254,801** | **237,852** | **258,238** | **2.9%** | **1.3%** | **24.1%** |
| **Tennessee Total** | **7,125,908** | **5,565,604** | **7,331,859** | **5,736,895** | **2.9%** | **3.1%** | **21.2%** |

*Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.*

- The total population of the service area is projected to increase by (2.9%) from 2024 to 2028. The target population (18+) is also projected to increase by (1.3%).
- The population of Putnam County is projected to increase at the highest rate of target population growth of all service area counties (4.4%)
- The service area has a higher rate of TennCare enrollment (24.1%) than the statewide rate (21.2%). One county in the proposed service area has a TennCare enrollment rate (20.8%) below the statewide rate.
- Please see Page 15 in the application for special needs of the service~~s~~ area population including health disparities.

**Service Area Historical Utilization**

- There are no existing OTP facilities in the 12-county service area. The following table represents utilization of licensed OTPs outside of the proposed 12-county service area by service area residents in 2023.

| Site Name (County) | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BHG Columbia (Maury) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| BHG Dyersburg (Dyer) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| BHG Jackson (Madison) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG Knoxville Bernard (Knox) | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 4 |
| BHG Knoxville Citico (Knox) | 0 | 0 | 9 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 12 |
| BHG Madison (Davidson) | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 3 |
| BHG Memphis Midtown (Shelby) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG Memphis North (Shelby) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG Memphis South (Shelby) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG Middle TN (Davidson) | 11 | 1 | 1 | 1 | 0 | 1 | 1 | 7 | 0 | 1 | 0 | 1 | 25 |
| BHG Murfreesboro (Rutherford) | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 6 |
| BHG Paris (Henry) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG Savannah (Hardin) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bradley County CTC (Bradley) | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |
| Clarksville CTC (Montgomery) | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Hermitage CTC (Davidson) | 7 | 1 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 14 |
| Memphis CTC (Shelby) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hope Treatment Center (Cocke) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overmountain Recovery (Washington) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Nashville CTC (Davidson) | 1 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 4 |
| TLC Maryville (Blount) | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Volunteer Treatment Center (Hamilton) | 13 | 1 | 1 | 1 | 11 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 31 |
| **TOTAL** | **33** | **3** | **17** | **4** | **13** | **4** | **5** | **12** | **2** | **4** | **2** | **6** | **105** |

Source: CN2405-014, Attachment 5NR

- A total of (105) residents of the service area received services at a Tennessee OTP facility in 2023.
- The largest number of patients travelled to Volunteer Treatment Center in Hamilton County (31 patients); followed by BHG Nashville Treatment Center in Davidson County (25 patients), Hermitage CTC in Davidson County (14 patients); and BHG Citico Knoxville in Knox County (12 patients).

- Putnam County (33 patients) represented the largest number of patients receiving OTP services in 2023 followed by Cumberland County (17 patients); Fentress County (13 patients) and Overton County (12 patients).

**Opioid Use Dependent (OUD) Need Formula**
**Service Area Counties**

| County | 18+ Population 2024 | Prevalence Rate – OUD Age 18+ | # of Age 18+ Residents with OUD | Methadone Patients Served** | % of Need Being Met Methadone Treatment Only | High Need County | Unmet Need - Patients |
|---|---|---|---|---|---|---|---|
| Putnam | 66,405 | 2.57% | 1,707 | 33 | 1.9% | Yes | 1,674 |
| Clay | 6,195 | 2.57% | 159 | 3 | 1.9% | Yes | 156 |
| Cumberland | 54,012 | 2.57% | 1,388 | 17 | 1.2% | Yes | 1,371 |
| DeKalb | 17,048 | 2.57% | 438 | 4 | 0.9% | Yes | 434 |
| Fentress | 15,262 | 2.57% | 392 | 13 | 3.3% | Yes | 379 |
| Jackson | 9,945 | 2.57% | 256 | 4 | 1.6% | Yes | 252 |
| Macon | 19,659 | 2.57% | 505 | 5 | 1.0% | Yes | 500 |
| Overton | 18,351 | 2.57% | 472 | 12 | 2.5% | Yes | 460 |
| Pickett | 4,190 | 2.57% | 108 | 2 | 1.9% | Yes | 106 |
| Smith | 16,229 | 2.57% | 417 | 4 | 1.0% | Yes | 413 |
| Van Buren | 4,776 | 2.57% | 123 | 2 | 1.6% | Yes | 121 |
| White | 22,729 | 2.57% | 584 | 6 | 1.0% | Yes | 578 |
| **PSA Total** | **254,801** | 2.57% | **6,548** | **105** | **1.6%** | Yes | **6,443** |

Source: CN2405-014, Attachment 1N(1)
**Note: None of the 105 patients receiving OTP services were served within the proposed 12-county service area as there are no existing licensed OTP facilities.

- There is a combined opioid use and heroin use disorder prevalence rate of 2.57% for the State of Tennessee which results in a projected number of individuals estimated to be opioid dependent in the service area of 6,548 (254,801 population x 2.57% OUD prevalence rate).
- There were (105) unique service area patients who received OTP services in 2023, all of whom were served at OTP facilities outside of the proposed service area.
- This results in a percentage of combined service area need being met of (1.6%). No individual county exceeded (3.3%) of the need being met by methadone treatment facilities.

**Service Area Treatment Programs**

| County | Opioid Treatment Program (OTP) | OBOT Programs | Alcohol & Drug Rehabilitation Facility | Alcohol & Drug Detox Facility |
|---|---|---|---|---|
| Putnam | 0 | 4 | 9 | 1 |
| Clay | 0 | 0 | 2 | 0 |
| Cumberland | 0 | 1 | 3 | 0 |
| DeKalb | 0 | 0 | 2 | 2 |
| Fentress | 0 | 0 | 1 | 0 |
| Jackson | 0 | 0 | 0 | 0 |
| Macon | 0 | 1 | 1 | 0 |
| Overton | 0 | 0 | 2 | 0 |
| Pickett | 0 | 0 | 0 | 0 |
| Smith | 0 | 0 | 0 | 0 |
| Van Buren | 0 | 0 | 0 | 0 |
| White | 0 | 1 | 1 | 0 |
| **TOTAL** | **0** | **7** | **21** | **3** |

Source: CN2405-014, Attachment 1N, Page 3

- There are no existing OTPs in the proposed service area. There are (21) licensed alcohol and drug rehabilitation facilities, (7) OBOT facilities, and (3) detox facilities in the proposed 12-county service area.
- Putnam County has the most total facilities with (15).

**Total Overdose Death in Service Area Counties (2022)**

| County | All Drug Overdose Deaths | Involving Opioids | Involving Fentanyl |
|---|---|---|---|
| Putnam | 29 | 22 | 17 |
| Clay | 2 | 1 | 0 |
| Cumberland | 45 | 39 | 33 |
| DeKalb | 10 | 8 | 7 |
| Fentress | 11 | 8 | 6 |
| Jackson | 6 | 4 | 3 |
| Macon | 16 | 10 | 9 |
| Overton | 7 | 6 | 6 |
| Pickett | 1 | 1 | 0 |
| Smith | 13 | 12 | 12 |
| Van Buren | 1 | 1 | 1 |
| White | 18 | 14 | 13 |
| **Total** | **159** | **126** | **107** |

Source: CN2405-014, Supplemental #1, Attachment 1N(1), Criterion #1. TDH Drug Overdose Dashboard

- Of the (159) total drug overdose deaths in the 12-county service area, (126 – 79%) involved opioids, and (107 – 67.2%) involved fentanyl.
- Cumberland County reported the highest number of overdose deaths for the three categories "all drug overdose deaths" (29), "drug overdose deaths involving all opioids" (39), and "drug overdose deaths involving fentanyl" (17).

- After Cumberland County, the largest number of overdose deaths involving opioids occurred in Putnam County (80 deaths), White County (14 deaths), Smith County (12 deaths), and Macon County (10 deaths) in 2022.

**Service Area Drug/Narcotic Violations 2023**

| County | Drug / Narcotic Violations | Drug/Narcotic Equipment Violations |
|---|---|---|
| Putnam | 750 | 458 |
| Clay | 61 | 44 |
| Cumberland | 570 | 374 |
| DeKalb | 96 | 44 |
| Fentress | 101 | 60 |
| Jackson | 82 | 62 |
| Macon | 192 | 110 |
| Overton | 178 | 108 |
| Pickett | 10 | 8 |
| Smith | 296 | 212 |
| Van Buren | 60 | 52 |
| White | 205 | 108 |
| **Total** | **2,601** | **1,640** |

Source: CN2405-014, Supplemental #1, Attachment 1N(1), Criterion #1

- The number of drug/narcotic violations and drug/narcotic equipment violations reported in the nine service area counties were highest in Putnam County (1,208 combined violations); Cumberland County (944 combined violations); and Smith County (508 combined violations) in 2023.

**Applicant's Historical and Projected Utilization**

There is no historical utilization for the applicant. The following table indicates the applicant's projected utilization for Year 1 (2025) and Year 2 (2026) of the project.

**Projected Utilization by Patient County of Residence – Year 1 (2025) to Year 2 (2026)**

| Service Area Counties | Projected Utilization – County Residents Year 1 (2025) | Percentage of Total Cases | Projected Utilization – County Residents Year 1 (2025) | Percentage of Total Cases |
|---|---|---|---|---|
| Putnam | 34 | 31.2% | 101 | 35.9% |
| Cumberland | 18 | 16.5% | 45 | 16.0% |
| Fentress | 13 | 11.9% | 25 | 8.9% |
| Overton | 12 | 11.0% | 31 | 11.0% |
| White | 7 | 6.4% | 25 | 8.9% |
| Macon | 6 | 5.6% | 11 | 3.9% |
| Jackson | 6 | 3.7% | 11 | 3.9% |
| Smith | 6 | 3.7% | 11 | 3.9% |
| DeKalb | 4 | 3.7% | 6 | 2.1% |
| Clay | 3 | 2.7% | 8 | 2.8% |
| Van Buren | 2 | 1.8% | 3 | 1.1% |
| Pickett | 2 | 1.8% | 3 | 1.1% |
| **Total** | **109** | **100%** | **281** | **100.0%** |

Source: CN2405-014, Application, Page 13

- The applicant projects that (80%) of patient utilization for the project will come from a combination of Putnam County (35.9%), Cumberland County (16.0%); Overton County (11.0%); Fentress County (8.9%) and White County (8.9%).
- The applicant projects that approximately thirty percent (30%) of patients who have presented or who present to Cedar Recovery's OBOT facility are candidates for treatment or in need of a referral to an OTP setting.
- The applicant states that its growth projection from Year 1 (109 patients) to Year 2 (281 patients) is reasonable based upon the growth of other OTP facilities that were established between 2020 and 2023.
- Specifically, the applicant points to Bradley County CTC, New Hope Treatment Center of Tennessee, TLC Maryville, Clarksville CTC, Hermitage CTC, Memphis CTC, South Nashville CTC, and BHG-Murfreesboro as programs whose utilization increased from (42%) to (712%) between their first and second years of operation, with a median increase of (164%).
- The applicant states that it expects the primary county where the OTP is located (Putnam County) will experience the most growth in utilization from Year 1 to Year 2 of the project based upon an analysis of other markets where OTPs have been established when no existing services were available previously.

## CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

- The applicant states that adding the OTP level of care to the service area will offer the ability to dispense and administer methadone or oral buprenorphine, as well as offer a greater level of structure and accountability compared to non-OTP facilities.
- The applicant states that the need for methadone access is driven by its experience with patients in its OBOT and other outpatient facilities who are presenting to the programs utilizing high amounts of fentanyl daily (between 1mg – 3 mg).
- The Tennessee Buprenorphine Prescribing Guidelines and OBOT Facility Rules limit dosing of buprenorphine to less than 24mg and the applicant states that some of its patients who have utilized more than 1mg of fentanyl daily are still experiencing significant withdrawal symptoms or cravings at that dosage level.
- The applicant states that many of the patients who will be assessed as appropriate for the OTP level of care have attempted other levels of care in an outpatient, or OBOT setting and have not been successful because of a need for greater structure, or access to medication assisted treatment (MAT).
- The applicant states that because methadone acts as a full agonist opioid which fully occupies brain receptors versus buprenorphine's partial activation of receptors, it is more effective with a specific patient population at reducing withdrawal and cravings.

- The applicant also highlights the need for structured programming to prevent diversion and improve treatment compliance, specifically for patients who may have been unsuccessful with other previous settings and programs which are less structured.
- The applicant states that there are no licensed residential programs in Putnam County, TN since the closure of the only inpatient / residential program in Putnam County at Volunteer Behavioral Health which terminated that service line in November of 2023.

***Note to Commission members: The applicant provides the following detail regarding the differences in level of care between an OBOT program and an OTP program. See Supplemental #1, Question #3, Pages 3-5: "According to the American Society of Addiction Medicine, OBOT and OTP facilities are classified as "Level 1" outpatient facilities, but OTP settings can be classified as "Level 1.7 – Medically Managed Outpatient" and therefore, would be a higher level of care. This is due in part to the program structure and medication dosing. It is important to note that an OTP and OBOT facility are not the same type(s) of program regardless if it is owned by Cedar Recovery. Cedar Recovery's OBOT offers medical visits, individual/group counseling, care coordination, and peer recovery support to patients suffering from opioid use disorder. Patients are seen in three phases: Induction (weekly visits), Stabilization (bi-weekly visits), and Maintenance (monthly visits). In over 95% of situations, patients are prescribed a buprenorphine containing medication in which they have it filled at a local pharmacy; the other 5% of patients are provided a direct administration of buprenorphine or naltrexone through an injection that lasts either one week or one month.***

***The proposed facility will offer the dispensing and administration of methadone, buprenorphine/naloxone, and buprenorphine mono-product to patients who meet criteria for treatment in an Opioid Treatment Program (OTP) setting. It is important to note that no medications will be prescribed, unlike in Cedar's Office-Based Opioid Treatment (OBOT) facility where all medications are prescribed or directly administered through injection. In the proposed OTP, medications will be directly dispensed to patients, with their consumption observed by Cedar staff or, as allowed by law and regulation, directly dispensed for take-home consumption. In contrast, patients receiving care at Cedar's existing OBOT facility are given prescriptions by Cedar medical providers for buprenorphine/naloxone, buprenorphine mono-product, and/or naltrexone, which they must fill at a licensed pharmacy in Tennessee. Additionally, Cedar's OBOT setting uses injectable formulations of buprenorphine, such as Sublocade and Brixadi, and naltrexone, also known as "Vivitrol."***

***The primary distinction between the two facilities is the manner in which medications are provided. In the OTP setting, medications are either directly administered or***

***dispensed for observed consumption or approved take-home use. In the OBOT setting, medications are prescribed for pharmacy pickup or administered through injectable formulations. Furthermore, the medications differ in their regulatory classification: Methadone is a Schedule II controlled substance, while buprenorphine is a Schedule III controlled substance. It is also noteworthy that Cedar Recovery's existing OBOT facility does not offer methadone treatment, as it is not authorized to do so under current law."***

**Charges**

- As a new facility, the applicant does not have any historical charges to report. The applicant's proposed charges by payor are reflected in Attachment 8C and are provided below for reference.

| Payor | Rate | Frequency |
|---|---|---|
| Self-Pay | $17 | Daily |
| TennCare | $125 | Weekly |
| Medicare | $259.80 | Weekly |
| Commercial Payers | $259.80 | Weekly |

Source: CN2405-014, Application, Page 21

- The applicant states that the discounted (income specific) private pay rates are much lower than those of the government programs and commercial plans.

**All services regardless of payer include: Medication, counseling, care coordination, and peer recovery support**

**Projected Data Chart (per patient)**

| | Projected Data Chart | |
|---|---|---|
| | Year 1 (2025) | Year 2 (2026) |
| Gross Charges | $4,023.10 | $6,731.78 |
| Deduction from Revenue | $40.23 | $67.32 |
| Average Net Charges | $3,982.87 | $6,664.47 |

Source: CN2405-014, Application, Page 21

- The applicant is projecting increased average gross charge rates per patient from $3,982.87 in Year 1 (2025) to $6,664.47 in Year 2 (2026).
- The applicant states that the increase in average gross charge between Year 1 and Year 2 is because Medicare will not certify the OTP until it has been accredited and the proposed accrediting body for this project – Commission Accreditation of Rehabilitation Facilities (CARF), requires the facility to operate for at least six months prior to applying for accreditation. TennCare and Commercial payors also require the OTP to achieve accreditation prior to contracting for reimbursement.

As a result, the first six-months of Year 1 will be exclusively private pay patients which reimburse rates much lower than other payor sources.

- The contractual adjustments listed in the Projected Data Chart are minimal because the applicant's gross charges listed represent the full payment rates anticipated for the respective payor sources.
- The applicant states that its proposed charges are based on the Medicare and TennCare reimbursement rates. By Year 2 the facility will be accredited and certified by CMS, thereby allowing it to accept both government and 10 commercial plans for reimbursement.

**Project Payor Mix**

| | **Percentage of Gross Operating Revenue** | | | | | |
|---|---|---|---|---|---|---|
| | **Medicare** | **Medicaid** | **Commercial** | **Self-Pay** | **Other** | **Charity Care** |
| **Year 1** | 21.0% | 27.0% | 29.0% | 23.0% | 0% | 1.0% |
| **Year 2** | 26.0% | 36.0% | 32.0% | 6.0% | 0% | 1.0% |

Source: CN2405-014, Application Page 23.

- The applicant states that at least the first three-months of Year 1 will be exclusively private pay patients.
- Once the applicant achieves accreditation through CARF and becomes eligible for reimbursement through other payor sources, it is projected that (62%) of revenue will come from Medicare and TennCare.
- For additional information, please refer to Attachment 1N Pages 8 & 9 of the application for specific Payor Mix information as well as Item 10C on Page 23.
- A list of in-network payors is included in response to Item 2C, Pages 17 & 18.
- The applicant projects to provide (1.0%) in Charity Care in Year 1 and (1.0%) Year 2 of the project.

**Agreements**

- The applicant anticipates having discussions about the development of a transfer agreement with Cookeville Regional Medical Center (CRMC).
- The applicant states that it will contract with all service area TennCare Managed Care Organizations (MCOs).
- The applicant identifies agreements with the following entities as community partners:
    - The Tennessee Department of Mental Health and Substance Abuse Services through its State Opioid Response grants to provide MAT services to individuals who meet financial requirements and are uninsured or underinsured.
    - The applicant states that it is one of sixteen providers nationally that was selected in April of 2021 by the Centers for Medicare and Medicaid Services

(CMS) as a participant in their innovation demonstration called "Value in Treatment" through which they are evaluated for the quality of MAT care provided to Medicare. The demonstration has resulted in bonus payments received related to the positive outcomes associated with the care provided.
  - The applicant contracts with Health Connect America and its Tennessee Healthlink programs for TennCare patients to have access to care coordination and case management services.
  - The applicant is a participant in Upper Cumberland Recovery Connect which provides assessment and referral services, and transportation services for individuals seeking addiction treatment services.
  - The applicant also partners with the Upper Cumberland Development District to provide MAT services to Day Reporting Centers in the 15th, 17th and 31st Judicial Districts. The applicant also currently provides MAT services to the Overton County Recovery Court.
  - The applicant operates a program called Addiction Consultation Services which partners with inpatient wards of hospitals providing consultation services for patients who present with a substance use disorder.
  - The applicant operates a post-arrest diversion treatment center in Wilson County in partnership with the District Attorney's Office, Public Defender's Office, General Sessions Judge and county probation office.
  - The applicant partners with two TennCare MCOs to participate in the Health Starts pilot project which screens patients for social determinants of health and provider referral services.
- The applicant states that it will contract with a lab to perform blood testing for communicable diseases and will offer treatment with FDA approved medications to enrolled patients in the OTP that have Hepatitis C. Patients who present with untreated HIV/AIDS will be referred to the health department or infectious disease physicians.

**Staffing**

The applicant's Year One proposed staffing includes the following:

| | **Year One (2025)** |
|---|---|
| Direct Patient Care Positions | 6.0 |
| Non-Patient Care Positions | 3.0 |
| Contractual Staff | 0.0 |
| Total | **9.0** |

Source: CN2405-014, Application Page 28

- Direct Care positions includes the following: Medical Director (Licensed Physician) (1.0 FTEs); Nurse Practitioner (1.0 FTE); LPN (1.0 FTE); and Counseling Staff (3.0 FTE).

- Non-Patient Care positions includes the following: Program Director (1.0 FTE); Patient Care Coordinator (1.0 FTEs); and Certified Peer Recovery Support Specialist (1.0 FTE).
- The Medical Director for the facility will be Dr. Stuart Ross who is fellowship trained in addiction medicine from the University of North Carolina and is board certified in Addiction Medicine & Family Medicine.
- Mai Ferrell, LCSW, LADAC II, will serve as Clinical Director.
- The Chief Medical Officer of Cedar Recovery is Dr. Steve Loyd, M.D, who has experience serving in a leadership role within an OTP setting and OBOT setting, including ownership of New Hope Treatment Center, an OTP in Newport (Cocke County), TN.
- The applicant states that no other staff outside of Dr. Ross have any other responsibilities in or out of the organization.
- Please refer to Item 8Q. on Page 28 of the application for additional detail regarding project staffing.

## QUALITY STANDARDS

The applicant commits to obtaining and/or maintaining the following:

| Licensure | Certification | Accreditation |
|---|---|---|
| Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) | Medicare/TennCare | Commission on Accreditation of Rehabilitation Facilities (CARF) |

Source: CN2405-014, Application Page 25.

- The proposed OTP will be licensed by the TDMHSAS, certified by Medicare and TennCare and accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). CARF is an independent, nonprofit accreditor of health and human services formed in 1966.
- The Substance Abuse and Mental Health Services Administration (SAMHSA) established an accreditation requirement in federal regulations in 2001 to help OTPs improve the quality of patient care, treatment and services delivered in the OTP setting. CARF is a SAMHSA approved accrediting body for OTPs. Through accreditation, CARF assists services providers in demonstrating value by the quality of their services and meeting internationally recognized organizational and program standards.
- The applicant's (11) existing licensed office-based opiate treatment (OBOT) facilities and (2) Intensive Outpatient Programs (IOP) are CARF accredited for 3 years as of July 2023.

- The applicant states that it has safety mechanisms in place to prevent abuse of the medication and misuse of the system as patients are required to perpetually appear and take the methadone dose in the presence of clinical personnel, the patient is monitored for compliance with drug screening and counseling therapy.
- Take-home doses will only be given as allowed under federal and state law and when the patient has demonstrated compliance with the program.
- Misuse of the program is prevented through the central methadone registry and the controlled substance monitoring database.
- See Supplemental #1, Question #3, Pages 3-5 for an overview of the applicant's intake and treatment process.
- The applicant states that it will develop and the solicit and invite community and healthcare leaders and officials to participate in a Community Advisory Board to meet quarterly, discuss community concerns and share data about the program with the community.

***Note to Commission members: The applicant states that the vast majority of OBOT facilities in Tennessee do not possess CARF Accreditation or any other form of accreditation.***

**Application Comments**
Application Comments may be filed by the Department of Health, Department of Mental Health, and Substance Abuse Services, and the Department of Disability and Aging. The following department(s) filed comments with the Commission and are attached:

☐ Department of Health
☐ Department of Mental Health and Substance Abuse Services
☐ Department of Disability and Aging
☒ **No comments were filed**

**CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:**

There are no other Letters of Intent, denied or pending applications on file for this applicant.

Outstanding Applications

| **Project Name** | **Cedar Recovery, CN2401-002A** |
|---|---|
| **Project Cost** | **$1,154,469** |
| **Approval Date** | March 27, 2024 |
| **Description** | The establishment of a Nonresidential Substitution-Based Treatment Center for Opiate Addiction and the initiation of opiate addiction treatment services. The facility will be licensed as a Nonresidential Substitution-Based Treatment Center for Opiate Addiction by the Tennessee Department of Mental Health and Substance Abuse Services. The address of the project will be 4409 Chapman Highway, Suite W, Knoxville (Knox County), Tennessee, 37920. The applicant is owned by Cedar Recovery of Middle Tennessee, LLC. |
| **Project Status** | Update June 12, 2024 - Cedar Recovery is awaiting its permits to begin construction of the site in Knoxville, TN. The project is on-track to begin the issuance of service in January of 2025, but possibly before. |
| **Expiration** | May 1, 2026. |

**CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:**

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need on file for other entities proposing this type of service.

TPP (8/20/2024) revised

# CRITERIA AND STANDARDS

## Attachment 1N

**Standards and Criteria for Nonresidential Substitution-Based Treatment Center for Opiate Addiction**

1. **Determination of Need: The need for non-residential opioid treatment programs should be based on information prepared by the applicant for a certificate of need that acknowledges the importance of considering the demand for services along with need while addressing and analyzing service problems as well.**

   **The assessment should cover the proposed service area and include the utilization of existing opioid use disorder treatment providers, scope of services provided, patient origin, and patient mix.**

   **The assessment should consider the users of opioids as the clients at non-residential opioid treatment programs. Assessment data will be based on prevalence estimates of opioid and heroin use, narcotic-related offenses, opioid-related hospitalizations, deaths, substance abuse treatment admissions, and estimates of medication assisted treatment providers for opioid use disorder and their patient capacity.**

   RESPONSE: The following assessment of need addresses all the foregoing considerations.

   **Need Formula: Need should be based on the following formula: The average unique patient count during a 1 (one) year period in existing programs serving individuals who are opiate dependent divided by the number of individuals estimated to be opiate dependent. Counties with service providers meeting less than 20% of the need shall be considered high need counties.**

   **Applications for proposed service areas that fail to meet the 20% threshold should still be considered for approval. This need formula only designates *high need* counties that should be given special consideration. It does not indicate that high-quality applications for counties with lower demonstrated need should necessarily be denied.**

   *Note: The applicant shall use the prevalence estimates of persons with opioid (pain reliever and heroin) use disorder using the most recent National Survey on Drug Use and Health (NSDUH) data published by the Substance Abuse and Mental Health Services Administration (SAMHSA). The applicant shall specify the percent of unmet treatment need that will be met by the proposed Non-Residential Opioid Treatment*

*Programs.*

RESPONSE: Based on the prevalence rate of opiate (prescription pain killers and heroin) misuse as determined by the 2021-2022 National Survey of Drug Use and Health (NSDUH) by the federal Substance Abuse and Mental Health Services Administration (SAMHSA) there are 6,548 residents of the PSA who suffer from Opiate Use Disorder ("OUD"). Based on utilization data provided by the Tennessee Department of Mental Health and Substance Abuse Services (DMHSAS), 105 residents of the 12-county PSA received services at an OTP in Tennessee in 2023. Based on the prevalence rate of the area and the number of patients being treated with methadone, only 1.6% of the need for OTP services in the PSA was met in 2023. None of the PSA counties came even close to having at least 20% of the county need being met; the highest rate of any individual county was 3.3% in Fentress County. Under the need formula, each county in the PSA is a "High Need" county.

The applicant projects it will treat 281 residents of the PSA in Year 2. Which would meet 4.4% of the unmet need in the PSA. Cedar Recovery has the resources and experience to grow the program as necessary to further meet the needs of the PSA.

Please see the table in Attachment 1N(1) for specific data and details verifying the conclusion that the need formula is met and that all counties in the PSA are "High Need" counties.

There is no Nonresidential Substitution-Based Treatment Center for Opiate Addiction (hereinafter "OTP" for "Opioid Treatment Program") in the 12-county Primary Service Area (PSA). There are 12 OTPs within approximately 180 miles of the PSA, those being located in Davidson County (4), Montgomery County (1), Rutherford County (1), Maury County (1), Knox County (2), Blount County (1) Bradley County (1), and Hamilton County (1). The proposed OTP would be -- by far -- the closest one to virtually all residents of the PSA. The average distance from the 12 PSA counties to eth proposed Cedar Recovery OTP is 34.5 miles. The average distance from the 12 PSA counties to the existing OTPs is 109 miles. The lack of an reasonable accessible OTP to the residents of the 12 county PSA further reflects the need for the proposed Cedar Recovery OTP. Please see Attachment 1N(2) for a detailed driving time and distance chart.

*In determining need considerations may be given to alternative treatment modalities. The applicant shall compare estimated need to the existing capacity of non-residential substance abuse treatment facilities including office-based opiate treatment, opioid treatment program, alcohol and drug rehabilitation treatment, and alcohol and drug detoxification facilities.*

There are seven (7) OBOT facilities in the PSA, which offer outpatient MAT with Buprenorphine/Naloxone and/or Naltrexone. Cedar's research into these facilities has revealed that a number of facilities licensed as a Nonresidential Alcohol & Drug Abuse facility utilize Buprenorphine/Naloxone on a short-term basis or not at all. Some facilities

do allow for longer term Buprenorphine/Naloxone care, but it does not appear to be the standard.

| County | Opioid Treatment Program | OBOT Programs | Alcohol & Drug Rehabilitation Facility | Alcohol & Drug Detox Facility |
|---|---|---|---|---|
| Putnam | 0 | 4 | 9 | 1 |
| Clay | 0 | 0 | 2 | 0 |
| Cumberland | 0 | 1 | 3 | 0 |
| DeKalb | 0 | 0 | 2 | 2 |
| Fentress | 0 | 0 | 1 | 0 |
| Jackson | 0 | 0 | 0 | 0 |
| Macon | 0 | 1 | 1 | 0 |
| Overton | 0 | 0 | 2 | 0 |
| Pickett | 0 | 0 | 0 | 0 |
| Smith | 0 | 0 | 0 | 0 |
| Van Buren | 0 | 0 | 0 | 0 |
| White | 0 | 1 | 1 | 0 |
| **Total** | **0** | **7** | **21** | **3** |

It is important to note that Health Connect America (HCA) constitutes four (4) of the twenty-one (21) Nonresidential Alcohol & Drug Rehabilitation Facilities in the PSA. HCA does not offer MAT services, but rather, contracts with Cedar Recovery to provide MAT access to HCA's clients. Moreover, Volunteer Behavioral Health owns two (2) of the facilities described in the table above. Volunteer Behavioral Health offers MAT access to certain patients, depending on payer, and provider capacity. Cedar anticipates Volunteer will utilize the OTP as a referral source for patients in need of methadone.

These alternative treatment modalities are likewise insufficient to meet the need for opioid addiction treatment in the PSA. Attached as Attachment 1N(3) is a table showing the estimated number of ODU patients in the PSA, and the number of such patients who received treatment for opioid addiction through any type of treatment modality. Although the unmet need is slightly less than for Methadone treatment, all of the PSA counties except one are "High Need" counties. Overall, only 7.4% of the need for opioid addiction treatment services is being met.

Lastly, Cedar Recovery currently owns and operates one (1) OBOT facility in the PSA, Cookeville (Putnam County). This facility was opened in May of 2023 and is currently serving approximately 116 patients every month. Greater than 50% of those patients were transferred from Cedar's Lebanon (Wilson County) facility to Cedar's Putnam County OBOT due to the facility being much closer to the patient. This phenomenon serves as an example to the MAT access issues members of the Upper Cumberland experience. Cedar will continue to serve patients who meet criteria for OBOT services, in that Putnam County facility. Patients who meet criteria for daily administration of buprenorphine, will be

served from the proposed OTP in this application.

**The assessment should also include:**

a. **A description of the geographic area to be served by the program,**

   i. **The applicant shall provide the number of patients projected to be served by county of residence in year one and year two.**

*Please complete the following table to indicate patient origin by county in year one and year two of the proposed project. Additional columns may be added to reflect the appropriate number of relevant counties.*

**Year 1:**

| Service Area Counties | Estimated No. of Patients from Designated County | % of Total OTP Patients from Designated County |
|---|---|---|
| Clay | 3 | 3% |
| Cumberland | 18 | 16% |
| Dekalb | 4 | 4% |
| Fentress | 13 | 12% |
| Jackson | 4 | 4% |
| Macon | 6 | 5% |
| Overton | 12 | 11% |
| Pickett | 2 | 2% |
| Putnam | 34 | 31% |
| Smith | 4 | 4% |
| Van Buren | 2 | 2% |
| White | 7 | 6% |
| **Total** | **110** | **100%** |

**Year 2:**

| Service Area Counties | Estimated No. of Patients from Designated County | % of Total OTP Patients from Designated County |
|---|---|---|
| Clay | 8 | 3% |
| Cumberland | 45 | 16% |
| Dekalb | 6 | 2% |
| Fentress | 25 | 9% |
| Jackson | 11 | 4% |

| | | |
|---|---|---|
| Macon | **11** | **4%** |
| Overton | **31** | **11%** |
| Pickett | **3** | **1%** |
| Putnam | **101** | **36%** |
| Smith | **11** | **4%** |
| Van Buren | **3** | **1%** |
| White | **25** | **9%** |
| **Total** | **281** | **100%** |

**ii. At least 90% of the projected patients in year one and year two reside within a 60 mile radius of the proposed program site or less than a one hour drive time to the proposed program site.**

RESPONSE: All PSA counties are within approximately a 50-mile radius of the OTP site, so this standard is met.

**iii. The applicant shall provide an analysis of driving distances by county from the proposed clinic location site in comparison to the closest existing OTP clinic.**

*Please complete the following table to demonstrate the driving distances from the counties in the proposed service area to the proposed site and to existing non-residential opioid treatment programs within a 180 minute drive time. This should include programs located in neighboring states. Additional columns and rows may be added to reflect the appropriate number of existing programs and affected counties.*

**Please see the table in Attachment 1N(2)** for the mileage from each PSA county to the opposed Cedar Recovery site, and to each existing OTP within approximately 180 miles.

**DISTANCES IN MILES FROM PSA COUNTIES TO PROPOSED OTP IN PUTNAM COUNTY AND TO EXISTING CLINICS**

| County | Proposed Cedar Recovery OTP | BHG Columbia (Maury) | Knoxville Bernard (Knox) | Knoxville Citico (Knox) | Mid. Tenn. Trtmt. Ctr. (Davidson) | Hermitage Trtm. Ctr. (Davidson) | BHG Madison (Davidson) | So. Nashville CTC (Davidson) | BHG Murfreesboro (Rutherford) | Clarksville Comp. Trtmt. Ctr. (Montgomery) | TLC Maryville (Blount) | Bradley Co. Comp. Trtmt. Ctr. (Bradley) | Volunteer Trtmt. Ctr. (Hamilton) | Avg. Distance to Existing Clinics |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Clay | **49.5** | 140 | 128 | 127 | 112 | 101 | 89 | 107 | 112 | 114 | 135 | 140 | 139 | **120** |
| Cumberland | **48.4** | 165 | 75 | 73 | 123 | 111 | 121 | 117 | 122 | 166 | 81 | 77 | 85 | **110** |
| DeKalb | **25.3** | 92 | 127 | 125 | 77 | 66 | 76 | 72 | 41 | 121 | 133 | 111 | 112 | **96** |
| Fentress | **51.3** | 171 | 84 | 86 | 128 | 117 | 127 | 123 | 127 | 171 | 103 | 128 | 126 | **124** |
| Jackson | **26.8** | 135 | 129 | 127 | 92 | 81 | 91 | 87 | 92 | 116 | 135 | 141 | 126 | **113** |
| Macon | **50.7** | 111 | 153 | 151 | 68 | 57 | 52 | 63 | 68 | 94 | 159 | 165 | 171 | **109** |
| Overton | **25.4** | 145 | 108 | 106 | 102 | 91 | 101 | 97 | 102 | 145 | 114 | 110 | 119 | **112** |
| Pickett | **43.5** | 164 | 126 | 124 | 120 | 130 | 119 | 115 | 120 | 164 | 132 | 138 | 137 | **132** |
| Putnam | **7.5** | 127 | 100 | 99 | 84 | 73 | 83 | 79 | 84 | 126 | 106 | 112 | 101 | **98** |
| Smith | **33.8** | 99 | 136 | 134 | 56 | 45 | 55 | 55 | 55 | 99 | 142 | 148 | 133 | **96** |
| Van Buren | **32.8** | 131 | 117 | 115 | 113 | 102 | 111 | 107 | 65 | 156 | 123 | 81 | 68 | **107** |
| White | **18.9** | 113 | 103 | 102 | 86 | 88 | 98 | 81 | 60 | 142 | 109 | 81 | 84 | **96** |
| **Average:** | **34.5** | | | | | | | | | | | | | **109** |

Source: Google Maps

**Average distance from PSA counties to proposed Cedar Recovery OTP:** **34.5 miles**

**Average distance from PSA counties to existing OTPs within 180 miles:** **109 miles**

There are 12 OTPs within approximately 180 miles of the PSA, those being located in Davidson County (4), Montgomery County (1), Rutherford County (1), Maury County (1), Knox County (2), Blount County (1) Bradley County (1), and Hamilton County (1). The proposed OTP would be -- by far -- the closest one to virtually all residents of the PSA. The average distance from the PSA counties to the proposed site is 34.5 miles. The average distance from the PSA counties to the existing OTPs is 109 miles.

**b. Population of the area to be served.**

RESPONSE: The age 18+ population of the PSA is 254,699, projected to grow by approximately 3.2% to 262,929 by 2028.

**c. The estimated number of persons, in the described area, with opioid use disorder and an explanation of the basis of the estimate.**

RESPONSE: The estimated number of persons age 18+ with OUD who reside in the PSA is 6,548. This is based on the prevalence rate for OUD reflected in the 2021-2022 National Survey of Drug Use and Health by the Substance Abuse and Mental Health Services Administration, applied to the age 18+ population of the PSA.

**d. The applicant shall provide the projected rate of intake per weekfor year one of the proposed project along with factors controlling intake.**

RESPONSE: The factors affecting intake in any outpatient treatment facility include: Hours, staff, location/distance from facility, and insurance type. Cedar is anticipating an intake rate for Year 1 according to the following table:

| Month | Intakes Per Week | Total New Patients - Month | Total Patients @ Facility |
|---|---|---|---|
| 1 | 1.25 | 5 | 5 |
| 2 | 1.25 | 5 | 10 |
| 3 | 1.25 | 5 | 15 |
| 4 | 2 | 8 | 23 |
| 5 | 2 | 8 | 31 |
| 6 | 2.5 | 10 | 41 |
| 7 | 2.5 | 10 | 51 |
| 8 | 2.75 | 11 | 62 |
| 9 | 3 | 12 | 74 |
| 10 | 3 | 12 | 86 |
| 11 | 3 | 12 | 98 |
| 12 | 3 | 12 | 110 |

The Centers for Medicare and Medicaid Services (CMS) mandates an OTP be accredited by a nationally recognized body in order to contract with and render reimbursable services to Medicare and Medicaid (TennCare) beneficiaries. Cedar Recovery received its three (3) year CARF (Commission on Accreditation of Rehabilitation Facilities) accreditation in July of 2023. Specifically, Cedar's Office-Based Opioid Treatment (OBOT) and Intensive Outpatient Program (IOP) are accredited by CARF. CARF requires a new service line and/or new facility to operate for no less than three (3) months prior to an inspection to determine accreditation status. Cedar will begin operating an OTP in Bristol, VA prior to this proposed OTP. Additionally, Cedar received an CON in March of 2024 to initiate an OTP in Knoxville (Knox County), TN. That OTP is expected to be operational between September and October. The provision of OTP services from these two facilities will allow Cedar to earn its CARF designation for this service line in advance of beginning operation of this proposed OTP. Cedar is still planning for a three (3) month waiting period for Medicare and TennCare MCO approval in order to begin rendering OTP services to those individuals. This will likely be a limiting factor for access to patients who are covered by these insurances. Cedar will, however, make every attempt to obtain single case agreements or seek alternative reimbursement options with Medicare and TennCare's Managed Care Organizations (MCOs) to remove this limiting factor.

Cedar will not encounter staffing or intake issues from the staffing perspective as it will be appropriately staffed to perform intakes and care for established patients. Moreover, Cedar's staff at their OBOT facilities throughout Tennessee will be available to perform telemedicine intakes in the event capacity and accessibility require it.

Cedar anticipates it will operate Monday through Friday from 5am – 11am, Saturdays from 5am to 8am, and Sundays from 5am to 8am. Cedar anticipates this will be a limiting factor for patients to access afternoon or evening needs. Cedar has agreed to limit its hours as listed above in consideration of the existing tenant in the same building, 931 Elite Sports. In the future, Cedar will work with the community stakeholders to seek additional hours to expand access to patients, including, but not limited to, afternoon hours, evening hours, and extended hours.

Lastly, Cedar is collaborating with Upper Cumberland Human Resources Agency (UCHRA) and their public transportation program in order for prospective and active patients to have transportation to the proposed OTP. UCHRA's public transportation currently serves all Upper Cumberland counties allowing the citizens of those respective counties access to health-related appointments.

e. **The applicant shall contact the Tennessee State Opioid Treatment Authority to obtain the current patient caseload and capacity of Non-Residential Opioid Treatment Providers providing care to patients in the proposed service area. The list shall delineate the number of patients receiving methadone treatment and buprenorphine treatment.**

RESPONSE

Please see Attachment 1N(4) which shows the patient census of all OTPs in Tennessee broken down by medication type. According to the DMHSAS the census count is as of 5/8/24, is the only such data available. We have been unable to ascertain from DMHSAS the reason for the discrepancies between the total census count and the individual medication type entries in the table.

**Consideration should be given to the reality that existing facilities can expand or reduce their capacity to maintain or treat patients without large changes in overhead.**

The space allocated for the OTP could accommodate a much larger census than that projected for the first two years. Cedar Recovery has a master lease of the entire 25,000 square foot building and could likely easily expand the space if necessary.

2. **Assurance of Resources: The proposal's estimate of the number of patients to be treated, anticipated revenue from the proposed project, and the program funding source with description of the organizational structure of the program delineating the person(s) responsible for the program, should be considered.**

RESPONSE: The applicant projects treating 110 patients in Year 1 and 281 patients in Year 2. The projected gross revenue is $442,541 in Year 1 and $1,891,631 in Year 2. Funding for construction will be financed by the owner/landlord of the building.

The OTP and facility will be owned by Cedar Recovery of Middle Tennessee, LLC. which owns and operates thirteen (13) office-based opiate treatment (OBOT) facilities, Mental Health Outpatient facilities and Intensive Outpatient Programs (IOP) in Tennessee. The company currently has 14 members with varying percentages of ownership. An ownership table is included in Attachment 7A.

The proposed OTP will be the second of Cedar's to offer methadone as a treatment option after the successful receipt of a CON in March of 2024 to begin the provision of

OTP in Knoxville. The Chief Medical Officer of Cedar Recovery is Dr. Steve Loyd, M.D, who has designed the program and provider playbook for the proposed OTP and Cedar's OBOT facilities. Dr. Loyd has extensive history in serving in a leadership role within an OTP setting and OBOT setting, including owning his own OTP in Newport, TN – New Hope Treatment Center. The proposed OTP will have as its Medical Director Dr. Stuart Ross. Dr. Ross is fellowship trained in addiction medicine from the University of North Carolina and is board certified in Addiction Medicine & Family Medicine. Its day-to-day operations will be carried out by 6 FTE direct patient care clinical staff: 1 Medical Director, 1 LPN, 1 Nurse Practitioner, and 3 Counselors. In addition, the OTP will have 3 non-clinical staff on site daily.

3. **Charity Care: The proposal should address the program's ability to provide for indigent and charity care. The applicant shall provide the rate of charity care of total gross revenue in year one and year two, including the total number of charity care patients to be served.**

*Please complete the following table to demonstrate projected charity care in year 1 and year 2.*

| | **Gross Revenue** | **Gross Charge Per Patient** | **Charity Care Total** | **Total Charity Care Patients** |
|---|---|---|---|---|
| **Year 1** | $442,541 | $4,023 | $4,425 | 1.1 |
| **Year 2** | $1,891,632 | $6,732 | $18,916 | 2.8 |

RESPONSE: The charity care allocation is 1% of gross revenue. In fact, there is little need for charity care in this OTP because services are covered by TennCare, Medicare, and most private health plans. Even for private pay patients the daily charges are very reasonable: only $17 daily. The daily cost of maintaining the addiction is much higher than $17 per day, and patients have no difficulty paying for their care.

The reason for the significant increase in gross revenue per patient between Year 1 and Year 2 is as follows: Medicare will not certify this type of facility until it has received accreditation from a nationally recognized body, such as Joint Commission or CARF and to receive accreditation requires no less than six (6) months of operation prior to the submission of an application for accreditation or three (3) months for those entities that possess CARF accreditation at a different OTP site or for other services. Likewise, TennCare and commercial payors will not cover the treatment until the OTP possesses the accreditation. So, for at least three (3) months in Year 1 the payor mix will be 100% private pay. The discounted (income specific) private pay rates are much lower than those of the government programs and commercial plans. By Year 2 the facility will be accredited and certified by CMS, thereby allowing it to accept both government and

commercial plans for reimbursement.

4. **Special Populations: The applicant shall address how the proposed program will serve patients who are pregnant, HIV positive, Hepatitis C positive, and patients who are incarcerated and/or facing risk of incarceration. The applicant should also discuss its ability, willingness, and plan to provide care to women who are pregnant but cannot afford the services.**

RESPONSE: Cedar Recovery was founded in 2015 as an office-based opioid treatment program. Since that time, it has grown to thirteen (13) facilities throughout Tennessee. If this program is approved, Cedar will then have fifteen (15) total facilities, which includes the new OTP in Knoxville. Cedar has always had processes in place to serve high risk patients and those patients that might have communicable diseases.

Cedar currently accepts pregnant women into all of its facilities to receive MAT treatment. In fact, pregnant women take priority for admission over all other populations. The same policy will be at this facility – pregnant women will have priority for admission into the facility. Cedar is currently budgeting for 1% of its patients to be charity care or "scholarship" patients, and Cedar will exceed that 1% allocation if needed for pregnant women who for whatever reason are not TennCare eligible or otherwise covered by insurance.

Cedar's medical providers receive training in care coordination and the importance of that activity for pregnant women. Cedar will collaborate with the patient's OB/GYN while they are receiving MAT services and post-partum to ensure engagement in treatment and a healthy delivery. Women who are of childbearing age will receive education and resources for long-acting reversible contraceptive devices to help prevent unintended pregnancy.

Cedar's medical providers perform initial and on-going screening for communicable diseases. Patients who present with positive screens are referred to the health department or primary care provider for blood testing. Cedar has been expanding its care of Hepatitis C treatment since early 2023. For purposes of this facility, Cedar will contract with a lab to perform blood testing for communicable diseases. Moreover, Cedar will offer treatment with FDA approved medications to enrolled patients in the OTP that have Hepatitis C. Cedar will make the appropriate referral to the local health department or an infectious disease physicians for patients that present with untreated HIV/AIDS.

Patients, who are incarcerated or facing incarceration are at highest risk of relapse and, worse, overdose. Dr. Stephen Loyd, Chief Medical Officer of Cedar Recovery, is the founder and Chief Medical Officer of New Hope Treatment Center. New Hope

Treatment Center is a licensed OTP in Newport, Tennessee. Dr. Loyd founded and opened New Hope prior to his engagement with Cedar. Dr. Loyd has demonstrated great success in partnering with local jails to ensure patients have access to their medication. Cedar will rely on Dr. Loyd to draft the protocol and engage with local jails to ensure patients have access to their MAT services. Cedar has a track record of transparency and engagement. If Cedar encounters hurdles to accessing the incarcerated or at-risk of being incarcerated population, it will not be due to Cedar's lack of engagement efforts or attempts to provide care. Cedar has attempted to engage with the Sheriff of Putnam County on multiple occasions to no avail. It is Cedar's hope that the Sheriff will meet with our team and consider the utilization of MAT services through this proposed OTP in the jail.

5. **Adequate Staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed service area. The applicant should provide evidence of planned staffing patterns that adhere to relevant TDMHSAS licensing standards.**

   RESPONSE: The proposed OTP will have as its Medical Director Dr. Stuart Ross, who is fellowship trained and board certified in Addiction Medicine. Its day-to-day operations will be carried out by 6 direct patient care clinical staff: 1 Medical Director, 1 LPN, 1 Nurse Practitioner, and 3 Counselors. In addition, the OTP will have 3 non-clinical staff on site daily. Cedar Recovery has a vast network of connections in the addiction treatment field it can draw on, if needed, to help locate and hire staff. Cedar Recovery has successfully staffed 13 treatment centers in Tennessee. It expects to have no significant problem in staffing the proposed OTP. The OTP will be immediately licensed by TNDMHSAS and will be accredited by CARF within three (3) months of operation. The proposed OTP will always meet or exceed licensing and accreditation standards governing staffing.

6. **Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance, or have a plan for compliance, with the appropriate rules of the Tennessee Department of Health (TDH) and TDMHSAS.**

   RESPONSE: Not applicable, as this is a proposed new facility.

7. **Data Requirements: Applicants shall agree to provide the TDH, TDMHSAS, and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format.**

**requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.**

RESPONSE: The applicant will provide all required data requested by the regulatory authorities.

8. **Community Linkage Plan: The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care. The applicant is encouraged to include primary prevention initiatives in the community linkage plan that would address risk factors leading to increased opioid dependency. Applicants should document plans for satisfying TDMHSAS Administrative Rule 0940-05-42-.28, related to community education.**

RESPONSE:

*Collaborative Arrangements with Governmental Agencies*
Cedar Recovery provides access to low income, underserved, and an overall variety of patient populations, and is a contracted provider of TennCare and Medicare.

Cedar Recovery is honored to be a State Opioid Response (SOR) grant recipient from the Tennessee Department of Mental Health & Substance Abuse Services (TNDMHSAS). To date, Cedar Recovery has received over $2,000,000 to provide medication assisted treatment (MAT) care and services to individuals who meet financial requirements and are uninsured or underinsured.

In April of 2021, Cedar was selected by the Centers for Medicare and Medicaid Services (CMS) as a participant in their innovation demonstration called "Value in Treatment." The demonstration is a four (4) year project in which selected providers are evaluated for the quality of MAT care offered to Medicare beneficiaries. Moreover, CMS issues bonus payments for positive outcomes of their members; Cedar has received those quality payments every year. Cedar was selected as 1 of 16 in its category from providers across the country. This selection highlights CMS' trust in Cedar's ability to not only provide high-quality care, but also to track the care provided to patients.

*Other Collaborative Arrangements*

To fulfill its mission, Cedar has engaged with a number of organizations and entities to promote access and collaboration for individuals seeking care. In order to provide appropriate resources for Cedar's TennCare patients, Cedar has contracted with Health Connect America and its' Tennessee Healthlink (THL) program. The THL program is designed exclusively for TennCare patients to have access to care coordination and case management services. Cedar has placed a THL staff member in each of our facilities. For

the purposes of this project, Cedar will place a THL staff member inside of the OTP. It is important to note that Health Connect America offers additional services to patients, including, but limited to, intensive outpatient (IOP) counseling, individual counseling, group counseling, foster care, intensive in-home care, and psychiatric medication management. Health Connect America has facilities in Putnam County, Cumberland, Overton, and White County, all of which are in the PSA.

Cedar is also an active member and participant in Upper Cumberland Recovery Connect (UCRC). UCRC was started with the Upper Cumberland Development District (UCDD), Upper Cumberland Human Resources Agency (UCHRA), and One Tennessee. The program allows individuals in any Upper Cumberland County to present to a UCHRA or UCDD office and request addiction treatment services. An assessment is performed on the patient and a referral is made to the appropriate level of care. Most importantly, patients are provided free transportation to the treatment facility. Cedar is the telemedicine MAT provider for this project in addition to its' Cookeville facility serving as a treatment center for patients to receive care. The OTP named in this application will be a part of that project as well, giving patients, who meet medical necessity for methadone treatment, to have access to an OTP.

UCHRA, in collaboration with the criminal justice systems of the 15th, 17th, and 31st judicial districts implemented Day Reporting Centers (DRC) as part of a community corrections effort to avoid incarceration. The day reporting centers are located in Putnam, Warren, and Smith Counties. In the fall of 2023, Cedar Recovery was approached by UCHRA to be the provider of MAT services to clients of the DRC. Cedar Recovery and UCHRA entered into a Memorandum of Understanding (MOU) for Cedar to provide MAT services to clients of the DRC. Dr. Ross has been seeing clients physically at the DRC every Tuesday to provide MAT services. To highlight the collaboration of Cedar, Cedar engaged with Infinity Pharmacy to have the prescribed medications delivered to the clients of the DRC on the same-day as appointment. The counselors and peer recovery specialists of the DRC have worked well with Cedar's team.

Volunteer Behavioral Health (VBH) is an accredited, psychiatric, and detox treatment company in Putnam County, TN. VBH also offers mobile crisis support, 24/7 walk-in crisis support, IOP, partial hospitalization programming (PHP), and outpatient services. VBH does not operate an OTP program. Cedar and VBH have a phenomenal working relationship in which Cedar can refer patients to VBH for those higher levels of care that may be clinically indicated. At the same time, VBH refers patients to Cedar who need services that VBH does not provide. VBH will expand its relationship with Cedar through this OTP project. Specifically, VBH will act as a referral source for patients that do not meet criteria for OTP services or those that need a higher level of care. Moreover, VBH's mobile crisis unit will be available to Cedar's OTP in the event a patient is experiencing a psychiatric or mental health emergency.

In 2021, Cedar formed an "Addiction Consultation Services (ACS)" to serve the inpatient wards of hospitals. The ACS allows hospitalists to access a Cedar Recovery medical provider for consulting purposes of patients who present with an opioid use disorder or other

substance use disorder. Cedar has a contracted relationship with Maury Regional Medical Center (Columbia, TN) to provide this service. Additionally, Cedar provides a Certified Peer Recovery Support Specialist (CPRS) to the hospital to assist in navigating patients to treatment. Cedar is in active discussions with Cookeville Regional Medical Center (CRMC) regarding an ACS contract with them. To date, Cedar has met with the CEO, CMO, and Chief Legal Officer two times to discuss this OTP project and Cedar's ACS. It is the full intent of Cedar to not only be a resource for CRMC and their patients, but also to provide its ACS services to the emergency department and in-patient ward of the hospital.

In 2021, Cedar received a grant from the TNDMHSAS to open a diversion center in Wilson County, TN. This center was properly named the "PIC Center" as it stands for "Preventing Incarceration in Communities." The PIC Center is staffed by a Cedar Licensed Professional Counselor (LPC) and CPRS. The center is comprised of the district attorney's office, public defender's office, general sessions judge, and probation office. The program works by allowing individuals referred by the district attorney's office to engage in a treatment program, lasting no less than six (6) months in lieu of facing charges related to the defendant's arrest. The program has been incredibly successful as demonstrated by a 75% successful graduation rate. VBH is currently a treatment center in which the PIC Center refers patients to. Cedar is in active discussions with the White County District Attorney and General Sessions Judge to start a PIC Center in that county. Cedar will pursue collaborating with the district attorney and district court judge in Putnam Counties as an attempt to begin a PIC Center or something similar in that district.

Cedar has been providing MAT services to the Overton County Recovery Court and Judge Colson since September of 2023. Cedar is seeking to enter an MOU with the Overton County Recovery Court to continue the exclusive provision of these services in addition to expanding the service offering to include services through the proposed OTP. It is anticipated that serving the recovery court with methadone, buprenorphine, and/or naltrexone through this OTP will be outlined in the MOU.
Cedar was selected by Wellpoint (formerly Amerigroup) and United Healthcare, both TennCare MCO's, to participate in the Health Starts pilot project. The project consists of screening patients for social determinants of health (SDOH) needs: Legal, familial, housing, employment, transportation, physical health, etc. and connecting those individuals to resources in their community or region. Cedar has excelled at this initiative and continues to help individuals obtain resources needed to be successful in their recovery.

*Primary Prevention Strategies:*

Cedar Recovery recognizes that several significant factors contribute to an individual's susceptibility to opioid use disorder and other substance use disorders throughout their lifetime, including substance exposure, trauma, and available opportunities. Simultaneously, those who are currently grappling with addiction can adversely affect their children, family members, friends, and the broader community.

To address these issues, Cedar employs the Adverse Childhood Experience (ACEs) questionnaire for every new patient upon admission. This assessment helps evaluate a

patient's childhood trauma, and this information informs the treatment provided by medical professionals and therapists. Furthermore, Cedar offers psychoeducation sessions, both in individual and group settings, covering topics such as addiction, trauma, and methods to prevent substance exposure for the patient's children, friends, and family members.

Cedar also provides comprehensive education about neonatal abstinence syndrome (NAS) to all men and women of childbearing age. This education highlights the risks and effects of medication (Methadone or Buprenorphine) on fetuses during pregnancy and after delivery. Cedar actively encourages and refers patients to consider long-acting reversible contraceptive devices (LARC) and other contraception methods to prevent unintended pregnancies.

As a part of Cedar's mission to "repair communities we serve," primary prevention plays a crucial role. Cedar achieves this by collaborating with local prevention coalitions and other organizations dedicated to addressing substance use issues within communities. This collaboration aims to prevent new instances of drug exposure and ongoing drug-related problems.

Cedar is also actively engaged with various chambers of commerce and business groups to provide educational resources to employers and the community at large. Specifically, Cedar delivers education on addiction, how to identify it, ways to prevent it, and strategies for effective treatment.

*Being a Good Community Partner:*

Cedar Recovery met with the County Mayor and the District Attorney General of Putnam to discuss the proposed OTP and this project. The Mayor advised Cedar of the number of calls he received opposing this type of treatment program; most of which were "not in my backyard (NIMBY)" arguments. As a sign of commitment to the community, Cedar Recovery sent a "Community Engagement Plan" to the Mayor, County Commissioner, and other community stakeholders. The Community Engagement Plan is Cedar Recovery's commitment to being a good community partner. Below are the criteria by which Cedar Recovery will carry out this commitment:

- **Community Advisory Board** – Cedar Recovery will establish a Community Advisory Board, consisting of seven (7) members, that will meet quarterly to discuss community concerns and share data regarding the program. The seven (7) members will include one (1) representative from the following organizations:
    - Putnam County Mayor's Office
    - Putnam County District Attorney's Office
    - Power of Putnam
    - Putnam County Sheriff's Office
    - Volunteer Behavioral Health
    - Cookeville Regional Medical Center
    - Community Member

- **Patient Monitor** – Cedar Recovery will employ a Certified Peer Recovery Specialist (CPRS), who will ensure patients are compliant with the rules of the facility, including, no loitering inside or outside of the facility.

- **Good Neighbor Agreements –** Cedar Recovery will publish, in writing, to the County, its commitment to be a good, upstanding member of the community and to have measures for safety, cleanliness, loitering, and respectful conduct.

- **Open Door Policy –** Cedar Recovery will host open house days once per quarter where community members can tour the facility, meet staff, and learn about the services provided.

- **Considerate Hours of Operations –** Cedar Recovery will operate Monday through Friday from 5am to 11am; Saturdays from 5am to 8am; and Sundays from 5am to 8am. This will limit 931 Elite's exposure to services being rendered.

- **Entrance to Building –** Cedar Recovery will position the entrance to the facility in a way that is not roadway facing and away from the surrounding businesses and churches.

- **Supporting Local Treatment** – Cedar Recovery will make referrals to other local treatment providers, as clinically indicated, and agree to receive referrals for treatment. Cedar further commits to not compete with existing local treatment options, including faith-based, but rather, collaborate with them for them to best serve the community.

- **Resource –** Cedar Recovery will be a resource to the Cookeville Regional Medical Center, primary care providers, prevention coalitions, and other healthcare providers in the community.

The following are excerpts from the Cedar Recovery Policy and Procedures Manual, including community education activities:

**Subject: Community Relations**

**POLICY**

Cedar Recovery takes responsibility to be a good community partner. We will work to our best ability to make sure our premises are not a disruption to the community. Staff responsibility will be delineated by this policy.

**PROCEDURE**

1. If a patient is on facility and causing a disruption, the matter will be handled accordingly: will be verbally de-escalated, asked to leave the property, and/or law

enforcement will be called if needed.

2. Cedar Recovery values being a good community partner. We work towards having clean facilities that are a presentable and valuable part of the community they serve. We do not allow loitering in our parking lots. We are fully committed to cooperation with law enforcement when needed. We have a diversion control policy that aims to reduce diversion opportunities through several checks and balances.

3. Cedar Recovery remains committed to de-stigmatizing SUD to include the following actions:
   a. Stigmastache golf tournament which is open the community.
   b. Participating in DrugFree Wilco and other community opportunities.
   c. Education through local media to include law enforcement Facebook, community presentations at chamber or like organizations.

4. Staff responsibility for community relations are as follows:
   a. Speaking to media, law enforcement- Joe Bond, Stephen Loyd MD, Paul Trivette
   b. Educating area community providers such as hospitals- Paul Trivette, Dr. Stephen Loyd
   c. Educating pharmacies and/or addressing concerns- Stephen Loyd, MD; Sara Gregory
   d. Working with the court system for alternative sentencing/diversion options- Paul Trivette, Stephen Loyd MD
5. Maintaining an orderly building and parking lot for each office- Program Director, Office Coordinator (or their designee), and Medical Director.

| UNMET NEED FOR METHADONE TREATMENT SERIVCES IN THE PSA - CON STANDARDS & CRITERIA | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| County | 18+ Pop. 2024* | Opiate Misuse Rate - Age 18+** | No. of Age 18+ Residents with OUD | No. of Residents Receiving Services at Existing OTPs (2023)*** | Unmet Need (Patients) | % of Need Being Met | High Need County/Area (< 20% Need Met)? | Projected No. Residents Treated at Cedar Yr. 2 | % of Unmet Need Projected to be Met at Cedar in Year 2 |
| Putnam | 66,405 | 2.57% | 1,707 | 33 | 1,674 | 1.9% | Yes | 34 | 2.0% |
| Clay | 6,195 | 2.57% | 159 | 3 | 156 | 1.9% | Yes | 3 | 1.9% |
| Cumberland | 54,012 | 2.57% | 1,388 | 17 | 1,371 | 1.2% | Yes | 18 | 1.3% |
| DeKalb | 17,048 | 2.57% | 438 | 4 | 434 | 0.9% | Yes | 4 | 0.9% |
| Fentress | 15,262 | 2.57% | 392 | 13 | 379 | 3.3% | Yes | 13 | 3.4% |
| Jackson | 9,945 | 2.57% | 256 | 4 | 252 | 1.6% | Yes | 4 | 1.6% |
| Macon | 19,659 | 2.57% | 505 | 5 | 500 | 1.0% | Yes | 6 | 1.2% |
| Overton | 18,351 | 2.57% | 472 | 12 | 460 | 2.5% | Yes | 12 | 2.6% |
| Pickett | 4,190 | 2.57% | 108 | 2 | 106 | 1.9% | Yes | 2 | 1.9% |
| Smith | 16,229 | 2.57% | 417 | 4 | 413 | 1.0% | Yes | 4 | 1.0% |
| Van Buren | 4,776 | 2.57% | 123 | 2 | 121 | 1.6% | Yes | 2 | 1.7% |
| White | 22,729 | 2.57% | 584 | 6 | 578 | 1.0% | Yes | 7 | 1.2% |
| **Primary Service Area Total** | **254,801** | **2.57%** | **6,548** | **105** | **6,443** | **1.6%** | **Yes** | **281** | **4.4%** |

*Sources:*

** Tennessee Department of Health Population Proctions, 2024-2028*

*** National Survey of Drug Use and Health, 2021-2022, Substance Abuse and Mental Health Services Administration (SAMHSA)*

****Tennessee Department of Mental Health and Substance Abuse Services*

Attachment 1N(1)

**DISTANCES IN MILES FROM PSA COUNTIES TO PROPOSED OTP IN PUTNAM COUNTY AND TO EXISTING CLINICS**

| County | Proposed Cedar Recovery OTP | BHG Columbia (Maury) | Knoxville Bernard (Knox) | Knoxville Citico (Knox) | Mid. Tenn. Trtmt. Ctr. (Davidson) | Hermitage Trtm. Ctr. (Davidson) | BHG Madison (Davidson) | So. Nashville CTC (Davidson) | BHG Murfreesboro (Rutherford) | Clarksville Comp. Trtmt. Ctr. (Montgomery) | TLC Maryville (Blount) | Bradley Co. Comp. Trtmt. Ctr. (Bradley) | Volunteer Trtmt. Ctr. (Hamilton) | Avg. Distance to Existing Clinics |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Clay | **49.5** | 140 | 128 | 127 | 112 | 101 | 89 | 107 | 112 | 114 | 135 | 140 | 139 | **120** |
| Cumberland | **48.4** | 165 | 75 | 73 | 123 | 111 | 121 | 117 | 122 | 166 | 81 | 77 | 85 | **110** |
| DeKalb | **25.3** | 92 | 127 | 125 | 77 | 66 | 76 | 72 | 41 | 121 | 133 | 111 | 112 | **96** |
| Fentress | **51.3** | 171 | 84 | 86 | 128 | 117 | 127 | 123 | 127 | 171 | 103 | 128 | 126 | **124** |
| Jackson | **26.8** | 135 | 129 | 127 | 92 | 81 | 91 | 87 | 92 | 116 | 135 | 141 | 126 | **113** |
| Macon | **50.7** | 111 | 153 | 151 | 68 | 57 | 52 | 63 | 68 | 94 | 159 | 165 | 171 | **109** |
| Overton | **25.4** | 145 | 108 | 106 | 102 | 91 | 101 | 97 | 102 | 145 | 114 | 110 | 119 | **112** |
| Pickett | **43.5** | 164 | 126 | 124 | 120 | 130 | 119 | 115 | 120 | 164 | 132 | 138 | 137 | **132** |
| Putnam | **7.5** | 127 | 100 | 99 | 84 | 73 | 83 | 79 | 84 | 126 | 106 | 112 | 101 | **98** |
| Smith | **33.8** | 99 | 136 | 134 | 56 | 45 | 55 | 55 | 55 | 99 | 142 | 148 | 133 | **96** |
| Van Buren | **32.8** | 131 | 117 | 115 | 113 | 102 | 111 | 107 | 65 | 156 | 123 | 81 | 68 | **107** |
| White | **18.9** | 113 | 103 | 102 | 86 | 88 | 98 | 81 | 60 | 142 | 109 | 81 | 84 | **96** |
| **Average:** | **34.5** | | | | | | | | | | | | | **109** |

Source: Google Maps

**Average distance from PSA counties to proposed Cedar Recovery OTP:** **34.5 miles**

**Average distance from PSA counties to existing OTPs within 180 miles:** **109 miles**

Attachment 1N(2)

| UNMET NEED FOR METHADONE TREATMENT SERIVCES IN THE PSA - ALL TYPES OF TREATMENT | | | | | | | |
|---|---|---|---|---|---|---|---|
| County | 18+ Pop. 2024* | Opiate Misuse Rate - Age 18+** | No. of Age 18+ Residents with OUD | Total OUD Patients Served (All Treatment Modalities) (2023)*** | Unmet Need (Patients) | % of Need Being Met | High Need County/Area (< 20% Need Met)? |
| Putnam | 66,405 | 2.57% | 1,707 | 193 | 1,514 | 11.3% | Yes |
| Clay | 6,195 | 2.57% | 159 | 38 | 121 | 23.9% | No |
| Cumberland | 54,012 | 2.57% | 1,388 | 52 | 1,336 | 3.7% | Yes |
| DeKalb | 17,048 | 2.57% | 438 | 41 | 397 | 9.4% | Yes |
| Fentress | 15,262 | 2.57% | 392 | 29 | 363 | 7.4% | Yes |
| Jackson | 9,945 | 2.57% | 256 | 14 | 242 | 5.5% | Yes |
| Macon | 19,659 | 2.57% | 505 | 20 | 485 | 4.0% | Yes |
| Overton | 18,351 | 2.57% | 472 | 20 | 452 | 4.2% | Yes |
| Pickett | 4,190 | 2.57% | 108 | 0 | 108 | 0.0% | Yes |
| Smith | 16,229 | 2.57% | 417 | 39 | 378 | 9.4% | Yes |
| Van Buren | 4,776 | 2.57% | 123 | 6 | 117 | 4.9% | Yes |
| White | 22,729 | 2.57% | 584 | 35 | 549 | 6.0% | Yes |
| **Primary Service Area Total** | **254,801** | **2.57%** | **6,548** | **487** | **6,061** | **7.4%** | **Yes** |

*Sources:*

** Tennessee Department of Health Population Proctions, 2024-2028*

*** National Survey of Drug Use and Health, 2021-2022, Substance Abuse and Mental Health Services Administration (SAMHSA)*

****Tennessee Department of Mental Health and Substance Abuse Services. This data includes only services funded through DMHSAS.*

| Site Name | Census | Methadone | Suboxone | Subutex | Naltrexone | Buprenorphine | Vivitrol | Probuphine | Sublocade | Zubsolv |
|---|---|---|---|---|---|---|---|---|---|---|
| Clarksville CTC | 242 | 233 | 1 | 0 | 0 | 4 | 0 | 0 | 0 | 0 |
| Hermitage CTC | 268 | 209 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Nashville CTC | 164 | 156 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| BHG - Jackson | 321 | 316 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| BHG - Knoxville Bernard | 936 | 837 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| BHG - Knoxville Citico | 976 | 949 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 |
| BHG - Madison | 141 | 132 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| BHG - Middle Tennessee | 575 | 523 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 |
| BHG - Paris | 351 | 334 | 0 | 0 | 0 | 15 | 0 | 0 | 0 | 0 |
| BHG - Columbia | 192 | 179 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG - Dyersburg | 394 | 386 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG - Memphis Midtown | 283 | 240 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG - Memphis North | 278 | 247 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG - Memphis South | 239 | 233 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG - Murfreesboro | 181 | 159 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG - Savannah | 166 | 166 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bradley County CTC | 418 | 373 | 40 | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Memphis CTC | 186 | 174 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hope Treatment | 353 | 340 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLC Maryville | 365 | 343 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Volunteer Treatment | 1056 | 965 | 33 | 55 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 8085 | 7494 | 82 | 62 | 0 | 31 | 0 | 0 | 0 | 0 |

Source: TDMHSAS

Effective date of Census: 5/8/24

# LETTER OF INTENT

**State of Tennessee**
**Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

**www.tn.gov/hsda** Phone: 615-741-2364 hsda.staff@tn.gov

# LETTER OF INTENT

The Publication of Intent is to be published in The Herald Citizen, which is a newspaper of general circulation in Putnam County, Tennessee, on or before 05/15/2024 for one day.

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Cedar Recovery, a/an new entity owned by Cedar Recovery of Middle Tennessee, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a Nonresidential Substitution-Based Treatment Center for Opiate Addiction and the initiation of opiate addiction treatment through the center. The address of the project will be 1805 Burgess Falls Road, Cookeville, Putnam County, Tennessee, 38506. The estimated project cost will be $5,548,518.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

| Jerry Taylor | 05/13/2024 | jtaylor@thompsonburton.com |
|---|---|---|
| **Signature of Contact** | **Date** | **Contact's Email Address** |

The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the next business day. Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

**State of Tennessee**
**Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

**www.tn.gov/hsda** Phone: 615-741-2364 hsda.staff@tn.gov

# PUBLICATION OF INTENT

**The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.**

## NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Cedar Recovery, a/an new entity owned by Cedar Recovery of Middle Tennessee, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a Nonresidential Substitution-Based Treatment Center for Opiate Addiction and the initiation of opiate addiction treatment through the center. The address of the project will be 1805 Burgess Falls Road, Cookeville, Putnam County, Tennessee, 38506. The estimated project cost will be $5,548,518.

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The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

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# ORIGINAL APPLICATION

**State of Tennessee**
**Health Facilities Commission**
502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243
**www.tn.gov/hsda** Phone: 615-741-2364 hsda.staff@tn.gov

# CERTIFICATE OF NEED APPLICATION

## 1A. Name of Facility, Agency, or Institution

Cedar Recovery
**Name**

1805 Burgess Falls Road — Putnam County
**Street or Route** — **County**

Cookeville — Tennessee — 38506
**City** — **State** — **Zip**

https://www.cedarrecovery.com
**Website Address**

**Note:** The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

## 2A. Contact Person Available for Responses to Questions

Jerry Taylor — Attorney
**Name** — **Title**

Thompson Burton PLLC — jtaylor@thompsonburton.com
**Company Name** — **Email Address**

One Franklin Park, 6100 Tower Circle, Suite 200
**Street or Route**

Franklin — Tennessee — 37067
**City** — **State** — **Zip**

Attorney — 615-716-2297
**Association with Owner** — **Phone Number**

## 3A. Proof of Publication

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

**Date LOI was Submitted:** 05/13/24

**Date LOI was Published:** 05/15/24

**RESPONSE:** A Publisher's Affidavit is attached as Attachment 3A.

**4A. Purpose of Review** *(Check appropriate box(es) – more than one response may apply)*

- [x] Establish New Health Care Institution
- [ ] Relocation
- [ ] Change in Bed Complement
- [ ] Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- [ ] Initiation of MRI Service
- [ ] MRI Unit Increase
- [ ] Satellite Emergency Department
- [ ] Addition of Therapeutic Catheterization
- [ ] Positron Emission Tomography (PET) Service
- [x] Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

Initiation of HealthCare services

- [ ] Burn Unit
- [ ] Neonatal Intensive Care Unit
- [ ] Open Heart Surgery
- [ ] Organ Transplantation
- [ ] Cardiac Catheterization
- [ ] Linear Accelerator
- [ ] Home Health
- [ ] Hospice
- [x] Opiate Addiction Treatment Provided through a Non-Residential Substitution-Based Treatment Section for Opiate Addiction

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

**5A. Type of Institution** *(Check all appropriate boxes – more than one response may apply)*

- [ ] Hospital
- [ ] Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- [ ] Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- [ ] Home Health
- [ ] Hospice
- [ ] Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- [ ] Nursing Home
- [ ] Outpatient Diagnostic Center
- [ ] Rehabilitation Facility
- [ ] Residential Hospice
- [x] Nonresidential Substitution Based Treatment Center of Opiate Addiction

☐ Other

Other -

Hospital -

## 6A. Name of Owner of the Facility, Agency, or Institution

Cedar Recovery of Middle Tennessee, LLC

**Name**

5000 Crossings Circle, Suite 103 | 615-288-1103

**Street or Route** | **Phone Number**

Mt. Juliet | Tennessee | 37122

**City** | **State** | **Zip**

## 7A. Type of Ownership of Control *(Check One)*

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Partnership
- ☐ Corporation (For Profit)
- ☐ Corporation (Not-for-Profit)
- ☐ Government (State of TN or Political Subdivision)
- ☐ Joint Venture
- ☑ Limited Liability Company
- ☐ Other (Specify)

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at https://tnbear.tn.gov/ECommerce/FilingSearch.aspx If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

**RESPONSE:** Copies of the company's organizational documents and an ownership chart are attached as Attachment 7A.

## 8A. Name of Management/Operating Entity *(If Applicable)*

**Name**

**Street or Route** | **County**

**City** **State** **Zip**

**Website Address**

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

## 9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- ☐ Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
- ☐ Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☐ Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
- ☑ Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
- ☐ Letter of Intent, or other document showing a commitment to lease the property - attach reference document
- ☐ Other (Specify)

**RESPONSE:** A copy of the Option to Lease with right of first Refusal to Purchase is attached as Attachment 9A.

## 10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

**RESPONSE:** A Floor Plan is attached as Attachment 10A.

## 11A. Public Transportation Route

Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. (Attachment 11A)

**RESPONSE:** The site is on Burgess Falls Road which is also Highway 135. It is a couple of miles north of Interstate 40. There is no public bus system which serves the site. Low to no-cost transportation services in Putnam County are available through the Upper Cumberland Human Resource Agency ("UCHRA").

## 12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres);
- Location of structure on the site;
- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

(Attachment 12A)

**RESPONSE:** A Plot Plan is attached as Attachment 12A.

## 13A. Notification Requirements

- TCA §68-11-1607(c)(9)(B) states that "... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested." Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

  - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☑ Not Applicable

- TCA §68-11-1607(c)(9)(A) states that "... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.

  - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☑ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☐ Not Applicable

## EXECUTIVE SUMMARY

### 1E. Overview

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.

**RESPONSE:**

Cedar Recovery is a CARF (Commission on Accreditation of Rehabilitation Facilitates) Accredited outpatient addiction treatment company based in Mount Juliet, TN with thirteen (13) office-based opiate treatment (OBOT) facilities, Mental Health Outpatient, and Intensive Outpatient Programs (IOP) throughout Tennessee. One of Cedar's OBOT clinics is located in Putnam County. The Cedar Recovery clinics offer all medically appropriate modalities for the treatment of opioid addiction except for one – treatment through the on-site administration of Methadone. Methadone is the only treatment modality which requires CON approval. These programs are generally referred to as "Opioid Treatment Programs"' or "OTPs" and that acronym will be used throughout this application.

Methadone is an effective treatment option for patients who are suffering from opioid addiction, which is known as Opioid Use Disorder ("OUD") in the treatment profession. An individual treatment program begins with the patients having a face to face interview with the medical team, which includes an assessment of the patient's history of OUD and the severity of the patient's opioid withdrawal. This allows the medical provider to determine the appropriate starting dose of methadone. Thereafter, the patient is required to present to the clinic in person every day, at which time the proper Methadone dose is administered via a liquid drink in the presence of a clinical staff person.

Methadone, when induced appropriately and taken in a properly operated OTP does not deliver the euphoric "high" the patient seeks and gets from illicit substances, whether those are prescription medications or street drugs such as heroin and fentanyl. Instead, it eliminates the craving for that high -- which allows the individual to stop taking the illicit substance -- and it precludes the terrible physical withdrawal symptoms the patient would otherwise experience.

Methadone treatment is not, as some critics claim, substituting one addiction for another. The goal and intent are always to slowly wean the individual off the methadone after the appropriate period of time, which is determined by the clinical team and is unique to each individual patient. Methadone treatment is just one component of treatment that will be provided through Cedar's OTP. Treatment also includes group and individual therapy, counseling, care coordination, and peer recovery support. The goal is to not just treat the physical aspects of addiction, but to also uncover and treat the psychological, social, and environmental factors which may be contributing to the addiction. OUD is a complicated disease, and effective treatment is multi-faceted.

Another important aspect of a well-run, high-quality OTP is the safety mechanisms put in place to prevent abuse of the medication and misuse of the system. Not only are the patients required to prepausally appear and take the methadone dose in the presence of clinical personnel, the patient is monitored for compliance with drug screening and counseling therapy. Take-home doses will only be given as allowed under federal and state law and when the patient has demonstrated compliance with the program. Misuse of the program is prevented through the central methadone registry and the controlled substance monitoring database.

Although this would be the first or second OTP to be operated by Cedar (depending upon the opening date of the Cedar Recovery Knoxville OTP recently approved by CN2401-002A), no company is more experienced in opioid treatment or better equipped to own and operate a successful and effective OTP. Under the leadership of Cedar's Chief Medical Officer, Dr. Stephen Loyd, M.D., the proposed OTP's Medical Director Dr. Sturt Ross, M.D., and Cedar's Clinical Director Mai Ferrell, LCSW, LADAC II, Cedar's medical and counseling providers deliver an integrated and multi-disciplinary approach to treating opioid use disorder (OUD). Dr. Loyd is one of the earliest and most active patient and public safety advocates against the early marketing and promotional schemes of the Oxy family of prescription opioids perpetrated by Purdue Pharmaceuticals. To say he is passionate about the fight against the opioid (and now fentanyl) addiction crisis is an understatement. Dr. Loyd has retired from the active practice of internal medicine, and dedicates his entire efforts to the work of Cedar Recovery and in various other capacities related to addiction treatment. Dr. Ross is Fellowship Trained in Addiction Medicine and double board certified in Family Medicine and Addiction Medicine.

As previously mentioned, Cedar already operates 13 facilities in Tennessee providing various forms of addiction treatment services: 11 OBOTs, 2 Intensive Outpatient centers (IOPs), and 2 mental health outpatient centers. It has recently received CON approval for a new OTP in Knoxville. One of those OBOT facilities is located in Cookeville. Cedar's operation of that opioid addiction treatment clinic demonstrates that not only will its program be well-run and effective, but that Cedar Recovery is a good corporate citizen and an important part of the local medical community. It wants to be, and will be, a good neighbor to the other businesses and citizens of Putnam County in its operation of the proposed OTP. The treatment center will be housed in approximately 4,264 square feet of space in a multi-tenant building for which Cedar has an option to master lease, and a right of first refusal to purchase.

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- Ownership structure

**RESPONSE:** The applicant is a Tennessee Limited Liability Company which owns and operates thirteen (13) Office-based Opiate Treatment (OBOT) facilities, Mental Health Outpatient facilities, and Intensive Outpatient Programs (IOP) in Tennessee. This proposed facility would be the first or second of Cedar's treatment centers to include methadone treatment as one of the treatment modalities available. The company currently has 14 members with varying percentages of ownership. An ownership table is included in Attachment 7A.

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- Service Area

**RESPONSE:** The proposed primary service area (PSA) consists of the following 12 counties in the Upper Cumberland Region: Putnam (clinic site), Clay, Cumberland, DeKalb, Fentress, Jackson, Macon, Overton, Pickett, Smith, Van Buren, and White Counties. Each of these counties has a roughly geographic center within a 50-mile

radius of the site. Based on the coverage areas of other similar facilities in Tennessee, this is a reasonable proposed service area.

- Existing similar service providers

**RESPONSE:** There is no OTP in the 12-county Primary Service Area (PSA). There are 12 OTPs within approximately 180 miles of the proposed site, those being located in Davidson County (4), Montgomery County (1), Rutherford County (1), Maury County (1), Knox County (2), Blount County (1) Bradley County (1), and Hamilton County (1). The proposed OTP would be -- by far -- the closest one to virtually all residents of the PSA. The average driving distance from the PSA counties to the existing OTPs is 109 miles. The average distance from the PSA counties to the proposed Cedar Recovery OTP is 34.5 miles. See Attachment 1N(2) for a driving distance chart. Based on the prevalence rate of opiate (prescription pain killers and heroin) misuse as determined by the 2021-2022 National Survey of Drug Use and Health (NSDUH) by the federal Substance Abuse and Mental Health Services Administration (SAMHSA) there are 6,548 residents of the PSA who suffer from Opiate Use Disorder ("OUD"). Based on utilization data provided by the Tennessee Department of Mental Health and Substance Abuse Services (DMHSAS), 105 residents of the 12-county PSA received services at an OTP in Tennessee in 2023. Based on the prevalence rate of the area and the number of patients being treated with methadone, only 1.6% of the need for OTP services in the PSA was met in 2023. None of the PSA counties came even close to having at least 20% of the county need being met; the highest rate of any individual county was 3.3% in Fentress County. Under the need formula, each county in the PSA is a "High Need" county. Please see the table in Attachment 1N(1) for specific data and details verifying the conclusion that the need formula is met and that all counties in the PSA are "High Need" counties.

- Project Cost

**RESPONSE:** The total estimated project cost is $2,500,077, not including the filing fee. The largest cost by far is the lease cost over 20 years which is $569,446. The construction cost is $1,590,631 including financing costs. The medical equipment needed for an OTP is relatively minimal, those being approximately $15,000 for this project.

- Staffing

**RESPONSE:** The OTP will require 6 FTE positions for direct patient care, and 3 FTE non-patient care positions. The direct patient care staff will consist of a Medical Director, a Nurse Practitioner, an LPN, and 3 counselors.

## 2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed ONE PAGE (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need

  **RESPONSE:** Based on the prevalence rate of opiate (prescription pain killers and heroin) misuse as determined by the 2021-2022 National Survey of Drug Use and Health (NSDUH) by the federal Substance Abuse and Mental Health Services Administration (SAMHSA) there are 6,548 residents of the PSA who suffer from Opiate Use Disorder ("OUD"). Based on utilization data provided by the Tennessee Department of Mental Health and Substance Abuse Services (DMHSAS), 105 residents of the 12-county PSA received services at an OTP in Tennessee in 2023. Based on the prevalence rate of the area and the number of patients being treated with methadone, only 1.6% of the need for OTP services in the PSA was met in 2023. None of the PSA counties came even close to having at least 20% of the county need being met; the highest rate of any individual county was 3.3% in Fentress County. Under the need formula, each county in the PSA is a "High Need" county. Please see the table in Attachment 1N(1) for specific data and details verifying the conclusion that the need formula is met and that all counties in the PSA are "High Need" counties. There is no Nonresidential Substitution-Based Treatment Center for Opiate Addiction (hereinafter "OTP" for "Opioid Treatment Program") in the 12-county Primary Service Area (PSA). There are 12 OTPs within approximately 180 miles of the PSA, those being located in Davidson County (4), Montgomery County (1), Rutherford County (1), Maury County (1), Knox County (2), Blount County (1) Bradley County (1), and Hamilton County (1). The proposed OTP would be -- by far -- the closest one to virtually all residents of the PSA. The average distance from the 12 PSA counties to the proposed Cedar Recovery OTP is 34.5 miles. The average distance from the 12 PSA counties to the existing OTPs is 109 miles. The lack of a reasonably accessible OTP to the residents of the 12 county PSA further reflects the need for the proposed Cedar Recovery OTP. Please see Attachment 1N(2) for a detailed driving distance chart.

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- Quality Standards

  **RESPONSE:** Cedar Recovery is a CARF (Commission on Accreditation of Rehabilitation Facilitates) Accredited outpatient addiction treatment company based in Mount Juliet, TN with thirteen (13) Office-based Opiate Treatment (OBOT) facilities, Mental Health Outpatient facilities, and Intensive Outpatient Programs (IOP) in Tennessee. The proposed OTP will be CARF accredited, and will be licensed by the Tennessee Department of Mental Health & Substance Abuse Services. Although this would be the first or second OTP (considering the CON approval for Cedar Recovery in Knox County), the company has vast experience in opioid addiction treatment, and no company is better equipped to own and operate a High-quality OTP. Under the leadership of Cedar's Chief Medical Officer, Dr. Stephen Loyd, M.D., the proposed OTP's Medical Director Dr. Sturt Ross, M.D., and Cedar's Clinical Director Mai Ferrell, LCSW, LADAC II, Cedar's medical and counseling providers deliver an integrated and multi-disciplinary approach to treating opioid use disorder (OUD). Dr. Loyd is one of the earliest and most active patient and public safety advocates against the early marketing and promotional schemes of the Oxy family of prescription opioids perpetrated by Purdue Pharmaceuticals. To say he is passionate about the fight against the opioid (and now fentanyl) addiction crisis is an understatement. Dr. Loyd has retired from the active practice of internal medicine and dedicates his entire efforts to the work of Cedar Recovery and in various other capacities related to addiction treatment. Dr. Ross is Fellowship Trained in Addiction Medicine and double board certified in Family Medicine and Addiction Medicine.

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- Consumer Advantage

- Choice

  **RESPONSE:** There is no OTP in the 12-county service area. Patients are traveling to one of the existing OTPs outside the PSA. The average distance to the other OTPs from the PSA counties is 109 miles. The average distance from the PSA counties to the proposed Cedar Recovery OTP is 34.5 miles. This proposed OTP will provide a local choice for addicted persons in the region and save them significant travel time and expense for the required daily visits to the OTP.

- Improved access/availability to health care service(s)

  **RESPONSE:** Based on the above-stated facts, the proposed Cedar Recovery OTP will vastly improve and increase access to OTP services. Currently, addicted persons in Putnam County and the PSA, who are seeking OTP treatment are forced to leave their own community to get treatment. This proposed OTP will allow these individuals, for the first time in the history of the Upper Cumberland Region, to access this evidence-based treatment modality – this includes new individuals needing care and existing patients traveling great distances

- Affordability

  **RESPONSE:** The OTP services are very affordable for patients. By Year 2, the payor mix is expected to be 62% Medicare and TennCare. The government programs cover the services completely, so that in most cases there is little, if any, out-of-pocket cost to the patient. By Year 2 the commercial health plan mix is projected to be about 32%. Commercial plans generally pay a percentage of the Medicare payment rate, so the out-of-pocket cost to the patient should be minimal. The self-pay mix is expected to be 6% in Year 2. The self-pay rates are reasonable, at only $17 per day, including medication.

## 3E. Consent Calendar Justification

- ☐ Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- ☑ Consent Calender NOT Requested

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency's Executive Director at the time the application is filed.

## 4E. PROJECT COST CHART

A. Construction and equipment acquired by purchase:

| | |
|---|---|
| 1. Architectural and Engineering Fees | $20,000 |
| 2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees | $90,000 |
| 3. Acquisition of Site | |
| 4. Preparation of Site | |
| 5. Total Construction Costs | $1,590,631 |
| 6. Contingency Fund | $150,000 |
| 7. Fixed Equipment (Not included in Construction Contract) | |
| 8. Moveable Equipment (List all equipment over $50,000 as separate attachments) | $15,000 |
| 9. Other (Specify): FFE, signage, lighting | $65,000 |

B. Acquisition by gift, donation, or lease:

| | |
|---|---|
| 1. Facility (inclusive of building and land) | $569,446 |
| 2. Building only | |
| 3. Land only | |
| 4. Equipment (Specify): | |
| 5. Other (Specify): | |

C. Financing Costs and Fees:

| | |
|---|---|
| 1. Interim Financing | |
| 2. Underwriting Costs | |
| 3. Reserve for One Year's Debt Service | |
| 4. Other (Specify): Closing costs | |

| | | |
|---|---|---|
| D. Estimated Project Cost (A+B+C) | | $2,500,077 |
| E. CON Filing Fee | | $5,625 |
| F. Total Estimated Project Cost (D+E) | **TOTAL** | $2,505,702 |

## GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with TCA §68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers." In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

## NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

**1N.** Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. https://www.tn.gov/hsda/hsda-criteria-and-standards.html (Attachment 1N)

**RESPONSE:**

**RESPONSE:** Responses to the Criteria and Standards are attached as Attachment 1N.

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**2N.** Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

**RESPONSE:**

The proposed primary service area (PSA) consists of the following 12 counties in the Upper Cumberland Region: Putnam (clinic site), Clay Cumberland DeKalb, Fentress, Jackson, Macon, Overton, Pickett, Smith, Van Buren, White Counties. Each of these counties have a roughly geographic center within a 50-mile radius of the site. Based on the coverage areas of other similar facilities in Tennessee, this is a reasonable proposed service area. A map of the service area is attached as Attachment 2N.

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Complete the following utilization tables for each county in the service area, if applicable.

**PROJECTED UTILIZATION**

Unit Type: ☐ Procedures ☐ Cases ☑ Patients ☐ Other _____

| Service Area Counties | Projected Utilization Recent Year 1 (Year = 2025) | % of Total |
|---|---|---|
| Clay | 3 | 2.75% |
| Cumberland | 18 | 16.51% |
| DeKalb | 4 | 3.67% |
| Fentress | 13 | 11.93% |
| Jackson | 4 | 3.67% |
| Macon | 6 | 5.50% |
| Overton | 12 | 11.01% |
| Pickett | 2 | 1.83% |
| Putnam | 34 | 31.19% |
| Smith | 4 | 3.67% |
| Van Buren | 2 | 1.83% |
| White | 7 | 6.42% |
| Total | 109 | 100% |

**3N. A.** Describe the demographics of the population to be served by the proposal.

**RESPONSE:**

The population counts and demographic features of the counties in the PSA are reflected in Attachment 3N. The target population is 18+ years of age and the projected year is 2028.

**B.** Provide the following data for each county in the service area:

- Using current and projected population data from the Department of Health. (www.tn.gov/health/health-program-areas/statistics/health-data/population.html);
- the most recent enrollee data from the Division of TennCare (https://www.tn.gov/tenncare/information-statistics/enrollment-data.html),
- and US Census Bureau demographic information (https://www.census.gov/quickfacts/fact/table/US/PST045219).

**RESPONSE:**

The requested information is included in the population and demographics table in Attachment 3N.

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**4N.** Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly those who are uninsured or underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

**RESPONSE:**

Compared to the state as a whole the PSA has (1) lower median household income, (2) higher poverty levels, and (3) higher TennCare enrollee rates. The proposed Cedar Recovery OTP will help meet these special needs by its high level of TennCare participation, its low self-pay charges, and charity care if needed. The Cedar Recovery OTP will participate in TennCare and Medicare. The expected payor mix is 62% TennCare and Medicare: 36% and 26%, respectively. The applicant is allocating approximately 1% for charity care, although very little is needed because of the extensive coverage of the services by TennCare and Medicare. Additionally, Cedar has been the recipient of State Opioid Response (SOR) grant funding issued by the Tennessee Department of Mental Health & Substance Abuse Services. The SOR grant provides financial coverage for the indigent (<138% poverty level). Cedar fully anticipates utilizing SOR funding to ensure provision of services for this population.

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**5N.** Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g. cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

**RESPONSE:**

There is no existing OTP in the service area. There are 23 OTP clinics in Tennessee. The table attached as Attachment 5N shows the utilization (number of patients) of each OTP by residents of the PSA counties in 2023. A total of 105 residents of the PSA traveled to OTPs outside of the service area to receive opioid addiction treatment services in 2023.

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**6N.** Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

**RESPONSE:**

This is a proposed new service and facility, so there is no historical data.

Projected Data:

| | |
|---|---|
| Year 1: | 110 patients |
| Year 2: | 281 patients |

The methodology for determining the projected utilization considered several factors and the experience of other similarly situated new OTPs in Tennessee. As of 2023, there were 105 patients in the proposed service area (PSA) receiving methadone treatment from an opioid treatment program (OTP) in Tennessee. The driving distance(s) for these individuals is considerable given the closest OTP programs are located in Chattanooga (101 miles), Hermitage (73 miles), and Knoxville (99 miles). Cedar believes that eighty percent (80%) of the 105 patients (84 patients) from the PSA who traveled long distances to OTPs in 2023 will begin to utilize this new OTP in Putnam County in the first year of operation. Cedar further believes it will admit twenty-six (26) new and unique patients to the proposed OTP in the first year of operation. The combination of those two groups equal one-hundred ten (110) patients served

within the first year of operation with 76% of those consisting of individuals currently receiving methadone treatment from an OTP that is no less than 73 miles away from Putnam County.

Cedar evaluated the growth trends of OTP programs that have initiated operations within the last four (4) years: Bradley County CTC, New Hope Treatment Center of Tennessee, TLC Maryville, Clarksville CTC, Hermitage CTC, Memphis CTC, South Nashville CTC, and BHG-Murfreesboro. Those programs observed an increase in utilization ranging from 42% to 712% between Year 1 and Year 2, with a median increase of 164%. It is important to note that Clarksville CTC, BHG-Madison, and BHG-Murfreesboro were all programs established in an area with no existing opioid treatment programs. Those three (3) programs observed a median increase of 166% between Year 1 and Year 2 of operation. The proposed OTP in this application is similar to those three (3) programs in that the residents of Putnam County and the entire PSA have never had access to an OTP within their respective county. The applicant considered this phenomenon in projecting growth from Year 1 to Year 2. The applicant's increase in total patients from Year 1 to Year 2 is 155%. That growth rate is consistent with the median growth rate of the new OTPs in Tennessee mentioned above.

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**7N.** Complete the chart below by entering information for each applicable outstanding CON by applicant or share common ownership; and describe the current progress and status of each applicable outstanding CON and how the project relates to the applicant, and the percentage of ownership that is shared with the applicant's owners.

**RESPONSE:**

Please see the completed chart below.

| CON Number | Project Name | Date Approved | Expiration Date |
|---|---|---|---|
| CN2401-002 | Cedar Recovery | 3/27/2024 | 5/1/2026 |

## CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

**1C.** List all transfer agreements relevant to the proposed project.

**RESPONSE:** The applicant has had discussions with Cookeville Regional Medical Center (CRMC) regarding an Addiction Consultative Services (ACS) contract with the hospital. It is the intent of Cedar to not only be a resource for CRMC and their patients, but also to provide its ACS services to the emergency department and hospital. The applicant expects to have a transfer agreement with CRMC, but its execution is premature at this time.

**2C.** List all commercial private insurance plans contracted or plan to be contracted by the applicant.

- [x] Aetna Health Insurance Company
- [x] Ambetter of Tennessee Ambetter
- [x] Blue Cross Blue Shield of Tennessee
- [ ] Blue Cross Blue Shield of Tennessee Network S
- [ ] Blue Cross Blue Shiled of Tennessee Network P
- [ ] BlueAdvantage
- [ ] Bright HealthCare
- [x] Cigna PPO
- [ ] Cigna Local Plus
- [ ] Cigna HMO - Nashville Network
- [ ] Cigna HMO - Tennessee Select
- [ ] Cigna HMO - Nashville HMO
- [ ] Cigna HMO - Tennessee POS
- [ ] Cigna HMO - Tennessee Network
- [ ] Golden Rule Insurance Company
- [ ] HealthSpring Life and Health Insurance Company, Inc.
- [x] Humana Health Plan, Inc.
- [ ] Humana Insurance Company
- [ ] John Hancock Life & Health Insurance Company
- [ ] Omaha Health Insurance Company
- [ ] Omaha Supplemental Insurance Company

- ☐ State Farm Health Insurance Company
- ☑ United Healthcare UHC
- ☐ UnitedHealthcare Community Plan East Tennessee
- ☐ UnitedHealthcare Community Plan Middle Tennessee
- ☐ UnitedHealthcare Community Plan West Tennessee
- ☐ WellCare Health Insurance of Tennessee, Inc.
- ☑ Others

**RESPONSE:** Multiplan/PHCS

**3C.** Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

**RESPONSE:**

There is no OTP in the 12-county service area. Patients are traveling to one of the existing OTPs outside the PSA. The average distance to the other OTPs from the PSA counties is 109 miles. The average distance from the PSA counties to the proposed Cedar Recovery OTP is 34.5 miles. This proposed OTP will provide a local choice for addicted persons to receive the treatment they need closer to their homes and work, save them significant travel time and expense for the required daily visits to the OTP, and make it more likely they will seek treatment.

The proposed OTP will also result in cost savings for the TennCare program. TennCare provides transportation to and from OTPs for treatment of OUD for its enrollees. The methadone treatment protocol requires daily dosing for all new patients; established patients, who are compliant with program requirements, are authorized to receive take-home doses as allowed under federal and state law The transportation is paid for on a price per mile basis. With the travel distance to the proposed OTP being much closer to the PSA population than the exiting clinics, the cost to TennCare will be less.

Although the proposed OTP will take some patients from existing OTP providers, this cannot in any sense be deemed negative competition or duplication of services or facilities because the proposed Cedar Recovery OTP will vastly improve and increase access to OTP services. These benefits to consumers far outweigh any negative impact on existing providers.

---

**4C.** Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

**RESPONSE:**

The Year 1 staffing calls for a total of 9 FTE positions: 6.0 direct patient care and 3.0 non- patient care. The Medical Director will be employed, and there is not a need for contractual staff position(s). The leadership of Cedar Recovery is well versed in the applicable rules and regulations governing drug treatment facilities and programs. The OTP will be licensed by DMHSAS and will be accredited by the Commission for Accreditation of Rehabilitation Facilities (CARF). The proposed Cedar Recovery OTP will always meet or exceed all licensing and accreditation standards governing staffing.

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**5C.** Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

**RESPONSE:**

The proposed Cedar Recovery OTP will be licensed by the Tennessee Department of Mental Health and Substance Abuse Services. It will be accredited by CARF. The Cedar Recovery OTP will always meet or exceed licensing and accreditation standards.

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**PROJECTED DATA CHART**

☑ Project Only
☐ Total Facility

Give information for the *two (2)* years following the completion of this proposal.

| | Year 1 | Year 2 |
|---|---|---|
| | 2025 | 2026 |
| A. Utilization Data | | |
| Specify Unit of Measure Patients | 110 | 281 |
| B. Revenue from Services to Patients | | |
| 1. Inpatient Services | $0.00 | $0.00 |
| 2. Outpatient Services | $442,541.00 | $1,891,631.00 |
| 3. Emergency Services | $0.00 | $0.00 |
| 4. Other Operating Revenue (Specify) | $0.00 | $0.00 |
| **Gross Operating Revenue** | $442,541.00 | $1,891,631.00 |
| C. Deductions from Gross Operating Revenue | | |
| 1. Contractual Adjustments | $0.00 | $0.00 |
| 2. Provision for Charity Care | $4,425.00 | $18,916.00 |
| 3. Provisions for Bad Debt | $0.00 | $0.00 |
| **Total Deductions** | $4,425.00 | $18,916.00 |
| **NET OPERATING REVENUE** | $438,116.00 | $1,872,715.00 |

**7C.** Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

**Project Only Chart**

| | Previous Year to Most Recent Year | Most Recent Year | Year One | Year Two | % Change (Current Year to Year 2) |
|---|---|---|---|---|---|
| **Gross Charge** *(Gross Operating Revenue/Utilization Data)* | $0.00 | $0.00 | $4,023.10 | $6,731.78 | 0.00 |
| **Deduction from Revenue** *(Total Deductions/Utilization Data)* | $0.00 | $0.00 | $40.23 | $67.32 | 0.00 |
| **Average Net Charge** *(Net Operating Revenue/Utilization Data)* | $0.00 | $0.00 | $3,982.87 | $6,664.47 | 0.00 |

**8C.** Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

**RESPONSE:**

This is a proposed new facility so there are no current charges. The proposed charges are shown below.

| Payor | Rate | Frequency |
|---|---|---|
| Self pay | $17 | Daily |
| TennCare | $125 | Weekly |
| Medicare | $259.80 | Weekly |
| Commercial Payers | $259.80 | Weekly |

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**9C.** Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**RESPONSE:**

The charges of OTPs are not publicly available, as those facilities do not file Joint Annual Reports. The applicant checked with several other OTPs to obtain their current charges. Except for self-pay they all accept the government payors reimbursement rates, and it is assumed that like the applicant the commercial plans pay those clinics a percentage of Medicare rates, from 85%-110%. The self-pay rates of the other OTPs the applicant spoke with were as follows:

TLC Maryville: $16.00 per day

Overmountain (Johnson City): $18.00 per day

New Hope (Newport): $17.00 per day

**10C.** Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**Applicant's Projected Payor Mix**

**Project Only Chart**

| Payor Source | Year-2025 | | Year-2027 | |
|---|---|---|---|---|
| | Gross Operating Revenue | % of Total | Gross Operating Revenue | % of Total |
| **Medicare/Medicare Managed Care** | $92,934.00 | 21.00 | $491,824.00 | 26.00 |
| **TennCare/Medicaid** | $119,486.00 | 27.00 | $680,987.00 | 36.00 |
| **Commercial/Other Managed Care** | $128,337.00 | 29.00 | $605,322.00 | 32.00 |
| **Self-Pay** | $101,784.00 | 23.00 | $113,498.00 | 6.00 |
| **Other(Specify)** | $0.00 | 0 | $0.00 | 0 |
| **Total** | $442,541.00 | 100% | $1,891,631.00 | 100% |
| **Charity Care** | $4,425.00 | | $18,916.00 | |

**Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

Discuss the project's participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project.

**RESPONSE:** As reflected above, the OTP will be a major provider of services to TennCare and Medicare enrollees, with a combined 62% payor mix of those programs.

## QUALITY STANDARDS

**1Q.** Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

- [x] Yes
- [ ] No

**2Q.** The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?
  - [x] Yes
  - [ ] No
- Does the applicant commit to obtaining and maintaining all applicable state licenses in good 3tanding?
  - [x] Yes
  - [ ]

☐ No

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?

  ☑ Yes

  ☐ No

**3Q.** Please complete the chart below on accreditation, certification, and licensure plans. Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

| Credential | Agency | Status (Active or Will Apply) | Provider Number or Certification Type |
|---|---|---|---|
| Licensure | ☐ Health Facilities Commission/Licensure Division<br>☐ Intellectual & Developmental Disabilities<br>☑ Mental Health & Substance Abuse Services | Will Apply | |
| Certification | ☑ Medicare<br>☑ TennCare/Medicaid<br>☐ Other _____ | Active<br>Active | 3232<br>QO24355 |
| Accreditation(s) | CARF – Commission on Accreditation of Rehabilitation Facilities | Active | Office Based Opioid Treatment (OBOT) & Intensive Outpatient Treatment (IOP) |

**4Q.** If checked "TennCare/Medicaid" box, please list all Managed Care Organization's currently or will be contracted.

- ☐ AMERIGROUP COMMUNITY CARE- East Tennessee
- ☑ AMERIGROUP COMMUNITY CARE - Middle Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - West Tennessee
- ☐ BLUECARE - East Tennessee
- ☑ BLUECARE - Middle Tennessee
- ☐ BLUECARE - West Tennessee
- ☐ UnitedHealthcare Community Plan - East Tennessee
- ☑ UnitedHealthcare Community Plan - Middle Tennessee
- ☐ UnitedHealthcare Community Plan - West Tennessee
- ☐ TENNCARE SELECT HIGH - All
- ☐ TENNCARE SELECT LOW - All
- ☐ PACE
- ☐ KBB under DIDD waiver
- ☐ Others

**5Q.** Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

- ☑ Yes
- ☐ No

**6Q.** For an existing healthcare institution applying for a CON:

- Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.

  ☐ Yes

- ☐ No
- ☑ N/A

- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

  - ☐ Yes
  - ☐ No
  - ☑ N/A

**7Q.** Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

**Has any of the following:**

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or.

**Been subject to any of the following:**

- Final Order or Judgement in a state licensure action;

  - ☐ Yes
  - ☑ No

- Criminal fines in cases involving a Federal or State health care offense;

  - ☐ Yes
  - ☑ No

- Civil monetary penalties in cases involving a Federal or State health care offense;

  - ☐ Yes
  - ☑ No

- Administrative monetary penalties in cases involving a Federal or State health care offense;

  - ☐ Yes
  - ☑ No

- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;

  - ☐ Yes
  - ☑ No

- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or

  - ☐ Yes
  - ☑ No

- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.

  - ☐ Yes
  - ☑ No

**8Q.** Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

☑ Existing FTE not applicable (Enter year)

| Position Classification | Existing FTEs(enter year) | Projected FTEs Year 1 |
|---|---|---|
| **A. Direct Patient Care Positions** | | |
| Medical Director | 0.00 | 1.00 |
| Nurse Practitioner | 0.00 | 1.00 |
| Licensed Practical Nurse | 0.00 | 1.00 |
| Counselor | 0.00 | 3.00 |
| **Total Direct Patient Care Positions** | N/A | 6 |

| | | |
|---|---|---|
| **B. Non-Patient Care Positions** | | |
| Program Director | 0.00 | 1.00 |
| Patient Care Coordinator | 0.00 | 1.00 |
| Certified Peer Recovery Specialist (CPRS) | 0.00 | 1.00 |
| **Total Non-Patient Care Positions** | N/A | 3 |
| **Total Employees** *(A+B)* | 0 | 9 |

| | | |
|---|---|---|
| **C. Contractual Staff** | | |
| Contractual Staff Position | 0.00 | 0.00 |
| **Total Staff** *(A+B+C)* | 0 | 9 |

## DEVELOPMENT SCHEDULE

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Commission, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the "good cause" for such an extension.

## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

| Phase | Days Required | Anticipated Date (Month/Year) |
|---|---|---|
| 1. Initial HFC Decision Date | | 07/24/24 |
| 2. Building Construction Commenced | 120 | 11/20/24 |
| 3. Construction 100% Complete (Approval for Occupancy) | 240 | 03/20/25 |
| 4. Issuance of License | 300 | 05/19/25 |
| 5. Issuance of Service | 360 | 07/18/25 |
| 6. Final Project Report Form Submitted (Form HR0055) | 450 | 10/16/25 |

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

# Herald-Citizen

269 S. Willow Ave.
Suites A & B
Cookeville, TN 38501

**Ad# 70960409**

Cedar Recovery

5000 Crossings Circle, Suite #103

Mt. Juliet, TN 37122
Acct# 70117877

State of Tennessee
County of Putnam ss

Roger Wells, of the city of Cookeville, in said county and state, being duly sworn, on his oath says that he is the Advertising Director of the Herald-Citizen, a three time weekly newspaper of general circulation published in said city, and that the notice, a printed copy of which is hereto annexed, was published in said newspaper ONE (1) time which publication was made on

May 15, 2024

This legal notice was published online at www.herald-citizen.com and www.publicnoticeads.com during the duration of the run dates listed. This publication fully complies with Tennessee Code Annotated 1-3-120.

Advertising Director

Subscribed and sworn to before me this 15th day of May, 2024.

Notary Public, Putnam County
State of Tennessee

My commission expires 12/22/2026

LORI COLSON
STATE OF TENNESSEE NOTARY PUBLIC
PUTNAM COUNTY
MY COMMISSION EXPIRES 12-22-2026

**AMOUNT DUE $338.70**

Attachment 3A

# NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Cedar Recovery, a/an new entity owned by Cedar Recovery of Middle Tennessee; LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for the establishment of a Nonresidential Substitution-Based Treatment Center for Opiate Addiction and the initiation of opiate addiction treatment through the center. The address of the project will be 1805 Burgess Falls Road, Cookeville, Putnam County, Tennessee, 38506. The estimated project cost will be $5,548,518.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

# Filing Information

Name: Cedar Recovery of Middle Tennessee, LLC

## General Information

| | | | |
|---|---|---|---|
| SOS Control # | 000792992 | Formation Locale: | TENNESSEE |
| Filing Type: | Limited Liability Company - Domestic | Date Formed: | 03/20/2015 |
| | 03/20/2015 11:54 AM | Fiscal Year Close | 12 |
| Status: | Active | Member Count: | 10 |
| Duration Term: | Perpetual | | |
| Managed By: | Director Managed | | |

| Registered Agent Address | Principal Address |
|---|---|
| JOSEPH R. BOND | STE 103 |
| 2636 N MOUNT JULIET RD | 5000 CROSSINGS CIR |
| MOUNT JULIET, TN 37122-8015 | MOUNT JULIET, TN 37122-8591 |

The following document(s) was/were filed in this office on the date(s) indicated below:

| Date Filed | Filing Description | Image # |
|---|---|---|
| 02/02/2024 | Assumed Name | B1504-0524 |
| New Assumed Name Changed From: No Value To: CedarRx | | |
| 03/31/2023 | 2022 Annual Report | B1369-7499 |
| Member Count Changed From: 12 To: 10 | | |
| 01/21/2022 | 2021 Annual Report | B1149-2300 |
| Member Count Changed From: 7 To: 12 | | |
| 01/11/2022 | Assumed Name | B1143-8781 |
| New Assumed Name Changed From: No Value To: Studio Health | | |
| 01/11/2022 | Assumed Name | B1143-8774 |
| New Assumed Name Changed From: No Value To: Cedar Behavioral Health | | |
| 06/21/2021 | 2020 Annual Report | B1060-0609 |
| Member Count Changed From: 6 To: 7 | | |
| 06/03/2021 | Notice of Determination | B1043-6334 |
| 01/29/2021 | Articles of Amendment | B0965-8562 |
| Principal Address 1 Changed From: 2636 N MOUNT JULIET RD To: 5000 CROSSINGS CIR | | |
| Principal Address 2 Changed From: No value To: STE 103 | | |
| Principal Postal Code Changed From: 37122-8015 To: 37122-8591 | | |



Attachment 7A

# Filing Information

## Name: Cedar Recovery of Middle Tennessee, LLC

04/24/2020 Amended and Restated Formation Documents B0861-4412

Member Count Changed From: 4 To: 6

Managed By Changed From: Member Managed To: Director Managed

04/08/2020 2019 Annual Report B0853-7405

Member Count Changed From: 3 To: 4

03/16/2020 Assumed Name B0838-4332

New Assumed Name Changed From: No Value To: Cedar Recovery

03/29/2019 2018 Annual Report B0682-6025

03/25/2018 2017 Annual Report B0520-9093

09/25/2017 Amended and Restated Formation Documents B0413-8994

Principal Address 1 Changed From: 3061 KIRKLAND CIR To: 2636 N MOUNT JULIET RD

Principal Postal Code Changed From: 37122-8549 To: 37122-8015

Member Count Changed From: 1 To: 3

Registered Agent Physical Address 1 Changed From: 3061 KIRKLAND CIR To: 2636 N MOUNT JULIET RD

Registered Agent Physical Postal Code Changed From: 37122-8549 To: 37122-8015

04/02/2017 2016 Annual Report B0374-9839

06/16/2016 2015 Annual Report B0243-7986

06/01/2016 Notice of Determination B0259-7570

07/22/2015 Amended and Restated Formation Documents B0130-3029

Principal Address 1 Changed From: 617 W MAIN ST To: 3061 KIRKLAND CIR

Principal Address 3 Changed From: ATTN: W. MICHAEL BAISLEY To: No value

Principal City Changed From: KNOXVILLE To: MOUNT JULIET

Principal Postal Code Changed From: 37902-2602 To: 37122-8549

Principal County Changed From: KNOX COUNTY To: WILSON COUNTY

Registered Agent First Name Changed From: W. To: JOSEPH

Registered Agent Last Name Changed From: BAISLEY To: BOND

Registered Agent Middle Name Changed From: MICHAEL To: R.

Registered Agent Physical Address 1 Changed From: 617 W MAIN ST To: 3061 KIRKLAND CIR

Registered Agent Physical City Changed From: KNOXVILLE To: MOUNT JULIET

Registered Agent Physical County Changed From: KNOX COUNTY To: WILSON COUNTY

Registered Agent Physical Postal Code Changed From: 37902-2602 To: 37122-8549

03/20/2015 Initial Filing B0071-3332

| Active Assumed Names (if any) | Date | Expires |
|---|---|---|
| CedarRx | 02/02/2024 | 02/02/2029 |
| Studio Health | 01/11/2022 | 01/11/2027 |
| Cedar Behavioral Health | 01/11/2022 | 01/11/2027 |
| Cedar Recovery | 03/16/2020 | 03/16/2025 |

1413-8994 09/25/2017 8:10 AM Received by Tennessee Secretary of State Tre Hargett

**AMENDED AND RESTATED**
**ARTICLES OF ORGANIZATION**
**OF**
**CEDAR RECOVERY OF MIDDLE TENNESSEE, LLC**
(Control No. 0792992)

Pursuant to the provisions of the Tennessee Revised Limited Liability Company Act, Sections 48-249-101 et seq., including Section 48-249-204(b), the undersigned limited liability company hereby amends and restates its Articles of Organization by deleting the text of the current Articles of Organization (and all amendments thereto) and replacing it with the following:

1. Name. The name of the limited liability company is Cedar Recovery of Middle Tennessee, LLC (the "Company").

2. Registered Agent and Registered Office.

2a. The street address of the Company's initial registered office is:

2636 North Mount Juliet Road
Mount Juliet, Tennessee 37122
Wilson County

2b. The Company's initial registered agent to be located in the registered office is:

Joseph R. Bond

3. Principal Executive Office. The street address of the Company's principal executive office is:

2636 North Mount Juliet Road
Mount Juliet, Tennessee 37122
Wilson County

4. Management. The Company will be member-managed.

5. Number of Members. The number of members of the Company at the time of filing is three (3).

6. Effective Date. The effective date of these Articles shall be the date of filing of these Articles by the Tennessee Secretary of State.

Dated: February 14, 2017.

Joseph Bond, President

413-8995 09/25/2017 8:10 AM Received by Tennessee Secretary of State Tre Hargett

**CERTIFICATE AND VERIFICATION**

To comply with the requirements of Tennessee Code Annotated Section 48-249-204(b), the Company certifies (a) that the foregoing Amended and Restated Articles of Organizations contains amendments which have been duly adopted, (b) that such amendments deleted the text of the Articles of Organization and replaced it with the text of the Amended and Restated Articles of Organization, and (c) that the Amended and Restated Articles of Organization was duly approved by all of the members of the Company on February 14, 2017.

Dated February 14, 2017.

**CEDAR RECOVERY OF MIDDLE TENNESSEE, LLC**

By: _____
Joseph Bond, President

Ownership of Cedar Recovery of Middle Tennessee, LLC:

| **Cedar Recovery of Middle Tennessee, LLC d/b/a Cedar Recovery** | |
|---|---|
| | |
| **Member** | **Ownership %** |
| Joseph R. Bond | 53.44% |
| Steven C. Dillard | 9.32% |
| Stephen Loyd | 4.67% |
| Joshua J. Bond | 1.50% |
| James O. Bond | 1.50% |
| Frog Partners XVII, LLC | 7.05% |
| HLM CR, LLC | 11.61% |
| Hudson Randolph, LLC | 7.78% |
| Anthony Kesman Living Trust | 0.13% |
| Paul Trivette | 1.00% |
| Kathryn Reed | 0.75% |
| Sherling Fooshee | 0.75% |
| Josie Hodges | 0.25% |
| Sara Gregory | 0.25% |
| **TOTAL** | **100.00%** |
| | |

Management Agreement N/A to this application

## OPTION TO LEASE

This Option to Lease (this "Agreement") is made and effective as of May 24, 2024, by and between **Marzio Keiling**, an individual ("Landlord" or "Lessor"), and **Cedar Recovery of Middle Tennessee, LLC**, a Tennessee limited liability company ("Tenant" or "Lessee") (collectively the "Parties).

## RECITALS:

A. Landlord is the owner of an improved tract of land consisting of approximately 1.77 acres and a multi-tenant building consisting of approximately 25,000 square feet of space, with a postal address of 1805 Burgess Falls Road, Cookeville, Putnam County, Tennessee ("the Premises").

B. Tenant desires to master lease the Premises from Landlord and intends to use approximately 4,264 square feet of space for a medical clinic and will lease the balance of the space to tenants. Following the exercise of the Option to Lease granted herein (should the Lessee exercise it), Lessor will assign all leases of space in the Premises to Lessee.

C. Lessee' s intended use of the Premises requires a certificate of need ("CON") from the Health Facilities Commission ("HFC"). Lessee is in the process of submitting an application for a certificate of need to the HFC, and the HFC's decision whether to approve the CON has an important bearing on Lessee's decision on whether to lease the Premises.

NOW, THEREFORE, the parties hereby agree as follows:

1. In consideration for the payment by Tenant to Landlord of the nonrefundable Option Fee of $1,000.00 (the "Option Fee"), Landlord does hereby grant to Tenant the exclusive right and option (the "Option") to lease the Premises subject to the terms hereinafter specified.

(a) Tenant may exercise the Option at any time prior to 5:00 pm eastern time on July 31, 2024 (the "Option Expiration Date"). To exercise the Option, Tenant must give Landlord written notice of exercise of the Option either delivered by hand, by courier delivery service, or by e-mail at the e-mail address specified herein, prior to 5:00 pm eastern time on the Option Expiration Date. It is Landlord's obligation to timely notify Tenant of any change of the e-mail address provided herein by the same means as are authorized for giving notice of the exercise of the Option, at least ten (10) days prior to the Option Expiration Date. In the event Landlord fails to so notify Tenant of any change to the e-mail address, Tenant's attempt to give notice of the exercise of the Option to the e-mail address provided herein shall be deemed an effective exercise of the Option.

(i) The Landlord's e-mail address for the purpose of Tenant providing notice of the Option is: craig@uppercumberlandcommercial.com

(ii) The Tenant's e-mail address for the purpose of Landlord notifying Tenant of any change in the Landlord's e-mail address is: joe@cedarrecovery.com

(b) The Option Expiration Date may be extended by agreement of the parties in writing. Tenant shall be entitled to one (1) 60-day extension of the Option Expiration Date if such extension is reasonably necessary to obtain a decision to grant or deny the CON by the HFC prior to the Option expiration Date. In the event that Tenant shall not timely exercise the Option by the Option Expiration Date, as extended if it is extended, then the Option and all other rights and obligations of the Parties under this Agreement shall terminate, and Landlord is entitled to keep the Option Fee.

(c) In the event Tenant properly exercises this Option, Landlord and Tenant shall enter into a lease agreement, the definitive terms of which will be negotiated and mutually agreed upon by the parties (the Lease"). The parties covenant and agree that the following essential terms are in good faith intended to be part of the Lease:

(i) The term of the Lease shall be ten (10) years, with options to extend the term of the Lease if mutually agreed to by the Parties. The Lease shall be a triple net lease. Tenant is responsible for Tenant management of the assigned leases on the Premises.

(ii) The amount of rent is expected to be $13,957.00 per month, including principal and interest, and is based on $1,700,000 at 7.75% over 20 years.

2. The Lease will grant to Tenant (or its assign(s)) a right of first refusal to purchase the Premises at such time it is offered for sale. The Landlord agrees to offer the Premises for sell within two (2) years following the effective date of the Option. The purchase price and other key terms and conditions of the sale of the Premises are reflected in the Term Sheet, which is attached as Exhibit A. If Tenant purchases the Premises, the Option Fee will be applied by the Landlord toward the purchase price.

3. Should a dispute arise concerning this Agreement, and litigation ensues, the losing party must pay all costs incurred by the prevailing party, including reasonable attorney's fees.

4. This Agreement is binding upon the Parties and their heirs, assigns, executors, administrators or any successors in interest thereto. Time is of the essence as to all obligations and rights of the Parties recited herein.

IN WITNESS WHEREOF, the Parties have affixed their signatures on the day and date first above written, which is the effective date of this Agreement.

**LANDLORD AND LESSOR:**

**Marzio Keiling**

By: _____

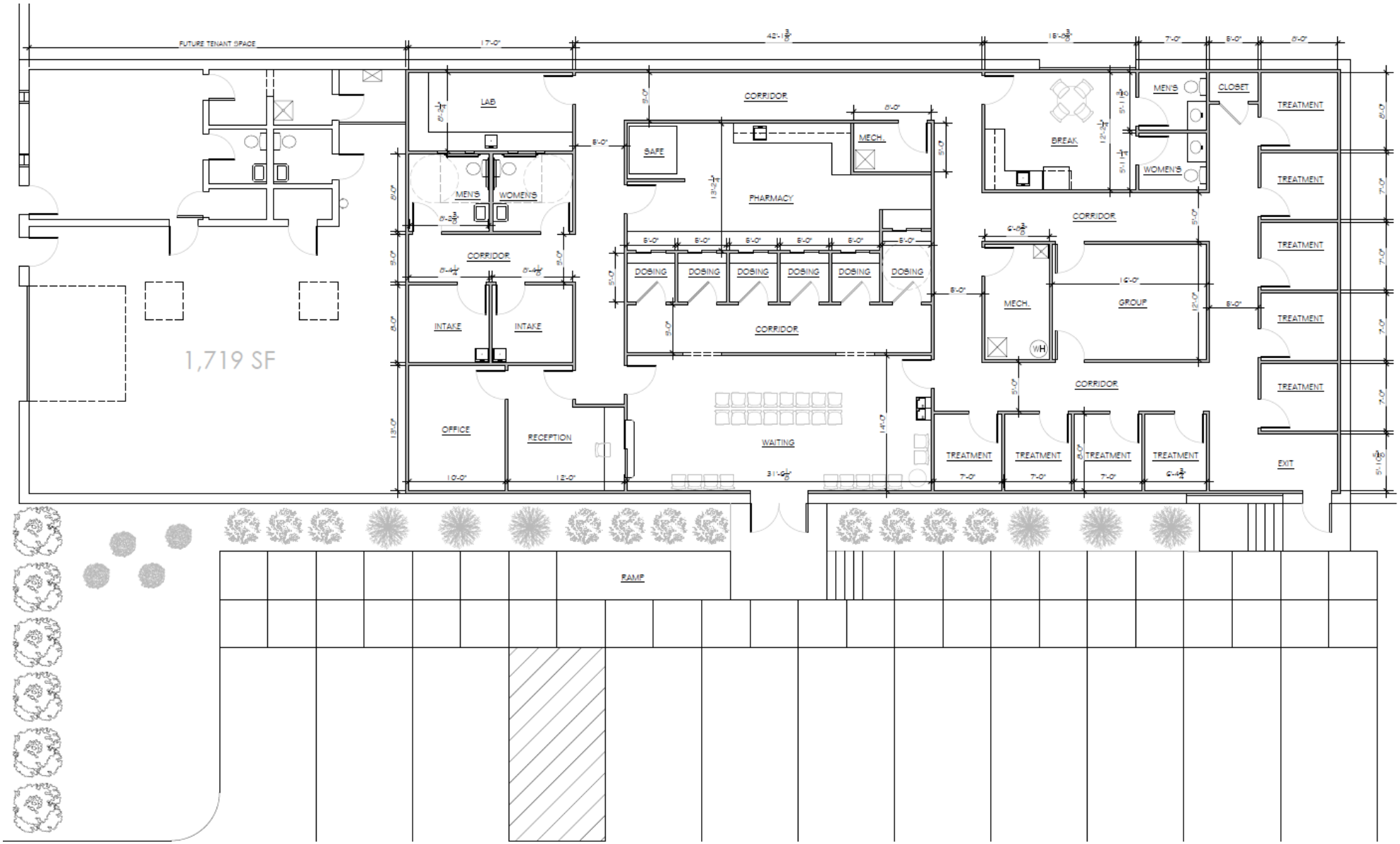
Its: Owner

**TENANT AND LESSEE:**

**Cedar Recovery of Middle Tennessee, LLC**

By: _____

Its: Chief Executive Officer




Attachment 10A

# Putnam County - Parcel: 084 014.01

Date: May 31, 2024

County: Putnam
Owner: COLONY PARK CORPORATION
Address: BURGESS FALLS RD
Parcel Number: 084 014.01
Deeded Acreage: 1.77
Calculated Acreage: 0
Date of TDOT Imagery: 2022
Date of Vexcel Imagery: 2023

1:1,128

0 0.01 0.01 0.03 mi

0 0.01 0.02 0.04 km

State of Tennessee, Comptroller of the Treasury, Esri Community Maps Contributors, Putnam911, Tennessee STS GIS, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS, TDOT Aerial Surveys

The property lines are compiled from information maintained by your local county Assessor's office but are not conclusive evidence of property ownership in any court of law.

SENDER: COMPLETE THIS SECTION

- Ensure items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, TN 37067

1. Article Addressed to:

Hon Ryan Williams
425 Rep John Lewis Way N Ste 644
Nashville TN 37243-0001

9490 9112 0620 4132 5594 57

2. Article Number (Transfer from service label)
9414 7112 0620 4132 5594 15

PS Form 3811 Facsimile, July 2015 (SDC 3930)

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☐ Agent)

X 87 NASHVILLE TN

B. Received By: (Printed Name) Ryan Williams

C. Date of Delivery 5/29/24

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☑ No

3. Service Type

☑ Certified Mail®

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Ensure items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, TN 37067

1. Article Addressed to:

Hon Randy Porter
300 E Main St Rm 8
Cookeville TN 38506

9490 9112 0620 4132 5230 21

2. Article Number (Transfer from service label)
9414 7112 0620 4132 5230 63

PS Form 3811 Facsimile, July 2015 (SDC 3930)

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☑ Agent)

X Kellie Bowman NASHVILLE TN

B. Received By: (Printed Name) Kellie Bowman

C. Date of Delivery

D. Is delivery address different from item 1? ☑ Yes
If YES, enter delivery address below: ☐ No

300 E SPRING ST Rm 8
Cookeville TN 38501

3. Service Type

☑ Certified Mail®

Domestic Return Receipt

Attachment 13A

# PROJECT COST CHART

| | | | |
|---|---|---|---|
| A. | Construction and equipment acquired by purchase: | | |
| | 1. Architectural and Engineering Fees | | $ 20,000 |
| | 2. Legal, Administrative, Consultant Fees | | $ 90,000 |
| | 3. Acquisition of Site | | $ - |
| | 4. Preparation of Site | | $ - |
| | 5. Total Construction Costs | | $ 1,590,631 |
| | 6. Contingency Fund | | $ 150,000 |
| | 7. Fixed Equipment (Not included in Construction Contract) | | $ - |
| | 8. Moveable Equipment (List all equipment over $50,000.00) | | $ 15,000 |
| | 9. Other (Specify) _____ | | $ 65,000 |
| B. | Acquisition by gift donation, or lease: | | |
| | 1. Facility (Inclusive of building and land) (Pro-rated to sqaure footage of OTF | | $ 569,446 |
| | 2. Building Only | | |
| | 3. Land Only | | |
| | 4. Equipment (Specify) _____ | | |
| | 5. Other (Specify) _____ | | |
| C. | Financing Costs and Fees: | | |
| | 1. Interim Financing | | $ - |
| | 2. Underwriting Costs | | $ - |
| | 3. Reserve for One Year's Debt Service | | $ - |
| | 4. Other (Specify) _____ | | $ - |
| D. | Estimated Project Cost (A+B+C) | | $ 2,500,077 |
| E. | CON Filing Fee | | $5,625.17 |
| F. | Total Estimated Project Cost (D + E) | **TOTAL** | $ 2,505,702 |



Attachment 4E

**Alternative FMV through purchase**

Total Square footage of building: 25,000
Square footage of OTP space: 4,264 = 17% of total

**Purchase:**

| | | |
|---|---|---|
| Purchase Price: | | $1,750,000 |
| Est. long term interst rate | | 7.50% |
| Term: | | 20 yrs |
| Total cost: | | $3,286,820 |
| Pro-Rated OTP space | x | 17% |
| **Deemed Cost:** | | **$558,759** |

**Lease:**

| | | |
|---|---|---|
| Total Lease payments | | |
| $13,957 per month x240 months | | $3,349,680 |
| Pro-Rated OTP space | x | 17% |
| Deemed Cost: | | **$569,446** |

# FATAL OVERDOSES IN THE PSA

**Fatal Count (Most recent 3 years available data: 2020-2022)**

***Source(https://www.tn.gov/health/health-program-areas/pdo/pdo/data-dashboard.html)***

| Year | 2020 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator/ County | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | Total |
| All Drug Overdose Deaths | 37 | 2 | 12 | 16 | 6 | 6 | 12 | 4 | 2 | 13 | 1 | 15 | 126 |
| Involving All Opioids | 28 | 1 | 10 | 15 | 2 | 5 | 7 | 2 | 1 | 10 | 1 | 12 | 94 |
| Involving All Opioids and Benzodiazepines | 6 | 0 | 3 | 6 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 4 | 22 |
| Involving All Stimulants | 18 | 1 | 5 | 3 | 3 | 3 | 4 | 2 | 1 | 10 | 0 | 6 | 56 |
| Involving Benzodiazepines | 6 | 0 | 3 | 6 | 1 | 2 | 1 | 0 | 0 | 0 | 0 | 4 | 23 |
| Involving Cocaine | 2 | 0 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 6 |
| Involving Fentanyl | 24 | 0 | 4 | 13 | 0 | 3 | 7 | 0 | 1 | 9 | 0 | 6 | 67 |
| Involving Heroin | 5 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 11 |
| Involving Opioids and Any Stimulant | 13 | 1 | 4 | 3 | 1 | 2 | 2 | 1 | 1 | 7 | 0 | 5 | 40 |
| Involving Prescription Opioids | 10 | 0 | 5 | 3 | 1 | 2 | 2 | 1 | 1 | 2 | 1 | 7 | 35 |
| Involving Psychostimulants with Abuse Potential (Including Methamphetamine) | 17 | 1 | 5 | 3 | 3 | 2 | 3 | 2 | 1 | 9 | 0 | 6 | 52 |
| Total | 166 | 6 | 54 | 70 | 17 | 28 | 40 | 12 | 8 | 62 | 3 | 66 | 532 |

| Year | 2021 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator/ County | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | Total |
| All Drug Overdose Deaths | 22 | 5 | 47 | 16 | 11 | 6 | 8 | 9 | 4 | 9 | 3 | 14 | 154 |
| Involving All Opioids | 15 | 2 | 39 | 9 | 9 | 5 | 4 | 6 | 2 | 7 | 2 | 6 | 106 |
| Involving All Opioids and Benzodiazepines | 2 | 0 | 9 | 0 | 3 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 18 |
| Involving All Stimulants | 14 | 3 | 32 | 12 | 5 | 4 | 5 | 5 | 2 | 5 | 2 | 10 | 99 |
| Involving Benzodiazepines | 2 | 0 | 9 | 0 | 3 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 18 |
| Involving Cocaine | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 2 | 7 |
| Involving Fentanyl | 13 | 0 | 33 | 9 | 5 | 4 | 3 | 5 | 0 | 6 | 2 | 6 | 86 |
| Involving Heroin | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |
| Involving Opioids and Any Stimulant | 9 | 1 | 26 | 7 | 4 | 4 | 2 | 3 | 0 | 3 | 1 | 5 | 65 |
| Involving Prescription Opioids | 4 | 1 | 13 | 1 | 4 | 1 | 0 | 2 | 2 | 3 | 2 | 1 | 34 |
| Involving Psychostimulants with Abuse Potential (Including Methamphetamine) | 14 | 3 | 31 | 10 | 5 | 4 | 5 | 4 | 2 | 5 | 2 | 9 | 94 |
| Total | 95 | 15 | 241 | 66 | 49 | 30 | 27 | 36 | 14 | 41 | 16 | 53 | 683 |

| Year | 2022 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator/ County | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | Total |
| All Drug Overdose Deaths | 29 | 2 | 45 | 10 | 11 | 6 | 16 | 7 | 1 | 13 | 1 | 18 | 159 |
| Involving All Opioids | 22 | 1 | 39 | 8 | 8 | 4 | 10 | 6 | 1 | 12 | 1 | 14 | 126 |
| Involving All Opioids and Benzodiazepines | 6 | 1 | 4 | 2 | 1 | 1 | 0 | 1 | 0 | 3 | 0 | 1 | 20 |
| Involving All Stimulants | 15 | 0 | 22 | 5 | 7 | 3 | 9 | 2 | 0 | 9 | 1 | 12 | 85 |
| Involving Benzodiazepines | 6 | 1 | 4 | 2 | 1 | 1 | 0 | 1 | 0 | 3 | 0 | 1 | 20 |
| Involving Cocaine | 1 | 0 | 2 | 1 | 0 | 1 | 0 | 1 | 0 | 3 | 0 | 1 | 10 |
| Involving Fentanyl | 17 | 0 | 33 | 7 | 6 | 3 | 9 | 6 | 0 | 12 | 1 | 13 | 107 |
| Involving Heroin | 0 | 0 | 3 | 1 | 0 | 2 | 1 | 0 | 0 | 1 | 0 | 0 | 8 |
| Involving Opioids and Any Stimulant | 11 | 0 | 19 | 3 | 6 | 2 | 6 | 2 | 0 | 8 | 1 | 9 | 67 |
| Involving Prescription Opioids | 8 | 1 | 10 | 0 | 2 | 0 | 1 | 3 | 1 | 2 | 0 | 4 | 32 |
| Involving Psychostimulants with Abuse Potential (Including Methamphetamine) | 15 | 0 | 20 | 4 | 7 | 2 | 9 | 2 | 0 | 6 | 1 | 12 | 78 |
| Total | 130 | 6 | 201 | 43 | 49 | 25 | 61 | 31 | 3 | 72 | 6 | 85 | 712 |

# OUD-RELATED E.D. VISITS BY MEDICARE BENEFICIARIES

## CMS ViT (Most recent year of available data 2018)

***The total count of Medicare Part B beneficiaries diagnosed with opioid use disorder in 2018 and their Emergency Department visits.***

***Source (https://www.cms.gov/priorities/innovation/innovation-models/value-in-treatment-demonstration)***

| Year | 2018 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Measure | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White |
| Total OUD Beneficiaries | 635 | 58 | 319 | 104 | 154 | 94 | 92 | 214 | 34 | 103 | 35 | 228 |
| %OUD Beneficiaries | 5.1% | 5.6% | 2.5% | 5.2% | 4.3% | 6.7% | 3.8% | 6.4% | 4.0% | 4.7% | 4.9% | 5.2% |
| Total ED Visits | 1,110 | 107 | 633 | 195 | 318 | 128 | 238 | 318 | 29 | 189 | 136 | 450 |
| Average Total ED Visits Per OUD Bene | 1.7 | 1.8 | 2.0 | 1.9 | 2.1 | 1.4 | 2.6 | 1.5 | 0.9 | 1.8 | 3.9 | 2.0 |
| Total Inpatient and Observation Stays | 556 | 38 | 265 | 73 | 135 | 84 | 83 | 204 | 15 | 101 | 39 | 188 |
| Average Inpatient and Observation Stays | 0.9 | 0.7 | 0.8 | 0.7 | 0.9 | 0.9 | 0.9 | 1.0 | 0.4 | 1.0 | 1.1 | 0.8 |

# NARCOTICS-RELATED CRIME – TBI DATA

## Narcotic Violations (Most recent 4 years available data: 202

***Source(https://crimeinsight.tbi.tn.gov/tops/)***

| Year | 2020 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| County | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | Total |
| Drug/Narcotic Violations | 732 | 45 | 629 | 79 | 139 | 61 | 160 | 108 | 16 | 326 | 58 | 223 | 2,576 |
| Drug/Narcotic Equipment Violations | 440 | 29 | 327 | 31 | 77 | 45 | 111 | 80 | 6 | 228 | 42 | 112 | 1,528 |

| Year | 2021 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| County | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | Total |
| Drug/Narcotic Violations | 875 | 52 | 635 | 117 | 113 | 89 | 197 | 167 | 14 | 324 | 74 | 268 | 2,925 |
| Drug/Narcotic Equipment Violations | 565 | 33 | 413 | 46 | 65 | 63 | 115 | 115 | 12 | 230 | 61 | 127 | 1,845 |

| Year | 2022 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| County | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | Total |
| Drug/Narcotic Violations | 626 | 70 | 505 | 74 | 89 | 75 | 187 | 189 | 5 | 268 | 47 | 142 | 2,277 |
| Drug/Narcotic Equipment Violations | 352 | 54 | 334 | 42 | 56 | 61 | 106 | 100 | 3 | 193 | 44 | 89 | 1,434 |

| Year | 2023 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| County | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | Total |
| Drug/Narcotic Violations | 750 | 61 | 570 | 96 | 101 | 82 | 192 | 178 | 10 | 296 | 60 | 205 | 2,601 |
| Drug/Narcotic Equipment Violations | 458 | 44 | 374 | 44 | 60 | 62 | 110 | 108 | 8 | 212 | 52 | 108 | 1,640 |

"Drug/Narcotic Equipment Violations" are crimes relating to posession or use of drug paraphanalia, drug-making labs, etc.

SENDER: COMPLETE THIS SECTION

- Ensure items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, TN 37067

1. Article Addressed to:

Hon Ryan Williams
425 Rep John Lewis Way N Ste 644
Nashville TN 37243-0001

9490 9112 0620 4132 5594 57

2. Article Number (Transfer from service label)
9414 7112 0620 4132 5594 15

PS Form 3811 Facsimile, July 2015 (SDC 3930)

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☐ Agent)
X 92 NASHVILLE TN

B. Received By: (Printed Name) Ryan Williams
C. Date of Delivery 5/29/24

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☑ No

3. Service Type
☑ Certified Mail®

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Ensure items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, TN 37067

1. Article Addressed to:

Hon Randy Porter
300 E Main St Rm 8
Cookeville TN 38506

9490 9112 0620 4132 5230 21

2. Article Number (Transfer from service label)
9414 7112 0620 4132 5230 63

PS Form 3811 Facsimile, July 2015 (SDC 3930)

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☑ Agent)
X Kellie Bowman NASHVILLE TN

B. Received By: (Printed Name) Kellie Bowman
C. Date of Delivery

D. Is delivery address different from item 1? ☑ Yes
If YES, enter delivery address below: ☐ No

300 E SPRING ST Rm 8
Cookeville TN 38501

3. Service Type
☑ Certified Mail®

Domestic Return Receipt

Attachment 13AR

**AFFIDAVIT**

Comes now BRANDY FOUST, being first duly sworn, and states as follows:

1. I am a Research Analyst for the State of Tennessee, and I serve as an executive assistant to Senator Paul Bailey.

2. One of my job duties is to take in, send out, and generally manage articles of mail to and from Sen. Bailey,

3. On or about May 30, 2024, one of the pieces of mail for Sen. Bailey delivered to his office was a letter in an envelope which was marked "Certified Mail" and "Return Receipt Requested." A true and correct copy of the letter is attached hereto as Exhibit A.

4. I personally gave the letter to Sen. Bailey along with the rest of his mail for that day.

5. That same day Sen. Bailey signed a green card which had been attached to the outside of the envelope and at his request I placed it in the outgoing mail tray. I never saw the signed green card after that day.

FURTHER, AFFIANT SAYETH NOT.

Brandy Foust

Brandy Foust
Research Anaylst, State of Tennessee

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Appeared before me, Brandy Foust the undersigned, a Notary Public for said State and County, the above-named **Brandy Foust** whom I am personally acquainted or proved to me by satisfactory evidence, and who upon oath acknowledged that she executed this instrument for the purposes contained therein.

Witness my hand and official seal in said state and county, this the 14th day of June 2024.

A. Sharfner

Notary Public

ANN SHARFNER
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires MAY 5, 2025

My commission expires: May 5, 2025

# Exhibit A

THOMPSON BURTON PLLC
ATTORNEYS AT LAW
A PROFESSIONAL LIMITED LIABILITY COMPANY

One Franklin Park
6100 Tower Circle, Suite 200
Franklin, Tennessee 37067

Palmer Plaza
1801 West End Ave., Suite 1500
Nashville, Tennessee 37203

Jerry W. Taylor
Franklin Office
Direct Dial: 615-716-2297
Mobile: 615-275-8988
jtaylor@thompsonburton.com

May 22, 2024

U.S.P.S. Certified Mail
Return Receipt Requested

Hon. Paul Bailey
State Senator, District 15
425 Rep. John Lewis Way N
Suite 736 Cordell Hull Bldg.
Nashville, Tennessee 37243

Re: Notice of Filing a Certificate of Need Application for a Nonresidential Substitution Based Treatment Center for Opiate Addiction in Putnam County

Dear Senator Bailey,

The purpose of this letter is to provide notice that Cedar Recovery of Middle Tennessee, LLC ("Cedar Recovery") will file a certificate of need (CON) application for the establishment of a Nonresidential Substitution Based Treatment Center for Opiate Addiction to be located at 1805 Burgess Falls Road, Cookeville, Tennessee 38506, on or before June 1, 2024. It is my understanding that Dr. Stephen Loyd and Paul Trivette with Cedar Recovery plan to meet with you about this project, but this will serve as official notification as required by the CON laws.

A copy of the application can be obtained from the Health Facilities Commission once the application has been deemed complete. The HFC phone number is 615-741-2364, and the website where a copy can be obtained is https://www.tn.gov/hsda.html.

Please be sure to sign and return through the U.S. Mail the green return receipt card which was attached to this letter, so we can verify your receipt of this to the Health Facilities Commission as required by law. Please feel free to contact me if you have questions or if additional information is needed, or you may contact Paul Trivette, Chief Strategy Officer of Cedar Recovery at 423-914-1518, or paul@cedarrecovery.com. Thank you for your time and attention.

Sincerely yours,

Thompson Burton, PLLC

Jerry W. Taylor

**Receipt for certified mail, return receipt requested, to Sen. Bailey on May 22.**

U.S. Postal Service
Certified Mail Receipt

**OUTBOUND TRACKING NUMBER**
9414 7112 0620 4132 5586 47

**RETURN RECEIPT TRACKING NUMBER**
9490 9112 0620 4132 5586 89

**FEES**

| | |
|---|---|
| Postage per piece | $0.640 |
| Certified Fee | $4.400 |
| Return Receipt Fee | $3.650 |
| **Total Postage & Fees:** | **$8.690** |

**ARTICLE ADDRESS TO:**

Hon Paul Bailey
425 Rep John Lewis Way N Ste 736
Nashville TN 37243-0001

Postmark
Here

5-22-24
KL

**Tracking of outgoing letter: "Delivered to Agent for Final Delivery" (presumably the state mail service) on May 25**

Tracking Number:
**9414711206204132558647**

Copy  Add to Informed Delivery

**Latest Update**

Your item has been delivered to an agent for final delivery in NASHVILLE, TN 37203 on May 25, 2024 at 11:49 am.

Get More Out of USPS Tracking:
USPS Tracking Plus®

**Delivered to Agent**
Delivered to Agent for Final Delivery
NASHVILLE, TN 37203
May 25, 2024, 11:49 am

See All Tracking History

What Do USPS Tracking Statuses Mean?

**Tracking of return receipt card: Apparently stuck in Nashville Distribution Center since June 3.**

Tracking Number:

**9490911206204132558689**

Copy  Add to Informed Delivery

**Latest Update**

Your item arrived at our USPS facility in NASHVILLE TN DISTRIBUTION CENTER on June 3, 2024 at 9:52 pm. The item is currently in transit to the destination.

---

**Get More Out of USPS Tracking:**

USPS Tracking Plus®

Delivered

Out for Delivery

Preparing for Delivery

**Moving Through Network**

**Arrived at USPS Regional Facility**

NASHVILLE TN DISTRIBUTION CENTER
June 3, 2024, 9:52 pm

**Return Receipt Associated**

May 22, 2024, 4:00 pm

Confirmation from USPS the green card is srtuck in the USPS system

USPS Notification - First Contact

UC USPS Customer Support <uspscustomersupport@usps.gov>
To jtaylor@thompsonburton.com

Reply | Reply All | Forward | ...
Fri 6/14/2024 12:12 PI

You forwarded this message on 6/14/2024 12:44 PM.

UNITED STATES POSTAL SERVICE®

Dear Jerry Taylor,

Thank you for contacting the United States Postal Service®. Your inquiry has been received and a Service Request has been created - #65163283.

Your service request has been forwarded to a USPS representative for review and investigation. Our records indicate that your package is currently in transit to its destination for delivery. We will contact you within three business days as additional information is available or the issue has been resolved.

We appreciate your patience while we investigate this matter.

Regards,

USPS

Dear Jerry Taylor,

Thank you for taking the time to notify us of your experience. Your USPS® Service Request 65163283 has been marked as closed.

**Attached is a file that you can use as proof of delivery for your item that was delivered on 05/25/2024 associated with tracking number 9414711206204132558647. Also, please feel free to go to your local post office to receive a refund for the return receipt for services not rendered.**

Please accept our sincerest apology for any trouble this may have caused you. We appreciate your business and look forward to serving you again in the future.

Sincerely,

Salisha Ogarro
Mail Processing Clerk

**********

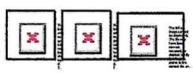
You may receive an invitation to participate in a survey from postalexperience@inmoment.com regarding our recent interaction with the USPS employee who assisted you with this service request. Please complete the survey so that, if necessary, we can improve your experience. We value your feedback.

Your privacy is important to us. If you would like additional information on our privacy policy, please visit us online at: www.usps.com/privacypolicy.

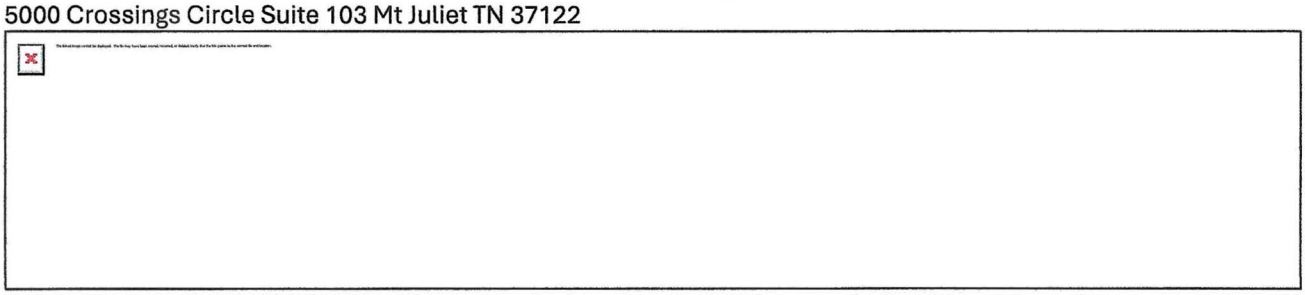
## Jerry Taylor

**From:** Paul Trivette <paul@cedarrecovery.com> on behalf of Paul Trivette
**Sent:** Wednesday, June 12, 2024 5:17 PM
**To:** jtaylor
**Subject:** Fwd: Green Receipt

**Paul Trivette**
**Chief Strategy Officer**



**E** paul@cedarrecovery.com | **P** 4239141518 | **W** cedarrecovery.com
5000 Crossings Circle Suite 103 Mt Juliet TN 37122



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Begin forwarded message:

> **From:** Stephanie Ayub <stephanie.ayub@capitol.tn.gov>
> **Date:** June 11, 2024 at 09:36:02 CDT
> **To:** Paul Trivette <paul@cedarrecovery.com>
> **Subject: RE: Green Receipt**
>
> Yes sir, absolutely!
>
> **Stephanie Ayub** | *Legislative Assistant*
> Senator Paul Bailey
> Chairman, Senate Commerce and Labor Committee
> Cordell Hull Building, Suite 736
> Nashville, TN 37243

**615.741.3978 | stephanie.ayub@capitol.tn.gov**

**From:** Paul Trivette <paul@cedarrecovery.com>
**Sent:** Tuesday, June 11, 2024 9:28 AM
**To:** Stephanie Ayub <stephanie.ayub@capitol.tn.gov>
**Subject:** Re: Green Receipt

Excellent! Thank you so very much! This is very helpful! Will you please let me know once you find out?

Thanks,

**Paul Trivette**
**Chief Strategy Officer**
**E** paul@cedarrecovery.com | **P** 4239141518 | **W** cedarrecovery.com
5000 Crossings Circle Suite 103 Mt Juliet TN 37122

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If a known threat is found, you will not be able to proceed to the destination. If suspicious content is detected, you will see a warning.

---

**From:** Stephanie Ayub <stephanie.ayub@capitol.tn.gov>
**Date:** Tuesday, June 11, 2024 at 9:24 AM
**To:** Paul Trivette <paul@cedarrecovery.com>
**Subject:** RE: Green Receipt

Good morning Paul,

Yes sir, he signed it and dropped it off in the outgoing mail box the day I called you back. I will double check with the legislative mailroom to confirm.

Thank you,

**Stephanie Ayub** | *Legislative Assistant*
Senator Paul Bailey
Chairman, Senate Commerce and Labor Committee
Cordell Hull Building, Suite 736

Nashville, TN 37243
**615.741.3978** | **stephanie.ayub@capitol.tn.gov**

**From:** Paul Trivette <paul@cedarrecovery.com>
**Sent:** Tuesday, June 11, 2024 9:21 AM
**To:** Stephanie Ayub <stephanie.ayub@capitol.tn.gov>
**Subject:** Green Receipt

Hey Stephanie!

I hope you are doing well! I wanted to confirm that Senator Bailey received the certified letter, signed the green card of receipt, and returned it back in the mail? We have not received the return card yet is the reason I am asking. Thank you so much!

Thanks,

**Paul Trivette**
**Chief Strategy Officer**
**E** paul@cedarrecovery.com | **P** 4239141518 | **W** cedarrecovery.com
5000 Crossings Circle Suite 103 Mt Juliet TN 37122

CEDAR RECOVERY
addiction treatment that works

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If you are not the intended recipient, then please do not read it and be aware that any disclosure, copying, distribution, or use of the information contair
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the email and any accompanying attachments without retaining a copy in any form.
Links contained in this email have been replaced by ZixProtect Link Protection. If you click on a link in the email above, the link will be analyzed for knc
If a known threat is found, you will not be able to proceed to the destination. If suspicious content is detected, you will see a warning.

**SENDER:** COMPLETE THIS SECTION

- Ensure items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, TN 37067

NASHVILLE TN 370

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature:** ( ☐ *Addressee* or ☐ *Agent*)

X

**B. Received By:** *(Printed Name)* Paul Bailey

**C. Date of Delivery** 5/30/24

**1. Article Addressed to:**

Hon Paul Bailey
425 Rep John Lewis Way N Ste 736
Nashville TN 37243-0001

**D. Is delivery address different from item 1?** ☐ Yes
**If YES, enter delivery address below:** ☐ No

**3. Service Type**

☑ Certified Mail®

9490 9112 0620 4132 5586 89

**2. Article Number** *(Transfer from service label)* 9414 9112 0620 4132 5586 47

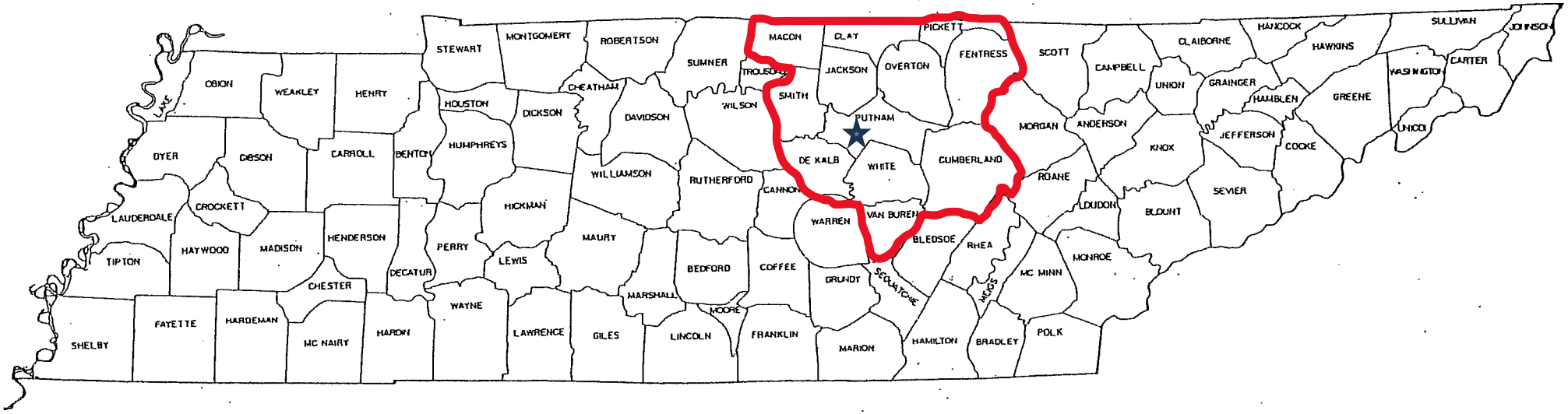
37243-0001

PS Form 3811 Facsimile, July 2015 (SDC 3930)

Domestic Return Receipt

x

**PROPOSED SERVICE AREA FOR CEDAR RECOVERY**
**Site: Putnam County**




Attachment 2N

| Demographic Variable/ Geographic Area (County) | Department of Health/Health Statistics | | | | | | | Bureau of the Census | | | | TennCare | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Population- Current Year (2024) | Total Population- Projected Year (2028) | Total Population-% Change | *Target Population- Current Year (18+) | *Target Population- Project Year | *Target Population-% Change | Target Population Projected Year as % of Total | Median Age** | Median Household Income | Person Below Poverty Level | Person Below Poverty Level as % of Total | TennCare Enrollees | TennCare Enrollees as % of Total |
| **Putnam** | 84,778 | 88,381 | 4.25% | 66,405 | 69,317 | 4.4% | 78% | N/A | $54,371 | 16,193 | 19.1% | 19,719 | 23.3% |
| **Clay** | 7,659 | 7,654 | -0.07% | 6,195 | 6,221 | 0.4% | 81% | N/A | $39,572 | 1,570 | 20.5% | 2,060 | 26.9% |
| **Cumberland** | 64,464 | 66,753 | 3.55% | 54,012 | 56,190 | 4.0% | 84% | N/A | $56,002 | 9,025 | 14.0% | 13,384 | 20.8% |
| **DeKalb** | 21,454 | 21,988 | 2.49% | 17,048 | 17,559 | 3.0% | 80% | N/A | $46,907 | 3,347 | 15.6% | 5,540 | 25.8% |
| **Fentress** | 19,032 | 19,155 | 0.65% | 15,262 | 15,435 | 1.1% | 81% | N/A | $47,884 | 4,434 | 23.3% | 6,092 | 32.0% |
| **Jackson** | 12,055 | 12,175 | 1.00% | 9,945 | 10,058 | 1.1% | 83% | N/A | $42,357 | 2,303 | 19.1% | 3,014 | 25.0% |
| **Macon** | 25,925 | 26,960 | 3.99% | 19,659 | 20,477 | 4.2% | 76% | N/A | $51,215 | 3,811 | 14.7% | 7,204 | 27.8% |
| **Overton** | 23,089 | 23,508 | 1.81% | 18,351 | 18,738 | 2.1% | 80% | N/A | $46,580 | 3,486 | 15.1% | 5,196 | 22.5% |
| **Pickett** | 4,990 | 4,910 | -1.60% | 4,190 | 4,138 | -1.3% | 84% | N/A | $44,317 | 803 | 16.1% | 1,174 | 23.5% |
| **Smith** | 20,764 | 21,151 | 1.86% | 16,229 | 16,602 | 2.3% | 78% | N/A | $57,677 | 2,616 | 12.6% | 4,535 | 21.8% |
| **Van Buren** | 5,903 | 5,836 | -1.14% | 4,776 | | #VALUE! | #VALUE! | N/A | $44,730 | 903 | 15.3% | 1,465 | 24.8% |
| **White** | 28,600 | 29,381 | 2.73% | 22,729 | 23,503 | 3.4% | 80% | N/A | $48,220 | 4,690 | 16.4% | 7,574 | 26.5% |
| **Primary Service Area Total** | 318,713 | 327,852 | 2.87% | 254,801 | 258,238 | 1.3% | 79% | N/A | $48,319 | 53,182 | 16.7% | 76,957 | 24.1% |
| **State of TN Total** | 7,125,908 | 7,331,859 | 2.89% | 5,565,604 | 5,736,895 | 3.1% | 78% | N/A | $64,035 | 947,746 | 13.3% | 1,511,132 | 21.2% |

* The target population is adults age 18+.

**The Census Bureau Quick Facts website does not provide the median age for counties.

Attachment 3AR

**OTP Utilization: Year 2023** *(Patient counts by county of residence by clinic location; Suppressed data shown as <6 is calculated as 1)*

| Site Name | Putnam | Clay | Cumberlar | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | PSA Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BHG-Columbia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| BHG-Dyersburg | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| BHG-Jackson | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Knoxville Bernard | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 4 |
| BHG-Knoxville Citico Medical Center | 0 | 0 | 9 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 12 |
| BHG-Madison | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 3 |
| BHG-Memphis Midtown | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Memphis North | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Memphis South | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Middle Tennessee | 11 | 1 | 1 | 1 | 0 | 1 | 1 | 7 | 0 | 1 | 0 | 1 | 25 |
| BHG-Murfreesboro | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 6 |
| BHG-Paris | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Savannah | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bradley County CTC | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |
| Clarksville CTC | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Hermitage CTC | 7 | 1 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 14 |
| Memphis CTC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hope Treatment Center of Tennessee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overmountain Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Nashville CTC | 1 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 4 |
| TLC Maryville | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Volunteer Treatment Center | 13 | 1 | 1 | 1 | 11 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 31 |
| **Total** | **33** | **3** | **17** | **4** | **13** | **4** | **5** | **12** | **2** | **4** | **2** | **6** | **105** |

**OTP Utilization: Year 2022** *(Patient counts by county of residence by clinic location; Suppressed data shown as <6 is calculated as 1)*

| Site Name | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | PSA Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BHG-Columbia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Dyersburg | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| BHG-Jackson | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Knoxville Bernard | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 4 |
| BHG-Knoxville Citico Medical Center | 0 | 0 | 7 | 0 | 9 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 18 |
| BHG-Madison | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 2 |
| BHG-Memphis Midtown | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Memphis North | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Memphis South | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Middle Tennessee | 17 | 1 | 1 | 1 | 0 | 1 | 1 | 8 | 1 | 11 | 0 | 1 | 43 |
| BHG-Murfreesboro | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 2 |
| BHG-Paris | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Savannah | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bradley County CTC | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Clarksville CTC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Hermitage CTC | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 8 |
| Memphis CTC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hope Treatment Center of Tennessee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overmountain Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Nashville CTC | 1 | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 4 |
| TLC Maryville | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Volunteer Treatment Center | 11 | 1 | 1 | 1 | 1 | 1 | 0 | 7 | 0 | 0 | 1 | 7 | 31 |
| **Total** | **30** | **3** | **13** | **3** | **12** | **4** | **5** | **18** | **3** | **12** | **2** | **11** | **116** |

**OTP Utilization: Year 2021** *(Patient counts by county of residence by clinic location; Suppressed data shown as <6 is calculated as 1)*

| Site Name | Putnam | Clay | Cumberland | DeKalb | Fentress | Jackson | Macon | Overton | Pickett | Smith | Van Buren | White | PSA Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BHG-Columbia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Dyersburg | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| BHG-Jackson | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Knoxville Bernard | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 3 |
| BHG-Knoxville Citico Medical Center | 0 | 0 | 6 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 9 |
| BHG-Memphis Midtown | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0- |
| BHG-Memphis North | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| BHG-Memphis South | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Middle Tennessee | 15 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 11 | 0 | 9 | 43 |
| BHG-Paris | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BHG-Savannah | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bradley County CTC | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Clarksville CTC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hermitage CTC | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 4 |
| Memphis CTC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hope Treatment Center of Tennessee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overmountain Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Nashville CTC | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TLC Maryville | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Volunteer Treatment Center | 11 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 15 | 33 |
| **Total** | **27** | **2** | **10** | **3** | **3** | **2** | **3** | **4** | **2** | **13** | **1** | **26** | **96** |

This is a proposed new facility, so there is no historical data.

Projected Data:

| | |
|---|---|
| Year 1: | 110 patients |
| Year 2: | 281 patients |

This is a proposed new facility so there are no current charges. The proposed charges are shown below.

| Payor | Rate | Frequency |
|---|---|---|
| Self pay | $17 | Daily |
| TennCare | $125 | Weekly |
| Medicare | $259.80 | Weekly |
| Commercial Payers | $259.80 | Weekly |

The charges of OTPs are not publicly available, as those facilities do not file Joint Annual Reports. The applicant checked with several other OTPs to obtain their current charges. Except for self-pay they all accept the government payors reimbursement rates, and it is assumed that like the applicant the commercial plans pay those clinics a percentage of Medicare rates, from 85%-110%. The self-pay rates of the other OTPs the applicant spoke with were as follows:

| | |
|---|---|
| TLC Maryville: | $16.00 per day |
| Overmountain (Johnson City): | $18.00 per day |
| New Hope (Newport): | $17.00 per day |

**Project Name :** Cedar Recovery

**Supplemental Round Name :** 1 **Due Date :** 6/13/2024
**Certificate No. :** CN2405-014 **Submitted Date :** 6/12/2024

1. **11A. Public Transportation Route**

What other service area counties are served by UCHRA?

What hours is public transportation available? How will these hours affect patient access given the early morning operating hours of the facility?

Are patients able to receive transportation services from counties outside of Putnam County to the proposed facility?

What types of programs are patients able to access to receive low to no cost transportation services through UCHRA? What are the eligibility criteria?

**Response :** The Upper Cumberland Human Resource Agency (UCHRA) is the public transportation provider for all fourteen (14) counties in the Upper Cumberland region: Putnam, Cannon, Clay, Cumberland, Dekalb, Fentress, Jackson, Macon, Overton, Pickett, Smith, Van Buren, Warren, and White. Moreover, UCRHA is in partnership with One Tennessee for a project called "UC Recovery Connect." UC Recovery connects patients in all 14 counties, who are seeking treatment for substance use disorder (SUD), with a treatment provider and other resources to achieve sustained recovery. This project is going to operate twenty-four (24) hours per day, seven (7) days per week and certified peer recovery specialists (CPRSs) will be dually trained to operate the UCHRA public transportation vehicles and navigate treatment resources. Cedar Recovery is a partner organization in this project and will be providing medication-assisted treatment (MAT) services through this proposed OTP, its existing OBOT, and via telehealth. The UC Recovery project will utilize UCHRA transportation services to transport patients to and from appointments. This service could not be more ideal for patients needing access to reliable, public transportation and who are seeking services offered by Cedar Recovery.

UCHRA offers transportation services Monday through Friday from 6am to 6pm with at least a 72 hour notice. Anyone who resides in the Upper Cumberland Region is eligible for this service offering. The hours of available public transportation is in alignment with patient needs and operating hours of the facility. The facility will offer dosing hours Monday through Friday from 5am to 11am and Saturdays and Sundays from 5am to 8am. Patients will have access to public transportation during those hours and can utilize the UC Recovery transportation service on Saturdays and Sundays, which is also offered

by UCHRA. UC Recovery will offer transportation in the evenings on Fridays and Saturdays until 1am. Cedar has the commitment of UC Recovery Connect to help those patients, who are in an emergency situation, to get transportation to a treatment facility, including Cedar's proposed OTP. For patients that experience transportation barriers on the weekends, Cedar will consider take-home dose(s) or assist the patient in finding other transportation options.

Patients who reside within the PSA but outside of Putnam County and in need of transportation services will have access to two (2) primary resources**:** UCHRA public transportation and TennCare transportation for those that are TennCare enrollees.

UCHRA transportation is available to any person that resides in the Upper Cumberland Region, which encompasses the entirety of the PSA. Door-to-Door public transportation to medical visits is $2 per ride within the county and an additional $2 for each ride to an additional county. The UC Recovery project has grant funding to assist individuals, seeking treatment, who are indigent and do not have access to transportation; this includes participating patients of UC Recovery and Cedar Recovery. Cedar Recovery will also treat TennCare patients. Those patients will have transportation access through TennCare's program. If approved, this OTP is likely to save TennCare a substantial amount of money in transportation cost as the closest OTP to Putnam County is around 200 miles away, round-trip.

2. **13A. Notification Requirements**

Please provide signed USPS green-certified mail receipt card for each official notified.

**Response :** Two of the three cards have been returned. The third, from Sen. Bailey, has not arrived, despite the fact it was delivered to the Senator on May 25, and he assures us he personally took it to the legislative mail room that day or shortly thereafter. It will be submitted as soon as possible after it is received. Copies of the two return receipts which have been returned are attached as Attachment 13A.

3. **1E. Overview**

Please discuss the relationship between the applicant's existing OBOT facility and the proposed OTP, distinguishing between the level of care, frequency of patient visits, and other licensing and accreditation differences between the types of facilities, as well as the differences between other classifications of facilities such as residential substance abuse treatment.

Please discuss the types of medications that will be administered at the proposed facility; methadone, suboxone, naltrexone, buprenorphine, vivitrol, zubsolv, etc. and how will that differ from other facility types in the service area including the applicant's OBOT.

**Response :** According to the American Society of Addiction Medicine, OBOT and OTP facilities are classified as “Level 1" outpatient facilities, but OTP settings can be classified as “Level 1.7 – Medically Managed Outpatient” and therefore, would be a higher level of care. This is due in part to the program structure and medication dosing. It is important to note that an OTP and OBOT facility are not the same type(s) of program regardless if it is owned by Cedar Recovery. Cedar’s OBOT offers medical visits, individual/group counseling, care coordination, and peer recovery support to patients suffering from opioid use disorder. Patients are seen in three phases: Induction (weekly visits), Stabilization (bi-weekly visits), and Maintenance (monthly visits). In over 95% of situations, patients are prescribed a buprenorphine containing medication in which they have it filled at a local pharmacy; the other 5% of patients are provided a direct administration of buprenorphine or naltrexone through an injection that lasts either one week or one month. Cedar has an 83% same-day therapy rate and over 90% of patients receive counseling regardless if it occurs on the same day as their medical visit.

The proposed OTP will be substantially different in the visit frequency, medication utilization, counseling, accreditation type, and licensing. Cedar Recovery currently possesses CARF accreditation in Office-Based Opioid Treatment and Intensive Outpatient programming. While OBOT and OTP services share some similarity from a CARF accreditation standpoint, CARF does have separate and additional requirements for OTP operations. Cedar will be allowed to operate an OTP for three (3) months in order to apply for CARF accreditation of this service type. Typically, it is a six (6) month waiting process for non-accredited agencies, but because Cedar possesses CARF accreditation currently, it can apply after three (3) months of operation. An additional difference is this facility will be licensed as an Opioid Treatment Program by the TNDMHSAS. Cedar’s Cookeville facility does not possess this type of license nor can it without the approval of a CON.

Patients who present to Cedar’s OTP will undergo an intake assessment by a TN licensed medical provider, for purposes of determining if the patient meets ASAM and DSM-V criteria for opioid use disorder and furthermore, if the patient is appropriate for methadone treatment. If the patient is deemed appropriate for care, then the patient will be administered, on-site, up to 30mg of methadone. The patient will be monitored closely for the subsiding of withdrawal symptoms as determined by the clinical opioid withdrawal scale (COWS). The patient will be seen again the following day and assigned a counselor at that time. The patient will be administered another 30mg dose of methadone and a COWS score performed. The patient will continue to be seen everyday and administered methadone on-site until the patient achieves the effective dose in which withdrawal symptoms and cravings are well managed. The patient will also participate in individual and/or group counseling according to the patient’s individual treatment plan and in compliance with federal and state laws. Patients will never be prescribed medication from the proposed OTP as is different than Cedar’s OBOT, in which all medications are prescribed or administered via injection. One other important fact is that Methadone and

Buprenorphine do not work the same in that Methadone has an unpredictable half-life and is a full-agonist opioid. Buprenorphine has a known half-life of 20-30 hours and is a partial-agonist opioid.

Unfortunately, there are no licensed residential programs in Putnam County, TN. In fact, there is not even one (1) licensed residential treatment program in the PSA. To the applicant's understanding, Volunteer Behavioral Health had an inpatient / residential program in Putnam County, but terminated that service line in November of 2023. This makes the approval of this CON project all the more paramount in giving an additional treatment option to patients of Putnam County and the PSA. Furthermore, it is the applicant's understanding the only licensed facilities that are utilizing MAT are the the licensed OBOTs and Volunteer Behavioral Health's outpatient program. No program is giving methadone nor offering MAT services in a daily structure format as an opioid treatment program offers to patient suffering from opioid use disorder. While Cedar Recovery has become a trusted provider in the Putnam County community through its OBOT, it continues to encounter various levels of stigma for utilizing MAT to help patients; the majority of which has come from unlicensed abstinence-based and/or faith-based programs in Putnam County. There are other types of programs in the PSA that offer outpatient drug & alcohol services or detoxification services. None of these outside facilities other then the licensed OBOT facilities or Volunteer Behavioral Health allow for the medium to long term use of MAT.

There is one (1) Joint Commission accredited entity in the PSA – Cumberland Heights, which has facilities in Cookeville and Crossville, and five (5) CARF accredited entities: Cedar Recovery – Cookeville (Putnam), Dale Hollow Mental Health Center (Overton), Plateau Mental Health Center – Volunteer Behavioral Health (Putnam), Recover Together (Putnam), and Spero Health – Cookeville (Putnam). Cedar Recovery, Recover Together, and Spero Health are all accredited as OBOT facilities. There is no OTP – accredited or unaccredited – in the PSA.

The proposed facility will offer the dispensing and administration of methadone, buprenorphine/naloxone, and buprenorphine mono-product to patients who meet criteria for treatment in an Opioid Treatment Program (OTP) setting. It is important to note that no medications will be prescribed, unlike in Cedar's Office-Based Opioid Treatment (OBOT) facility where all medications are prescribed or directly administered through injection. In the proposed OTP, medications will be directly dispensed to patients, with their consumption observed by Cedar staff or, as allowed by law and regulation, directly dispensed for take-home consumption. In contrast, patients receiving care at Cedar's existing OBOT facility are given prescriptions by Cedar medical providers for buprenorphine/naloxone, buprenorphine mono-product, and/or naltrexone, which they must fill at a licensed pharmacy in Tennessee. Additionally, Cedar's OBOT setting uses injectable formulations of buprenorphine, such as Sublocade and Brixadi, and naltrexone, also known as "Vivitrol."

The primary distinction between the two facilities is the manner in which medications are provided. In the OTP setting, medications are either directly administered or dispensed for observed consumption or approved take-home use. In the OBOT setting, medications are prescribed for pharmacy pickup or administered through injectable formulations. Furthermore, the medications differ in their regulatory classification: Methadone is a Schedule II controlled substance,

while buprenorphine is a Schedule III controlled substance. It is also noteworthy that Cedar's existing OBOT facility does not offer methadone treatment, as it is not authorized to do so under current law.

4. **1E. Overview**

How long has the Cookeville OBOT been operating?

Where are the applicant's other OBOTs located?

**Response :** Cedar Recovery opened its OBOT location in Cookeville, TN on May 15, 2023. The opening of this OBOT has been a huge success for Cookeville and surrounding communities. The Mayor of the County, Mayor of the City, County Clerk, representatives from the Cookeville Regional Medical Center, and the Putnam County Chamber of Commerce were all in attendance at our ribbon cutting. As of June 10, 2024, we are serving around 190 patients month-over-month.

Cedar Recovery currently has OBOTs facilities in the following cities in Tennessee: McKenzie, Clarksville, Nashville, Lebanon, Shelbyville, Columbia, Cookeville, Athens, Clinton, and two (2) in Knoxville. Cedar also has a site in Bristol, VA.

5. **1E. Overview**

Please discuss the differences in patient characteristics that make them appropriate for referral to the OTP level of care.

Please show the calculation for the lease costs as the option to lease appears to be for the master lease agreement.

**Response :** An OTP offers two (2) benefits that other outpatient or OBOT facilities cannot offer: Methadone and structure. The fentanyl crisis has exacerbated the addiction epidemic our country is facing. Patients are currently presenting at OBOT and other outpatient facilities utilizing between 1mg and 3mg of fentanyl daily. This is an incredibly high dose and for most, turns deadly. Approximately 30% of patients that present to Cedar's OBOT facility are in need of an opioid treatment program to access methadone. This is primarily due in part to the amount of fentanyl the patient is consuming on a daily basis and/or is utilizing intravenously. The patient will not only benefit from the methadone medication, but also the daily structure that it provides. There are patients that have attempted other in-patient, outpatient, or even OBOT settings and have not been successful in achieving recovery whether that is because of lack of access to MAT, methadone, or the needed structure.

The Tennessee Buprenorphine Prescribing Guidelines and OBOT Facility Rules from TNDMHSAS classify any dose of Buprenorphine greater than 16mg to be "high dose" and 24mg to be the "maximum dose." Our providers in our OBOT facilities are observing patients, utilizing >1mg of fentanyl daily, being initiated on up to 24mg of buprenorphine and still experiencing withdrawals and/or cravings. These are situations in which patients are referred to an OTP if one is nearby. This is due, in part, to methadone being a full agonist opioid and fully occupying the brain receptors versus buprenorphine partially activating the receptors. For these patients, Methadone treatment helps in a manner to reduce withdrawals and cravings that Buprenorphine is not.

Lastly, there are situations in which a patient, prescribed buprenorphine for OUD, needs access to a more structured program to prevent diversion and improve treatment compliance. In these situations, an OTP would be a good option for a patient to be administered buprenorphine on a daily basis versus receiving a prescription. For some patients, an OTP will be the starting place for their path to recovery by shear option or due to failed attempts in previous settings/programs.

The lease costs are based on the Option to Lease, which is for the Master Lease. Under the Master Lease the applicant will pay rent for the entire roughly 25,000 square foot building. That square footage includes the roughly 4,300 square feet for the OTP space. So, the total amount of lease payment for the entire building for 20 years was pro-rated to the relative square footage of the OTP space (approximately 17% of the total). The calculations are shown below.

Lease Calculations:

| | |
|---|---|
| Total Square footage of building: | 25,000 |
| Square footage of OTP space: | 4,264 |
| OTP % of total: | 4,264/25,000 =17% |
| Rent Amount: | $13,957 per month x 240 months = $3,349,680 |
| Pro-Rated Rent for OTP space: | $3,349,680 x 17% = $569,446 |

6. **2E. Rationale for Approval**

Where is Dr. Ross serving now and in what capacity?

**Response :** Dr. Ross is currently the medical director of Cedar Recovery's OBOT. Dr. Ross is required to be physically present at the OBOT facility no less than 25% of the time it is open to the general public. Cedar Recovery also staffs its' Cookeville OBOT facility with a full-time psychiatric nurse practitioner, who is supervised by Dr. Ross. Dr. Ross has the knowledge, training, experience, and time to serve as the medical director of this proposed

OTP while also maintaining his responsibilities as medical director of Cedar's Cookeville OBOT.

7. **4E. Project Cost Chart**

Why are there closing costs labeled but no costs listed in the Project Cost Chart?

Please discuss the project cost in the application being significantly lower than the published LOI.

**Response :** The "Closing Costs" entry was erroneous. It was likely put in there when it was initially thought the land was going to be purchased outright. Since it was determined that the property would initially be leased instead, there are no closing costs. A revised Project Cost Chart with a second page reflecting the alternative Leasehold fmv calculation discussed below, is labeled replacement page 11R and attached as Attachment 4E.

The reason the Project Cost Chart total cost is significantly less than than the published LOI total cost is due to the lower deemed cost of the lease. The published amount and the amount in the Letter of Intent was based on a Project Cost Chart that did not take into account that the lease cost should be pro-rated down to cover only the space to be used for the OTP (about 17% of the total). The calculations are shown below:

Lease Calculations:

| | |
|---|---|
| Total Square footage of building: | 25,000 |
| Square footage of OTP space: | 4,264 |
| OTP % of total: | 4,264/25,000 =17% |
| Rent Amount: | $13,957 per month x 240 months = $3,349,680 |
| Pro-Rated Rent for OTP space: | $3,349,680 x 17% = $569,446 |

The applicant intended to include a second page to the Project Cost Chart as an attachment to the original application which shows the two methods of calculating the lease cost: lease vs. purchase. That page is page 2 of the attached Attachment 4E.

8. **3N. Demographics**

There appear to be errors with the following items in Attachment 3NB.

Total Population Projected Year (2028) - Macon County

Total Population % Change - Macon County

Target Population Current Year (18+) - Overton County, Pickett County

Target Population Projected Year (18+) - Overton County, Pickett County

Target Population (18+) % Change - Overton County, Pickett County

Median Household Income - White County

Persons Below Poverty Level as a % of Total - White County

TennCare Enrollees # - Smith County

% TennCare Enrollees - Smith County

Please revise and resubmit Attachment 3N (labeled as Attachment 3NR).

**Response :** Attachment 3NR is submitted herewith, corrected in the fields indicated except as noted below:

**Macon County:** the Target Population in Projected Year and Target Population % of Change are correct as originally submitted (see Attachment 3NR, page 2).

9. **6N. Utilization and/or Occupancy Statistics**

How many of the applicant's OBOT patients have been appropriate for OTP referral?

Please provide a source citation for the increased utilization data at Bradley County CTC, New Hope Treatment Center of Tennessee, TLC Maryville, Clarksville CTC, Hermitage CTC, Memphis CTC, South Nashville CTC, and BHG-Murfreesboro and detail the underlying data used in the percentage calculations.

Is there any additional data the applicant can provide regarding the in-migration of OTP patients to Clarksville CTC, BHG-Madison, and BHG-Murfreesboro from surrounding counties to support the projected service area for this project?

**Response :** Approximately thirty percent (30%) of patients who have presented or who present to Cedar's OBOT facility are appropriate for or in need of a referral to an OTP setting. This phenomena has increased over the years due to the rise in fentanyl use. Since Cedar is

treating approximately 190 patients at is Cookeville OBOT, it is safe to estimate that around 57 patients have been appropriate for an OTP referral. Cedar's providers manage these patients the best they can given that an OTP is not within driving distance nor feasible (due to drive time) for the majority of patients. Cedar has had to refer to Volunteer Behavioral Health for detoxification services and withdrawal management in some situations due to the inability to manage the patient with Buprenorphine it in an outpatient setting. Lastly, there is evidence to support in the medical literature that methadone may be a good starting medication for patients who are using fentanyl due to its protective properties of reducing / eliminating cravings.

Cedar utilized the data sets provided by TNDMHSAS and the utilization of OTP services throughout the state of Tennessee from 2020 through 2023. All of those facilities imitated services in that time frame and grew the number of patients it treated. The calculation of that growth was taken for each of those facilities and the median was calculated. Those facilities saw a median growth of 164% between Year 1 and Year 2. In most of those situations the primary county where the OTP is located observed the most growth. The amount of growth from contiguous counties varies from site-to-site. It is the applicant's position that Putnam County and the PSA not ever having access to an OTP is an incredibly unique situation as patients have never had access to an OTP within 100 miles (one-way). Therefore, the applicant utilized its best efforts in calculating other newer facilities and their growth trajectory.

BHG Madison currently serves patients from thirteen (13) counties; BHG-Murfreesboro is currently serving patients from twenty-two (22) counties; and Clarksville CTC is serving patients from sixteen (16) counties. The facility the commission can most relate to this proposed OTP is that of Overmountain Recovery (Washington County, TN). That facility is treating patients from fifteen (15) counties in Tennessee. Overmountain Recovery was the first approved OTP in that area of the state and it has provided access to a large part of that region. It is important to note that Overmountain Recovery's population primarily consists of patients from a county outside of the county where it is physically located.

10. **7N. Outstanding CoN**

Provide an update on the status of CN2401-002.

**Response :** Cedar Recovery is awaiting its permits to begin construction of the site in Knoxville, TN. The project is on-track to begin the issuance of service in January of 2025, but possibly before.

11. **3C. Effects of Competition and/or Duplication**

It is noted that no OTP facilities exist in the service area. Please discuss the benefits to the health care system in the service area in the context of the levels of care currently available to patients with OUD, OBOTs, residential or outpatient SUD programs, etc.

**Response :**

The proposed OTP facility will be a tremendous asset to the healthcare system overall including to those treatment facilities that exist in the PSA. Cedar will offer the OTP as a resource for MAT medication management to all existing treatment facilities. Cedar employs a licensed counselor, who serves as the Director of Clinical Outreach and Partnerships, and his duties are to help integrate Cedar's programs into the community and collaborate with other treatment providers. Part of his duties and responsibilities will be to develop and enrich those relationships in the PSA with this new proposed OTP. Patients, who are engaged in existing treatment programs within the PSA, will have an option to receive methadone medication to suppress cravings and withdrawal symptoms while remaining engaged in those programs that will work with Cedar. The proposed OTP will be a benefit by being a referral source for OBOTs, outpatient SUD programs, and detox facilities for those patients in need of methadone treatment or buprenorphine treatment in an OTP setting that offers more structure. There are no current residential treatment programs operating in the PSA, which substantially limits resources to patients seeking treatment in the PSA, thereby making this proposed OTP even more valuable to the PSA as an evidence-based treatment option.

The proposed OTP will benefit the hospital and the emergency department by helping to reduce or eliminate unnecessary ER/ED visits and non-fatal overdoses that lead to admissions. Cedar has a demonstrated ability to engage and work with hospitals and that was demonstrated in our previous CON application in Knox County in which the University of Tennessee Hospital submitted a letter of support. Cedar has been actively engaged and communicating with the Cookeville Regional Medical Center's (CRMC) leadership and has committed to being a great partner and resource for the hospital. Cedar has proposed its addiction consultation service to the hospital to help further drive value to the healthcare system by giving hospitalists a resource for medical stabilization of addiction. The conversations and efforts are on-going and Cedar is hopeful CRMC will allow the consult program. Moreover, the proposed OTP will be a treatment facility that will help treat those that are utilizing intravenously, which can lead to endocarditis. The benefit to the healthcare system will be in reducing the number of individuals who contract endocarditis and/or who are in need of follow-up after treatment for endocarditis.

The proposed OTP will help reduce over-crowding and/or narrow wait lists at existing treatment facilities by offering patients an option, even temporarily, while they await admission to another facility. This proposed OTP will also benefit those other facilities by being a referral source for patients that are of higher acuity and in need of methadone services. Lastly, Cedar will not seek to compete with any existing programs; patients will only be admitted to the OTP that meet medical and clinical criteria for methadone treatment.

12. **4C. Accessibility to Human Resources**

Does Dr. Ross have a DEA registration?

What other staff will have prescribing/dispensing authority at the proposed facility?

Please discuss how the OTP will provide adequate medical, counseling, vocational, educational, and assessment services.

What third-party services will be contracted to support the OTP operation and patient care?

**Response :** Yes, Dr. Ross possess an unrestricted DEA registration.

Cedar Recovery will employ the medical and counseling providers. Initially, Cedar will staff the proposed OTP with a medical director, a full-time nurse practitioner, and a counselor to deliver the medical and counseling services. Cedar's existing medical and counseling providers at its OBOT and IOP programs will be dually trained to provide services in those settings and in the OTP setting, via telehealth. This will ensure adequate staffing at all times from the medical and counseling perspective. Cedar Recovery will employ a Certified Peer Recovery Specialist (CPRS) who will provide resources for vocational, educational, and assessment services. Cedar currently screens all patients for social determinants of health needs through the Heath Leads assessment. Patients are referred to those resources by the CPRS or a therapist when such needs are reported. UCHRA also provides resources for vocational and educational needs. Cedar will bolster its relationship with UCHRA for patients to appropriately access these services. Cedar Recovery also has a contracted alliance relationship with Health Connect America, for HealthLink services. HealthLink is TennCare's case management program. All TennCare patients will be referred to the HealthLink program for vocational, educational, physical health, and other behavioral health services.

Cedar Recovery will contract with Health Connect America, who is a TennCare HealthLink provider. HealthLink is TennCare's case management program that ensures patients have access to physical and mental health treatment. Cedar will employee the individuals necessary to render the OTP services in a quality manner including, a medical director; nurse practitioner; counselors; peer recovery specialists; license practical nurses; and a program director.

13. **8C. Proposed Charges**

Are the applicant's proposed charges the same as it proposed Knoxville OTP?

**Response :** The charge structure for each of the clinics is essentially the same. The only charge which is unilaterally set by the OTP is the self-pay charge. The self-pay daily charges (all-inclusive except for drug screening and pregnancy tests) are:

Knoxville: Methadone $15 per day Buprenorphine $20 per day

Putnam Co.: $17 per day (roughly the un-weighted average of the two medication charges of the Knoxville OTP).

For Medicare and TennCare, each clinic will accept the weekly rate set by each such payor. The then-current amounts of those rates are set forth in each of the two applications.

Commercial payors normally pay the same rate as Medicare.

14. **10C. Project Only Payor Mix**

Where is grant revenue, i.e. SOR accounted for in the Projected Payor Mix Chart?

The Year 2025 does not represent a full year (5-6 months). Please use 2026 for Year One since it represents a full projected year.

Should Year One be 2026 and Year 2 2027?

**Response :** The SOR Grant revenue is not recognized in the Projected Payor Mix Chart as there is no guarantee Cedar will be approved by TNDMHSAS to utilize its funding for this OTP services. Cedar fully anticipates the approval, but due to the lack of assurance of approval, Cedar did not budget for that revenue source. If approved, however, Cedar would anticipate to enroll approximately ten (10) people on the SOR grant the first year and up to thirty (30) by year two.

Year 1 would begin in 2025 and Year 2 would begin in 2026. But if the Year 1 and Year 2 designations are intended to refer to full calendar years, then Year 1 would be 2026 and Year 2 would be 2027. In regard to the payor mix and revenue, the designation of Year 1 and Year 2 as 2025 and 2026 or as 2026 and 2027 makes no difference because all projected revenue and payor mixes are based on two consecutive, 12 month periods.

15. **8Q. Staffing**

Are there any other general patient care responsibilities for these direct care positions either within the applicant's organization or outside of it?

What are the certification/licensure levels of the 3 FTE Counselor positions?

How will security be addressed since there are no security positions listed?

**Response :** Yes. The Medical Director of the proposed OTP, Dr. Stuart Ross, also serves as the Medical Director of Cedar's OBOT in Cookeville. Dr. Ross is employed four (4) days per week equal to thirty-two (32) hours. Dr. Ross will commit up to eight (8) hours per week at the proposed OTP and up to sixteen (16) if the OTP demands more of his time. No other staff outside of Dr. Ross have any other responsibilities in or out of the organization.

The lead therapist of the proposed OTP will, at a minimum, possess a Master's Degree in Counseling or Social Work and actively pursuing licensure. One of the staff therapists will possess the same credentials as the lead therapist while the other therapist will be working towards a Masters Degree in Counseling or Social Work. Medicare allows those providers, who are authorized to provide counseling under state law, to render counseling services pursuant to their bundled rate G-codes – utilized for Methadone treatment. Cedar's staff will always be in compliance with TennCare, Medicare, federal, and state rules and laws. All therapists will be supervised by Cedar's Clinical Director, Maitricia "Mai" Ferrell, LCSW, LADAC II.

As stated in Cedar's Community Engagement Plan, Cedar is going to employ a Certified Peer Recovery Specialist (CPRS), who will serve as a Patient Monitor ensuring there is no loitering outside or inside of the building. Moreover, the Patient Monitor will be responsible for ensuring litter is removed and patients are advised against such activities. The facility will have a number of security measures in place that do not require additional personnel. These additional security measures include security cameras on the exterior and interior of the building, a DEA compliant safe that is bolted to the ground and is in a separate area from the remainder of the facility. This area is called the "Pharmacy" on the floor plan. The Pharmacy area will have its own security system separate from the rest of the building.

16. **5N. Unimplemented services**

Please include a column of total patients in the tables for 2022 and 2021.

Please revise and resubmit Attachment 5N (labeled as Attachment 5NR).

**Response :** Both of the tables have been revised as requested and are in Attachment 5NR, which is submitted herewith.

17. **1N. Criteria and Standards**

**Attachment 1N, Criterion #1 - Determination of Need**

Please provide data on historical opioid related overdose deaths, narcotics related crimes and opioid related substance abuse treatment admissions in the service area counties utilizing the templates available at the following link:
https://www.tn.gov/content/dam/tn/hfc/documents/HFC-1N-NonResidential_Substitutional_Based_Treatmen

**Response :** The link cited is not functional, and the referenced template does not seem to be designed for the particular type of data requested.

Data regarding fatal overdoes in the PSA, ED visits by Medicare beneficiaries due to OUD, and data information regarding narcotics=-related crime in the PSA is submitted herewith as Attachment 1N, Criterion#1.

18. **1N. Criteria and Standards**

**Attachment 1N, Criterion #1 - Determination of Need**

Please list a source for the table presented in Page 3 of Attachment 1N.

Please confirm that the last sentence of Page 3 is correct that patients who meet criteria for daily administration of buprenorphine will be served from the OTP.

How many of the applicant's current OBOT patients fit this criterion and how many of the OTP's projected patients are expected to be for the daily administration of buprenorphine vs. methadone or other medications?

**Response :** The source for the data in that table is the Department of Mental Health and Substance Abuse Services. The same table, with the source cited at the bottom of the table, is shown below:

| County | Opioid Treatment Program | OBOT Programs | Alcohol & Drug Rehabilitation Facility | Alcohol & Drug Detox Facility |
|---|---|---|---|---|
| Putnam | 0 | 4 | 9 | 1 |
| Clay | 0 | 0 | 2 | 0 |
| Cumberland | 0 | 1 | 3 | 0 |
| DeKalb | 0 | 0 | 2 | 2 |
| Fentress | 0 | 0 | 1 | 0 |
| Jackson | 0 | 0 | 0 | 0 |
| Macon | 0 | 1 | 1 | 0 |
| Overton | 0 | 0 | 2 | 0 |
| Pickett | 0 | 0 | 0 | 0 |
| Smith | 0 | 0 | 0 | 0 |
| Van Buren | 0 | 0 | 0 | 0 |
| White | 0 | 1 | 1 | 0 |
| **Total** | **0** | **7** | **21** | **3** |

Source: Tennessee Department of Mental Health and Substance Abuse Services

This is correct. Patients who are clinically appropriate for buprenorphine treatment, and are in need of the structure of the OTP setting will be served from the proposed OTP. This occurs rarely, but it does occur.

Approximately two (2) percent (2%) of Cedar's OBOT patients fit the criteria for daily administration of buprenorphine. This is due in part to compliance concerns with drug screening/testing; inconsistent appointments; multiple consecutive no-show appointments; or diversion concerns. Cedar anticipates between two (2) and four (4) patients in the project patient chart will be for buprenorphine treatment and not methadone. This is a rare occurrence, but it is a needed service and not currently available in the PSA.

19. **1N. Criteria and Standards**

**Attachment 1N, Criterion #8 - Community Linkage Plan**

Please explain more about the applicant's telemedicine capacity and how it will be leveraged to support the operation of the OTP facility.

It is noted that the applicant will establish a Community Advisory Board. Has this been done by the applicant in other communities?

**Response :** The COVID-19 pandemic, as detrimental as it was, provided the path for the utilization of telemedicine in substance abuse and mental treatment. Specifically, the Secretary of

Health and Human Services, in conjunction with the DEA, allowed for the initiation of a controlled substance, via telemedicine, without having first completed an in-person encounter with the prescriber. The utilization of telemedicine, in some cases, has been questioned, such as in cases where the alleged indiscriminate prescribing of Schedule II stimulants occurred, but the utilization in the treatment of substance use disorder is demonstrating promise. Cedar Recovery immediately adapted to the pandemic and implemented a robust telehealth platform utilizing the HIPAA compliant version of Zoom. Cedar's strategy around the delivery of telemedicine is two (2) fold: (1.) Providing telemedicine care to patients that are located outside of our facility and (2.) making Cedar's medical and clinical providers available, via telemedicine, to patients that are physically located in one of our facilities.

The DEA extended and made permanent the rules for telemedicine to initiate methadone or buprenorphine in an opioid treatment program in the last year. This allowance is in direct alignment with our current model of operations within our OBOT settings in that we have telemedicine machines in every office that allows Cedar's providers to render care when the provider is not physically located in our facility. Cedar will house telemedicine machines in the proposed OTP that will allow for the intake of new patients when the in-person provider is not available and the on-going delivery of medical and counseling services.

Cedar will utilize telemedicine when patients are eligible and receive take-home doses. Specifically, medical and counseling providers will perform medical, counseling, and check-in visits with those patients. The use of telemedicine will bolster the care to patients that may not present to the facility due to possessing take-home doses. Cedar currently utilizes this model in its OBOTs to ensure patients are engaged in individual therapy, group therapy, and peer recovery support services.

Lastly, Cedar will have the ability to utilize telemedicine to serve other non-Cedar treatment facilities in the PSA. Cedar will offer an addiction consultation service to the hospitals and the aforementioned non-Cedar facilities in the PSA. This will allow Cedar to be an integrated part of the healthcare and treatment system by utilizing technology and telemedicine to serve these communities.

This is the first imitative of its kind by Cedar Recovery and is an innovative approach to both garner support from the community, but also to create openness and transparency of the OTP to the residents of Putnam County. Cedar first identified the Upper Cumberland regional as being in desperately high-need of an OTP in late 2022/early 2023. The leadership team of Cedar Recovery met with Mayor Porter (Putnam County), Mayor Wheaton (City of Cookeville), and Vice-Mayor Eldridge (City of Cookeville) around that time to discuss its intent of pursuing an OTP in the region. Unfortunately, substantial and discriminatory barriers existed within the City of Cookeville's zoning code that made it impossible to identify a location in the city limits. Cedar Recovery did make it known to

the City of Cookeville their zoning code had discriminatory ADA and RA issues to which the city responded by updating the zoning code in May of 2024. The new update to the zoning code still substantially restricts the ability to place an OTP in the city limits.

Due to the substantial barriers created by the zoning code, Cedar pursued a stand-alone building in Overton County in October of 2023 and applied for a CON. Cedar met with the leadership of Overton County, including the County Executive, State Representative, Drug Court Judge, and the Hospital CEO to discuss the project. The County Executive requested Cedar's leadership to host a town hall meeting to discuss the proposed OTP with the residents. Cedar agreed and hosted a town hall meeting in which over 450 people showed up. Substantial threats of harm were made to Cedar staff and the proposed site that led Cedar feeling unsafe to continue its pursuit of the proposed project. Cedar proceeded to withdraw its application in consideration of the safety of patients, staff, and property.

Cedar has not encountered the level of vitriol in Putnam County as it did in Overton County. There has been a mixture of support and opposition for this proposed OTP. Cedar has observed pressure given to local elected officials to oppose such project. To demonstrate Cedar's commitment to the local elected officials, the existing treatment ecosystem, healthcare providers, and the community as a whole, Cedar created a Community Engagement Plan, which includes the creation of a Community Advisory Board. The Community Advisory Board will serve as the conduit between the proposed OTP, local elected leadership, existing treatment providers, healthcare providers, and the community. It is important to note that Cedar will seek the commitment and participation of those identified in the plan and those individuals have not committed to participation at this point. Even if they choose to not participate, Cedar will solicit and invite community and healthcare leaders to participate in this Community Advisory Board to ensure Cedar is open and transparent to all persons in the PSA.

20. **5C. License/Certification**

Please explain the importance of being accredited by CARF and how it will impact the quality of services provided.

**Response :** Cedar received its three (3) year accreditation by CARF in July of 2023 for OBOT and IOP services and this was a strenuous undertaking. Accreditation provides standards for operation and ensures a level of accountability for the care provided that state licensure cannot. The vast majority of OBOT facilities in Tennessee do not possess CARF accreditation, much less accreditation from a different body. Cedar submits that SAMHSA's requirement for OTPs to be accredited prior to operating demonstrates the trust it has in ensuring quality of services are rendered. Cedar seeks to highlight that it has already undergone this process for its OBOTs and IOP programs when it is was and is not required to obtain in order to operate. Cedar solely pursued CARF accreditation to ensure

those established quality standards are implemented by Cedar. The accreditation is true for the proposed OTP in that the quality standards ensure evidence-based delivery of care to patients.

21. **10A. Floor Plan**

Does the applicant have the capacity to increase the number of dosing stations if needed?

**Response :** Yes. The applicant will have a master lease on the entire 25,000 square foot building. The originally planned space has the capacity to handle substantially moiré patients than are projected the first two years. If additional space is ever needed the applicant could make space available in the building by either letting a tenant lease expire, or possibly by buying out one of the leases.

**Project Name :** Cedar Recovery

**Supplemental Round Name :** 2 **Due Date :** 6/14/2024
**Certificate No. :** CN2405-014 **Submitted Date :** 6/13/2024

1. **13A. Notification Requirements**

Please provide signed receipt for Sen. Bailey.

Please provide documentation that the project location is outside of the limits of the City of Cookeville and is therefore the City Mayor is not required to be notified per TCA 68-11-1607(c)(9)(A).

**Response :** **Attachment 13AR includes the signed receipt cards for Mayor Porter and Rep. Williams. Sen. Bailey signed the return card and placed it in the U.S. Mail on May 30, but it has apparently been lost or at least delayed in the U.S. Mail. Included in Attachment 13AR is an affidavit from Sen. Bailey's assistant verifying the notification letter was received by Sen. Bailey on May 30, and the green return card was placed in the outgoing mail box. Also included are a receipt for mailing the letter to Sen. Bailey by certified mail, return receipt requested, and screenshots of the tracking history of the letter and return card. Also included is a notification from USPS that the return**

**card is apparently stuck in the USPS system. Also included is a string of emails from and with Sen. Bailey's staff regarding the letter and card. Attachment 13AR is proof that Sen. Bailey was given and received the required notification, which meets the requirements of T.C.A. §68-11-1607(c)(9) that the applicant provide proof that the notice was given as required in the statute.**

**Copied below is an email from Jonathan Ward, Director of the Department of Community Development for the City of Cookeville, confirming the site at 1805 Burgess Falls Road is not within the city limits of Cookeville.**

FW: *URGENT Request*

Paul Trivette <paul@cedarrecovery.com>
To jtaylor

Reply | Reply All | Forward | ...
Thu 6/13/2024 2:10 PM

You replied to this message on 6/13/2024 3:11 PM.

The property at 1805 Burgess Falls Road is located outside of the Cookeville City Limits. The City Limits boundary is located approximately 850 feet to the north of the structure at 1805 Burgess Falls Road.

Regards,

**Jon Ward**
*Director*
*Department of Community Development*

Email: jward@cookeville-tn.gov
Phone: 931-520-5238
Mobile: 931-265-6915

45 E Broad St. Cookeville, TN 38501
www.cookeville-tn.gov

**From:** Paul Trivette <paul@cedarrecovery.com>
**Sent:** Thursday, June 13, 2024 1:55 PM
**To:** Jonathan Ward <jward@cookeville-tn.gov>
**Subject:** [EXTERNAL] *URGENT Request*
**Importance:** High

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Mr. Ward,

I hope you are doing well! I need to confirm that 1805 Burgess Falls Road, Cookeville, TN 38506 is not located within the city limits of Cookeville? Thank you so much!

Thanks,

**Paul Trivette**
**Chief Strategy Officer**
E paul@cedarrecovery.com | P 4239141518 | W cedarrecovery.com
5000 Crossings Circle Suite 103 Mt Juliet TN 37122

CEDAR RECOVERY
addiction treatment that works

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2. **3N. Demographics**

The error was misstated in an earlier supplemental question.

Please revise the Total Population - Projected Year 2028 for Macon County as well as the Total Population % Change.

Please submit a revised Attachment 3NR (labeled as Attachment 3NR2).

**Response :**

**A revised table with the requested correction is submitted herewith as Attachment 3NR.**